

# **8th National Maritime Conference and Exhibition**

## **Competing supply chains in SA**

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*Mark Cairns*

*Regional Manager Africa Region*

*Maersk Logistics*

# **AGENDA**

- **Overview of Supply Chains**
- **Supply Chain Objective**
- **Supply Chain Design**
- **Use of IT**
- **Role of Government and parastatals**
- **Pitfalls in SA**
- **SA vs Global**
- **Questions and Answer session**

# Overview of Supply Chains

- ✓ **A supply chain is not a series of links forged together for a common purpose. That has a nice image. However it minimises the reality of the chain and how each link in that chain must design it's own logistics process to function within the chain. As a result there are supply chains within each supply chain. The vital driver of the the chain is logistics**

## **Objective of a Supply Chain**

- ✓ **The objective of supply chain management is to provide a high velocity flow of high quality, relevant information that will enable suppliers to provide an uninterrupted and precisely timed flow of materials/services to customers**

# Supply chain design

- ✓ **No single standard universal chain**
- ✓ **Strategy must be concluded**
- ✓ **Ensure all partners are included in the design**
- ✓ **Approach in a collaborative fashion**
- ✓ **Understand what your customer wants**
- ✓ **Understand there will be exceptions and plan accordingly**

# Use of Information Technology

- ✓ **Information Technology like a 3PL is a means to an end, a tool**
- ✓ **It can not guarantee and execute effective logistics operation**
- ✓ **No software can make up for supply chain design flaws**
- ✓ **The system must work for the supply chain**

## **Role of Government**

- ✓ **To assist and facilitate trade**
- ✓ **To provide efficient and cost effective infrastructure where required**
- ✓ **Responsible to keep abreast of global developments - technological and physical**

## **Pitfalls in SA**

- ✓ **Lack of collaboration across the chain**
- ✓ **Labour issues**
- ✓ **Infrastructural inefficiencies**
- ✓ **Distance to global markets**
- ✓ **Global sourcing**
- ✓ **Link to third world economies**

## **SA vs global**

- ✓ **Ability to change sourcing patterns**
- ✓ **China's accession to WTO**

## How do we compete?

- ✓ **Collaborate to supply global demand**
- ✓ **Monitor your global competition**
- ✓ **Work with government to improve services**

# Summary

- ✓ **Recognise that SCM has different meanings in different industries**
- ✓ **Understand what each of your customers want and why**
- ✓ **Reduce your internal total logistics time**
- ✓ **Develop and communicate to your suppliers what you are doing and what you expect from them**
- ✓ **Learn your international suppliers operations and logistics cycle times**
- ✓ **Reduce the number of suppliers and service providers you work with**

**Think of the supply chain as a relay race with good speed by each runner and a great handoff and exchange of the baton between runners**

**And, when you think you have it all worked out, take a deep breath, smile, and get ready to make changes. Your customers expectations and needs are dynamic and your logistics process must be agile to meet the new demands. If you excel at your supply chain, your company will have a competitive edge**