Accelerating the shift from triage to transformation

PwC's 2025 Digital Trends in Operations Survey

Insight   **10 minute read**   **May 01, 2025**

91%

of operations and supply chain leaders say they'll significantly change supply chain strategies because of US trade policy changes

57%

have integrated AI into selected functions or throughout their organization

92%

say tech investments haven't fully delivered the expected results

With geopolitical volatility, surging costs and other disruptions, the question isn't whether operations and supply chains will change. It's how fast and intentionally leaders can guide that evolution. PwC's 2025 Digital Trends in Operations Survey — based on insights from 610 operations and supply chain leaders — paints a clear picture. COOs and their teams play a critical role in driving business transformation, but many are still juggling short-term firefighting with long-term strategy.

Here's what we found and what you can do to move faster from a triage mindset to accelerating transformation in the months and years ahead.

Finding the right balance is essential but elusive

The tension between rapid response and long-range planning is real. A large majority — 82% — say they face challenges in balancing short-term needs with long-term strategic changes. Most (68%) say the challenges are manageable, and 14% say they're significant. Still, executing on a multiyear strategy while prioritizing ongoing cost and efficiency pressures — especially with sweeping tariff changes under the Trump administration — uses time and resources that could be dedicated elsewhere.
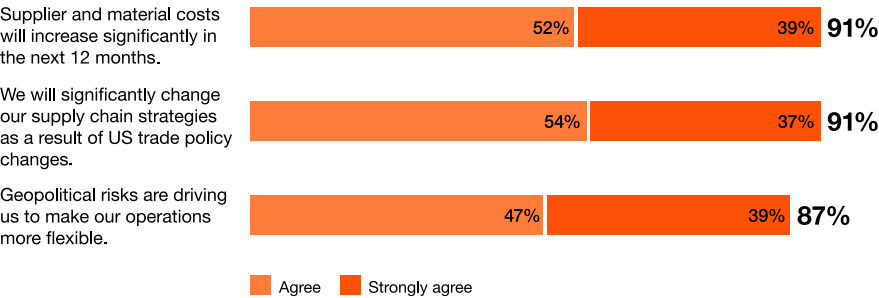
And current events are causing concerns for many operations and supply chain leaders. Roughly nine out of 10 say supplier and material costs will increase significantly in the year ahead. That can strain budgets, reduce profit margins, trigger supplier renegotiations and disrupt planning. A similar number of respondents (91%) say US trade policy changes are moving them to significantly change supply chain strategies, and almost as many (87%) say geopolitical risks are driving them to more flexible operations. All this can raise the pressure for more ineffective scenario planning and adaptability in supply chains.

**Near-term issues expected to impact operations and supply chain —
now and going forward**

Supplier and material costs will increase significantly in the next 12 months.	52% · 39%	**91%**
We will significantly change our supply chain strategies as a result of US trade policy changes.	54% · 37%	**91%**
Geopolitical risks are driving us to make our operations more flexible.	47% · 39%	**87%**

■ Agree   ■ Strongly agree

Q: To what extent do you agree or disagree with the following statements? (Response to 'Agree' and 'Strongly Agree'.)
Base: 610
Source: 2025 Digital Trends in Operations Survey

Artificial intelligence (AI) could be part of the solution. AI can accelerate the speed of insights, decision-making and organizational change. We're also beginning to see how **AI agents** can fundamentally transform work and change how businesses operate. For instance, AI agents **can be coordinated** across demand forecasting, procurement and logistics tracking to address potential supply chain bottlenecks and reduce delays.

More than half (53%) of survey respondents say AI is being used in either a few areas or widely to anticipate and mitigate supply chain disruptions. Another 31% say they're testing and piloting AI for those purposes. Responses are similar for scenario planning and operational transparency, with 55% using it in at least a few areas and 29% testing and piloting AI.

What it means for you: Focus on being efficient in the near term but do it in a way that allows your company to be flexible and ready for future challenges. Explore how to apply AI in different ways — from driving efficiencies today to anticipating and evaluating scenarios to better configure for tomorrow.

Cracking the complexity conundrum in tech adoption

Among technologies used by companies, AI (59%) and cloud (56%) are tops, and almost all of those respondents say those capabilities are somewhat or very effective in creating value (98% for AI, 96% for cloud) — driving revenue, increasing

productivity or managing costs. Advanced capabilities like digital twins and data ecosystems lag far behind in adoption but could be a missed opportunity. Although only 21% say their companies use digital twins, 97% of those respondents say that capability is either somewhat or very effective in creating value.

There's other cause for concern. Despite using multiple digital capabilities, 92% of operations and supply chain leaders cite at least one reason why tech investments haven't fully delivered the expected results, and 83% cite two or more reasons. Integration complexity (selected by 47%) and data issues (44%) are the most common reasons — a shift from the previous survey and likely an indicator of the struggles of adapting to and leveraging new AI solutions. Alarmingly, one of the least selected reasons is the business case for tech investment — unclear objectives, weak rationale or difficulty understanding costs — which may suggest a blind spot for many companies.

Here's why tech investments haven't delivered the expected results

Integration complexity
11%

Data issues
11%

Technology didn't meet expectations
11%

Vendor capabilities
11%

People capabilities
11%

Business case
11%

Program leadership
11%

Not applicable. Our operations technology investments have delivered the expected results.

8%

Q: If your investments in operations technology have not fully delivered the expected results, which of the following are the reasons why? (Select all that apply.)
Source: 2025 Digital Trends in Operations Survey
Base: 610

What it means for you: As technology becomes more complex and issues more frequent, it's increasingly important to understand how a capability integrates with others. Value comes from using tech well, which often means investing in new architectures. Less used capabilities like digital twins show high impact and can answer many "what if" questions when applied effectively — especially in an environment where organizations are looking to become more flexible in their operations. Focus less on quantity and more on integration and measurement, especially in tracking costs and ROI.

Reconfigure supply chains to be more adaptable and insightful

The turbulence so far in 2025 makes it clear: Your supply chain needs to be faster, smarter and more resilient than ever. As COOs and supply chain leaders increasingly evaluate their entire ecosystems, they're using several technologies to improve collaboration with vendors, customers, third-party logistic providers and other value chain partners.
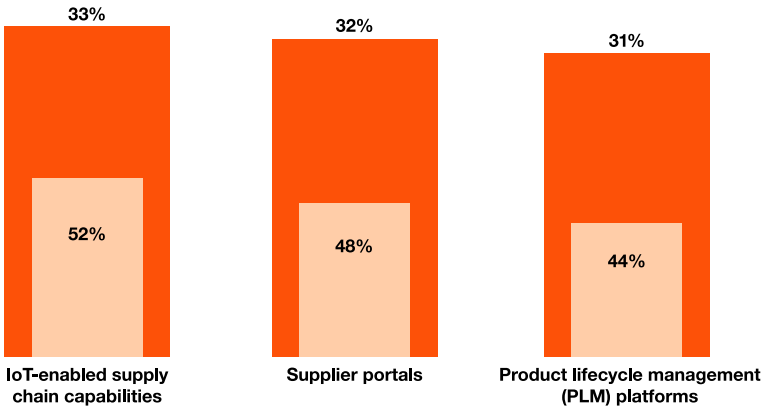
Some lesser used capabilities are delivering solid returns and could help create value for companies. Consider that only 33% are using Internet of Things (IoT) enabled supply chain capabilities, yet 52% of those respondents say they've been very effective in creating value.

Some less-used capabilities are very effective in creating value

IoT-enabled supply chain capabilities	Supplier portals	Product lifecycle management (PLM) platforms
33%	32%	31%
52%	48%	44%

■ % of companies using the capabilities to improve collaboration with ecosystem partners

■ % of those respondents that find the capability very effective in creating value

Q: Which digital capabilities does your company use to improve collaboration with ecosystem partners (e.g., vendors, customers, intermediaries, 3rd party logistic providers)? (Select all that apply. "None" not shown.)
Q: And, how effective are these capabilities in creating value? (e.g., driving revenue, increasing productivity, managing costs) (Response to 'Very effective'.)
Source: 2025 Digital Trends in Operations Survey

What it means for you: Maintain focus and a results-oriented mindset amid the growing volume and complexity of new technologies. Keeping an eye on "fit for purpose" is key, and solutions that can improve visibility, transparency and scenario modeling should be investigated considering how effective they are for other companies.
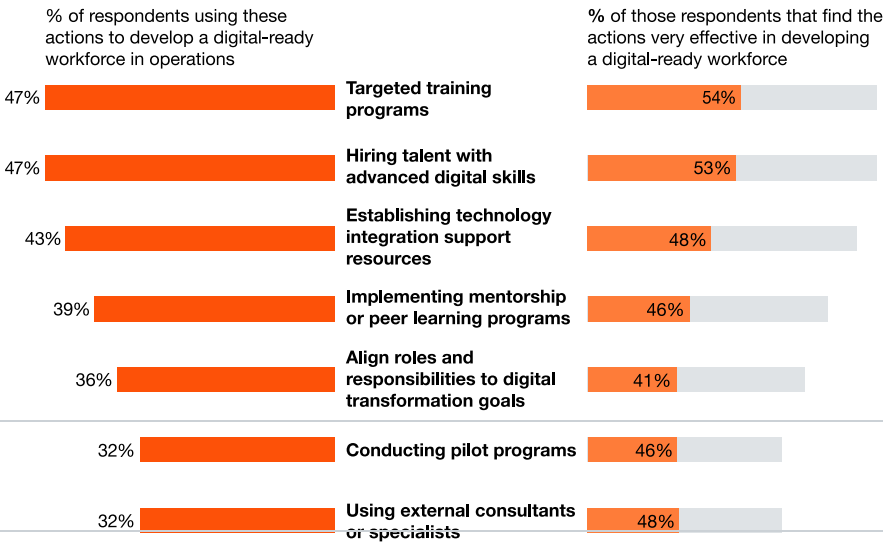
Go beyond training and hiring to build a digital-ready workforce

Companies are trying multiple ways to develop a digital-ready workforce in operations, and hiring skilled talent and targeted training (47% each) top the list. But similar to improving collaboration with ecosystem partners, some less-used actions are proving very effective and could be a differentiating opportunity for companies.

Fewer than one-third of the respondents say they're using gamification or incentives, offering certifications or acquiring a company for talent to build a digital-ready workforce. Yet among the companies doing those things, about half of survey respondents say they've been very effective.

Training and hiring are leading moves to develop a digital-ready workforce, but others also are very effective

% of respondents using these actions to develop a digital-ready workforce in operations

% of those respondents that find the actions very effective in developing a digital-ready workforce

Action	Using %	Very effective %
Targeted training programs	47%	54%
Hiring talent with advanced digital skills	47%	53%
Establishing technology integration support resources	43%	48%
Implementing mentorship or peer learning programs	39%	46%
Align roles and responsibilities to digital transformation goals	36%	41%
Conducting pilot programs	32%	46%
Using external consultants or specialists	32%	48%
Offering certifications	31%	49%
Acquiring a company to access talent	31%	51%
Using gamification or incentives to encourage adoption	28%	50%

Q: How is your company developing a digital-ready workforce in operations? (Select all that apply.)
Q: How effective are these actions in developing a digital-ready workforce in operations? (Response to 'Very effective'.)
Base: 610
Source: 2025 Digital Trends in Operations Survey

Index

Intro

Finding the right balance is essential but elusive

Cracking the complexity conundrum in tech adoption

Reconfigure supply chains to be more adaptable and insightful

Go beyond training and hiring to build a digital-ready workforce

What it means for you: Hiring and training will always be important, but those are table stakes. To gain a competitive edge, consider specific incentives and certifications to boost your digital workforce. Also don't sleep on potential acquisitions that could provide an influx of tech expertise.

AI as a cornerstone of enabling your digital strategy
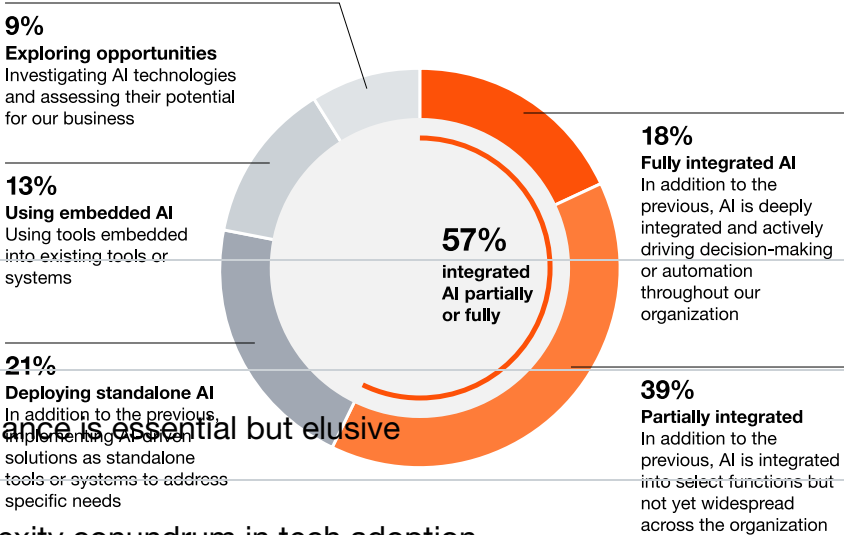
Are you ready to take decisive action?

AI as a cornerstone of enabling your digital strategy

Explore full 2025 survey data

AI isn't just another technology, and this is an adjustment from how executives have historically thought about AI — as solely an enabler that's primarily the domain of IT people. As it continues to become a natural part of everything people do, AI should be intrinsic to your strategy and capability systems — including operations.

About the survey

Contact us

The survey found that many companies are using AI in operations and supply chains, with 57% of respondents saying they've already integrated AI partially or fully into their operations.

AI integration at companies

9%
Exploring opportunities
Investigating AI technologies and assessing their potential for our business

13%
Using embedded AI
Using tools embedded into existing tools or systems

21%
Deploying standalone AI
In addition to the previous, implementing AI-driven solutions as standalone tools or systems to address specific needs

18%
Fully integrated AI
In addition to the previous, AI is deeply integrated and actively driving decision-making or automation throughout our organization

57%
integrated AI partially or fully

39%
Partially integrated
In addition to the previous, AI is integrated into select functions but not yet widespread across the organization

*Note: Totals may not add up due to rounding. Response to 'Unsure' not shown.
Q: Which of the following best describes how your company is approaching AI integration? (Select one.)
Base: 610
Source: 2025 Digital Trends in Operations Survey

But adoption often meets with friction, and several challenges remain in effectively scaling AI in operations. Integration with existing systems — ranked among the top three challenges by 42% of respondents — and data issues (37%), such as availability and quality, are most common. This aligns with our experience as we often see companies overlook the complexity in developing new AI capabilities — all of which require solid integration and data to power high ROI solutions. When integrated well, AI can be a tremendous help in resolving data challenges.

What this means for you: AI is everywhere, and scaling it in operations can be a challenge. If you're already on the road of integration, explore how AI can help address data challenges, focus on evolving how employees work and enable them to help drive more change. If your AI program is still young, be open to learning from other organizations and build a culture that allows your teams to absorb and advance your AI aspirations.

Survey insights by industry

Consumer markets

Energy, utilities and resources

Industrial products

Index **Pharma and life sciences**

Intro **Tech and telecom**

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Reinventing your operations can provide a competitive advantage, and it's not too late to be proactive with your digital strategy for operations and supply chain. To Reconfigure supply chains to be more adaptable and insightful outpace the pack, your company should make smart trade-offs, adopt capabilities that truly deliver and build a workforce and operating model equipped to thrive in Go beyond traceability to build risk-ready workforce uncertainty. Here are eight moves you can take now.

AI as a cornerstone of enabling your digital strategy

Follow through on your digital operations priorities. Obvious? Maybe. But
Are you ready to take decisive action?
between the survey findings and our experience, too many companies aren't aligning time and resources with top priorities. If resiliency and customer Explore full 2025 survey data retention are goals, adjust investments and staffing to reflect that, especially in About the survey areas like scenario planning and digital workforce readiness.

Contact **Anticipate versus react to disruption.** Using tech for basic risk management won't cut it. Leverage predictive models for supply chain disruptions and build flexible operating models that adapt in real time. Building your scenario planning capabilities is critical.

Invest in data as a strategic asset. Data integration should be a core capability, not an IT problem. Remove departmental barriers, improve data quality and enable cross-functional access so new capabilities can generate more value.

Double down on making digital ROI clear. Prioritize initiatives that improve cost visibility and reduce risk in operations. Tie AI and other tech investments directly to performance metrics and value drivers — and develop specific capabilities to model and manage costs, especially when applying AI.

Integrate, don't just implement. Simplify system architecture and build a foundation for integration instead of treating it as an afterthought. By doing that, you can better unlock value from data and advanced decision models.

Make AI everyone's business. Pilot programs have their purpose but can be limited in scope and impact. Focus on AI use cases like inventory optimization, connected worker and digital coach enablement, close loop analytics for operations excellence and ecosystem collaboration to deliver measurable value.

Strengthen ecosystem/partner collaboration. An effective ecosystem can help simplify complexity and better deliver for your customers. Build an ecosystem strategy that includes tech, data and value chain partners. Each can bring capabilities required to enable differentiated service and value for your customers. AI agents also can help reduce friction across your ecosystem.

Embed learning into your operating model. Incorporate mentorship, role evolution and peer learning programs into your culture. Increasing digital fluency in operations and supply chains is critical to standing apart from competitors.

Explore full 2025 survey data

Access an interactive dashboard, filter by industry and more.

Request access

Find out more about our Operations Transformation services

Harness new technology, reimagine your business and accelerate outcomes.

Learn more

About the survey

PwC's 2025 Digital Trends in Operations Survey surveyed 610 operations executives and supply chain officers in February and March 2025. Respondents in the online survey included C-suite executives, upper management, directors and managers based in the US who either have sole responsibility for business decisions on operations and supply chain or procurement operations or share influence with others regarding those decisions. Sectors surveyed include consumer markets; energy, utilities and resources; pharmaceuticals and life sciences; industrial products; and technology and telecommunications.

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Index
Audit and Assurance services   Consulting   Tax services

Newsroom   Alumni   US offices   Contact us

Intro

Finding the right balance is essential but elusive

Cracking the complexity conundrum in tech adoption

Reconfigure supply chains to be more adaptable and insightful

Go beyond training and hiring to build a digital-ready workforce

Privacy   Data Privacy Framework   Cookie info   Legal   Terms and conditions

Site provider   Site map   Your Privacy Choices

AI as a cornerstone of enabling your digital strategy

Are you ready to take decisive action?

Explore full 2025 survey data

About the survey

Contact us