



# A 3 Ingredient Recipe for Resilience: Strategies to Strengthen Your Food and Beverage Supply Chain



# An Evolution Like No Other

Change has always been part of surviving in a highly competitive and commoditized market for food and beverage (F&B) brands. Following pandemics, natural disasters, and continued economic uncertainty, that reputation for evolution went into overdrive as consumers dramatically shifted their regular shopping habits and preferences within days.

The industry – producers, processors, and distributors alike – had no choice but to learn to adapt as quickly as consumer activities evolved. Companies created smaller-quantity packaging, sold products online, or offered subscription meal services when schools closed; catered event sites shut down, and in-dining restaurants focused on curbside pickup and delivery services. Then, as the economy began to reopen, they expanded their options to cater to those now-operational customers while maintaining newfound channels that consumers found highly convenient and valuable.

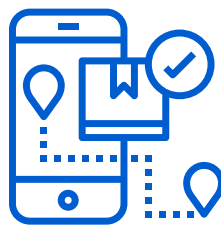
It is also important to note that none of these changes happened quickly or easily. Supply chain disruptions still lay a heavy burden on F&B operations. The more often consumer favorites are out of stock, the better the opportunity for competing brands to grab that market share. And the more prolonged and frequent stock-outs happen, the more likely consumer preferences will change for good.

Unfortunately, this market dynamic has become a long-term condition that companies must navigate confidently with a resilient supply chain. They must learn to balance safety stock levels with rising variability in demand and supply while reducing spend and avoiding the sale of overstock at a loss. And all these elements must be coordinated perfectly across the supply chain to keep the business profitable and satisfy customer needs.

With this e-Book, you'll examine three digital supply chain solution strategies that can help your business become more resilient against market volatility while supporting strategic change.



**Pricing and  
Promotion Lift**



**Product  
Traceability**



**Inventory  
Planning and  
Optimization**

# The underlying factors of today's supply chain disruptions

A series of missing links, volatile conditions, and evolving market opportunities is fueling disruption across the entire F&B supply chain. According to the Logility Supply Chain Horizons Market Report, 2025, Food and Beverage companies note low performance on average, only achieving forecast accuracy and perfect orders, on time in full 50% of the time.

Labor shortages	Empty shelves, long lines, and running out of stock: the impacts of labor shortages are leaving consumers – and industry executives – with a bitter aftertaste. Businesses are scrambling to substitute the loss of millions of workers, especially as skyrocketing demand shows no sign of slowing down.	<b>Talent availability</b> (44%) is the foremost challenge for food retailers, followed by talent retention (40%) and retraining and reskilling employees for new technologies (39%). <sup>1</sup>
Changing consumer preferences	Consumers have consistently shifted their preferences, placing more value on convenience, comfort, and health. They also started looking for fresh, additive-free food with traceable origins and a growing interest in local brands.	<b>70% of consumers switch</b> brands or retailers, seeking better quality, while 61% switched for better deals. <sup>2</sup>
Supply volatility	The traditional model of “just-in-time” sourcing, production, and delivery is not resilient enough to withstand ingredient and packaging shortages, unexpected plant shutdowns, and transportation snarls.	Processed food prices are projected to <b>rise by 1.3%</b> due to increased freight rates and supply chain disruption. <sup>3</sup>
Sustainability demands & regulations	Consumers are increasingly seeking and expecting sustainable products. Purchase behavior is already curbing towards goods with clear ESG information. Further, <b>more than 15 sustainability-related regulations</b> are expected to go into effect by 2030 according to a recent McKinsey study.	<b>1.7%</b> Higher sales growth than products that don't have clear ESG-related claims. <sup>4</sup>
Go-to-market versatility	The introduction of more direct-to-consumer channels is expanding omnichannel networks, focusing on online and digital experiences and forcing suppliers to accommodate new requirements.	<b>75%</b> of consumers want a seamless omnichannel experience. <sup>5</sup>

<sup>1</sup> “Deloitte and FMI – The Food Industry Association: New Study Examines the Future of Work in the Food Industry,” Deloitte, July 2021.

<sup>2</sup> “Leading reasons why customers would switch brands in the United States,” Statista, October 2024.

<sup>3</sup> “High freight rates strain global supply chains, threaten vulnerable economies,” UN Trade & Development, October 2024.

<sup>4</sup> “The State of Grocery in North America 2023,” McKinsey & Company, September 2023.

<sup>5</sup> “The world of ‘ands’: Consumers set the tone” McKinsey & Company, June 2023.

# Pricing and Promotion Lift

The current economic climate is creating opposing market dynamics. On one end of the spectrum, prices are rising so high and so quickly that consumers may no longer be able – or willing – to pay them. But on the other, growing fear over food and beverage shortages is fueling a Darwinian-like shopping mindset.

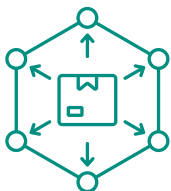
When combined, these conflicting factors challenge F&B companies to balance supply and demand effectively while maintaining razor-thin profit margins. Supply chains must accurately predict and respond to promotionally driven demand spikes and model inventory requirements to improve in-stock rates.

With a pricing and promotion lift solution, you can explore the full impact of pricing changes and promotions on demand to make decisions that will neither alienate consumers nor diminish your bottom line.



## Advance inventory management

Accelerate inventory velocity and boost customer satisfaction with detailed visibility of upcoming inventory requirements with a promotional calendar.



## Align cross-functional strategies

Allow brand managers, marketers, and planners to collaborate on predictive scenarios to achieve market share, unit, revenue, and profit goals.



## Improve inventory and capacity planning

Gain actionable insights into why existing pricing models fail to account for critical segmentations, such as customer demographics, geography, and category.



## Support disciplined price modeling

Analyze the impacts of price changes iteratively, then generate a promotion forecast based on anticipated uplift in demand and revenues.



# Complement your demand planning capabilities with pricing and promotion lift

This strategy can help you overcome your top pricing and promotion challenges:

For products with elastic demand, frequent price manipulation can create turmoil for those managing distribution, inventory and fulfilment.

**Understand elasticity** across a variety of attributes, predicting uplift and enabling the supply chain to better plan for demand.

Manual processes for managing pricing scenarios are quickly outgrown. **Modernize pricing and promotion management** by creating a timely and trustworthy foundation for global pricing decisions.

It is difficult to align inventory decisions with marketing campaigns. **Predict demand spikes** and uplift resulting from promotions or price reductions, preventing stock-outs and improving inventory turns.

Pricing and promotion data are stored in spreadsheets, a product information system or a trade promotion management system. **Leverage a single platform** with an integrated data model to ensure everyone is planning to a single source of truth, from marketing to operations.



# Product Traceability

Past production processes that consumed massive volumes of raw materials and churned out billions of pounds of waste every year are no longer tolerated by investors, consumers, and government regulators. People are now looking more critically at how food and beverages are produced, processed, and distributed and what impact those processes have on product safety as well as the environment, society, and financial wellbeing.

This demand for comprehensive traceability is expected to intensify in coming years as sustainable supply chains become a top trend. In fact, according to a report by FMI and NielsenIQ, 64% of shoppers said they would switch from a brand they usually buy to another brand that provides more in-depth product information, beyond just nutrition facts.<sup>6</sup>

With product traceability solutions, you can satisfy requirements for supply chain resilience, compliance, and sustainability by documenting the chain of custody from material origin to importer of record.



## Centralize supplier information for all tiers

Create and maintain comprehensive supplier profiles, certifications, and evaluations, including supply chain hierarchies, geolocation maps, and digital threads.



## Track material chain of custody

Verify the origin, supplier, and consumption of all materials used in finished products before shipment.



## Document every supply chain transaction

Collect, organize, and distribute supporting documents – such as purchase orders, packing lists, and invoices – for every transaction in each tier of the supply network.



## Create a compliance certificate

Use transactional data to generate a compliance certificate and incorporate it with shipment paperwork to prove the finished good was not produced with forced labor.

<sup>6</sup> "Transparency in an Evolving Omnichannel World," FMI and NielsenIQ, 2022.

### Emerging Urgency in Food Traceability

**\$39B**

was invested in food technology in 2021 and growing year over year <sup>7</sup>

**\$10–\$30M**

in US business costs generated from 75% of recalls <sup>8</sup>

**31%**

of CEOs from European grocery brands cite higher relevance in organic, traceability, or certification as a top trend <sup>9</sup>

**25%**

of US adults are trying to manage a health or medical condition by making healthy food and beverage choices <sup>10</sup>



<sup>7</sup> Megan Poiniski, "Food tech saw \$39.3B in VC investments last year, says PitchBook," Food Dive, Dive Brief, February 2022.

<sup>8</sup> "Innova Identifies Top 10 Food and Beverage Trends to Accelerate Innovation in 2021," Innova Market Insights, October 2020.

<sup>9</sup> "The State of Grocery Retail 2021 – Europe," McKinsey & Company, March 2021.

<sup>10</sup> "U.S. Consumers' Desire to Use Food as Medicine Is Evidenced by Emerging Superfoods," The NPD Group, October 2021.

# Inventory Planning and Optimization

After serious vulnerabilities were exposed in recent years, F&B companies began to rethink their existing value chains. For example, shoppers had limited access to fresh produce, meat, and fish due to shortages and disruptions in logistics and delivery services. Panic-induced purchasing and stockpiling accelerated, along with at-home consumption. Forecasting and planning became a huge challenge for food and beverage manufacturers already dealing with seasonality, weather and external events that regularly impact and disrupt their supply chains.

This gap between supply chain performance and fulfillment of consumer demand may seem grim, but there is good news. A combination of processes, data, and technologies are converging together to help brands gain the real-time, predictive visibility and insight needed to drive multi-echelon inventory optimization (MEIO).

With MEIO, you can position your supply chain to minimize costs and reduce risk while meeting customer service levels.



## Synchronize goals

Balance strategic business goals with tactical inventory targets.



## Maximize service levels at a lower cost

Reach the highest possible service levels with minimal strategic investment in inventory.



## Reduce costs

Free up millions in working capital trapped in excess inventory while lowering logistics costs up to 15%.



## Balance investments against goals

Use advanced modeling to evaluate multiple strategies, compare outcomes, and find your optimal solution.



## Automate changes

Automate inventory policy updates, broad-based changes, time-phased safety stock policies, and override identification at the lowest level of detail in the supply chain.



# Checklist

If your organization is considering an inventory optimization initiative, consider these points:

- ☐ **Innovation**  
Ensure your solution provider harnesses the power of machine learning and artificial intelligence to drive automation and help your company accelerate market response.
- ☐ **Usability**  
Choose a solution that will empower users across different areas of your business to automate routine analysis and deliver more value to the bottom line.
- ☐ **Tactical target setting**  
When setting tactical inventory targets on an ongoing basis, make sure you can automatically characterize demand and uncertainty, both in lead time and in the demand signal.
- ☐ **Flexibility**  
Some inventory cannot be statistically modeled. Make sure the solution you select can set smart inventory parameters for your most problematic skus as well as your fast movers.
- ☐ **Supply chain data management**  
Leveraging your enterprise data for strategic and tactical analysis is a major consideration. Select a software provider who can simplify the process, leverage artificial intelligence to boost data quality and offer a powerful integration platform with little or no customization required.
- ☐ **Risk aversion**  
The right IO/MEIO approach can do more than deliver better service levels. It can also make your C-Level team happy by identifying and mitigating risk and freeing valuable working capital.
- ☐ **Strategic modeling**  
Once tactical processes are in place, turn your efforts to year-over-year improvements. Leverage tactical and strategic planning capabilities to perform comprehensive analytics across your supply chain for ongoing business insight.

**"Building more accurate and more granular forecasts has allowed the supply chain team to have more credible conversations, drive consensus forecasting, and have a seat at the executive table."**

– Brad Blasi, Demand Planning Manager, Tillamook County Creamery Association

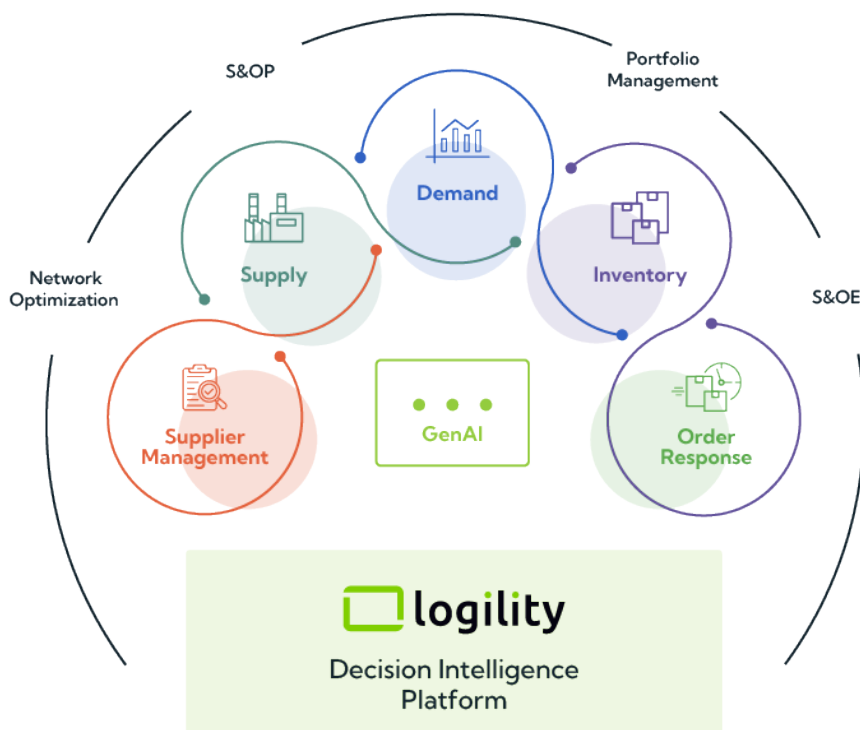
# A Foundation of Resilience

As the speed and complexity of change continue to accelerate, F&B supply chains must step up to satisfy customer cravings in reliable, adaptable, and resilient ways.

F&B companies can strengthen the resilience of their supply chains by digitally transforming three key areas:

- Pricing and promotion lift
- Product traceability
- Inventory planning and optimization

Logility is uniquely positioned to help F&B companies like yours rethink these supply chain strategies with the Logility® Decision Intelligence Platform. The platform provides a comprehensive set of solutions that can enable you to plan and execute your operating strategy based on a clear view of your global supply chain and emerging disruptions. Best of all, you can position your business to thrive in a climate of stricter regulatory burdens, increased demand for sustainability, and ever-evolving commerce expectations.



## Start Smart

**With AI built in, not bolted on**  
Supply chain specific AI is deployed with intent.



## Know more...faster

**In minutes, not days**  
GenAI puts insights at the fingertips of any supply chain stakeholder.



## Connect Minds

**See, understand, act, collaborate**  
A shared digital language drives collaboration and democratizes information.



## Act decisively

**Elevate human decision making**  
Vast amounts of data are distilled into insights that drive better, faster decisions.

#### About Logility

Logility's AI-first supply chain management solutions help organizations build sustainable digital supply chains that improve people's lives and the world we live in. Our fully integrated, end-to-end platform helps clients know faster, turn uncertainty into opportunity, and transform their supply chain into an engine for growth. We are proud to support more than 500 clients worldwide.

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