Newsroom

Press Releases

PHOENIX, Ariz., May 16, 2019

Gartner Announces Rankings of the 2019 Supply Chain Top 25

Colgate-Palmolive Takes Top Spot, Unilever Joins the "Masters" Category

Gartner, Inc. has released the results of its annual Supply Chain Top 25 (https://www.gartner.com/document/3913625?ref=solrAll&refval=222451731&qid=ccd98f9b9eb3c8df9ed2d1bf953), identifying supply chain leaders and highlighting their best practices. Analysts announced the results at the Gartner Supply Chain Executive Conference (https://www.gartner.com/en/conferences/na/supply-chain-us), which is being held this week at the JW Marriott Desert Ridge Resort and Spa in Phoenix, Ariz.

"2019 is the 15th consecutive year we are publishing the Supply Chain Top 25 ranking," said Mike Griswold (https://www.gartner.com/analyst/36588), vice president, analyst at Gartner. "The ranking consists of an impressive group of leaders, including two new entrants, one from retail and one from the chemical sectors.

Colgate-Palmolive scored the top spot in the ranking for the first time, followed by Inditex, Nestlé, PepsiCo and Cisco (see Table 1). Chinese e-commerce company, Alibaba, and Dutch chemical company, Akzo Nobel, joined the Supply Chain Top 25 for the first time.

"Colgate-Palmolive's strong financial performance, combined with its focus on an aligned organization and impressive work in corporate social responsibility, helped drive the move up from the fourth position in 2018 to the top spot in 2019," said Mr. Griswold. "The company is focused on building a business-first mindset enabled by new technologies, enhanced decision-making and leadership capabilities."

After seven consecutive years of scoring in the top five of the Supply Chain Top 25, Unilever joined Apple, P&G, Amazon and McDonald's in the "Masters" category, which Gartner introduced in 2015 to recognize sustained leadership over the last 10 years.

"Unilever continues to lead the way with solid digital supply chain processes and operations, including leveraging automation, data science and machine learning," said Mr. Griswold. "The company also recognizes the importance of improving digital-enabled manufacturing initiatives by using emerging technologies for maintenance and process control."

Along with the "Masters" category, the Supply Chain Top 25 continues to offer a platform for insights, learning, debate and contributions to the rising influence of supply chain practices on the global economy.

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Table 1. The Gartner Supply Chain Top 25 for 2019

Rank	Company	Peer Opinion[1] (162 voters) (25%)	Gartner Opinion[1] (38 voters) (25%)	Three-Year Weighted ROA[2] (20%)	Inventory Turns[3] (10%)	Three-Year Weighted Revenue Growth[4] (10%)	CSR Component Score[5] (10%)	Composite Score[6]
1	Colgate-Palmolive	961	347	19.9%	5.0	-0.2%	10.00	4.88
2	Inditex	1,091	341	16.2%	3.8	6.5%	10.00	4.80
3	Nestlé	1,262	374	6.9%	4.8	1.2%	10.00	4.27
4	PepsiCo	997	368	11.7%	9.0	1.2%	8.00	4.22
5	Cisco Systems	699	518	4.0%	10.2	0.7%	10.00	4.13
6	Intel	576	454	12.4%	3.7	9.6%	6.00	4.12
7	HP Inc.	293	353	11.7%	8.2	7.3%	10.00	3.81
8	Johnson & Johnson	737	348	7.6%	3.1	5.8%	10.00	3.80
9	Starbucks	900	167	19.3%	12.7	9.0%	4.00	3.74
10	Nike	1,194	186	13.3%	3.9	6.0%	4.00	3.73
11	Schneider Electric	677	256	5.4%	4.9	0.7%	10.00	3.71
12	Diageo	625	404	9.8%	0.9	4.3%	10.00	3.44
13	Alibaba	1,095	72	10.6%	23.4	52.6%	0.00	3.43
14	Walmart	1,415	268	4.6%	8.6	2.5%	5.00	3.40
15	L'Oréal	858	229	9.9%	2.7	3.6%	8.00	3.38
16	H&M	582	155	13.7%	2.7	5.1%	10.00	3.35
17	3M	597	192	14.3%	3.8	3.2%	8.00	3.34
18	Novo Nordisk	86	54	36.4%	1.1	0.8%	10.00	3.31
19	Home Depot	402	124	22.2%	5.0	7.0%	5.00	3.29
20	Coca Cola Company	1,329	196	5.8%	4.2	-10.7%	6.00	3.13
21	Samsung Electronics	748	83	13.2%	9.8	8.7%	7.00	3.05
22	BASF.	597	252	6.4%	3.9	-0.6%	8.00	2.89
23	Adidas	714	172	9.2%	3.2	7.9%	5.00	2.75
24	Akzo Nobel	137	0	20.9%	4.6	-8.6%	8.00	2.61
25	BMW	733	131	3.8%	3.8	1.3%	10.00	2.57

Notes:
1. Gartner Opinion and Peer Opinion: Based on each panel's forced-rank ordering against the definition of "DDVN orchestrator."
2. ROA: (2018 net income/2018 total assets)*50% + (2017 net income/2017 total assets)*30% + (2016 net income/2016 total assets)*20%.
3. Inventory Turns: 2018 cost of goods sold/2018 quarterly average inventory.

4. Revenue Growth: (Change in revenue 2018-2017)*50% + (change in revenue 2017-2016)*30% + (change in revenue 2016-2015)*20%.

5. CSR Component Score: Index of third-party corporate social responsibility measures of commitment, transparency and performance.

6. Composite Score: (Peer Opinion*25%) + (Gartner Research Opinion*25%) + (ROA*20%) + (Inventory Turns*10%) + (Revenue Growth*10%) + (CSR Component Score*10%).

2018 data used where available. Where unavailable, latest available full-year data used. All raw data normalized to a 10-point scale prior to composite calculation. "Ranks" for tied composite scores are determined using next decimal point comparison.

Source: Gartner (May 2019)

Three key trends stand out this year for supply chain (https://www.gartner.com/en/newsroom/press-releases/2019-04-24-gartner-identifies-the-top-8-supply-chain-technology-0) leaders that are accelerating their capabilities, separating them further from the rest of the pack.

Personalization at Scale

Improving customer experience, with a sharpened focus on personalization, is a top priority for every company. Personalization at scale, however, is a key differentiator for more advanced companies.

"Personalization at scale requires a level of agility, supply chain flexibility and underlying technological capability in order to pull it off," said Mr. Griswold. "Leading companies in the Supply Chain Top 25 have found the right balance. Where personalization is valued, they digitally capture customer requirements, flexibly convert designs to physical products and packages, and quickly get them into customers' hands. Where standard product portfolio variety is good enough, they are ruthless about only keeping the best performers in the mix."

Leveraging Ecosystems

As supply chain leaders (https://www.gartner.com/smarterwithgartner/a-supply-chain-analytics-leaders-first-100-days/) face new challenges, such as fostering local talent for advanced skills and minimizing plastic waste creation and ocean pollution, they will need to focus on cooperation with an ecosystem of external partners will be the key to tackling problems of this scale. This change in perspective and approach is part of leading companies' broader shift to run more purpose-driven supply chain organizations.

Driving Business-Led Digital Strategies

A wave of automation and augmentation has sped through corporate supply chains over the last five years and companies that grace the top of the Supply Chain Top 25 tend to be early adopters of new business concepts and technologies. For those furthest along in their digital supply chain journey (https://www.gartner.com/smarterwithgartner/4-factors-that-will-impact-the-future-supply-chain/), a return to the fundamental concept of business-led digital transformation is taking place.

"These leading supply chains are focusing on initiatives that understand and elevate the customer needs and the operational performance points needed to support them and work backward from those requirements to the process and technological transformations (https://www.gartner.com/smarterwithgartner/gartner-predicts-2019-for-supply-chain-operations/) that will enable them," said Mr. Griswold. "But keep in mind that transformational innovations don't always convert to timely return on investment (ROI) right away. Often, optimization tends to deliver more immediate ROI."

Gartner clients can read more in "The Gartner Supply Chain Top 25 for 2019. (https://www.gartner.com/document/3913625?ref=solrAll&refval=222451731&qid=ccd98f9b9eb3c8df9ed2d1bf953)"

Get information on how to innovate and scale the supply chain on the Gartner Chief Supply Chain Officer Insight Hub (https://www.gartner.com/en/supply-chain/role/supply-chain-leaders?utm_medium=promotion&utm_source=press-release&utm_campaign=RM_GB_2019_ITCIO_NPP_PR1_INSIGHT&utm_term=hubpage).

About the Gartner Supply Chain Top 25

The Supply Chain Top 25 (https://www.gartner.com/document/3913625?ref=solrAll&refval=222451731&qid=ccd98f9b9eb3c8df9ed2d1bf953) rankings comprise two main components: business performance and opinion. Business performance in the form of public financial and CSR data provides a view into how companies have

performed in the past, while the opinion component offers an eye to future potential and reflects leadership in the supply chain community. These two components are combined into a total composite score.

Gartner analysts derive a master list of companies from a combination of the Fortune Global 500 and the Forbes Global 2000. In an effort to maintain the list of companies evaluated at a manageable level, a general annual revenue threshold of $12 billion has been applied.

About Gartner Supply Chain Executive Conference

Gartner analysts are providing additional analysis and information on supply chain trends at the Gartner Supply Chain Executive Conferences taking place through Thursday in Phoenix, Ariz., (http://www.gartner.com/events/na/supply-chain) and June 17-19 in Barcelona (https://www.gartner.com/en/conferences/emea/supply-chain-spain). You can follow news and updates from the events on Twitter using #GartnerSCC (https://twitter.com/search?q=%23gartnerSCC&src=typd).

About Gartner

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Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and objective resource for more than 15,000 organizations in more than 100 countries — across all major functions, in every industry and enterprise size.

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