



What Recent Supply Chain Failures Reveal for Executive Leadership

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Two Disruptions, One Wake-Up Call

In the span of one week, two unrelated disruptions shook the operations of

thousands of companies — and once again reminded us just how fragile modern supply chains can be. In Spain and Portugal, a massive power outage brought businesses, public services, and transport networks to a standstill. The root cause was traced not to a local utility failure, but to a data routing issue in an external network — something well outside most supply chain leaders' visibility. Meanwhile, in Baltimore, the collapse of the Francis Scott Key Bridge, following a collision with a container ship, abruptly shut down one of the busiest ports on the U.S. East Coast. The ripple effects were immediate: container backlogs, rerouting costs, and operational delays spread across automotive, agriculture, and manufacturing sectors. These events highlight a central reality: disruption is no longer an outlier — it's built into the operating environment.

Resilience Isn't a Buzzword — It's a Business Capability

Resilience today must be treated as an enterprise-wide capability — not a fallback plan or a supply chain-only concern. For

CPOs and supply chain leaders, this means reassessing long-standing cost optimization strategies in favor of value-preserving optionality. Redundant sourcing, supplier diversification, and deeper risk-sharing partnerships are not inefficiencies — they are risk-mitigating assets. The lesson from Iberia and Baltimore is clear: business impact is no longer just about physical disruption, but interdependencies between infrastructure, data, and decision velocity. Executives must embed resilience principles across procurement, logistics, and planning to ensure they are building value chains — not just cost chains. When resilience is embedded at design-level decisions, it no longer adds cost — it protects enterprise value.

Why Most Resilience Projects Lose Momentum

Projects stall not only due to misalignment but also because supply chain data often lacks the quality, granularity, or timeliness needed to power real-time decision-making. We found that the most critical data was either siloed in legacy systems or unavailable across multi-tier supplier networks. Without foundational data trust, dashboards become storytelling tools instead of decision engines. Beyond that, the system complexity — spanning cyber dependencies, external infrastructure, and legal frameworks — is often underestimated. Executives must recognize that resilience is a systems-level challenge. If you can't see it, you can't protect it. If you can't measure it, you can't manage it.

Leading with the Right Mindset Shifts

So how can executives move from discussion to transformation? It begins with shifting four core leadership mindsets. First, move from risk avoidance to risk readiness — instead of reacting to threats, design systems that can absorb them and recover quickly. Second, evolve from efficiency obsession to strategic flexibility — add redundancy where it

matters, and prioritize optionality over optimization. Third, move beyond visibility and aim for supply chain foresight — predictive analytics and scenario modeling should inform board-level decisions. Fourth, resilience must transition from a departmental initiative to a cross-functional, executive-driven priority. This transformation isn't operational. It's cultural. Resilient organizations don't just change supply plans — they change decision rights, incentives, and how risk is discussed at the highest levels. CPOs, CFOs, and CSCOs must operate as a unified resilience leadership team.

Supply Chains as Living Systems

Looking ahead, we believe supply chains must be managed as living systems — interconnected, adaptive, and constantly learning. These systems don't just transport goods; they reflect the organization's agility, collaboration model, and digital maturity. Resilient supply chains adjust routes, reconfigure flows, and maintain performance even under stress. They require continuous monitoring, ongoing investment, and strong leadership alignment. More than ever, supply chains are mirrors of corporate strategy: if your value chain is brittle, so is your business. Executives must recognize that resilience is not a cost — it's a lever for sustainable value creation.

Action Starts at the Top

To make this real, start with three immediate executive actions. First, launch a resilience audit across your supply chain — mapping dependencies, chokepoints, and risk exposure across key nodes. Second, define resilience KPIs that go beyond service levels and inventory turns — include metrics like time-to-recover, supplier agility, and scenario-readiness. Third, establish a cross-functional resilience council that reports directly to the C-suite, ensuring decisions are aligned, measured, and acted upon. Fourth, link resilience KPIs to supplier performance

management and contractual agility — ensuring upstream flexibility is incentivized, not penalized. Fifth, invest in scenario simulations that include cross-border risks, cyber-attacks, and energy failures — helping procurement and supply chain leaders rehearse responses in advance.

Resilience is the New Executive Signal

The most forward-looking leaders already treat resilience the way investors now treat ESG: a long-term performance signal and brand differentiator. The question is no longer if disruption will occur — it's how often, how fast you'll respond, and how well you'll emerge. Businesses that embed resilience into their design, not just their emergency plans, will outpace competitors and protect both short- and long-term enterprise value. In a world of cascading risk, the most resilient organizations will act less like machines and more like organisms — sensing, adapting, and recovering as systems under stress. Resilience isn't the endgame. It's the new operating logic. The bar has been raised. And resilience is the new baseline.

Three Questions for Executives and their Teams:

1. If a critical supplier, port, or system failed tomorrow — who in your organization would respond, how fast, and with what authority?
2. Is resilience a line item in your budget, a slide in your board deck — or a strategic pillar in your business model?
3. When disruption hits next time, will your supply chain absorb it — or will it expose you?

About CMC

CMC is a Zurich-based boutique executive consultancy specializing in strategic supply chain management. We offer deep expertise across a range of topics including procurement, global logistics, and operational resilience — supporting clients in building agile, high-performing value chains.

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