

HOW DO YOU **ADVANCE AN FMCG SUPPLY CHAIN WITHOUT LOSING PACE?**

Practical insights for implementing a phased approach to transformation



WHY FULL-SCALE SUPPLY CHAIN TRANSFORMATION IS HARDER TO JUSTIFY TODAY

FMCG supply chains need to deliver speed, scale and consistency – but right now, many are being pushed to their limits. Rising costs, shifting demand patterns and delivery expectations are stretching resources and exposing inefficiencies.

At the same time, service levels and speed-to-shelf are already under strain. When each day of downtime works against you, large-scale transformation can feel like too much of a gamble – slow to deliver, complex to manage and difficult to recover from.

In today's FMCG environment, the pace of change is accelerating and businesses that fail to adapt risk being outpaced by more agile competitors – in cost efficiency, service reliability and supply chain responsiveness.

That's why more businesses are looking for a smarter way forward. An approach that keeps your supply chain moving at pace, while still improving the areas holding it back. By taking proactive steps – even incremental ones – you can put your supply chain in a stronger position to respond to future challenges with speed and confidence.

In 2024, production costs rose by

4.9%

while prices increased just

1.9%¹

forcing businesses to absorb the gap and protect already narrow margins.



¹FDF, 2025

A PHASED APPROACH TO SUPPLY CHAIN CHANGE

A growing number of FMCG leaders are moving away from high-risk, full-scale transformation to more focused, phased transformation. This approach doesn't reduce ambition – it focuses it.



By targeting the areas where change will have the greatest operational and commercial impact, businesses can strengthen performance while maintaining continuity.

Instead of launching a complete supply chain redesign, decision-makers are opting for strategic updates that deliver results quickly without derailing daily operations. These might include automating manual repacking processes, relocating packaging closer to production to cut mileage or refining fulfilment models to increase service consistency.

Because these actions build on existing operations, they are faster to deploy – and deliver measurable gains earlier. Margins improve. Inefficiencies shrink. Resilience increases. And supply chains become better equipped to handle change.



For fast-moving supply chains, this practical, performance-led approach is proving to be a better fit. It aligns supply chain improvement efforts to the realities of the FMCG sector, enabling continuous improvement without compromising on customer experience.

FIND YOUR STARTING POINT WITH DIGITALISATION

The first step in effective phased transformation is knowing where to start – targeting the systems or processes where change will deliver the greatest operational value. This means sharpening decision-making and increasing operational visibility in the areas where variability is highest – typically labour-intensive, high-volume or low-visibility processes.



Digital twins can support FMCG businesses to simulate end-to-end supply chain flows, helping identify where delays, inefficiencies or handover issues are slowing down operations.



AI-driven demand forecasting helps manufacturers scale capacity with greater accuracy, avoiding overstocking or costly stockouts – and making better use of valuable storage space.



Sensor-enabled warehouses provide real-time data on inventory flow, highlighting potential bottlenecks before they impact service.



These technologies allow businesses to manage cost pressures more proactively while maintaining service levels. And because they integrate with existing infrastructure, there's no need to pause for long implementation windows.

The result? Stronger brand loyalty and a better overall customer experience.² It's a reminder that digitalisation isn't just about internal gains – it's also a strategic driver of growth.

²IMARC, 2025

DRIVE PROGRESS THROUGH MEASURABLE IMPROVEMENTS

One of the greatest strengths of a phased approach is its ability to generate value at every stage. By working with the right supply chain partner, you can take targeted steps that deliver immediate operational benefits while laying the foundation for broader commercial outcomes, including long-term resilience and growth.

Five key actions you can take to add value across your supply chain:



1. STREAMLINE OPERATIONS TO PROTECT PROFITABILITY

When margins are tight, performance inefficiencies can be costly. Focus on streamlining packaging, picking and storage processes to reduce waste and resource use – helping your business absorb volatility without cutting corners.



2. DESIGN ADAPTABILITY INTO YOUR SUPPLY CHAIN

Repositioning inventory, adding local warehousing capacity or improving stock visibility can reduce delivery risk and keep service running smoothly when conditions shift.



3. MAKE EFFICIENCY THE DRIVER OF SUSTAINABILITY

Cutting excess handling, transport miles and packaging volumes can lower both costs and environmental impact. For example, integrated packaging solutions can reduce waste and emissions by co-locating supply closer to production.



4. TARGET AUTOMATION TO BOOST SERVICE PERFORMANCE

Automating specific warehouse management tasks – such as order verification, labelling and dispatch coordination – can increase consistency, reduce delays and support more reliable on-shelf availability.



5. USE INCREMENTAL CHANGE TO PREPARE FOR TRANSFORMATION

Each small step doesn't just deliver short-term wins – they pave the way for deeper strategic change. Automation becomes easier to scale. Visibility improves. And future innovations can be built on a stronger, more resilient base.

With every upgrade, your business is not only reducing costs. You're improving consistency, strengthening delivery performance and increasing your supply chain's ability to adapt to change.

TRANSFORM WITH CONFIDENCE: HOW DHL SUPPORTS PHASED TRANSFORMATION

A successful phased approach depends on a partner who understands your supply chain, helps you prioritise the right changes and supports you at every step.

At DHL Supply Chain, we work closely with FMCG businesses to identify, understand and deliver the supply chain changes that matter most. Using a combination of automation, sector expertise and hands-on implementation support, we ensure that every improvement is strategic and operationally feasible.

Our solutions include:



Smart warehousing with built-in flexibility – including automated systems that scale with demand and shared-user facilities that reduce fixed costs.



Integrated co-packing and packaging solutions, designed to reduce waste and improve speed-to-market.



Strategic use of digital tools – from robotic process automation to AI-based planning – focused on driving efficiencies without overhauling your operation.



A partnership that prioritises continuous improvement, advancing your supply chain in step with business needs.

In FMCG, where speed and complexity leave little margin for error, it's about advancing with intent and making a series of well-judged improvements. Because in supply chain transformation, it's not about how much you change – it's how much each change delivers.

Looking to strengthen your supply chain without slowing operations? Talk to us about how a phased approach could work for your organisation.

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