



SUSTAINABILITY AND NETWORK RESILIENCE

Transform the US Supply Chain Landscape

JANUARY 2026



Contents

Executive Summary	03

Market Overview	04

Macro Drivers of SCM in the US	05

Emerging SCM Trends	06

Operationalizing AI in the US SCM	08

Key SCM Deals	09

Key Private Equity Deals Tombstones	10

SCM Upcoming Events	10

Executive Summary



The US supply chain management (SCM) industry continued its structural expansion in 2025, driven by enterprise digitization, resilience priorities, and sustained investment in execution and planning technologies. The market is projected to reach \$26.2 billion in 2034, growing at an 11.5% CAGR, supported by widespread adoption of cloud-based SCM platforms, warehouse and transportation management systems, real-time visibility tools, and AI-enabled planning solutions. Industry dynamics were shaped by five converging macro pressures: elevated tariff exposure, persistent labor shortages, rising service-level expectations from e-commerce, infrastructure capacity constraints, and renewed cost inflation across logistics inputs. Diesel price increases, higher LTL pricing, and inventory carrying costs reinforced the need for tighter cost control and capital efficiency.

Against this backdrop, three strategic trends gained prominence. Sustainability shifted from an ESG priority to a core operating mandate, driven by regulation, investor scrutiny, and fleet electrification economics. Hyper automation and robotics moved from pilots to network-wide deployment, materially improving warehouse throughput and unit economics. Resilience became a design imperative as companies rebalanced networks toward regionalization, dual sourcing, and flexible capacity, with around 39% of companies pursuing dual-sourcing strategies to mitigate tariff risk. Moreover, agentic AI emerged as foundational infrastructure, enabling autonomous decision-making across freight, inventory, and risk management workflows. Investment activity remained robust, with continued private equity interest in logistics services, technology-enabled platforms, and middle-market operators, reinforcing supply chains as critical enterprise infrastructure in a volatile operating environment.

\$26.2 Billion

is the projected market size of the US SCM industry by 2034, growing at a CAGR of 11.5% between 2025 and 2033, as per Precedence Research

39%

of companies pursuing dual-sourcing to mitigate tariff risk, as per the McKinsey Survey of Global Supply Chain Leaders

Market Overview

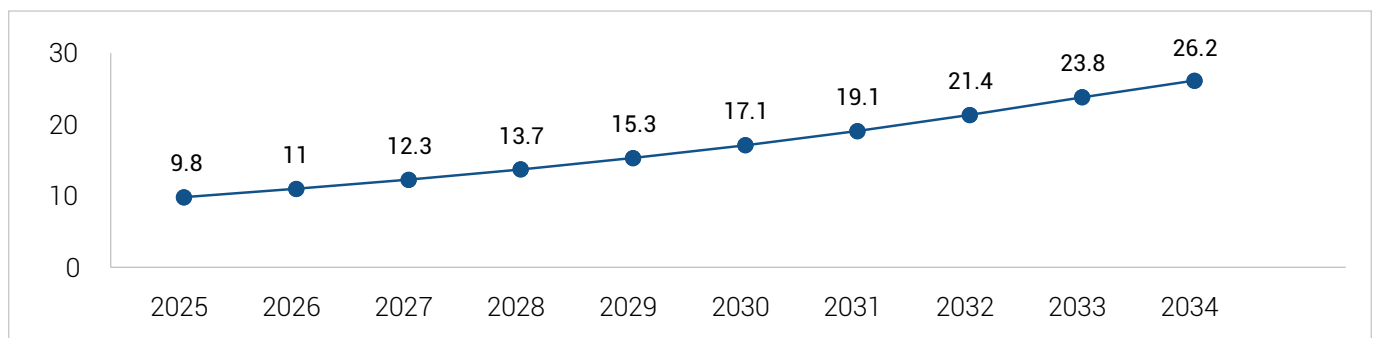


The US SCM industry is expanding steadily in 2025, supported by enterprise digitization, operational resilience priorities, and rising adoption of cloud-based platforms. The US SCM market is valued at \$9.9 billion in 2025 and is projected to reach \$26.2 billion by 2034, expanding at an 11.5% CAGR, as per Precedence Research. Growth is being driven by cloud SCM, warehouse and transportation management systems, supply chain analytics, AI-driven demand planning, and real-time visibility tools. Structural tailwinds include reshoring and nearshoring initiatives, with 43% of supply chain executives mentioned in a survey by McKinsey that they are planning to shift supply chain footprints to the US. Additionally, accelerating e-commerce growth and heightened enterprise focus on inventory optimization and resilience post-pandemic are reshaping the supply chain management landscape.

Adoption is broad-based, as companies are increasing investments in automation, IoT, and AI technologies specifically to offset talent shortages. Leadership is concentrated among SAP, Oracle, Blue Yonder, Manhattan Associates, and Kinaxis in core supply chain planning and execution software. Adjacent leaders include Project44 and FourKites in real-time transportation visibility, Descartes Systems in logistics execution and routing, and Flexport in technology-enabled freight and logistics management. During the twelve months ending 3Q25, 78 transactions involving companies on BGL's Supply Chain Technology Market Map attracted roughly \$7 billion in invested capital. Transactions such as Blue Yonder's acquisition of Optoro underscore sustained investor confidence in SCM as core enterprise infrastructure.

The US SCM sector is experiencing sustained growth, fueled by enterprise digitization, resilience initiatives, and widespread adoption of cloud-based and AI-enabled platforms. Market expansion is supported by reshoring, nearshoring, and rising e-commerce activity, alongside a focus on leaner, more resilient inventories. Technology adoption is broad, with major software and logistics providers leading core planning, execution, and visibility solutions, while strong deal activity highlights sustained investor confidence in the sector.

Figure 1: US SCM Market Size (in \$ Billions)



Source: Precedence Research

Macro Drivers of SCM in the US



Trade Policy Shifts and Tariff Pressure

US tariff exposure intensified in April 2025, with effective rates rising toward 22.5%, the highest since 1909, and increasingly landed costs and volatility across US supply chains, forcing companies to redesign sourcing networks and hold more inventory.



Persistent Labor Shortages and Workforce Constraints

Labor scarcity remains structural, with over 80,000 truck driver shortfall by 2025 end, long-haul turnover exceeding 90%, and 76% of logistics employers reporting difficulty filling roles in 2025.



E-commerce Demand Normalization and Service-Level Escalation

E-commerce scale continues to pressure logistics, with US ecommerce sales expected to reach \$1.29T in 2025 and 74% of shoppers expecting two-day delivery.



Infrastructure Capacity Strain Across Transportation and Warehousing

39% of facilities report space utilization of 85% or higher during peak season, with 20% running at 95% or higher; average peak utilization reached 75%, up from 73.2% the prior year.



Rising Cost Pressure Across Logistics Inputs

Logistics costs are re-accelerating, with diesel prices at \$3.82/gallon (+8.5% YoY) in November 2025 and the long-distance less-than-truckload (LTL) PPI up 10.5% YoY in August 2025, pressuring transportation margins.

Emerging SCM Trends



Sustainability Shifts from ESG Commitment to an Operating Mandate in US Supply Chains

In 2025, sustainability shifted from an aspirational goal to a strategic operating requirement across the US. 304 major US-headquartered companies now signed on for net zero targets, representing \$12 trillion in revenue. Regulatory mandates, investor scrutiny, and rising cost volatility are pushing operators to embed decarbonization into fleet strategy, network design, and capital allocation rather than treating it as a standalone ESG initiative. Industry surveys underscore this shift in priorities, with around 85% of supply chain executives identifying sustainability as a core business objective, even as execution remains constrained by near-term cost and infrastructure realities.

Fleet transformation is central to this shift. Major operators accelerated electrification and fuel diversification to reduce emissions exposure and regulatory risk. Amazon expanded its US electric delivery fleet beyond 20,000 vehicles in early 2025, while UPS and FedEx advanced timelines to electrify a substantial share of ground and last-mile operations. At the same time, carriers such as J.B. Hunt scaled intermodal conversion, using rail to materially lower emissions per shipment while improving fuel efficiency and network economics.

Facilities and infrastructure investments are reinforcing fleet-level efforts. Logistics real estate owners and cold-chain operators are deploying on-site solar, energy storage, and efficiency technologies to reduce operating costs and emissions intensity. Prologis continued its push toward gigawatt-scale solar deployment. Regulation and capital markets are accelerating adoption. California's clean fleet mandates, port-level zero-emission requirements, and incentive programs materially altered fleet investment economics in 2025. Together, these forces are repositioning sustainability as a determinant of cost competitiveness, capital access, and long-term resilience in US supply chains.

85%

of supply chain executives identify sustainability as a core business objective, as per the 2025 Prologis Global Supply Chain Outlook

304

major US firms signed on for net zero targets, representing \$12 trillion in revenue

Hyperautomation and Robotics Reshapes Warehouse Throughput and Economics

In 2025, hyperautomation and warehouse robotics moved from pilots to network-wide deployment across the US logistics and supply chain industry. The US warehouse automation market is expected to reach \$16.6 billion by 2030, as per Grand View Research. What began as a response to peak demand or labor constraints is now treated as core operational infrastructure, driven by persistent workforce shortages, rising service expectations, and the need for scalable throughput.

Large US operators are leading this shift. Amazon surpassed 750,000 deployed robots in the US in 2025, with its automated facilities processing orders roughly 25% faster and at 25% lower cost than conventional sites. Robotics now spans unloading, sortation, storage, and outbound flows. Walmart reported 20% YoY unit cost reductions from automated fulfillment centers, with over 60% of US stores supplied by automated distribution centers. Parcel carriers are following a similar path. UPS expected to process approximately 66% of volume through automated methods in 4Q25, supported by autonomous unloading robots replacing multiple manual roles per trailer. The company is investing \$120 million in 400 robots to unload trucks. Measurable gains in picking speed and productivity highlight hyperautomation's growing role in long-term warehouse design.

US Supply Chains Shift Toward Structurally Resilient Network Models

In 2025, network resilience emerged as a core design principle for US supply chains, reflecting a shift from reactive disruption management to structurally resilient operating models. Regionalization accelerated materially. Mexico overtook China as the US's largest trading partner, with bilateral trade exceeding \$840 billion in 2024, signalling a decisive move toward shorter, more defensible logistics loops. Inventory strategies also evolved. Instead of broad stockpiling, companies adopted segmented buffering, with a 14% YoY increase in firms building strategic inventory buffers for critical stock-keeping units (SKUs) in 2025, while maintaining lean practices for non-essential goods. Even so, inventory carrying costs remained elevated, accounting for 28.4% of total US logistics spend in 2024, underscoring the financial trade-offs embedded in resilience investments.

Flexible capacity became another pillar of resilient network design. US warehouse vacancy reached 7.1% in 2Q25, enabling greater use of short-term and on-demand warehousing. The on-demand warehousing market is projected to grow at 15.9% from 2025 to 2030 as retailers seek scalable capacity to manage demand volatility. Multi-sourcing also gained traction, with 39% of companies pursuing dual-sourcing and 33% developing nearshoring plans to mitigate tariff risk, as per the McKinsey Survey of Global Supply Chain Leaders. Leading enterprises have operationalized these shifts. Walmart expanded regional sourcing and distribution investments, while Home Depot strengthened control over critical distribution links, positioning resilience as a durable source of competitive advantage.

\$16.6 Billion

Is the projected size of the US Warehouse Automation market by 2030, as per Grand View Research



33%

of companies developing nearshoring plans to mitigate tariff risk, as per the McKinsey Survey of Global Supply Chain Leaders



Operationalizing AI in the US SCM



Agentic AI Becomes Core to US Supply Chain Operations

In 2025, leading US supply chain players accelerated the deployment of AI. Their focus shifted toward agentic AI platforms capable of executing decisions autonomously, improving speed, resilience, and cost efficiency. Gartner predicts that by 2030, 50% of cross-functional SCM solutions will rely on intelligent agents.

Within logistics and transportation, C.H. Robinson scaled Generative AI agents across core freight workflows. By April 2025, its AI agents had executed more than 3 million shipping tasks, materially increasing operational throughput. A dedicated truck-posting agent uploaded ten times more capacity than manual processes, while AI-generated less-than-truckload pricing improved quote velocity and consistency, reflecting AI's growing role in transactional execution rather than decision support alone. FedEx advanced a complementary approach by integrating AI into supply chain risk management. Through its FedEx Dataworks partnership with ServiceNow, the company began building AI-native supply chains that combine sensor data with workflow automation, enabling autonomous mitigation of disruptions across logistics operations. At a global scale, Maersk introduced Star Connect, an AI platform capable of processing billions of IoT data points in real time to optimize fleet energy usage and anticipate route-level hazards.

Retail-led supply chains also aggressively expanded AI adoption. Walmart deployed ambient IoT sensors at scale to support real-time inventory accuracy and introduced super agent systems to coordinate complex operational tasks. Meanwhile, Amazon extended agentic AI across mapping and robotics, enabling autonomous problem-solving across its large warehouse fleet. Together, these initiatives illustrate how AI has become a structural enabler of efficiency and resilience in US supply chains.

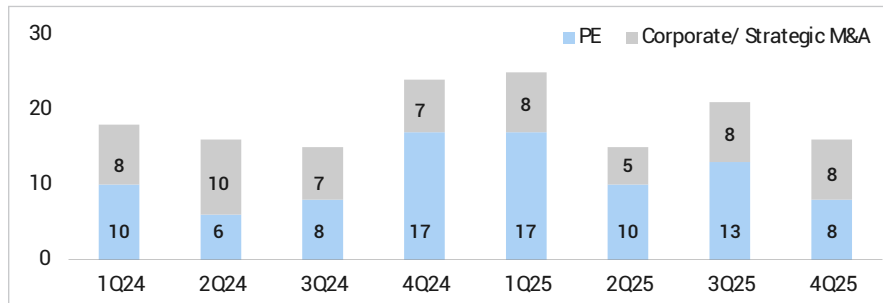
50%

of cross-functional SCM solutions will rely on intelligent agents by 2027, as per Gartner

In 2025, US supply chains significantly expanded AI deployment, moving from experimental tools to embedded, autonomous systems. These AI platforms now orchestrate freight, inventory, and risk workflows, while major retailers pair sensors and robotics with multi-agent systems to improve visibility, decision speed, and resilience across complex, omni-channel logistics networks.

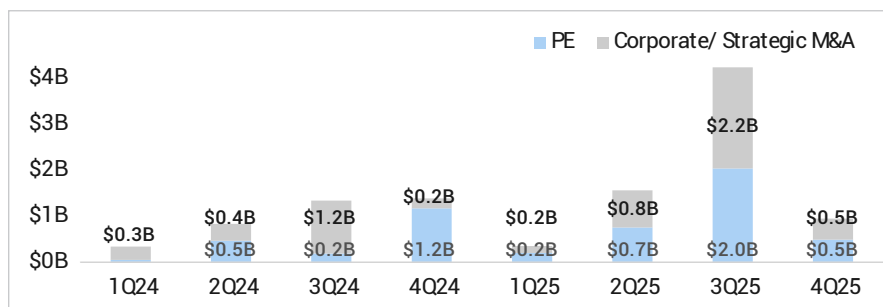
Key SCM Deals

Figure 2: SCM Lower Middle Market and Middle Market Deal Count



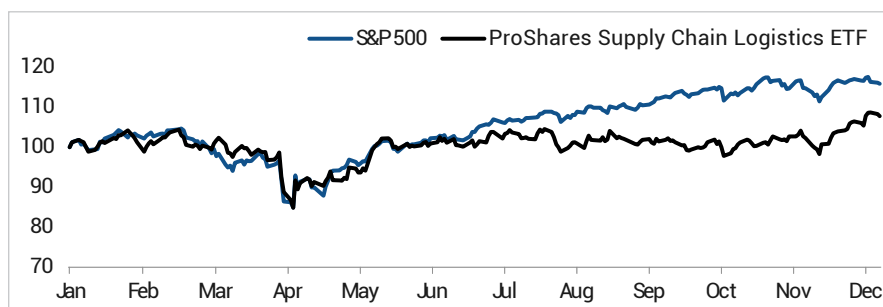
Source: PitchBook, data as of December 22, 2025

Figure 3: SCM Lower Middle Market and Middle Market Capital Raised



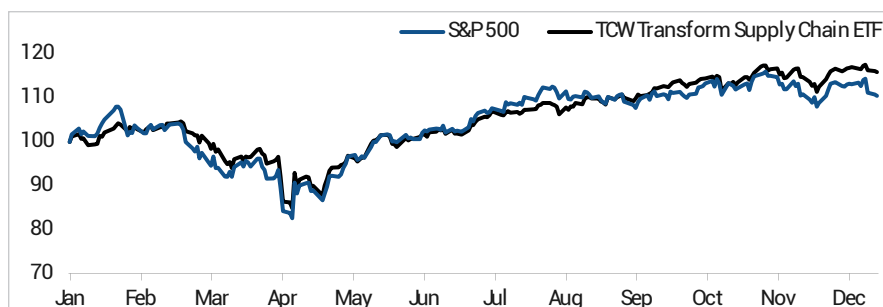
Source: PitchBook, data as of December 22, 2025

Figure 4: ProShares Supply Chain Logistics ETF YTD Performance



Source: Investing.com, data as of December 16, 2025

Figure 5: TCW Transform Supply Chain ETF YTD Performance



Source: Investing.com, data as of December 16, 2025

SCM Lower Middle Market and Middle Market Deal Summary

138
Companies

147
Deals

191
Investors

84
Exits




\$2B
Largest Deal

\$9.8B
Capital Invested

Key Private Equity Deals Tombstones

<p>January 06, 2025</p> <p>GREENBRIAR</p> <p>Acquires</p> <p>eShipping</p> <p>a provider of managed transportation and supply chain services, for an undisclosed amount</p>	<p>December 18, 2025</p> <p>COPLEY EQUITY PARTNERS</p> <p>Acquires</p> <p>VITAL DELIVERY SOLUTIONS</p> <p>a provider of healthcare logistics and courier services, for an undisclosed amount</p>	<p>November 4, 2025</p> <p>WIND POINT PARTNERS</p> <p>Acquires</p> <p>BUSKE LOGISTICS</p> <p>a provider of warehousing and supply chain services, for an undisclosed amount</p>
<p>September 16, 2025</p> <p>ARGOSY PRIVATE EQUITY BLUEJAY CAPITAL BWT LOGISTICS</p> <p>Acquires</p> <p>RAZR LOGISTICS</p> <p>a provider of contract logistics services, for an undisclosed amount</p>	<p>August 1, 2025</p> <p>PROVIDENCE EQUITY PARTNERS</p> <p>Acquires (Majority Stake)</p> <p>GCL GLOBAL CRITICAL LOGISTICS</p> <p>a provider of storage and freight services, for more than \$1 Billion</p>	<p>June 20, 2025</p> <p>ARGOSY PRIVATE EQUITY DIVERSE LOGISTICS</p> <p>Acquires</p> <p>MASSIANO LOGISTICS</p> <p>a provider of warehousing and distribution, for an undisclosed amount</p>
<p>April 16, 2025</p> <p>Stonepeak</p> <p>Acquires (Majority Stake)</p> <p>DUPRE</p> <p>a provider of transportation and logistics services, for an undisclosed amount</p>	<p>April 11, 2025</p> <p>Stonepeak</p> <p>Acquires</p> <p>ATSG AIR TRANSPORT SERVICES GROUP</p> <p>a provider of air cargo transport and logistics solutions, for approximately \$3.1 Billion</p>	<p>March 31, 2025</p> <p>Audax Private Equity</p> <p>Acquires (Majority Stake)</p> <p>Lanter DELIVERY SYSTEMS</p> <p>a provider of third-party logistics services, for an undisclosed amount</p>

SCM Upcoming Events

<p></p> <p>International Conference on Freight Management and Logistics Strategies (ICFMLS)</p> <p>BGSA Supply Chain Conference</p> <p>SMC³ Jump Start 2026</p>	<p></p> <p>January 17, 2026</p> <p>January 21–23, 2026</p> <p>January 26–28, 2026</p>	<p></p> <p>Miami, Florida</p> <p>The Breakers Hotel, Palm Beach, FL</p> <p>Renaissance Atlanta Waverly Hotel, Atlanta, GA</p>
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