



SUPPLY CHAIN SOVEREIGNTY IN A FRACTURED WORLD:

Winning the AI and geopolitical race for resilience

SupplyChain Strategy attended July's Exiger Executive Forum to hear from the best and the brightest in the industry.

WRITTEN BY
MARCUS LAWRENCE

PRODUCED BY
MIKE SADR

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upply chain resilience is one of the most pressing concerns of modern business, whether executives are aware of it or not. That was the central theme of the Exiger Executive Forum held on July 23rd 2025. Titled Supply Chain Sovereignty in a Fractured World: Winning the AI and Geopolitical Race for Resilience, the event brought together business analysts, CEOs, supply chain and procurement executives, academics, and politicians for an open discussion around supply chain sovereignty and the urgent need to secure supply chains across myriad industries and territories.

As geopolitical events, trade wars, and threats to globalised networks threaten to destabilise global and local supply chains, the case for supply chain sovereignty, which is an organisation's ability to control its supply chain and minimise dependence on external suppliers, becomes increasingly stark. However, a myriad of stakeholders must come together to enable organisations and nations to gain independent control of supply chains, and collaboration between industry, government, and academia is essential.

Three guest speakers joined Maria Villablanca, CEO and Co-Founder of Future Insights Network, each representing voices from within politics, business, and academia: Tobias Ellwood, former UK Minister and Chair of the Defence Select Committee; Koray Köse, CEO and Chief Analyst of Köse Advisory, Senior Fellow at GlobSEC Geotech Centre, and Board Member of Slave-Free Alliance; and Karsten Machholz, Professor for Supply Chain Management and Strategic Procurement at University of Applied Sciences, Wuerzburg-Schweinfurt.

The discussion exemplified the



discordancy of priorities and perspectives among senior voices from all angles regarding security, economics, policies all impacting value chains, albeit with a shared willingness to engage in secure, competitive, ethical and innovative supply chains, fuelling businesses and economies through heightened volatility in a fractured world that is recalibrating through the era of reglobalisation.

SUPPLY CHAIN SOVEREIGNTY: BRIDGING POLITICAL UNDERSTANDING AND URGENCY

"It is a dangerous world that we're entering," Ellwood warned. "If I ask you 'Do you think the world will be safer or more dangerous in five years from now?', I think we'd all agree in which direction it's going. We have to then ask ourselves how we prepare for that." To

that end, Ellwood believes an increased focus on supply chain sovereignty is both an economic and military imperative.

For Ellwood, the central issue is limited understanding, both public and private, around the urgency presented by the current risk and threat environments. Through the combination of limited knowledge around supply chain complexity and an election cycle-focused impetus to enact vote-winning policies, he believes the political class lacks both the nous and urgency to prioritise supply chain sovereignty.

"After 20 years in politics, I can safely say that many politicians are simply unaware of what's coming over the hill," said Ellwood. "The tide took me out to the last general election, and so I went from helping to

craft and nudge policy and encourage Britain to move forward to then scrutinising what we were doing, not just at home but internationally. Now that I'm outside of politics, I continue doing those same things."

The necessity for political engagement is not lost on Köse, who through his own experiences of researching, advising and leading supply chain organisations, has been advocating for supply chain resilience as a top line driver for economies and companies, has equally encountered the depth of that disconnect.

"At an early point I realised that geopolitics is the key denominator for all value chains and all of us in this context," he said, adding that work is overdue but starting to be underway to bridge this gap. "The London Defence

Conference, as one critical congregation, is key for you all folks to be aware of. Not only because of what they do in terms of bringing the politicians into one room to debate some of the most fierce topics of the day, but it's all about convergence. Bringing in supply chain leaders, policy makers and technology folks with a direct approach to debate."

"In supply chain, we see the conversation about having a 'seat at the table' for decades now and I always say, 'Just bring your own freaking table', and invite everybody to it"

— Koray Köse, CEO and Chief Analyst of Köse Advisory, Senior Fellow at GlobSEC Geotech Centre, and Board Member of Slave-Free Alliance

Villablanca noted that Ellwood's presence was indicative of a gradually shifting tide, however. "It's not lost on me that here we are in this panel, talking about supply chain, and we have a former politician with us," she said. "That is very different to some of my earliest supply chain conferences where we didn't see that, so it's a sign of the times. Set the scene for us around why you're here and why it's important to discuss the geopolitical situation vis-a-vis supply chain today."

"I spent most of my time in politics trying to strategise, trying to go four or five chess moves ahead, and I found I was on my own," Ellwood replied. "Politicians operate for the day, for the here and now, the election cycle; the news cycle is what keeps them busy. They're not thinking about these

things and yet the world we're now seeing in everything... everything is being weaponised because that is the change in the character of conflict.

"But today, from my perspective, I see the world splintering into two spheres of hugely competing influences. If you look at the number of countries that have signed up to China's One Belt One Road initiative, you'll see that many of them are either opting or hedging their bets as to where things go.

"To make matters worse, our exemplifiers of what democracy looks like aren't in a good place. We see what's going on in America, British politics and so on, and Europe and America are not on the same page. We aren't promoting global law in the sense that we had a sense of determination that we had when organisations were set up in 1945. Other nations are

getting together and realising that there's an opportunity to exploit the wobbliness of our world order and do things their own way.

"That's where the mechanisation of just about anything comes in to cause us economic harm, to sow political discord from afar. It's very easy to do and becoming easier simply because of the openness of our society. It means, from a rudimentary perspective, anything you do can be weaponised against you."

"It's very easy, from afar, to then limit your supply chains and thereby limit your capabilities. There are countries that specialise in sowing economic discord from afar. They understand and learn and know supply chains better than we do, and they can work out which missing pieces will

cause our assembly lines to grind to a halt."

That lack of preparedness, he says, is an impediment to putting the nation on a footing that could support a war effort on the scale of the World Wars.

He continued: "There's also the prospect of preparing for war, which means that we are suddenly spending more money on defence. Our ability to switch on the supply chain levers to support military capability is not there. This is why companies that have no connection with the defence world need to think about the services they provide that might have a military bearing. In five years time, you may be called upon to do exactly that.

"That is the mindset we now need to get into. Security and economy are one and the same now, and that's what we need to learn."



Exiger Executive Forum: A closer look

The Exiger Executive Forum (EEF) in London is a global think tank that brings together elite independent voices from strategy, policy, technology and business to equip leaders with the frameworks and foresight needed to navigate the multipolar era. The EEF is exclusively curated for industry experts, analysts, policy makers, and senior procurement and supply chain decision-makers through Exiger, a market-leading supply chain AI company.

The next Exiger Executive Forum 'War-time Economics: How Europe's €800BN Defence Spend Will Reshape Supply Chains' will take place in London on Thursday, September 18th, 2025.

AI, FORESIGHT AND RISK STRATEGY

The conversation then shifted to the business side, where securing critical supply chains powering key technologies such as AI, defence and security, biotech, energy and quantum computing has become a more pressing concern in the wake of a range of global disruptions through the early 2020s.

Along with broad supply chain breakdown during the COVID-19 pandemic, the geopolitical environment has become more fraught. Escalating trade wars, the imposition of sweeping import tariffs in the US and heightening tensions between America and China have thrown globalised networks into question. Alongside those challenges, Environmental, Social and Governance (ESG) directives have placed an increased onus on supply chain leaders to sanitise their supply networks against modern slavery, conflict minerals, and indirectly sourcing materials from rogue nations. The case for establishing redundancies in supply, as well as heightening visibility on an end-to-end supply basis, was thus clear amongst the panel.

“Koray, you work with a lot of different companies,” began Villablanca. “Do you think there’s a mindset issue where politics and commerciality need to come together to realise the common goal and create resilient supply chains?”

“Directly, there probably is a mindset issue,” Köse replied. “I think there is a lack of clarity about the importance of geopolitics’ impact upon supply chains, and there is certainly the capability issue of understanding the context of geopolitics.” He then elaborated on the challenge by highlighting shortfalls in

companies’ predictive capabilities.

“Companies operate with risk dashboards,” he continued. “Sometimes it’s just red, yellow, green, and that’s all you have. They have a few key risk indicators like financial compliance issues, quality issues, performance issues, but you never see strategic foresight. It’s retroactive, based on historical numbers. If you look at a production line it might say, ‘We didn’t have an incident for 80 days’. What if somebody were to say, ‘We won’t have an incident in the next 100 or 80 days’? You don’t see that in production; it always looks backwards because it is built on the past.

“A big problem in a lot of the military complex, and in politics, is thinking that the next war will be like the last one. They cannot necessarily understand that asymmetric, hybrid and proxy warfare is really where things are going, and the same goes for technology. Supply chains are often built on yesterday’s technology.”

To then end, he believes supply chain leaders should be more forthright in leveraging their profound influence upon business operations: “In supply chain, we see the conversation about having a ‘seat at the table’ for decades now and I always say, ‘Just bring your own freaking table’, and invite everybody to it. Everything, every cent in an organisation, goes through you. Own that leverage and don’t run after them, invite them to come to you. Your table is where value is generated, secured and innovation and competitiveness are established. You hold the fate of the future.”

As to politics’ place within meeting this challenge, Villablanca asked Ellwood whether the political sphere could be doing more to shape the corporate agenda.



"Yes, and that last point you said is the most critical; recognising that there is a massive risk, that this is a very different world that we're now facing, and I expect the point that's really being made is the absence of politicians," he said. "The politicians themselves need to be told what we need because their expertise in understanding this arena is poor."

"China now owns the periodic table. If you are into silicon wafers, where's your serum going to come from? If you're into magnets, where's your Europium going to come from? You need to know this sort of detail, and it's not just you yourself. It's your suppliers and the suppliers of your suppliers, too."

While supply chain transparency has undoubtedly increased in recent years, he stressed that considerable work remains to realise total visibility.

"At a recent procurement event I was astonished at how many household names were unaware of what their second and third-tier partners were doing during the procurement cycle," Ellwood continued. "They didn't understand the vulnerabilities, down to the SMEs, of what's going on. If the assembly line stops then that's quite serious, but what's going to happen because of that stress?"

"There are people who don't understand it over here, not recognising that our competitors are deliberately looking at our supply chains and working out where that vulnerability lies. It is so that Ford stops making trucks, so that pharmaceuticals stop making medicines. Ministers are ignorant about this and we need to become better at it. This is the frontline of the next war that we'll fight, and that war is coming."

"I would add that some can't fathom the complexity of certain supply chains and the vulnerability and risk associated with

multiple tiers within them," Villablanca posited. "There's probably a translation issue with regards to business and politics around supply chain."

To this, Ellwood stressed that international government groups hold the keys to unlocking a broader understanding within members' respective political spheres.

"The G7, the Five Eyes Alliance, this is where these conversations need to go," said Ellwood. "To recognise this must be a priority within the western world, we now need to have an alternative source to make sure that we can build our aircraft, we can build our factories, we can build our products. It isn't so much the rare earth

minerals themselves, but it's the processing. Setting up a processing factory for rare earth minerals takes almost a decade."

Here, a guest interjected with a point that hearkened back to Ellwood's own admission that politicians have an innate directive to focus on local, vote-winning issues: "Politicians recognise there are no votes in this. The average MP will say their inbox is full of 'fix the NHS', 'get the roads fixed'."

Resolving political challenges such as those, Ellwood replied, is predicated upon strengthening economies to open fiscal headroom for public investment.

"If our economy is affected by problems with our supply chains, there'll be no money

in the treasury," he explained. "Not for health, transport, potholes, policing, defence. It's imperative that if you want to fill the coffers, then we need to protect ourselves. You can only do that with supply chain resilience. As a politician, you've got to take the people with you if you want to make the case."

Villablanca then repositioned the conversation with regards to pressing issues around sustainability.

"There's a lot of risk associated with our supply chains that goes beyond geopolitics," she said. "We also have climate issues, economic issues. How do we maintain sovereignty in our supply chains while still trying to pursue goals around sustainability?"



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– Tobias Ellwood, former UK Minister and Chair of the Defence Select Committee

“Supply chain transparency is something that I advocated for when I was a young consultant in the early 2000s when my hair was not so grey,” said Machholz, highlighting the gradual shift in supply chain priorities around identifying the finer details across those networks. “It isn’t a new topic and in the EU we now have the Critical Raw Materials Act.

Machholz drew the conversation towards sustainability in the context of integrity and continuity. “I’m German, and what we have is engineering power. We are good at car and machine manufacturing, but we have no natural resources. We have a little bit of coal, but all other things need to be imported. There have to be some sources to get those things.

“There’s Trump and tariffs going up and down, and we have some other geopolitical tensions affecting supply. You might say, ‘Where do I source this particular thing from? We don’t really have a second source of supply, because both of these sources are located in the same geographical spot.’ Maybe both of them are coming out of China.”

For Machholz, lessons to be gleaned around forecasting with technology’s latest predictive capabilities were presented en masse by the pandemic. “If we look at COVID, almost all supply chains were disrupted and you were running out of materials,” he continued. “You needed to be much more risk alert, and this is the problem we have already touched on: not looking in the back mirror, but using your data and turning insights into foresights to see what could happen, and then being agile and adapting.

“Sustainability could be one thing, having several sources, having alternatives, but of course, especially if we’re talking about critical raw materials, critical parts or maybe patent-protected or monopolistic suppliers, we are in an ambitious situation, put it that way, to find some alternatives.”

Machholz stressed: “This is something that each supply chain manager, CPO, and CFO, needs to understand to set boards’ scenarios. I’m pretty sure with the help of artificial intelligence we can elaborate much more on our data and predict different scenarios so we can be more prepared rather than just reactive.”

SHIFTING FROM COST-CUTTING TO RESILIENCE

Of course, supply chain executives are under siege from an enormous breadth of challenges, whether it’s geopolitics, technological evolution as both a benefit and a threat, and shifts in consumer behaviours precipitated by those same factors. Rising to meet those challenges on all fronts, especially in a business landscape that often adheres to cost optimisation and efficiency over investing in resilience, can give rise to decision paralysis or financially-stymied strategies.

Turning to Köse, Villablanca asked: “There’s a mountain of black swan events lurking around us, ready to attack at any minute. What are the things that a supply chain leader should be focusing on today to try to build resilience?”

“To be honest, I don’t think they’re looking

at building resilience,” said Köse. “What they’re doing right now is cost optimisation, looking at inflation and making sure that the profit margins are going to be protected through the bottom line, not considering top line revenue maximisation.

“I think agility and economics always need to come back to top line, which basically means in the context of normal business 101 you are producing something, that there is a want and a need and a willingness to pay, and not necessarily hyper-focusing on the cost line or saying, ‘I’m not going to produce a bunch of bullshit that nobody’s going to pay for, just because I got to claim savings to my CFO.’”

“I’m going to challenge you there,” Villablanca interjected. “I think, theoretically, that’s great, but everybody in this room



is running a business. We have our own boards, people above us, board directors and so on saying, at the end of the day, you are remunerated and we are all remunerated for our quotas. How do you deal with the day-to-day management of your business as well as building that kind of resilience, agility and visibility?”

To this, Köse stressed that the difference can be made by reframing how businesses examine and counteract risk. “We’re thinking about turning the tide by really embedding foresight in risk indicators. Those risk indicators need to incorporate geotechnical, geostrategic issues with foresight,” he continued before highlighting what he implied to be a tendency for organisations to bury their heads in the sand when faced with developing geopolitical challenges.

“I published an article before Russia invaded Ukraine, about Russia getting ready to invade Ukraine, that went through loads of red tape and debate internally that calling Russia an aggressor was cancelled out from the research note,” said Köse. “They said, ‘You can’t say that’ while it was pretty obvious that Russia were clearly the aggressors.

“The supply chain-focused function needs to spread out and have these geopolitical indicators, geotech-related risk indicators, and not just the last financial report from your supplier A to Z or tier one or tier two.

“We must then tie it back to the value and revenue you’re generating. Get away from this hyper focus and obsession with savings. In that context, make your analytics smarter with a bold analysis of things that you feel uncomfortable about. Think about ‘what now?’ and think about politics. I know we eradicated politics out of business as much as we eradicated many other beliefs from the conversation, but it has to come back.”

With this in mind, he proposed that cost



optimisation is to an organisation’s detriment where resilience is concerned, not to its security. “Your indicators for success are not just on the cost line item or bottom line. Your priority must be on the top line. If I sell more, I can grow. With cost optimisation you can shrink yourself to death. That’s what some countries have done with political reviews where you shrink this, you shrink that, let’s shrink here, let’s shrink there. Potholes, collapsing bridges and rail systems, come because of the shrinkage of your investment budget for public infrastructure, for example. What I have found in the last decade of the sustainability high is that it actually impeded resilience, while the narrative said it was supposed to increase resilience.”

To this, Machholz highlighted the data behind Köse’s comments that resilience offers heightened growth potential than cost-cutting measures.

“There were some studies from McKinsey which showed that companies who are

investing in risk management are 4.7 times more profitable than those who don’t,” Machholz shared, stressing that businesses engaged in this mindset are missing growth opportunities.

“People just fall back and say, ‘Okay, now the risk is over, COVID is over, whatever event is over,’ he continued. “We can just go back to business as usual’. Resilience is just extra cost, extra inventory, maybe a second supply chain that needs attention, money, and people to take care of it, and they just simply don’t do it. This is, I think, one of the big threats that we are all facing.”

Ellwood concurred that this lack of foresight and willingness to invest in protective supply chain measures leaves businesses undefended against interruptions both foreseen and not. “We need to prepare ourselves for unexpected events to happen as the norm,” he said. “What would happen to any business if it didn’t have power for 72 hours? How would you look after your

personnel? How do you make sure you salvage the business so that, after 72 hours, you can get back up and running. These aren’t questions that we naturally posed at the moment because again, we tend to park these things.

“The mentality may be, ‘The world certainly feels like it’s getting dangerous, but my life actually looks okay.’ That isn’t the right attitude. If you go to Sweden or Finland, who are much closer to the war with Russia, they are preparing in a way that we are not for a major event or incident. It may well be that when something happens and it’s the moment where governments wake up, but you shouldn’t be waiting for that moment.”

Villablanca then highlighted the recent, universal example of poor supply chain resilience bringing business, both domestic and international, to a grinding halt. “Did we learn nothing from COVID?” she asked. “Did we not take the opportunity to stress test our supply chains and look for the vulnerabilities within multiple layers?”

In response, Ellwood invited guests to consider whether the muscle developed in response to COVID’s interruptions had been allowed to atrophy. “I think that’s a question for everybody; how much of that was retained?” he asked before blending the conversation of supply chain agility with the potential for organisations to support national security should their respective nations go to war.

“During COVID, supply opportunities came about,” he said. “Everyone here today represents diverse businesses. What services do you provide that you could tweak or add value to where something else has fallen short?

“That’s where life really becomes interesting because that’s what happened in the First and Second World Wars. We called on organisations that previously had no

interest in helping out with the war effort to add support and value to the wider machine and protect ourselves from a resilience perspective.”

Challenges faced by supply chains, he explained, have analogues to business that clearly marry the political and business spheres: “When we say ‘war effort’ today, it isn’t just Army, Air Force, Navy, air, land and sea. It’s now cyber, it’s space, it’s coastguard, it’s AI. This greater warfare is where a lot of the real pain will happen. As happened in COVID, it’s going to be the clever people in the industry that step forward to say, ‘I’ve already thought about this’. They’re in the patent-esque mode, they’ve done the work to say, with a few tweaks here and there, give us some extra money, and I can alter what I’m producing to provide a solution.”

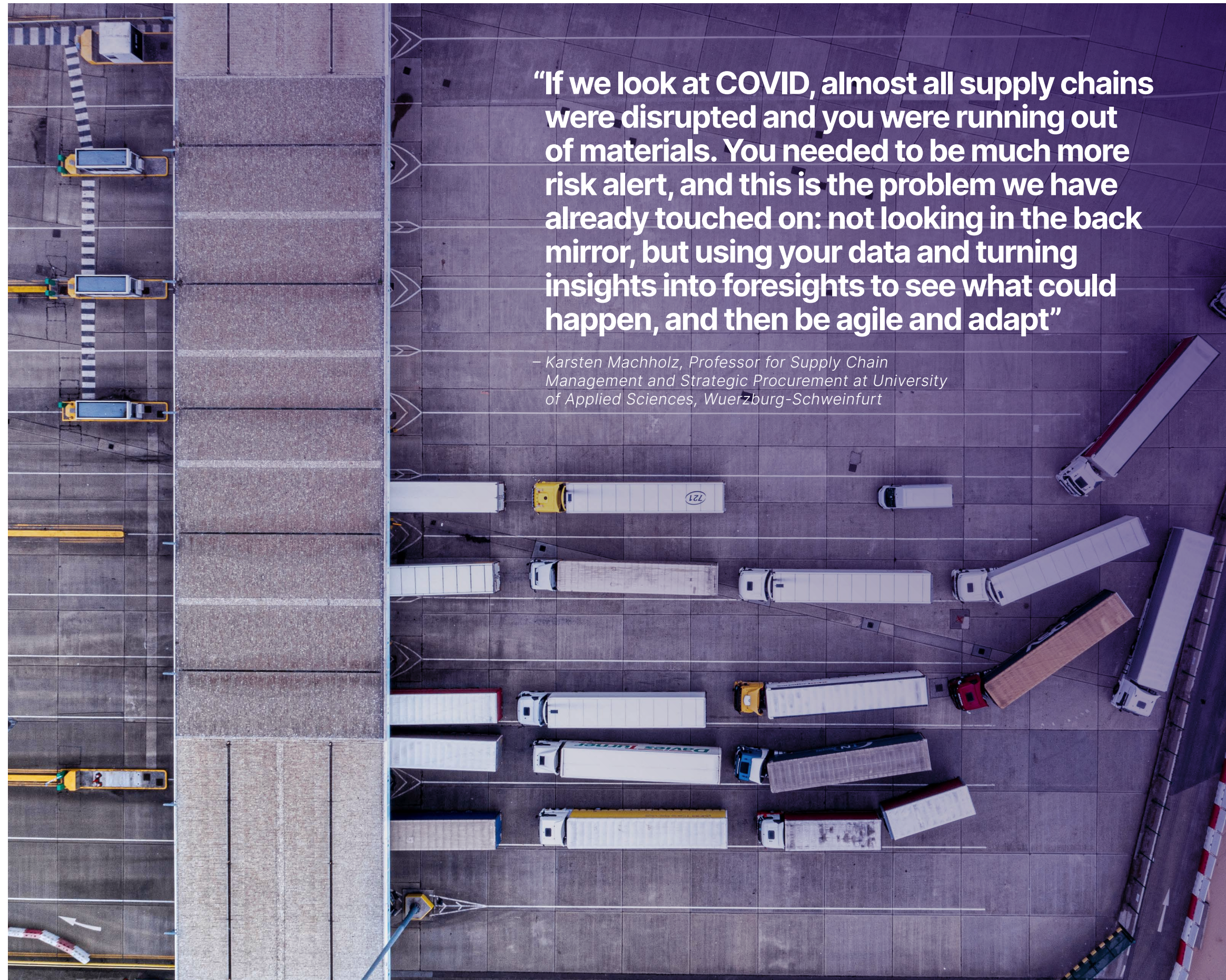
THE ROLES OF GOVERNMENT AND INDUSTRY

While there are clear precedents for, and incoming needs to, prioritise supply chain resilience in both the political and business spheres, the conversation made it clear that a unified front stands to offer the most impact.

The challenge, particularly in a political environment preoccupied with economic stabilisation, increased productivity, and soothed international relations, is identifying a shared north star or galvanising body to lead the shared project.

Striking at the heart of the conversation, one guest posited: “If we want to align supply chain and geopolitics moving forward with a mutually-reinforcing relationship and shared goals, joint risk assessment, a focus on resilience over efficiency, and heightened cross-disciplinary talent and data, what are the forward steps?”

“What can we within industry do in partnership with governments to move this forward?”



“If we look at COVID, almost all supply chains were disrupted and you were running out of materials. You needed to be much more risk alert, and this is the problem we have already touched on: not looking in the back mirror, but using your data and turning insights into foresights to see what could happen, and then be agile and adapt”

– Karsten Machholz, Professor for Supply Chain Management and Strategic Procurement at University of Applied Sciences, Wuerzburg-Schweinfurt

Representing the political voice, Ellwood replied: “There are certainly supply chain improvements that you can do on a national, sovereign basis. But from where I sit, there is a wide political threat that we face and are losing right now. One of them is to do with the energy supply, and another is the threat of AI. The quantum race will be won or lost in the next five years’ time, and that will be game-changing. It simply means that if the winner can harness the power of computing on that scale, everything’s over.”

Ellwood then invoked the technological advancements made in modern wartime, stressing that political figures must wield the mindset of those times to accelerate progress.

“I would like to see some two or three Manhattan Project equivalents, if you like, to ask, ‘How do we harness modular nuclear power?’” he said. “That’s a very easy way to keep our lights on locally. Then, how do you harness AI? Let’s make sure it is this side of the world that wins that.

“Again, there isn’t that coordination, that sense of urgency, because it’s too far down the road,” he concluded, then highlighting that opposing forces on the world stage already have the unified capabilities that many Western nations lack. “State, industry, and academia in China, for example, are all morphed into one and that gives them huge benefits in the race for these key arenas.”

Köse elaborated on this point by



highlighting Turkey’s effective coalescence of business and government.

“If you think about the private-public national defence sector in Turkey, it came from being totally dependent on the US armoury to a leading innovator of drone wars,” Köse explained. “When you think about asymmetric warfare, innovative, impactful and economic weaponry, from drones to secure soldier transportation and all of that, think about what Turkey is producing right now in technology compared to others. The headway Turkey experienced in the last decade in the defence sector is unprecedented.

“That private-public sector coalition and symbiosis has covered such a need for them in a decade that many are surprised. I think that is something that Europe has to relearn, because Europe thinks a lot about public sector dominance in an area where the private sector should actually take charge. In the US, it’s the opposite. They say, ‘keep

the public sector out’. The solution lies in collaboration and bringing each sectors strength to the table while leaving out their weaknesses and flaws.

While of course not advocating for adopting the political model, he agreed with Ellwood that nations like China have an innate advantage in this race. “When you think about the way that the autocratic countries are going about it, it’s the public sector dominating the private sector environment,” he said. “That’s why they’re so hyperfocused on things and they can scale but not necessarily innovate in this sector.

“I love the government when it’s in the right place to actually do something positive and impactful. But when I’m exposed to it, I usually get anxiety issues due to the lack of pragmatism, innovation and agility. But hopefully there’s this convergence of politics, business and academia driving intelligence into critical sectors and industry, and we’re trying to drive it through this think tank here.”

THE UNIFIED CASE FOR SUPPLY CHAIN SOVEREIGNTY

Exiger’s Supply Chain Sovereignty in a Fractured World event was an enlightening review of the supply chain landscape and the myriad challenges and stakeholders it encompasses.

While the panellists’ conversation in many ways highlighted the disconnect between government, business, and academia, the resonating message was one of shared pressures and goals. Where governments have pulled back on the reins of public spending, many organisations have in kind adopted a cost-optimisation mindset that may protect the bottom line but opens the door to heightened vulnerability.

Where governments must consider challenges around energy sovereignty and insulating populations against the breakdown of globalised networks – as was demonstrated upon Russia’s invasion of Ukraine in 2022 – supply chain executives must create redundancies to cover lapses and minimise potential disruptions to production and wider organisational integrity.

The guests’ final comment, that states which can marry both the public and private spheres towards shared interests, neatly encapsulates the urgency with which those worlds must reunite. While much work remains to enmesh those spheres, it is clear that the conversation is progressing at pace. ■