

EXECUTIVE BRIEFINGS

value proposition the supply chain has to deliver, you must design the network that ultimately will deliver the products and services that customers demand, and you must do this on lower budgets, managing risk and lean supply chains, and in a sustainable way.

The competition from the East and elsewhere is willing to meet that challenge, and at a very low price compared to what most students in the West expect to earn.

Leaders must be cross-functionalists, and Fawcett, who uses a bicycle wheel to illustrate that person's abilities. If you see the organization as a wheel, a functionalist is one of its spokes, he says. But it's the hub

distributors and logistics services providers need to reorient some of their practices specifically around this reality.

Douglass's observation derives from a study that he and other colleagues conducted into the origins of volatility, such as customer demand, changing markets or new-product introductions, and whether companies had "information black holes" that hindered their ability to deal with such volatile environments.

"There are two things that struck us: one is that agility in customer response is critical. It's as important as reducing costs or inventory. So companies have to balance multiple objectives in their supply chain and business.

"Also, you would think that if agility is so important, because of the volatility, companies would collaborate more closely and systematically. An a-ha moment was that a lot of companies employ a lot of manual processes in their collaboration. Some have no systematic processes whatsoever. Companies still don't seem to be completely sharing information around inventory, point of sale, and production data to make it easier to collaborate and easier to respond to change in the market."

Companies are advised to invest more time and money in their trading partner networks, up and downstream, Douglass says. They also need to implement risk management processes and strategies.

The study suggests that so-called "extreme supply chain management" is a discipline that needs to be addressed. That's because volatility is now systemic and built-in, Douglass says. It's no longer episodic. There hardly is such a thing as a period of equilibrium anymore.

Companies face constant change, and they need a new set of practices to deal with that reality.



rather than the spoke that makes the wheel move forward. "The hub is the manager that we're missing today. That's the cross-functionalist, someone at the middle of the wheel, who can hold those other folks together. He has experience in different functional areas, he speaks the languages of those areas, he has the relationships in them."

A "chronographer" is a second type of supply chain leader. That person's importance turns on the ability to get analytical people and creative people, what Fawcett calls the left and right brains of the enterprise, to actually collaborate with one another.

Study on Supply Chain Challenges in Manufacturing

Volatility has become the "new norm" in the supply chain, says Richard Douglass, Global Industry Executive, Manufacturing & Logistics, for Sterling Commerce. Manufacturers,

Taking Control of Your Inbound TMS

If you're using a transportation management system properly, you will find synergies between all of your internal departments and your outside trading partners, says Nicholas Carretta, president of Ultra Logistics. A TMS is a truly collaborative tool that should enable exchange of information that's typically locked in systems rather than being shared among the many players in your supply chain.

"The real advantage is in the efficiencies that you gain by collaborating and sharing key information at the right time in the process," he says. Referring to a vendor portal, Carretta says the

concept is part of a supply chain management solution that allows vendors to collaborate with buyers and logistics professionals just as carriers communicate through web-based solutions. With his company's product, UltraShip TMS, as soon as orders are cut by the buyers, vendors are able to ship against the POs, he says. That improves order accuracy and timeliness, arrangement for transportation, and it provides visibility into when products are inbound into a DC or manufacturing facility.

You can plan not only transportation but workforce when you know what components are coming in on any given day—"knowing not just how many trucks are coming in but what's on them," Carretta says. "That helps you better with your staffing the night before. How big a workforce do I need tomorrow or do I just call everybody in?" Improved inbound planning gives you the visibility you need to be more lean, in addition to the benefits from using a TMS: routing compliance, better rates from carriers, and optimizing lane selection.

Many shippers select carriers based on a combination of service and price, but Carretta suggests that considering the actual commodity down to the SKU level can improve routing and selection. "If you know origin, destination and SKU, you know everything about that shipment. Basically with an intelligent routing decision, you can set up an if-then statement.

"When an order drops, [a system] looks at those parameters: what's the lead time on my order, what's the SKU on it, where's it going to, is there customer preference as to carrier, is there any vendor preference as to what carrier comes in there."

Carretta says simplicity of the TMS user interface is key. Because every shipper is different, a system needs to be configurable so the user, whether in a retail or manufacturing scenario, is able to quickly and efficiently utilize its full functionality.

A "road test" should tell anyone considering a TMS if it is intuitive and user friendly. Developers should provide what people are already used to from working with computers. "This isn't rocket science," Carretta says.

accuracy gains that they have moved it into replenishment, put-away and cycle-counting. And now it's being built into multi-purpose devices.

So, you're thinking about investing in voice applications for your warehouse. What's your first step? Wappler advises doing a pay-back analysis. That's because voice is not necessarily a silver bullet for every problem in the warehouse but for specific needs. Identify what your challenges are.

Voice-Directed Warehousing

Ten years ago, voice primarily was used for picking in the warehouse, says Chris Wappler, senior account executive—logistics, Aldata. But since then, people have seen such productivity and accu-