

Dangerous Supply Chain Myths (White Paper Excerpt)

Awareness of the continuing high-rate of ERP/IT-based e-procurement initiative failures to deliver expected results is now entering mainstream consciousness. While vendors and those associated with the recommendation and implementation of solutions find themselves in unfamiliar waters, end-users are beginning to ask tough questions.

Unfortunately, and as demonstrated by a number of recent studies, there remains a handful of mainstream players from within the software, consulting and even association communities that continue to advocate traditional enterprise-wide approaches that are based more on maintaining the status-quo rather than focusing on true operational efficiency.

Based on the popular 7-Part series of the same name, this latest white paper from industry supply chain expert Jon Hansen dissects one such report from industry heavyweights ISM, CAPS and AT Kearney.

Focusing on what has been referred to as the “seven critical supply strategies” for success, the trio’s collaborative effort titled *Succeeding in a Dynamic World: Supply Management in the Decade Ahead* reflects a thought process that many professionals are now beginning to question.

The seven Myths are as follows:

Myth No. 1 - Category Strategy Development

Category Strategy Development

Consolidate your supply base for each category into a small number of preferred suppliers that can be efficiently managed while mitigating risk. The strategy for each category should focus on the overall value chain over a three-to-five year time frame.

Myth No. 2 - Supplier Development and Management

Supplier Development and Management

Effective supplier development and management should deliver a competitive advantage in cost, quality, delivery/responsiveness, technology, and innovation achieved.

Myth No. 3 - Design and Operate Multiple Supply Chain Networks

Multiple Supply Networks

The tail of the supply chain needs to be tailored to each developing market and this will require domestic partners to help execute fulfillment and delivery. In addition, good risk mitigation requires flexibility and diversity in your supply chain and supporting networks.

Myth No. 4 - Internal and External Collaboration

Internal & External Collaboration

In order to extract the significant gains that collaboration can bring, companies will need to enable best-practice multi-lateral collaboration between supply partners, achieve integrated product development, and employ "customer of choice" positioning.

Myth No. 5 - Talent Attraction and Retention

Talent Attraction & Retention

A supply chain is not an abstract network driven by processes and machines, but a real network driven by people. Good supply chains run on good people. Supply Chain Success will be impossible without the right talent, which is becoming rarer every day thanks to the global talent war. Any organization that does not have a good process in place to identify necessary skills, evaluate organizational gaps, and identify, recruit, develop, and maintain talent is doomed to become a second class citizen in the emerging international marketplace.

Myth No. 6 - Enablement of the Supply Management Organization: Balancing Capability with Control

Enablement of the Supply Management Organization

Although center-led organizations will continue to dominate for the next decade, as global operations become more complex, hybrid center-led models will begin to emerge to maximize value based upon the right mix of responsiveness and centralized control. Successful organizations will need to adopt and utilize appropriate supply chain technologies that integrate functional management and track appropriate metrics.

Myth No. 7 - Enabling Technology

Enabling Technology

Technology is the key in the supply chain organization of the future. The right technology will enable enterprise-wide supply management, external supply chain visibility, and internal and external collaboration.

Based on years of exhaustive research and practical experience that was partially funded by the Government of Canada's Scientific Research and Experimental Development (SR&ED) Program, Hansen's primary objective is to stimulate professionals to think outside of the framework of that with which they are most familiar and most comfortable.

Use the following URL Link to obtain your copy of Dangerous Supply Chain Myths (White Paper): <http://www.hansencsi.ca/cgi-bin/online/storepro.php>