

Challenges faced by Supply Chain Management teams

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Much has changed over the years since the 2000 when few knew the term Supply Chain Management (SCM) and even fewer knew what it meant, including me.

Keywords: SCM, C-Suite, Peer-to-peer mentoring, cross-generational collaboration, job rotation, integration, Q-sort, Customs



We usually take a dump of the UOV (unturned order value) from Eupac (our ERP-SAP system) on regular basis and then send the file to our PLM team (Product line management) who are responsible for the Pricing of the required products.

Once we get a go-ahead, we place the orders on our Parent company and then the usual routine of delivery follow-ups, airlifting, clearing and dispatch to our warehouse.

I felt something important is missing out in this process. I have tried to list down few things which are not considered important for an SCM team but will definitely work wonders and boost up the team performance on individual as well as organizational levels.

1. Mostly the product training is not imparted to SCM teams
2. Not many people are aware of the Customs duty regulations in India and if importing/exporting, then even other countries
3. There is lack of integration of processes of the SCM input and Output-teams
4. The back-up plans are not always in place for material as well as humans.
5. Not all companies follow a system of feedback.
6. Handling of crisis situations like Off-loading/Customs Strike/Server-down in emergencies.
7. MRP handling

Companies need to respond much faster tactically. We can't wait for a monthly meeting to make most of those tactical decisions any more.

Literature Review:

In a recent study by SCM World and Aberdeen titled "The Evolving Role of the Chief Supply Chain Officer", there still appears to be a mismatch between the expectations of the C-suite and the people actually running the supply chain. There have been a lot of positive developments since the 1980's including the establishment of university courses and the knowledge of the function and strategic value of SCM within the C-Suite. The use of the term "chief supply chain officer" is a testament to this change.

Planning & Execution

A blog has been written about the gap between planning and execution what is effectively called as the supply chain black hole.

The person also states that:

Technologies are evolving to eliminate the supply chain black hole. In this first generation of supply chain applications, we have built a fixed response with very little sensing.

How can we effectively respond when we cannot sense?

The first generation of supply chain applications got us started down the path, but they must be cast-off to move forward. ERP is not the backbone of supply chain management for the future. The new technologies will not come from the ERP consolidators.

We are at a discontinuity between inside-out and outside-in technologies. The new technologies will be outside-in. They will help us sense before responding. They will help drive an intelligent response.

These statements are supported very strongly by the findings of the SCM World study, with very clear differentiation between the best-in-class SCM companies and those that received an average rating.

These commentators and the results from the SCM World survey clearly indicate the importance and benefits of closing the gaps between planning and execution. The business drivers behind this need start from customer expectations for reduced order-to-delivery lead times and competitive pressures to bring new products to market in ever shorter cycles.

Few paths that we can follow to have some understanding on the open issues:

1. Supply Chain Education. My first aim is to get my team equipped with the supply chain education
2. Peer-to-peer mentoring and cross-generational collaboration. According to Kouvelis, it's a discipline that requires the individual to have cross-functional perspectives on operations, marketing, sales, and finance, among other components. "A supply chain manager has to be able to assess the entire organizational system," says Kouvelis, "and then effectively interact with suppliers, distributors, and end users to figure out how to best integrate information, materials, and finance."
3. Cross training and job-rotation. Sometimes all of the education and certifications in the world can't replace the hands-on experience that supply chain professionals gain from cross training on different jobs. "It gives individuals different perspectives on the supply chain. I am not sure, how successful this will be in my organization but will try to work around it.
4. New knowledge can be created by developing and testing theory or, in other words, by *induction* or *deduction*.
5. Opinion Data The opinion component plays an important role in identifying the "leadership" aspect of the ranking. The results highlight companies that are not only engaged in supply chain process innovations with exemplary outcomes, but that also share what they're doing with the

supply chain community at large and provide leadership to others

6. Supply chain integration is an important topic for researchers and practitioners. However, the major concerns constraining the full and complete use of this concept in supply chain management research has been that the construct takes on its own meaning depending on individual subjectivity and different points of view. There is a need for researchers to operationalize and measure what it means by "supply chain integration." The basic research question is whether a meaningful measure of supply chain integration could be developed. The Q-sort techniques could be used to cluster stimuli from subjective judgments to form a description of an indescribable object.

References:

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