

# DISRUPTION IN THE SUPPLY CHAIN KEY TRENDS FOR 2019



2018 proved to be tough for supply chain organizations, and many of those challenges continued into 2019. To successfully navigate this dynamic supply chain landscape, businesses must build and execute roadmaps in order to stay ahead of the following industry disruptors. Here are some of the key trends impacting the supply chain in 2019.

## Growing Labor Market Challenges

Labor market challenges aren't new to the supply chain industry. But despite efforts to address these challenges, they continue to affect many organizations.

Businesses can expect to see a tighter labor market throughout 2019. With unemployment at the lowest it's been in nearly 30 years, the baby boomer retirement wave and fewer millennials seeking warehouse and manufacturing jobs, the available pool of talent will continue to get smaller. With the shrinking labor pool comes other challenges.

Attracting new talent will be harder than ever. According to the U.S. Bureau of Labor Statistics, "Warehousing and storage is one of the fastest growing industries in the industry sector," adding more than 8,000 new jobs in September 2018 alone. With supply chain organizations of all sizes competing for the same shrinking labor pool, businesses will be forced to come up with creative new ways to attract candidates and stay competitive.

Employee retention strategies should be top of mind for supply chain managers and executives in 2019. The U.S. Bureau of Labor Statistics reports turnover in manufacturing has increased 7.3% since 2013, while transportation and warehousing increased 5.1%. With these numbers projected to increase in 2019, organizations can't afford to lose their current workforce.

Rising labor wages will also be challenging for many organizations. According to Glassdoor's Local Pay Report, the cumulative pay growth for manufacturing material handlers has increased 13.7% since 2014, while warehouse associates climbed 11.3%, truck drivers increased 12.2% and delivery drivers rose an astounding 17%. While offering higher wages can give you a competitive edge in the tight labor market, it also significantly increases your labor spend.

# The New Consumer

Thanks to the internet and power of new technologies, consumer confidence continues to grow and changing the supply chain.

These days, consumers can quickly and easily research a product, compare products, read reviews and much from their computer or smart phone. Then, once they've made their decision, they expect to make a purchase with one-click and have free shipping and same- or next-day delivery.

This new level of consumer confidence and expectation means organizations must adapt the way they operate to meet customer demands. If your business isn't prepared to evolve, you could fall behind.



## Evolving Operations

With the rapidly changing supply chain industry, organizations need to forecast to be better prepared for both the expected and the unexpected.

Successful organizations are adopting new cutting-edge technologies to keep up with demand and stay ahead of industry changes. These tech innovations help companies gain greater visibility and insight across their supply chain, enabling them to make more informed and data-driven business decisions to further enhance and optimize their operations and workforce.

If you'd like to learn more about how TZA has helped companies prepare for the future and transform their operations and workforce, talk with an expert today.

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