



How to adapt and achieve supply chain value creation

As innovation intensifies and the viable lifecycle of products shortens, markets become even more unpredictable and exert increased pressure on Supply Chain Managers to adapt and achieve value creation for their clients.

Identifying and addressing the key supply chain challenges, Meriem Bouazzaoui, doctoral researcher at HPC Supply Chain Innovation Lab shares the key takeaways for Supply Chain Managers from the Annual Supply Chain Forum, hosted by the University of Tennessee's Supply Chain Institute.

Don't focus solely on optimising efficiency and lowering costs

Being a successful Supply Chain Manager is not only about mastering operations optimisation skills but to also acquire a comprehensive understanding of various business aspects that are necessary to deliver value to clients. This includes talent management, finance, information and data management. Daniel Myers, Executive Vice President of global integrated supply chain at Mondelez International highlighted that: "If you want to be successful, you need to develop a total business understanding."

Similarly, Tom Morton, Vice President of global supply chain and quality at Eastman Chemical Company, said: "We are not focusing only on operations, but we are better understanding the value proposition to our customers, and why is it important to their respective businesses."

Develop an end-to-end supply chain perspective

Cross-functional supply chain synergy bringing together procurement, logistics, and operations is necessary for companies. "This synergy coupled with sales and marketing in an integrated S&OP [sales and operations planning process] drives supply chain excellence," said Steve Bowen, Chairman and CEO of Maine Pointe.

Myers stressed: "We call it supply chain, but it's not just supply. It is the value chain. We make the product, collect the order, deliver the product and collect the cash. The only way you create a competitive advantage is to deliver superior products with lower cost and cash than anyone else in the market."

Supply chain leaders need to create a collaboration culture

Although driving internal and external collaborations sometimes go against the supply chain department's short-term goals, it is one of the crucial elements for achieving breakthrough results. Morton said: "To create a world-class, customer-focused supply chain, collaboration within supply chain activities and between a firm's other business functions has been embedded in our culture, 'everybody serves, everybody sells, everybody helps'."

Use digitalisation tools to drive value creation

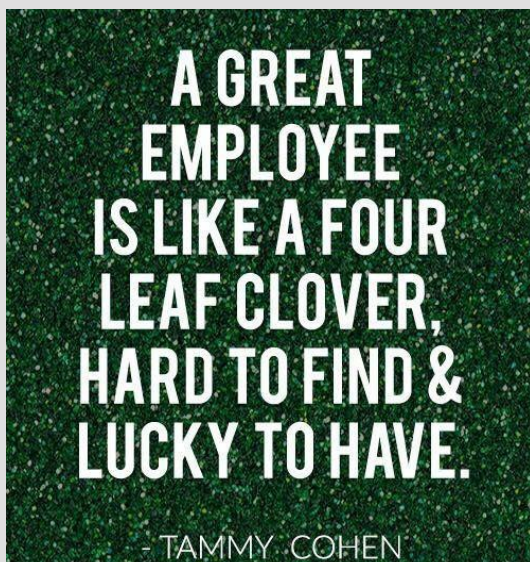
Digital supply chain was a buzz word during the forum. Several managers emphasised their company's perspective on the adoption of digitalisation to transform their journey towards a more competitive global supply chain. Alex Zhong, Senior Marketing Manager of Watson Supply Chain at IBM, stated that big data, IoT, Cloud, the sharing economy and crowdsourcing are necessary disruptive assets to keep up with the pace of market fluctuations.

To conclude, because the business environment is not static and is evolving at an incredible pace. Lora Cecere, Founder and CEO of Supply Chain Insights, said because customer needs are changing and technological advancements are rocketing, the ability to "learn, unlearn, and relearn is one essential skill to a successful supply chain manager".

Article extracted from <https://www.cips.org/en/supply-management/opinion/2018/march/the-key-supply-chain-challenges-for-value-creation/>

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