

Winners & Losers: Lessons From Five Years of Supply Chain Disruption

Research shows how supply chain strategies impact stock performance—and why some companies are falling behind



About This Report

Cleo's first ever Supply Chain Earnings Impact Report presents findings from research of over 1,000 quarterly earnings reports from basic materials, consumer discretionary, consumer staples, industrials, and technology companies in the Russell 2000 from fiscal years 2019 to 2025.

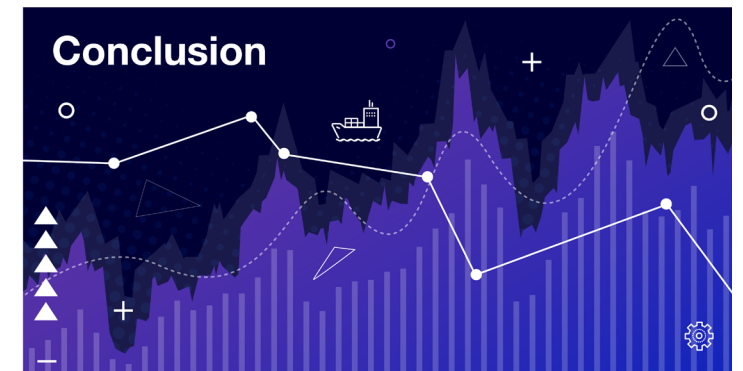
The goal was to focus on the heart of the American economy through mid-size enterprises.

By analyzing how public companies responded to supply chain disruptions, the impact on their stock price, and how long it took them to recover, this report reveals how supply chain strategies directly impact investor confidence and company valuation.



Companies that prioritized technology integration, real-time visibility, and operational resilience consistently outperformed the market.

Those that failed to modernize faced disruptions, rising costs, and investor skepticism—leading to laggard stock performance.



Introduction

The background is a dark blue gradient with various geometric shapes and icons. At the top left, the word "Introduction" is written in a large, white, sans-serif font. Below it, there are several white line graphs with circular markers, some solid and some dashed. A prominent white line graph with five points is in the lower half. To the left of this graph is a small icon of a truck. In the center, there is a large white circle with a blue ring around it. To the right of this circle is a small gear icon. At the bottom left, there are three white plus signs stacked vertically. In the bottom center, there is a small icon of a stack of boxes. On the right side, there are several white circles of different sizes and a small icon of a triangle. The overall design is modern and tech-oriented.

Executive Summary

The past five years have tested global supply chains like never before. From the pandemic's seismic disruptions to geopolitical conflicts and extreme weather events, businesses have faced relentless volatility. The companies that emerged stronger didn't just weather the storm—they redefined their supply chain strategies through resilience, technology integration, and data-driven decision-making.

Timeline of supply chain disruptions over the past five years:

- COVID-19 Pandemic (*March 2020 – Ongoing*)
- China's Zero-COVID Policy (*2020 – 2022*)
- Suez Canal Blockage (*March 2021*)
- Port Backups (*2021 – 2022*)
- Ukraine Crisis (*Feb. 2022 – Ongoing*)
- Inventory Overstocks (*2022*)
- Red Sea Attacks (*Oct. 2023 – Ongoing*)
- Extreme Weather Events (*Ongoing*)
- Tariff Uncertainty and Trade Policy Shifts (*2025–Onward*)



Looking for more? For additional details and timeline insights on these notable supply chain disruptions, be sure to check out the next page.

Timeline of Notable Supply Chain Disruptions Over the Past Five Years



Modern supply chains are complex, and their interconnected nature makes them susceptible to disruption from a wide range of geopolitical and economic factors.

The next major supply chain disruption is unpredictable, yet inevitable. However, the most resilient companies take quick action and come out on top, while the unprepared will feel the consequences.

Cleo's analysis of earnings narratives highlights a clear pattern:

- In the face of supply chain disruptions, companies leveraging technology integration saw stronger stock performance
- Supply chain disruptions for many organizations directly correlated with stock price declines
- Visibility, agility, and diversified supply chains were key differentiators between market winners and losers



Organizations must shift from reactive responses to proactive orchestration—unifying data, applications, and ecosystem partners through connected platforms.

Impacts of Supply Chain Disruption On Publicly Traded Stocks



When Supply Chain Conversations Peaked— And Why They Moved The Market

Before exploring the strategies that separated supply chain winners from losers, it’s crucial to understand when supply chain issues made the biggest impact on stock prices—and what topics drove investor reactions.

Earnings call data from 2019 to 2024 reveals a bell curve of supply chain discussions, peaking during the height of global disruptions in 2022 before gradually tapering as companies adapted.



The timeline on the next two pages highlights the evolving priorities of business leaders, from pandemic survival to post-crisis optimization.



Breakdown of Earnings Call Themes Each Year

2019

The Pre-Pandemic Baseline

171 mentions | 2% of total

Before the pandemic, supply chain issues were rarely central to investor conversations. The few mentions that did occur focused primarily on tariff concerns and supplier diversification.

- ▶ Inventory mentions in earnings calls primarily indicated stable supply-demand dynamics.
- ▶ China was a leading concern due to tariff tensions, driving supplier diversification discussions.

2019 serves as the benchmark for normalcy—highlighting the vast shifts in supply chain strategy that would follow in the years ahead.

2020

The Year of the Shockwave

1,276 mentions | 17% of total

The onset of COVID-19 in early 2020 triggered global lockdowns, labor shortages, and supply chain standstills, leaving businesses scrambling to adapt to the disruption.

- ▶ COVID-19 was the most mentioned term as companies navigated shutdowns and chaos.
- ▶ Inventory management became a challenge and companies realized the risks of single-region sourcing.

2020 caused shockwaves deep throughout global supply chains, setting the stage for long-term shifts toward resilience and flexibility.

2021

Lingering Pandemic Strains

1,760 mentions | 24% of total

While global economies began reopening in 2021, supply chain disruptions persisted as companies faced lockdown aftershocks, raw material shortages, and labor gaps.

- ▶ COVID-19 remained the leading term as global operations continued to feel the effects of rolling lockdowns.
- ▶ Inventory shortages were a top concern with executives focusing on mitigating backlogs.

2021 exposed the fragility of supply chains, as companies scrambled to balance fluctuating demand and incomplete supply pipelines.

Breakdown of Earnings Call Themes Each Year (continued)

2022

Peak Supply Chain Conversations

1,944 mentions | 27% of total

2022 marked the height of supply chain volatility as companies faced the effects of COVID-19 variants, shifting consumer demand, and widespread inventory overages.

- ▶ COVID-19 was the top term as new variants disrupted global operations.
- ▶ Inventory overstock from inaccurate demand forecasting was the second largest issue.
- ▶ Third was disruptions from port congestion, material shortages, and workforce gaps.

Businesses weren't just managing shortages; they were fighting to fix supply-demand imbalances caused by earlier overcorrections.

2023

Course Correction & Recovery

1,365 mentions | 19% of total

Businesses pivoted from crisis management to strategic correction by clearing backlogs, optimizing inventories, and integrating technology to strengthen forecasting.

- ▶ Inventory was a top concern as businesses took steps to correct overstock issues.
- ▶ Backlogs were the second most mentioned term as companies worked on delayed orders.
- ▶ COVID-19 mentions decreased but still reflected lingering challenges.

Companies recalibrated by shifting from reactive strategies to proactive optimization, with technology integration leading the charge.

2024

Supply Chain Stability Impending

729 mentions | 10% of total

By 2024, supply chain conversations in earnings calls declined significantly, signaling that many companies had navigated past the most disruptive impacts of the pandemic era.

- ▶ Inventory still topped the list but reflected strategic stock management practices.
- ▶ COVID-19 mentions dropped, indicating the pandemic's waning impact on supply chains.
- ▶ Backlogs fell as companies were clearing delayed orders and stabilizing operations.

While some experienced pandemic aftershocks, 2024 marked an important shift toward post-crisis optimization and long-term planning.

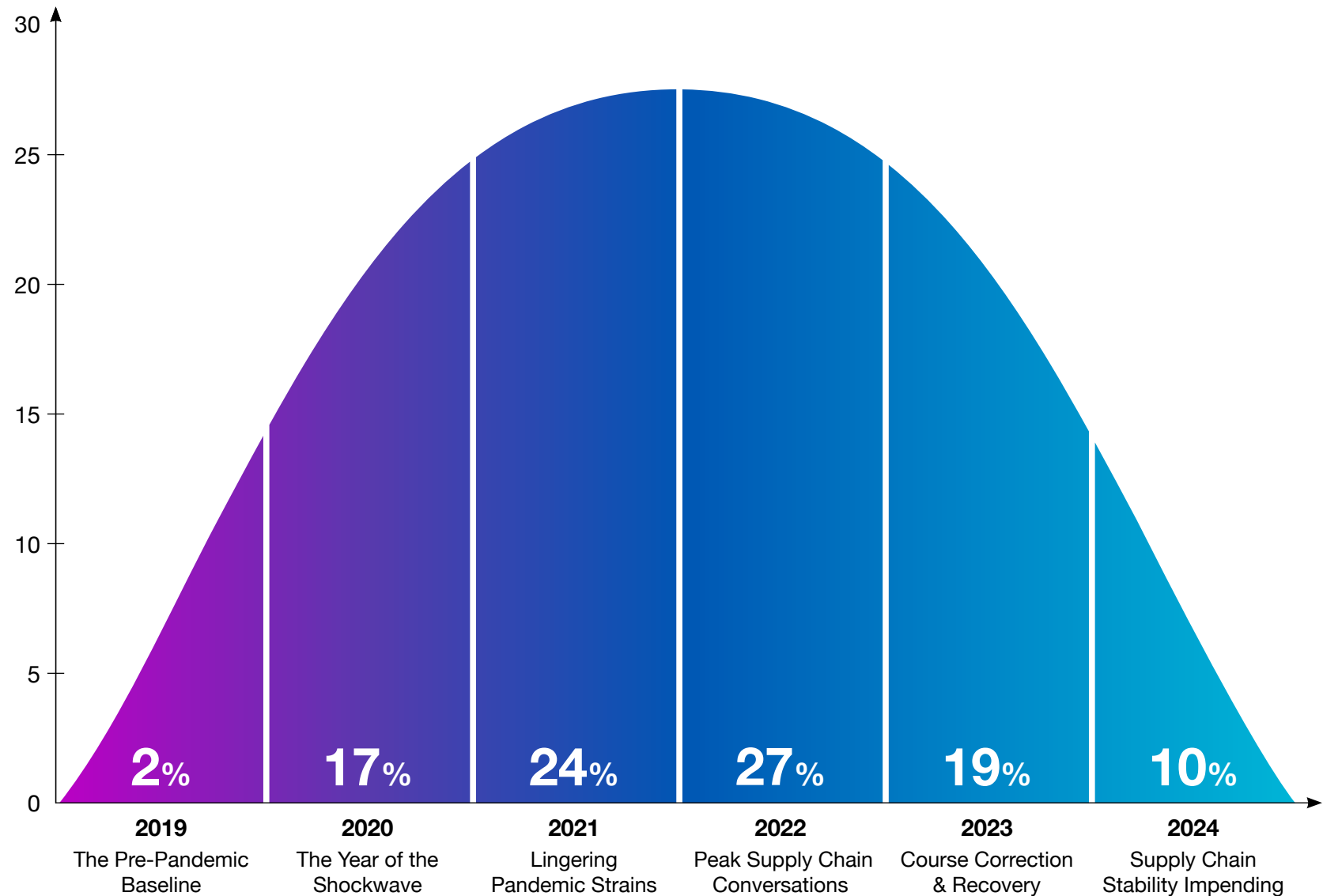
A Bell Curve of Supply Chain Volatility

The data reveals a bell curve, peaking in 2022 and gradually declining as companies adapted to a new normal.

This four-year arc—from initial shock in 2020 to recovery in 2024—underscores how deeply supply chain strategies have influenced market performance.

It took companies four years to recover from the pandemic’s disruptions. The ones that thrived didn’t wait for stability—they built it through technology, resilience, and strategic foresight.

Companies took an average of 176 days for stock prices to return to pre-earnings prices, with one company taking 1,086 days.



Actions of Supply Chain Winners



Strategies That Fueled Growth

Companies that outperformed market expectations demonstrated a clear understanding of the evolving supply chain landscape. These businesses embraced technology, prioritized agility, and made strategic decisions that aligned with both short-term performance and long-term resilience. The result? Stronger stock performance, improved operational efficiency, and increased investor confidence.

5 WINNING MOVES THAT DROVE SUCCESS

1 Turning Pent-Up Demand Into Long-term Growth

Winning companies leveraged post-pandemic demand rebounds to fuel sustained growth, not just short-term gains.

Improved Consumer Sentiment

Companies capitalized on pent-up demand and easing COVID-19 restrictions, often exceeding pre-pandemic sales levels.

Market Share Gains

Strategic positioning, virtual brand expansions, and omnichannel strategies helped businesses attract new customer segments and retain existing ones.

Workforce as a Growth Driver



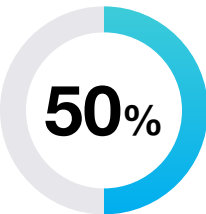
26% Attributed their consistent earnings growth to workforce improvements, like optimized staffing and targeted recruitment.

2 Backlogs as Strategic Growth Engines

Winning companies managed order pipelines strategically by focusing on high-margin products and used backlogs to signal long-term stability to investors.

Record-setting Backlogs

Companies reported substantial increases in order backlogs, signaling long-term buy-side stability. One company noted an \$850M backlog driven by demand for electric vehicles.



Of companies that saw stock increases cited strong backlogs as a sign of future growth.

Smart Pricing Strategies

Companies that adjusted pricing in real time managed to offset inflationary pressures and maintain healthy profit margins.

3 Operational Efficiency That Boosted Margins

High-performing companies cut costs and increasing productivity—proving that operational efficiency can be a growth driver, not just a cost-cutting exercise.

Lean Process Improvements

Investments in lean manufacturing, facility upgrades, and process optimization boosted throughput and reduced waste.

Labor Optimization

Strategic staffing and automation allowed companies to scale operations while keeping labor costs under control.

Resilient Supply Chains

Proactive steps to onboard new suppliers and diversify sourcing mitigated risks and improved production stability.



Of companies that saw stock increases cited strong backlogs as a sign of future growth.

4 Product Innovation & Market Expansion

Top performers used supply chain agility to accelerate product launches and tap into new revenue streams.

High-margin Product Launches

Innovative products—like electric buses and virtual restaurant brands—captured new markets and boosted incremental revenue.

Adaptability as a Competitive Edge

Companies that quickly responded to market shifts, such as the growing demand for eCommerce or alternative energy, outpaced slower-moving competitors.

Technology Integration

Businesses that adopted automation, AI-powered analytics, and connected services strengthened efficiency and customer satisfaction.

5

Building Long-term Resilience Through People & Technology

Winning companies found the right balance between automation and human expertise, building future-proof supply chains.



Workforce Development & Automation

Companies that combined automation with upskilling programs created agile, future-ready teams.



Supplier Ecosystem Expansion

Strong partnerships with suppliers helped businesses navigate disruptions and maintain production stability.



Data-Driven Decision-Making

Companies that aligned hiring with digital transformation goals outperformed peers still dependent on manual processes

THE COMMON THREAD

Agility, Innovation & Strategic Foresight

The companies that thrived didn’t just adapt to supply chain volatility—they used it as a catalyst for growth. By embracing technology integration, operational agility, and data-driven decision-making, these businesses strengthened resilience, captured market share, and consistently outperformed investor expectations.

Rather than reacting to disruptions, winners leveraged real-time visibility, smart automation, and proactive planning to turn challenges into opportunities—future-proofing their supply chains while unlocking new revenue streams.

Supply chain success isn’t only about managing risks—it’s about building agility, leveraging data, and strategically positioning operations for long-term growth. Companies that invest in integration, innovation, and resilience today will be tomorrow’s market leaders.

Actions of Supply Chain Losers



Where Companies Fell Short

Not all businesses navigated supply chain turbulence successfully. Companies that experienced stock price declines struggled with inefficiencies, poor planning, and a lack of supply chain agility. Inconsistent responses to disruptions, rising costs, and an inability to adapt to shifting market conditions directly impacted revenue, customer satisfaction, and investor confidence.

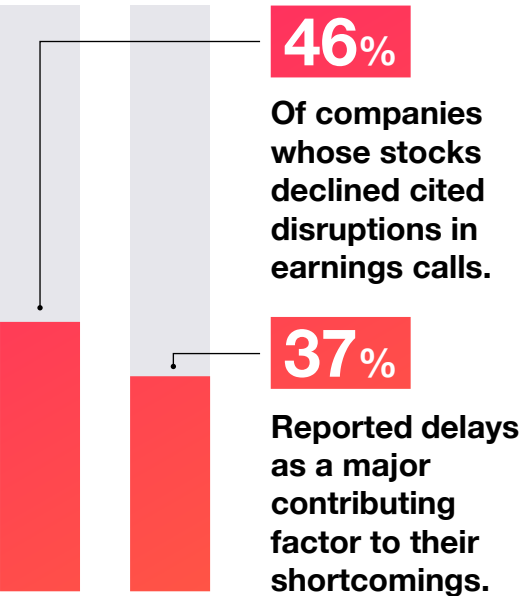
5 MISSTEPS THAT LED TO UNDERPERFORMANCE

1 Supply Chain Disruptions, Delays, & Visibility Gaps

Failure to anticipate and manage disruptions led to cascading operational challenges, lost revenue, and strained customer relationships.

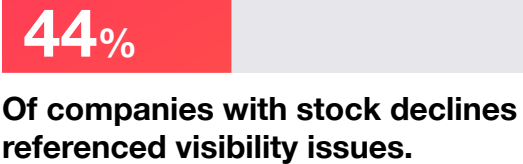
Delays & Disruptions

Slow production, late deliveries and bottlenecks impacted revenue and customer satisfaction.



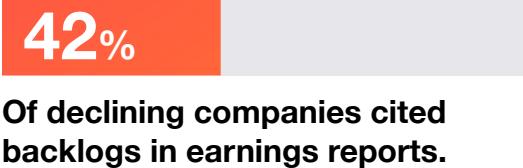
Lack of Real-time Visibility

Failure to monitor supply chain operations in real time led to reactive decision-making.



Shortages & Backlogs

Poor demand forecasting resulted in production backlogs and delayed revenue recognition.



2 Rising Costs Without Pricing Power

Skyrocketing input costs—without strategic pricing adjustments—led to profit erosion and investor skepticism.

Cost Escalations

Increased costs for freight, raw materials, and labor strained margins, forcing tough decisions.



Companies could absorb the costs themselves or pass them on to customers, risking demand elasticity.

Pricing Missteps

Slow price changes amid rising costs shrunk profit margins and undermined investor confidence.



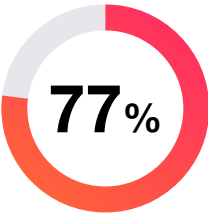
Despite widespread cost increases, inflation was rarely mentioned in earnings calls, likely due to its politicization.

3 Lingering Pandemic-Driven Struggles

Many companies failed to adapt to the post-pandemic market, causing operational inefficiencies and missed revenue.

COVID-19 Fallout:

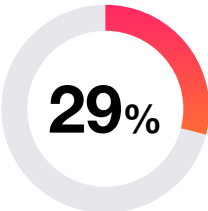
Temporary shutdowns, labor shortages, and shifting consumer preferences disrupted traditional revenue streams.



Of companies reported that stock declines were tied to COVID-related impacts.

Labor Market Weakness:

Workforce shortages and inefficiencies slowed production and strained operations.



Of companies that experienced stock declines cited workforce challenges as a key factor.

4 Market Weaknesses & Poor Risk Mitigation

Overreliance on specific markets or outdated supply chain strategies left companies vulnerable to external shocks.

Volume Discrepancies:

Underperforming core product lines hurt revenues despite broader market demand.

Weather & Regional Disruptions:

Crop shortages, floods, and severe storms impacted transportation and supply chains.



Of stock declines were linked to extreme weather events.

Reactive Planning:

Those unable to pivot quickly to alternative suppliers or logistics partners experienced prolonged disruptions and revenue delays.

5

Execution Failures & Investor Skepticism

Operational inefficiencies and vague recovery timelines left investors doubtful of long-term stability.

Underperformance in Key Segments

Certain business divisions struggled with inefficiencies and higher-than-expected expenses, dragging down overall profitability.

Delayed Project Timelines

Critical initiatives—like automation upgrades or facility expansions—were postponed, pushing financial benefits further into the future.

Unclear Recovery Paths

Companies that failed to provide transparency into their recovery strategies fueled investor uncertainty, further depressing stock performance.

THE COMMON THREAD

A Failure to Modernize

The companies that faltered often failed to invest in the foundational technologies and data strategies necessary for supply chain resilience. Reactive responses, fragmented systems, and lack of visibility left them vulnerable to disruptions and eroded investor confidence.

Supply chain strength isn't built in the moment of crisis—it's the result of strategic, long-term investments in integration, agility, and data-driven decision-making.

Key Lessons & Takeaways



Top Strategies For Long-Term Supply Chain Success

The clear divide between supply chain winners and losers highlights one undeniable truth: strategic foresight, operational agility, and technology integration are the pillars of long-term success. Businesses that embraced ecosystem integration, prioritized resilience, and aligned operations with customer expectations consistently outperformed peers.

Here are the core lessons and actionable strategies to future-proof supply chains...



Strengthen Supply Chain Resilience & Operational Efficiency

Companies that weathered supply chain disruptions and emerged stronger during market volatility diversified suppliers, streamlined business processes, and built agility into their operations.

Key Insight

Resilient supply chains reduce risk, improve responsiveness, and increase market reliability which maintains customer satisfaction.

Action

Diversify suppliers, streamline operations, and invest in real-time visibility tools to anticipate and mitigate disruptions.



Leverage Technology Integration For Competitive Advantage

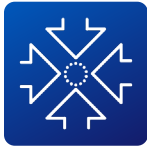
Companies that embraced advanced technologies—like automation, AI, and connected services—gained efficiency, improved customer experiences, and future-proofed operations.

Key Insight

Ecosystem integration platforms drive smarter decision-making, operational efficiency, and customer satisfaction.

Action

Integrate automation, AI, and connected services to reduce manual tasks, and improve real-time decision-making.



Centralize Business Operations For Greater Visibility & Control

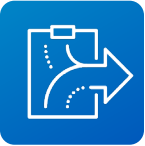
Disjointed systems and siloed data slow down decision-making and reduce operational efficiency. Winning companies unified systems for full supply chain transparency.

Key Insight

Centralized operations create constructive collaboration, improve decision-making, and reduce inefficiencies.

Action

Invest in centralized integration platforms that connect disparate systems and orchestrate supply chain operations to provide real-time visibility.



Build & Manage High-Value Backlogs Strategically

For winners, backlogs weren’t bottlenecks—they were future revenue streams. Companies that managed backlogs strategically secured investor confidence and market stability.

▶ Key Insight

A well-managed, high-margin backlog signals operational strength and ensures long-term revenue pipelines.

▶ Action

Prioritize high-margin orders, align backlogs with demand forecasts, and optimize pricing strategies to maximize future revenue potential.



Align Pricing with Costs to Protect Margins

Companies that experienced rising material costs were able to protect profit margins and maintain the trust of their investors by quickly and strategically adjusting their prices.

▶ Key Insight

Delayed pricing adjustments can erode margins, while proactive strategies preserve financial health.

▶ Action

Regularly review cost trends and implement dynamic pricing updates to offset inflationary pressures and protect profitability.



Invest in Workforce Development & Automation

Top performing companies balanced workforce development with automation. This enabled them to enhance productivity while reducing reliance on manual processes.

▶ Key Insight

Empowered employees, paired with the right technology, drive operational efficiency and long-term growth.

▶ Action

Upskill employees while integrating automation to streamline workflows and increase adaptability.



Exceed Customer & Investor Expectations With Data

Businesses that consistently exceeded expectations didn’t guess—they used data to drive decision-making, enhance customer experiences, and build investor trust.

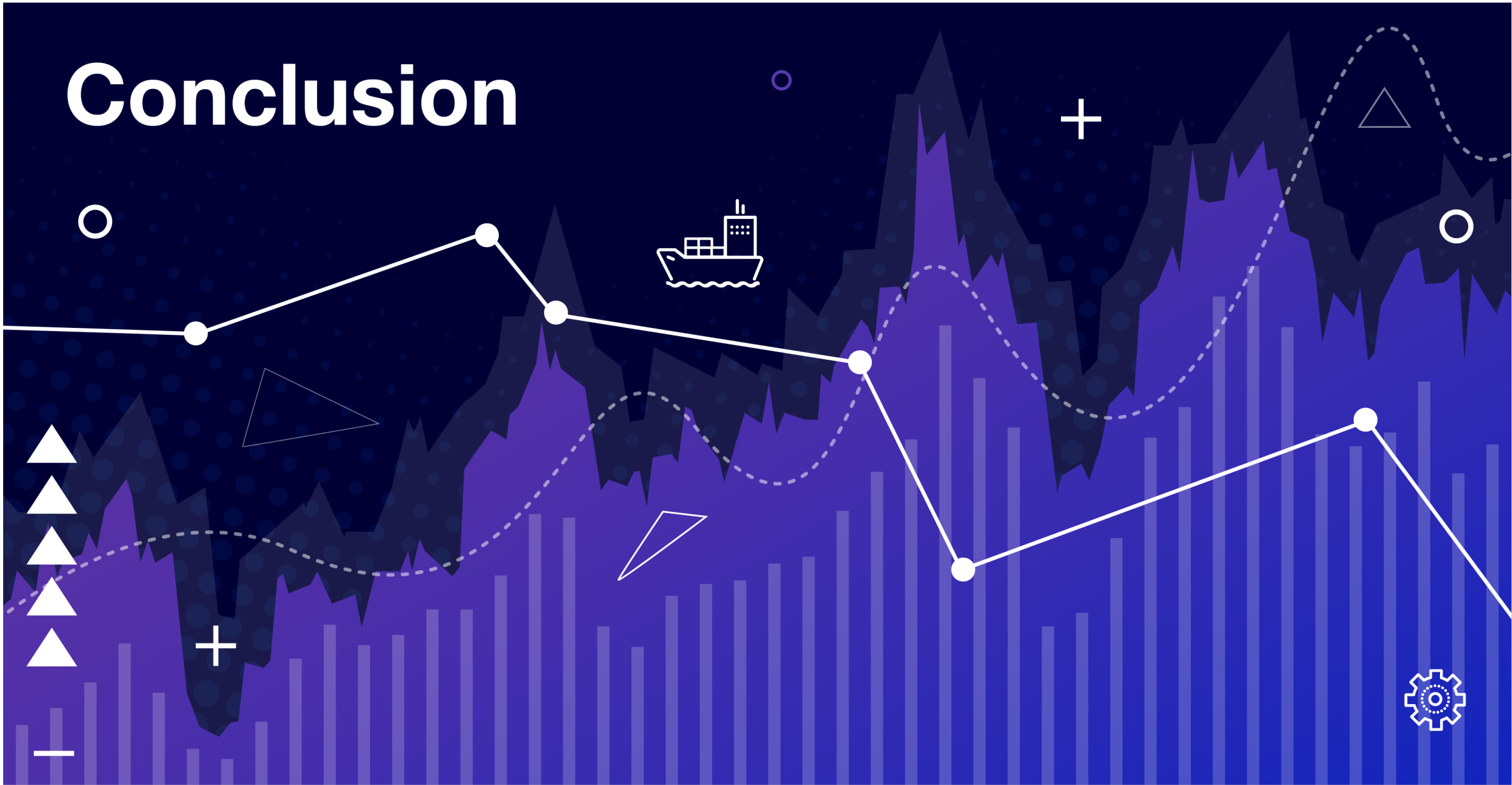
▶ Key Insight

Data-driven insights fuel smarter strategies, proactive issue resolution, and stronger customer satisfaction.

▶ Action

Adopt real-time analytics to track KPIs, improve forecasting accuracy, and enhance customer service delivery.

Conclusion



The graphic features a dark blue background with a pattern of small white dots. A prominent white line graph with circular markers trends upwards from left to right. Below this, a series of vertical bars of varying heights are shown in a lighter blue. A dashed white line graph also trends upwards, mirroring the solid line's path. Various geometric shapes and icons are scattered throughout: a large white circle in the top left, a plus sign in the top right, a minus sign in the bottom left, a gear icon in the bottom right, a ship icon in the center, and several triangles of different sizes and orientations. The overall composition is abstract and modern.

The Bottom Line

This report reinforces a vital takeaway: supply chain strength is a business growth driver, not just an operational necessity.

The gap between supply chain winners and losers comes down to three critical factors:

Resilience:

Ability to adapt to disruptions and shifting market conditions

Visibility:

Real-time insights to drive proactive decisions and improve efficiency

Agility:

Flexibility to pivot quickly, seize opportunities, and mitigate risks

Companies that integrate technology, build resilient operations, and align strategies with customer needs will continue to outperform competitors—even in volatile markets.



As supply chain complexity grows, businesses that invest in orchestration—connecting data, systems, and partners into a single, agile ecosystem—will continue to lead.

Methodology

The report pulls from the top 100 companies in the Russell 2000 between \$500M - \$1B, within the industries of basic materials, consumer discretionary, consumer staples, industrials, and technology. In this report, Cleo analyzed content of over 1,000 earnings reports from the above companies from fiscal year 2019 through fiscal year 2025 that mentioned supply chain. The report identified key terms within the supply chain earnings reports and analyzed stock prices seven days before and seven days after their earnings to draw correlations from the stock price changes.

About Cleo Integration Cloud

Cleo Integration Cloud (CIC) is a cloud-based integration platform, purpose-built to design, build, operate, and optimize ecosystem integration processes. The CIC platform brings end-to-end integration visibility across API, EDI, and non-EDI integrations. It gives technical and business users the confidence to rapidly onboard trading partners, enable integration between applications, and accelerate revenue-generating business processes. The choice of self-service, managed services, or a blended approach gives users complete flexibility and control.

About Cleo

Cleo is an ecosystem integration software company focused on business outcomes. We ensure each customer’s potential is realized by delivering solutions that make it easy to discover and create value through the movement and integration of B2B enterprise data. Cleo gives customers visibility into the critical end-to-end business flows happening across their ecosystems of partners and customers, marketplaces, and applications. Our solutions empower teams to drive business agility, accelerate onboarding, modernize business processes, and capture new revenue.



Expect More From Your Integration Platform

- ✓ Real-time data visibility
- ✓ Flexible service options
- ✓ Business process automation
- ✓ Pre-built maps & templates
- ✓ Vast protocol support
- ✓ EDI & API connectivity



Request Live Demo



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