

SCM: Chasing the big picture

Global dynamics and internal business process changes are compelling manufacturers and retailers to challenge the status quo and reinvent their supply chains. Visibility is gaining momentum as this enables supply chain managers to operate more efficiently and proactively, despite increased challenges.



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In today's multifaceted supply chain environment, Customer Focused Supply Chain Management (CFSCM) is a strategic approach to acquiring goods and services. It is based on the idea that enhancing the customer's overall satisfaction with the product or service in the long run will improve the profitability and efficiency of the entire enterprise. And this includes relationships with supply chain partners.

The strategy of CFSCM is to establish collaborative relationships up and down the supply chain, from upstream raw material suppliers to downstream final users of the product or service. With CFSCM, companies can seek new and better ways to acquire goods and services that will increase their customer's satisfaction and improve profitability. Sharing Peter Drucker's famous quote 'The purpose of any business is to create a customer', Mansingh Jaswal, Director & CEO, Genex Logistics, says, "Businesses today have realised that in order to be successful in the marketplace, they need to strengthen the customer focussed or outside-in supply chain model."



Mansingh Jaswal
Director & CEO
Genex Logistics

which were largely driven by enterprise focussed supply chain have to modify themselves into customer focussed platforms where information from customers can be sensed through the platform and ploughed back into the system to enhance the speed of delivery and the overall customer delivery experience. This trend has started showing more in e-commerce supply chains and would soon follow in other segments of B2B supply chains."

Sharing his experience, **R. Jayakumar**, Chairman, Jayem Logistics says, "Over the years I have seen a big swing in this industry, SCM has evolved as a niche department in every industry and people are focussed towards better lead times. They demand planning, forecast accuracy, fill rate, inventory utilisation and cost analysis. There has been a complete change in the way things are done today. Customer service is now more of customer relationship management. Adversarial relationship has changed to collaborative relationship. Functional focus has lead to process integration, absolute value for the company to relative value for customer. Trainings have transformed to



R. Jayakumar
Chairman
Jayem Logistics

product, people and surrounding country culture."

"Today companies keep on increasing SCM components to compete and stretch their market share. Their spending and activities in this area are remarkably on the up-swing," he adds.

Stepping up the game

3PLs and carriers are responding to increased shipper demands by pushing customer service to the forefront. Many providers have adopted service-centric cultures to ensure they meet shippers' service requirements and to gain a competitive advantage in the crowded outsourced logistics and transportation field. The moot question is what are the techniques that a service provider should adopt to secure agile and responsive supply chain partnerships that consider the customer at every level to avoid lost sales, excess inventory and missed innovation opportunities? Here's what the logistics service providers say:

"It is a mix of strategy, technology, people and systems that would create an agile and

Highlights:

- ◆ SCM is now being discussed at the highest of the levels within respective organisations
- ◆ SCM is looked as a cost centre rather than an enabler to business

responsive supply chain. In an environment of continuous change, it would require strong coordination among participants to leverage the impact of people and technology to ultimately enrich the consumer," points Jaswal.

Commenting on the techniques, Shankar shares, "We tend to always do an 'As Is' study, understand the pain points, do 'cross - pollination'

“Businesses have realised that to be successful in the marketplace, they need to strengthen the customer focussed or outside-in supply chain model”

“Outside-in supply chain cannot be successful if the bridge between the enterprise and the customer continues to be manual and slow. As a result, the corporations

“To be efficient, basic technique to be kept in mind while designing a solution or rolling out a new project is to know your customer”

knowledge based learning's and managerial accounting to value-based management.”

Talking about trends, **Malay Shankar**, North Zonal Head, DIESL, shares, "New trends like Theory of Constraint (TOC) and lean have started gaining acceptance with proven benefits. At DIESL, we conduct a study of the existing supply chain network of the customer and thereafter suggest the optimum solution keeping in mind the desired service level agreement and the pain areas in the system."

According to **Ajay Khosla**, DGM - Sales (Delhi-NCR), Jaipur Golden Transport, "The SCM concept has become rooted in the belief of many companies in recent few years

In the current competitive environment, companies must embrace excellence in supply chain management technology as core competency at all levels throughout the company laid process

but actually the concept was introduced in the early 1980s. It is important to recognise that all supply chains have their own unique characteristic in terms of market,

of best practises from different industries (being a 3PL adds to the advantage) and then try and work out a solution for the customer."

Contd. on page 18 ▶

