Eager to tune up their supply chains and prepare their companies for the rebounding economy, logistics and supply chain professionals converged in a “virtual conference” on November 18th to participate in workshop sessions, interact with supply chain and logistics experts, and learn about the newest best practices, technologies, and services available.

Hosted by Logistics Management and Supply Chain Management Review, the conference called Best Practices in Supply Chain Productivity: People, Process, and Technology has officially rolled out to help managers gain a better understanding of three vital, yet often overlooked, elements of logistics and supply chain management success: people. The conference is now available on-demand at logisticsmgmt.com/VChbestpractices.

Hot discussion topics include labor management principles, improving global supply chain processes, and integrating technology into your supply chain operations. A keynote address and a series of four conference sessions provide tips and insights on applying the principles of best practices, technology, and labor management to improve productivity and to help employees realize their career goals.

With shippers in full recovery mode, attendees learn what steps to take in order to deal with impending challenges like rising fuel costs and the expected capacity crunch heading their way in 2011. Here’s a snapshot of each session.
Keynote Session: Want a great supply chain? Focus on your people!

An internationally respected authority on supply chain management, John Gattorna serves as keynote speaker for this virtual conference. A consultant, educator, and author of the new book *Dynamic Supply Chains*, Gattorna speaks on the value of striving for (and achieving) supply chain excellence and delivering maximum value for both customers and stakeholders. To get there, says Gattorna, shippers must focus on their most important resource: people.

“Human beings are the real engines that drive the supply chain,” says Gattorna. “Companies really need to come to grips with that in order to achieve supply chain success.” In other words, all of the technology and support structures in the world won’t help a firm achieve supply chain excellence unless the proper human resources are in place.

In this keynote address, Gattorna urges attendees to forget about tinkering with the supply chain function itself and to instead take a global look at their entire enterprise. He advises to look closely at whether the enterprise is dynamic or static, and avoid the “set it and forget it” supply chain approach. “That static approach simply isn’t good enough in an environment where consumer buying habits are constantly evolving,” he says.

With many customers exhibiting collaborative buying behavior, backed up by efficient, dynamic, and innovative strategies, now is the time to look past traditional measures (such as key performance indicators, or KPIs) and to instead use newfound tools to design dynamic supply chains. People should play a key role in that process, according to Gattorna, adding that all companies should be striving to “interpret the marketplace, and then use that information to design their supply chains.”

Gattorna then walks attendees through the various supply chain types, including those that are fully flexible, agile, lean, and focused on continuous replenishment. “None of those individual types can exist on their own,” he says, “as supply chains comprise 15 different strategic parameters, including product mix, innovation, and pricing regimen.”

As he wraps up his address, Gattorna touches upon the need to transform the various supply chain “cultures” that exist today and uses several specific examples of how technology can enable that transformation. He also provides attendees with various recipes for success along with detailed charts of supply-side and demand-side enterprise supply chain elements.

Conference Sessions: SESSION 1

Labor Management: Understanding your most valuable asset

On the heels of John Gattorna’s keynote emphasizing the value of human resources comes a session focused on effective labor management strategies. In this session, Marc Bessho, manager of Capgemini’s Supply Chain Technology Practice, discusses how, in most logistics and supply chain organizations, labor represents the single largest cost component. However, he stresses that labor is often the most misunderstood; and, in turn, the most underutilized company asset.

Bessho touches upon several best practices for implementing a comprehensive labor management program, including engineered work standards tied to a labor management system (LMS) designed to boost productivity and help define career paths. Attendees learn about the fundamental benefits of a labor management program; how to use data to create incentive-based bonuses and perks; and how to improve productivity and workforce satisfaction.

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—Mark Bessho, Capgemini

been around a long time, and have proven effective,” says Bessho, “but labor management has had an image problem and is often overlooked in favor of sexier initiatives.” To help reverse that trend, Bessho takes the time to show attendees the benefits that surround effective labor management programs, including the real productivity gains that can be achieved.

Simply collecting information about the labor force and then giving feedback can result in a productivity bump, says Bessho. Such gains will “slide back” if there’s no follow up. “When a company sets productivity targets and then measures activity against them, it can expect a 5 percent to 10 percent lift in productivity,” says Bessho.

Getting to those gains requires a solid framework, the right tools, a management team that is onboard with the program, and an underlying foundation that’s focused on strategy. If one of those four points is missing or ineffective, says Bessho, the productivity gains will remain out of reach. He then walks attendees through each of the four principles, giving real-life examples of companies that have upped productivity via solid labor management.

SESSION 2
Improving global supply chain processes

THE SUPPLY CHAIN IS BECOMING increasingly global in nature and is expected to continue on that path as more and more companies look outside U.S. borders for trading partners and customers. In this conference session, a team of experts from Accenture’s global supply chain management team discuss the three game-changing issues that are forcing a radical change in supply chain behavior: infrastructure, demographics, and energy.

The analysts give attendees an up-close view of how those issues will affect supply chain operations in Asia, Europe, and the United States, and offer practical insight into how managers can prepare now to overcome these pending barriers to success. The panelists discuss the top supply chain issues in Asia, Europe, and the U.S.; the effects of infrastructure, demographics, and energy on supply chain management; and how to change global supply chain behavior to prepare for the future.

Singapore-based Jonathon Wright discusses the challenges and complexities that supply chain managers in the Asia Pacific region are currently grappling with and addresses the value of high-performing supply chains in the global economy. He focuses on several key areas where shippers should concentrate: leveraging scale while remaining local; focusing heavily on segmentation (around customer base, different sale channels, and product); cost management; and sustainability.

Rik Vervisch then illustrates how to create a globally integrated supply chain. Using Europe as an example, he touches on key points like customer demand, supply chain quality, and infrastructure challenges, all of which play a key role in the overall success of a global logistics operation. Going forward, one of the key issues supply chain managers will have to deal with, says Vervisch, “will be how to access customers on a global scale, and in the most effective manner possible.”

Based in the U.S., Accenture’s Bill Reed gives attendees a detailed North American overview, tying his comments into the global supply chain that was discussed by the other analysts in this session. He impresses upon the audience the need for quick response to North American volatility, be it high fuels costs, natural disasters, or other issues. With the economy improving, he says, “companies are in the position to make some decisions, whether they apply today, tomorrow, or years from now.”

Reed also discusses the “dynamic” supply chain, which finds companies and outside business partners working together in an ecosystem of sorts, and helping one another respond efficiently to challenges. He impressed upon the attendees the value of supply chain analytics (rather than transactional systems) and metrics as tools for sensing worldwide abilities and capabilities within the supply chain.

“Companies have always had a view of the
physical supply chain, but the combination of the physical chain plus the product value chain is most effective,” says Reed. “Being able to integrate new product quickly—and as part of the ecosystem—will be the secret to success.’

“From what we’ve seen, a lot of companies wait until their transportation operations suffer a heart attack before investing in TMS.”

—Adrian Gonzalez, ARC Advisory Group

SESSION 3
Technology’s role in transportation management

FEW WOULD ARGUE THE HIGH value that technology brings to the table in the realm of transportation management. Without it, logistics and supply chain professionals would still be using paper, pens, fax machines, and telephones to coordinate the movement of freight to and from customers. In this session, Adrian Gonzalez of ARC Advisory Group gives attendees an inside look at transportation management systems (TMS) trends and how they will affect shippers.

Gonzalez discusses the various technology solutions available for transportation management, the benefits that companies can expect from implementing a TMS system, and some practical tips on technology implementation to ensure a smooth start-up and long-term success. He points out that while TMS is one of the most popular supply chain management tools available on the market today, adoption remains fairly low.

“Many companies are still managing transportation with spreadsheets and faxes,” says Gonzalez. “Of companies that could benefit from a TMS, two-thirds of them are not using one. From what we’ve seen, a lot of companies wait until their transportation operations suffer a heart attack before investing in TMS.”

Gonzalez’s research also shows that early TMS adopters are revamping their systems, reassessing their current vendors, and seeking out enhanced capabilities and architectures (such as appointment scheduling and procurement). Many are also looking at Software as a Service (SaaS) options—an area that’s been particularly hot within the TMS arena. “SaaS has gained a lot of traction in the last few years,” says Gonzalez. “We expect that trend to continue.”

SESSION 4
Improving warehouse & DC operations

TECHNOLOGY HAS REVOLUTIONIZED warehouse and DC operations and has helped managers gain inventory visibility that was sorely lacking before the influx of warehouse management systems (WMS). But even though recent reports show that technology spending “inside the four walls” will increase over the next two years, a fundamental misunderstanding of the overall benefits of WMS—particularly when the systems are tied to other solutions—still remains.

In this session, Kevin Hume, principal of supply chain information technology at Tompkins Associates, explores the many paths to creating a fully integrated warehouse management solution. Attendees learn how to assess which technologies will improve warehouse and DC processes, the benefits of tying WMS into supplemental management systems, and best practices for improving overall operations through technology.

Hume advises attendees to assess the magnitude of opportunity across four primary areas: transportation management, labor management, warehouse management, and yard management. He discusses the WMS value proposition in terms of reduced operating expenses, better managed inventory, increased capacity utilization, and improved customer service. “Reduced inventory carrying costs alone can produce 15 percent to 35 percent savings in terms of a percentage of inventory value,” says Hume.

Hume also introduces attendees to the various types of supply chain software, noting their strengths and weaknesses, discussing adoption rates and key benefits, and then touches on the current opportunities available to tie together WMS and TMS for even more dynamic results.