*RESULT*FOCUSED

dasRESULTAT is a result focused logistics and supply chain management advisory company.

We partner with our clients to identify and unlock practical and sustainable solutions.

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BEING CONSISTENT AND PERSISTENT...

How would you define consistency? Does it invoke images of excellence or failure? Maybe it invokes images of stagnation rather than growth? Being consistently bad is not necessarily a bad thing. Why? Because at least there's no variation on behavior...expectations are met...no surprises.

However let us, for the sake of argument, view consistency in a good light. For me being consistent in any leadership position, be it personal or professional, means being uncompromising in my core values. In short: "Let your yes be your yes, and your no be your no". If I say I'm going to do something, I do it. If I say I'm going to be somewhere, I'm there. If I initiate a new process or initiative, I follow through. Is it always easy? For sure not, but I can unequivocally state that the fruits of consistency are sweet.

For me there is a direct link between consistency and perseverance. It means having the courage to continue on a set course,

not because of stubborn focus or being oblivious about the facts, but in spite of difficulties and uncertainties you believe in the benefits of the outcome. As you look back at 2014, how consistent and persistent were you?

Eric Holtzclaw wrote a blog article for Inc.com about his view on consistency. He argues five reasons in favour of consistency because it: 1) allows for measurement, 2) creates accountability, 3) establishes your reputation, makes you relevant, and 5) it maintains your message because your team pays as much or more attention to what you do as to what you say. He finishes of by stating that when something doesn't work, he looks back at what happened and ask some serious questions. Did they shift gears too quickly? Did part of the team not deliver on a commitment? Or was the expected outcome off base from the start? Most of the time, the reason tracks back to a lack of consistency.

This issues of *RESULTFOCUSED* marks our annual bumper issue. With additional content and insights for your reading pleasure. It's filled with articles across various industries and supply chain functions. The underlying message continues to be excellence. And not simply in one area of your supply chain, or your business, or your professional and personal life, but excellence in all those areas. And not short bursts of excellence, but a consistent and sustainable drive to achieve excellence in all facets of your life.

Niels and I would like to take this opportunity to wish you and your loved ones a very special, safe and invigorating Christmas. May you experience joy and love in this time of rest, and may 2015 bring you closer to being relevant, authentic, significant, consistent and persistent.

"It's not what we do once in a while that shapes our lives. It's what we do consistently." - Anthony Robbins

HOW DOES IKEA'S INVENTORY MANAGEMENT SUPPLY CHAIN STRATEGY WORK?

By Clara Lu
(supplychain247.com, October 2014)

What are IKEA's best-kept secrets behind its smooth back-end operations and efficient supply chain processes?
The world's largest home furnishing retailer has 298 stores in 37 countries. It ranks Number 41 on Forbes' esteemed World's Most Valuable Brands list, and took in 35.5 billion in sales in 2013. IKEA has certainly come a long way in its 60 years of business since its 1943 founding in Sweden.

This organisation impresses not just its consumers with affordable, high quality furniture, but also competitors and companies around the world – especially with its unique supply chain and inventory management techniques.

Each IKEA store is huge and holds more than 9,500 products! How in the world does IKEA offer so much at such a low price while always being able to keep items in stock?

IKEA's Vision

To start off, IKEA has a clear vision – to provide well designed, functional home furnishings at prices so low that as many people as possible will be able to afford them. Its various functions (supply chain operations and inventory management included) work together to support its distinctive value proposition.

IKEA is distinctive by committing to a catalog of products that will be stocked for a year at a guaranteed price.

Cost Savings In Furniture Design

IKEA designs unique products that incur low manufacturing costs while meeting strict requirements for function, efficient distribution, quality, and impact on the environment.

According to a case study produced by The Times of London, more than 50% of the products are made from sustainable or recycled products. IKEA seeks to use as few materials as possible to make the furniture, without compromising on quality or durability. By using fewer materials, the company cuts down on transportation costs because it uses less fuel and manpower to receive materials and ship products.

Sustainable Relationships With Suppliers

A key part of IKEA's success is credited to its communications and relationship management with materials suppliers and manufacturers to get good prices on what it procures.

IKEA is a very high volume retailer – it buys products from more than 1,800 suppliers in 50 countries, and uses 42 trading service offices around the world to manage supplier relationships. They negotiate prices with suppliers, check the quality of materials, and keep an eye on social and working conditions.

Although Ikea fosters competition among suppliers to ensure they attain the best prices and materials, it believes in making long-term business relationships with them by signing long-term contracts, thus lowering prices of products further.

For example, IKEA has a code of conduct called the IKEA Way of Purchasing Home Furnishing Products (IWAY), containing minimum rules and guidelines that help manufacturers reduce the impact of their activities on the environment. The requirements within IWAY raise standards by developing sustainable business activities and leaving positive impacts on the business environment in which the suppliers operate. This also underlines IKEA's commitment to the 'low price but not at any price' vision. Although IKEA wants its customers to enjoy low prices, this should not happen at the expense of its business principles.

> Each IKEA store is huge and holds more than 9,500 products! How in the world does IKEA offer so much at such a low price while always being able to keep items in stock?

Do-It-Yourself Assembly Lowers Packaging Costs

Most IKEA furniture is designed and sold in pieces for the customer to assemble. The pieces are placed into convenient and efficient, flat packages for low-cost transport because they take up less room in trucks, maximising the number of products that can be shipped.

The unique packaging also take up less space in warehouse bins and reserve racks, allowing for more room to stock additional items for order fulfillment. What the company saves in fuel and stocking costs is passed on to customers.

Combining Retail And Warehouse Processes

Every IKEA store has a warehouse on the premises. On the main showroom floor, customers can browse for items. They then obtain the products themselves from the floor pallet location with racking as high as the typical person could reach, where furniture can be purchased and taken home. Additional products are stored in reserve racks above these locations.

Inventory is let down to the lower slots at night (forklifts and pallet jacks are not used during store hours for safety reasons). About one third of the lower level is comprised of a warehouse off limits to customers. This space contains items too bulky for customers to load without help from the staff. Since IKEA wants as much self-service as possible, it works to minimise the number of items in this bulk storage area.

Cost-Per-Touch Inventory Tactic

Having customers select the furniture and retrieve the packages themselves is an inventory management tactic called 'cost-per-touch'. As a rule of thumb, companies find that the more hands touch the product, the more costs are associated with it.

For example, imagine when someone selects a piece of furniture to buy. The item is then ordered, shipped from the manufacturer, moved from the delivery truck into storage in the warehouse, moved from the warehouse to the customer's vehicle or delivered by the furniture retailer to the customer's home. Every time the product is shipped, moved, and loaded, it costs money. The fewer times someone moves or touches the item, the fewer costs are associated with it. IKEA saves costs with this guiding principle to minimise touches because it doesn't have to pay the customer to retrieve the furniture and take it home.

In-Store Logistics

IKEA also relies on something rare and unique concerning its logistical management of reordering products – it employs in-store logistics personnel to handle inventory management at its stores. According to the Steve Banker, ARC Advisory Group and Logistics Viewpoints (professionals and consultants on logistical and supply chain operations), there is an in-store logistics manager responsible for the ordering process and a store goods manager responsible for material handling logistics at all IKEA stores.

The duties of the logistics personnel are to monitor and record deliveries, carefully check delivery notices, sort and separate the goods, and get them off to the correct sales area or designated overstock locations. Overall, they ensure an efficient flow of goods within IKEA stores, which is essential to maintaining high sales and enhancing customer loyalty.

Maximum/Minimum Settings As Proprietary System

The in-store logistics managers use an inventory replenishment management

process developed by IKEA called 'minimum/maximum settings' to respond to store-level inventory reorder points and reorder products.

Minimum settings: The minimum amount of products available before reordering. Maximum settings: The maximum amount of a particular product to order at one time.

Due to the fact that all IKEA inventory is only stocked at night after opening hours, the logic of its min/max settings is based on the number of products that will be sold from the reserve stack of bin in a single day or two-day period. The process meets customer demand while minimising ordering too few or too many products.

This strategy also ensures that IKEA has ready inventory to meet customers' demands, lowering the cost of lost sales. Using IKEA's proprietary inventory system, logistics managers know what is sold through point-of-sale (POS) data and how much inventory comes into the store through direct shipping and from distribution centres through warehouse management system data. From these data, they can forecast sales for the next couple of days and order in the suitable amount of products to meet that demand.

If the sales data doesn't match the projected number of items that should have been sold that day, the logistics manager goes directly to the pallet and bin to manually count the product stock.

IKEA believes its process and system allows for the right goods to be in the store with greater certainty, and at a lower cost, than the traditional retail forecasting and replenishment process.

Usage Of High-Flow & Low-Flow Warehouse Facilities

IKEA's store operations are supported by high-flow facilities (focused on the 20% of SKUs that account for 80% of the volume) and low-flow warehouses that are more manual. In its high-flow warehouses, IKEA employs automatic storage and retrieval systems to drive down its costs-per-touch. Products stocked in a low-flow facility are not in high demand, and operations rely on manual processes since workers will not be shifting and moving inventory around too much.

These strategies have made IKEA the world's most successful furniture retailer with low operating costs and high product demand. This allows the company to stay competitive in the industry as it continually seeks more advanced methods to streamline supply chain management.

IKEA has a clear vision supported by complementary cross-functional logic. This not only differentiates IKEA from its peers, but also provides it with a competitive advantage that is difficult to duplicate at other organisations.

While it may be hard for other organisations to copy IKEA's successful formula with stock management and order fulfillment, IKEA's supply chain strategies pushes against boundaries. This will hopefully inspire you to develop your

company's inventory strategies suited for your company's particular operations. For instance, the TradeGecko inventory management system may be the perfect answer for small to medium retailers or wholesalers. TradeGecko inventory management software is integrated with other software solutions such as the Shopify ecommerce platform and Xero accounting system to make back-end operations even better for your business.

To end off, IKEA sets an optimistic trend where more companies will move away from traditional and out-dated supply chain management strategies used for generations to seek creative and better-suited solutions to handle inventory. *RF*

THE "WORLD'S FASTEST GROWING PORT" IS SPARKING A LOCAL BUSINESS BOOM

By Alex Court and Leonie Elliot
(cnn.com, October 2014)

Small waves lap at the hulls of the ocean-going container ships as they approach the South African Port of Ngqura. Some of these large boats have come from as far away as South America, and the shelter of Nelson Mandela Bay is a relief after the Atlantic Ocean swells.

The vessels are met by Dave Keller, who's been working these waters off the country's Eastern Cape Province since 2010. "As a pilot it's my job to take over from the captain when a captain gets close to the port," he explains. "It's my job to navigate him safely into the port, maneuver his vessel and then safely put it alongside the quayside."

This welcoming procedure guides ships into the province's newest port, which is also a multi-billion dollar industrial park that's growing faster than anyone expected. It's this combination of maritime port and landside infrastructure just outside the city of Port Elizabeth that is making the operation boom.

"We started off with nothing," Keller recalls. "People said that this will be a white elephant and that this will never be busy," he adds. "We started off in October 2010 ... and from there on it's grown -- from one ship a week, sometimes we do between five and 10 ships a day now," he continues. "We're 24 hours a day, so since the past four or five years that I've been here it's been growing every single week."

One reason not everyone was excited with the construction of Ngqura was that there were already seven other ports in operation in the country, whereas one of the stated aims of the authorities is to "minimise duplications" between shipping facilities. And even though approximately 96% of the country's exports are being conveyed by sea, some of these ports aren't performing as well as some regional competitors.

Transnet, the wholly state-owned freight business, is trying to improve the port sector by investing in cranes to move containers from ships to shore more efficiently. But a report by PricewaterhouseCoopers blames "comparatively high tariffs payable by vessels calling at South African ports" for the decline in shipping business.

But these issues haven't stopped Ngqura from becoming the fastest growing terminal in the world in February 2013, according to Drewry Maritime Research. And now the port is the third busiest in the country, only moving fewer containers than Cape Town and Durban according to the Institute of Shipping Economics and Logistics.

And it's not just the port that is seeing growth in the area. The on land set-up, with tax incentives, rebates and a duty-free zone at the state-owned Coega Industrial Development Zone is changing the local economy.

"The Coega industrial development zone has a very important role to play in the economic growth of the area," says Christopher Mashigo, business development executive manager at the Coega Development Corporation. "It is a strategic driver of development, firstly by bringing about a level of diversification in the regional economy to reduce it's over dependence on the automotive sector, as well as agri-processing. But also to help increase the region's ability to absorb its vast human resources."

The industrial zone created more than 13,000 jobs last year. A further 13,000 people received training there. One person to benefit from new skills is Wandumzi Nkonyeni who learned how to drive and is now a driving instructor.

"Coega is a key role player as far as transforming the economy of the Eastern Cape," he says. "The opportunities that come, strictly for employment, never mind big business, but just employing the ordinary person out there."

As well as individuals gaining skills and jobs, small and medium size businesses in the area are also benefiting from the zone. The Coega development corporation helped local design and advertising firm XSpark get their BEE Certificate -- an accreditation that helps the business bid for work in South Africa.

Another local business that is seeing growth is Miya's Electrical, and it's Coega that makes up 40% of their annual revenue. "Coega is very good for the business and for the province as well," explains Ntsikelelo Suwankazi, the company's General Manager. "Up to this far even other companies, they're flocking to the Eastern Cape and mainly

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because Coega is heading most of the projects here in the Eastern Cape and then it has helped our business to grow as well. We started with 3 employees, we've got 20 employees now."

The port is allowing some small business owners to grow their existing operation, but it's also leading to the beginnings of totally new businesses.

Lusanda Nala is a painting apprentice who'll be a qualified artisan in three years. "I want to open my own company because there's a shortage of artisan, especially in painting," she explains. "Also there's no women that is an artisan in painting, so hopefully I'll be the first."

> Transnet's long-term plan for Ngqura includes increasing the total number of berths to more than 30, and boosting the port's capacity to 1.5 million containers per year.

While some of these successes prove the value of the port and industrial zone, there is much more to come. Transnet's long-term plan for Ngqura includes increasing the total number of berths to more than 30, and boosting the port's capacity to 1.5 million containers per year. If it reaches that goal, the port would be nearly twice as busy as it is now. As the port expands, watery waves will continue lapping at the ship's hulls and businesses hope they will see continued waves of growth in the local economy. *RF*

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SUPPLY CHAIN MANAGERS MAY PROFIT FROM NEW ORACLE ANALYTICS SERVICE

**By Patrick Burnson
(scmr.com, October 2014)**

Supply chain managers attending the annual OracleOpenWorld conference in San Francisco today learned that the company has expanded its portfolio of "product value chain" services.

"Standalone product offerings that support various processes of the product lifecycle impede innovation, because they lack the critical capability to link these processes together to share information securely," said Jon Chorley, group vice president, Product Value Chain Applications, Oracle.

He added that the new "Oracle Product Value Chain Cloud solutions" provide a connected approach that may enable organisations to innovate, develop and commercialise, translating the best ideas into profitable products.

"With these new services, organisations can improve top-line and bottom-line results," he said.

Supply chain managers may be able to use the service to capture ideas from many different sources and resources to determine the best ideas to advance. Furthermore, said Oracle, managers can develop a business case for each viable idea and analyse a collection of ideas from a 360-degree perspective to strategically determine the best ideas to "commercialise."

Furthermore, Oracle maintained that managers can translate the best ideas into detailed requirements that can be shared across product concept processes.

Industry analysts noted that "Traditional Product Lifecycle Management" solutions have a very limited definition of product lifecycle – starting too late and finishing too early: "They leave the crucial phase of innovation management to 'blood, sweat and Excel,' and pass off the commercialisation phase to separate manufacturing and master data management solutions." *RF*

SUSTAINABILITY STARTS WITH THE SUPPLY CHAIN

**By Sara A. Greenstine
(industryweek.com, October 2014)**

The road to creating user-friendly, science-backed, technology-enabled supply chains is paved with good sustainability intentions that get foiled by today's dynamic, global complexities. Achieving sustainability of scale requires involvement of the entire supply chain. To meet the needs of customers and markets, manufacturers need up-to-date and accurate information about their suppliers' materials and components.

The news is filled with stories that demonstrate just how costly a lack of supply chain intelligence can be:
- Mattel had to recall almost 1 million toys in 2007 because they contained lead-tainted paint from a supplier in China.
- Nintendo found there was nothing amusing about getting a zero on its conflict minerals report card in 2012.
- Apple's iPhone lost some of its glitter in 2012 when unfair and unsafe labor practices by suppliers in China were exposed.

These manufacturers had one thing in common: Supply chains are only as sustainable as their worst participants, and at least one supplier in the all-too-real examples above delivered materials or engaged in practices that were deemed dangerous or otherwise unacceptable.

The Supply Chain Sustainability Conundrum

Global manufacturers are well into sustainability initiatives, and many have hit a major roadblock: They only have direct control over a fraction of the sourcing and make-up of their final products. As much as 70% of product sustainability comes from suppliers, who can lag significantly behind the curve.

Manufacturers on the leading edge are pushing their sustainability efforts upstream, using incentives, business leverage, training programs and progress monitoring to improve their suppliers' performance. (See the United Nations Global Compact's Supply Chain Sustainability: A Practical Guide for Continuous Improvement for detailed examples.)

To get started, a manufacturer needs to inventory its supply chains and eliminate the worst participants. The remaining suppliers have an opportunity to fill current sourcing needs; to do so they must attain and maintain compliance with the individual manufacturer's sustainability requirements.

So, how does a manufacturer rank the universe of available suppliers on their sustainability metrics, and choose the right ones to focus on and nurture?

Traditional supply chain management methodologies struggle to identify or measure the sustainability performance of potential suppliers. With the globalisation of supplier markets and increasingly complex products, the amount of information manufacturers need to sift through and evaluate has expanded exponentially. Supply chains are riddled with information gaps and data silos that may end up obscuring sustainability performance—both good and bad.

Suppliers, for their part, are suffering from assessment and audit fatigue as they answer the same questions and provide the same proofs over and over again to individual manufacturers. Perhaps the biggest challenge to supply chain sustainability is a widespread perception among suppliers that sustainability and business goals are at odds. Adding redundant surveys and inspections to

supplier overhead is no way to convince them that sustainability is actually good business.

Information Exchanges

In this situation, the most efficient route between the universe of manufacturers and the universe of suppliers is not a direct line but a neutral, trusted information exchange. The exchange should include a consistent set of baseline questions with a limited number of responses that can be used to address a variety of specific information requests. This information can then be collected, retrieved and distributed from a secure, centrally located, trusted place.

Pioneering information exchanges include Fair Factories Clearinghouse and Supplier Ethical Data Exchange (Sedex). Such information-sharing communities may focus variously on certain aspects of sustainability, or on specific industries. Manufacturers can use information clearinghouses to check safety data, examine properties and performance characteristics, search for materials that meet certain specifications, verify certifications, and even get starter formulas, white papers and third-party research.

This information aggregation enables the kind of preventative intelligence that can keep manufacturers from ending up in the headlines for all the wrong reasons. Longer term, it streamlines product development, letting engineers focus on innovation while simultaneously creating healthier, safer, more sustainable products.

The amount and granularity of available data will continue to build. Manufacturers need customisable views that will filter out unproductive noise and enable smarter supply chain decisions. Better to have the intelligence to know about a given issue now, rather than learning a difficult lesson later.

Such views can be obtained from a comprehensive decision-support platform that lets manufacturers apply customised parameters to data collection across the supplier universe, and then analyse and evaluate the results. Filters might include regulatory requirements and specific sustainability attributes.

Supply Chain Sustainability Best Practices

To build a sustainable supply chain, manufacturers can only pick the best suppliers when they are available. For some materials, there may not be any truly sustainable options right now.

Supply chain sustainability is a goal achieved through a process of continuous improvement. We must start and work together toward this goal. Some best practices include the following:

- Start with intelligence, choosing a neutral, trusted source of aggregated supplier information.
- Turn data into decision-making information, with a customisable decision-support platform.
- Use preventative intelligence to eliminate the worst suppliers.
- Select the best suppliers, factoring in their sustainability potential.
- Build sustainability improvement requirements and incentives into supplier contracts.
- Monitor sustainability performance, eliminating non-compliant suppliers and rewarding the best achievements.

Simply put, sustainable products start with sustainable supply chains. Most suppliers lag well behind the sustainability curve, so manufacturers must proactively implement their sustainability initiatives upstream. The starting point is "intelligent" information they can trust that enables them to make highly informed supply chain decisions. *RF*

> Leading manufacturers are pushing their sustainability efforts upstream, using incentives, business leverage, training programs and progress monitoring to improve their suppliers' performance.

SUPPLY CHAIN AND LOGISTICS TECHNOLOGIES: TMS USERS BEING DRIVEN TO THE CLOUD

By Bridget McCrea (logisticsmgmt.com, November 2014)

When it announced in September that both its transportation management and global trade management solutions would now be offered in the cloud, Oracle effectively threw its hat into the ring and—like many other software vendors—opened its arms to companies that are moving away from traditional, on-premise software delivery models. As a company that traditionally sold transportation management systems (TMS) via the latter, Oracle, like others, is now enabling shippers with quicker deployments and for a lower upfront investment.

By definition, cloud computing is the deployment of software on virtualised servers. Using this method, the TMS runs on multiple different servers as demand increases or decreases.

Users essentially rent the servers, communications, data storage capacity, and other elements that make up the platform, and are charged based on usage.

As evidenced by the growth of the cloud over the last few years, using such services generates the types of economies of scale and sharing of resources that can reduce costs and increase choices of technologies.

The fact that Oracle has moved its TMS offering into the cloud doesn't surprise Dwight Klappich, research vice president at Gartner. In a recent examination of shippers' intentions in the supply chain software space, he found that 8 percent of firms are already using a cloud-based TMS while another 51 percent of companies are "likely" to use TMS in the cloud.

Klappich identified fast and easy deployment, better total cost of ownership (TCO) versus on-premise solutions, and limited capital expense budgets as the top three motives for moving supply chain management (SCM) software into the cloud. Of those firms that are not already using the cloud, Klappich says that overall uncertainty about how well the solutions fit within the organisation, data security, and the fact that current IT management does not support the option were the three main drawbacks.

Over the next few pages we'll explore the top six trends that are currently driving shippers to use the cloud-based TMS model, hear how these trends are affecting end-to-end supply chains, get the inside track on a few up and coming trends in the space, and learn how to discern between cloud-based delivery methods.

Why the cloud is on a roll

There's little doubt that cloud-based solutions are making inroads in the supply chain management space. Here are six reasons why.

Setup is quick and easy. Since the first iterations of cloud-based software began to appear on the market one thing was clear: setting up shop in the cloud versus going through a traditional purchase-and-install scenario took less time and required fewer shipper resources. That key value proposition hasn't changed much over the last 10 years.
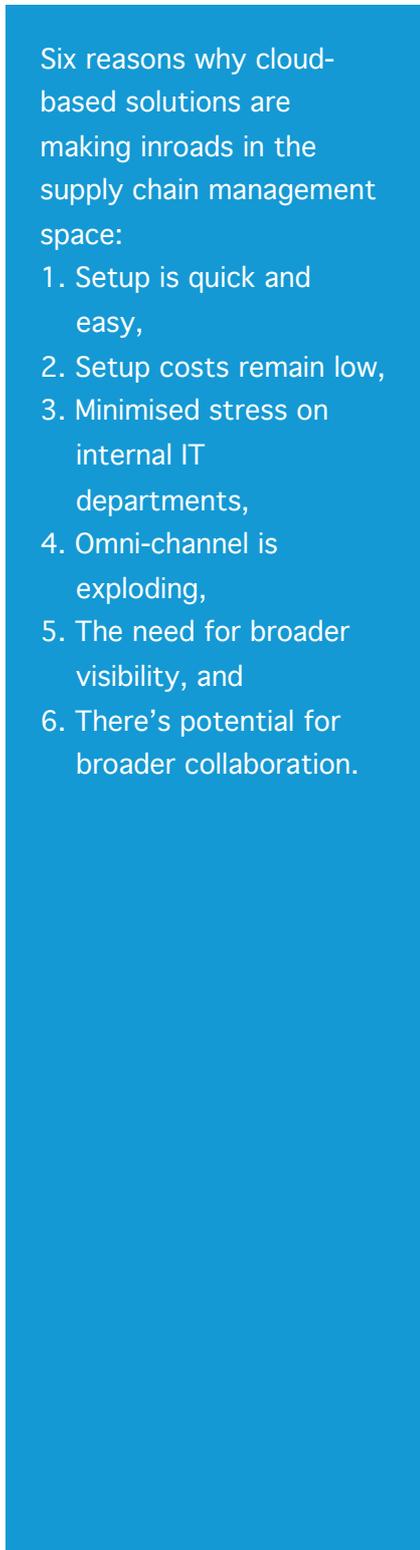
"Speedy implementation is a big draw," says Shanton Wilcox, vice president of supply chain management for Capgemini Consulting. "Companies like GT Nexus, for example, have been able to get complete supply chains up and running quickly on their cloud platforms." Wilcox says cloud-based deployments typically require less customisation and configuration—two other factors that tend to drive down lifecycle costs and make web-based applications that much more appealing to shippers.

Startup costs remain low. Upfront costs can be a major inhibitor for small- to mid-sized shippers that lack huge IT budgets. Software vendors have leveled that playing field by delivering robust TMS packages in exchange for subscription fees.

Wilcox points to MercuryGate, as a best-of-breed player in the space, and Oracle, an ERP player, as two different examples of how the cloud is lowering the financial barriers to entry for TMS users. "Subscription fees are ongoing expenses versus upfront capital expenses," says Wilcox, "so they make TMS capabilities accessible to a broader range of companies."

Minimised stress on internal IT departments. For most small- to mid-sized firms, having enough IT hands on deck to select, manage, and maintain software solutions is an ongoing challenge. Cloud-based TMS helps to free up precious resources by taking those platforms out of the internal IT department's hands and putting them back on the vendor's shoulders.

"In a lot of organisations, the IT department is overwhelmed with projects and just doesn't have the time or money to manage a full-blown implementation," says Klappich. By using a cloud-based solution, the same IT department can fund and support a project with minimal impact. "Shippers still need internal IT support, but not to the same extent as you would find with

Six reasons why cloud-based solutions are making inroads in the supply chain management space:

1. Setup is quick and easy,
2. Setup costs remain low,
3. Minimised stress on internal IT departments,
4. Omni-channel is exploding,
5. The need for broader visibility, and
6. There's potential for broader collaboration.

an on-premise software model," says Klappich.

Omni-Channel is exploding. In its 2015 Third-Party Logistics Study, Capgemini Consulting found that because retailers are increasingly dependent on technology for real-time visibility into operations, they're gradually moving all of their platform-based solutions to the cloud—TMS included. According to Wilcox, retailers are also using integrated technologies to improve their omni-channel networks.

Respondents are investing in warehouse management systems (58 percent), enterprise resource planning software (54 percent), transportation management systems (54 percent), supply chain visibility (43 percent), warehouse management system add-ons (33 percent), and RFID (21 percent) to achieve that goal, says Wilcox.

The need for broader visibility. Because retailers are increasingly dependent on technology for real-time visibility into operations to track products when they leave the manufacturing facility, throughout the supply chain, and until they arrive at the final point of sale, retailers are gradually moving all of their platform-based solutions to the cloud. According to the Capgemini Consulting study, this enables retailers to process large amounts of customer data faster, better match customer demands with a sales season, and provide personalised solutions—not only in what customers buy and how they buy it, but also in how they receive it.

"By obtaining and transmitting information more efficiently and in new ways, retail shippers are able to offer more fulfillment options, giving customers the choice of picking products up in the store or the warehouse, or having them delivered to their locations," says Wilcox. "These technologies, along with others, enable the concept of mass customisation, which has been of growing interest to both manufacturers and retailers."

There's potential for broader collaboration. Up until now, TMS has been used to manage a single company's transportation network. Going forward, Klappich sees that model evolving into one where numerous shippers and carriers are leveraging one another's resources via the platform. As capacity constraints continue to become a bigger problem for shippers, Klappich expects more of them to move in a more collaborative direction.

A carrier that is hauling an empty truck back to a specific endpoint, for example, could use the TMS to find a shipper that requires such capacity. "That carrier with the empty leg is liable to offer you a better rate than you'd pay for a one-way move," Klappich points out, "and a better price than you'd get by just asking 10 different carriers for their best rates."

In the future, expect cloud-based TMS to play an even bigger role in helping shippers exploit their networks and work in more collaborative capacities with their trading partners and carriers. "We're in the very early stages right now, with vendors like MercuryGate and Transporeon [in Europe] both doing work in this area," says Klappich. "In the end, it's about doing things that benefit both the shippers and carriers within the network, putting more logic into the systems, and getting everyone to participate." *RF*

OPTIMISING 3PL RELATIONSHIPS: HOW TO AVOID COMMODITISATION

By Patrick Burnson
(scmr.com, October 2014)

A recurring theme seems to be surfacing in the complex world of global third party logistics providers (3PLs) these days. The sector is booming, but shippers are still "shopping around" for a better price or more complete service.

Explaining this friction that exists between 3PLs and the customers they serve in key manufacturing and retail sectors was a daunting challenge for researchers at advisory firm SCM World, but a recent study may finally provide some answer. "The disconnect between 3PL performance levels and their reluctance to embrace new technologies was something we hoped would change by now," says Barry Blake, vice president of research at SCM World. "But that hasn't been the case at all. Shippers say that they're still searching for more value." Between January and May of this year, SCM World fielded a six-question survey in order to understand the supply chain community's perception of its 3PLs. After sifting through the remarks made by 557 global shipper organisations, the results were made public last month.

"The story emerging from the data is compelling," says Blake. "Third-party logistics providers are seen as fast and fairly reliable…but not innovative. Furthermore, logistics managers are questioning the value received for the cost of their 3PL services." Blake asked respondents to rate 3PLs on the following metrics: reliability; speed; innovation; value for the money; and scale of impact, or how vital the 3PL is to the shipper's strategic needs. With a few exceptions, most 3PLs scored well, with over 50 percent of respondents rating them "good" or "excellent" at the aggregate level when it comes to the basics, such as reliability.

However, shippers don't seem completely confident that they're receiving the degree of value expected for the money they are paying for 3PL services. Moreover, the results showed that the 3PL community collectively struggles to deliver innovative solutions in the eyes of their customers.

"The message coming across loud and clear through the data and follow-up discussions with logistics professionals is that 3PLs need to do a much better job understanding the businesses of their customers if they are to move up the innovation curve," says Blake. However, Blake adds that, while the results didn't surprise him, shippers need to keep in mind that this is a two-way street. Unless a shipper "incentivises" its 3PLs to focus on innovation, it's difficult for the provider to make the necessary investments to support it.

"Innovations don't typically sprout overnight, nor even during the yearly tender cycle between parties," says Blake. "Shippers and 3PLs should have a one-on-one discussion about risk mitigation, and how change management can address those concerns."

Overall, the major expectation for logistics service providers is cost savings. This entrenched focus essentially commoditises logistics services, creating a self-perpetuating cycle in the marketplace where 3PLs resist investing in innovation since their customers don't yet believe that innovation will drive cost savings more effectively than traditional methods. "This pushes logistics services further towards blandness without any meaningful differentiation," Blake concludes. "Both sides need to come together if logistics service innovations are to take root and see the light of day."

Partnership pays off

As cost control remains a key priority for supply chain professionals—and no doubt will remain so for many years to come—initiatives such as horisontal collaboration and supply chain sustainability are becoming increasingly important. Researchers at London-based Eyefortransport say that their recent survey of Global Chief Supply Officers indicates relationships between supply chain executives and 3PLs are increasingly improving as these providers are perceived to be more proactive in suggesting strategic partnering.

Some prominent U.S. shippers agree. "Given the ongoing talent-gap in the supply chain industry, we see a greater reliance on outsourcing key functions," says Craig Boroughf, senior director, global sourcing for U.S. Gypsum Company, a subsidiary of USG Corporation. "While we continue to invest in our own human resources, 3PLs can augment that effort by providing skilled workers as we need them."

Boroughf is responsible for USG's procurement, including supplier management and strategy of raw materials, indirect goods, and services and freight transportation services. He maintains that 3PLs are showing a greater willingness to become strategic partners, but must continue to demonstrate that they're putting shipper value ahead of pure cost.

"As in any customer-supplier dynamic, 3PLs should concentrate on economies of scale when budgeting in the procurement arena," says Boroughf.

Frank McGuigan, president of transportation management at 3PL Transplace, says that closing ranks with his customer base comprising USG and others is important, but requires a new "play book." "The 3PL has undergone tremendous change in recent years," says McGuigan, "and we are aware that shippers can hedge their bets by working with several 3PLs at the same time. But as their reliance on outsourcing becomes greater, the exposure to risk becomes more of a concern."

> While shippers may generally be content with the reliability of their 3PL partners, new research indicates that there's considerable concern about the value of long-term, strategic relationships. Industry analysts explain how innovation and a deeper commitment to collaboration will become the key differentiators in the 2015 marketplace—if commoditisation is to be avoided.

Trust but verify

As President Reagan was fond of saying: "Trust but verifty." That adage is winning currency with 3PL consultants as well. Steve Banker, who leads the supply chain and logistics team at market research firm ARC Advisory Group, says 3PLs that are seeking to optimise their relationships with shippers should invest carefully in a transportation management system (TMS).

"Before committing to any TMS demonstration, we suggest that the 3PL asks about shipper 'onboarding,'" says Banker. The 3PL must be able to leverage the configuration settings used to support shippers with templates that can be setup for various implementations. Shippers have unique workflow rules, Banker adds, and require 3PLs to have flexible billing capabilities to meet specific needs. "Both third-party providers and shippers need a TMS that manages multi-leg, multi-mode, time-phased planning and execution," says Banker.

Is there a limit to the number of legs or modes? "For shipments that cross an ocean, that time-phased element is important," says Banker. "If you look at a dray move to port, 27 days on sea, do you really want a pre-planned truck move on the other side of the ocean? A lot can happen in 27 days." Which brings security into the picture. Banker says that there should be "logical barriers" between a 3PL's client base so that on shipper can't see another's shipment performance or billing.

A new study by Accenture reinforces the idea that 3PL/shipper relationship optimisation will be focusing on risk in the future. "As demonstrated by the leaders in our study, a centralised, top-down approach to supply chain risk management tends to generate the highest ROI on risk management," says Mark Pearson, senior managing director of Accenture Strategy Operations.

"Such a commitment to risk management between the two parties can also help managers guard against business disruptions in the wake of natural disasters, geo-political events, shifts in commodity or shipping prices, or any number of circumstances that can endanger a company's operations," adds Pearson." *RF*

WAREHOUSE MANAGEMENT SYSTEMS AND WAREHOUSE CONTROL SYSTEMS IN THE AGE OF THE INTERNET OF THINGS

By Steve Banker
(supplychain247.com, November 2014)

In the age of the Internet of Things, an increasing number of materials handling systems (MHS), and even components of the larger systems, are gaining both sensors and intelligence.

However, existing warehouse control systems (WCS) have not been engineered for this new age.

Going forward, we believe that warehouse management(WMS) and warehouse control systems architectures need to be re-conceptualised to enable optimum warehouse performance.

Materials Handling Systems and the Internet of Things

In one definition of the term "Internet of Things," almost all objects have sensors, connectivity to a broader environment, and intelligence. Sometimes the object has just a sliver of intelligence; but it can be much more substantial. Objects can be products, equipment, containers, or other things as well. For our purposes, the objects we are focused on are forms of materials handling equipment.

Traditionally, we said that warehouses were operated in either a manual, semi-automated, or highly automated fashion. In a manual warehouse, pickers used carts, forklifts, and other "dumb" forms of carriage to go to picking locations, gather the inventory, and deliver those goods to the shipping dock. However, forklifts are becoming intelligent. With the right kind of control system, a warehouse using forklifts becomes semi-automated.

The Intelligent Forklift

Traditionally, the forklift was the backbone for manual material movement in a factory or distribution center, a "dumb" piece of machinery that was entirely dependent upon the operator. In contrast, modern forklifts epitomise the evolution to intelligent, sensor-enabled equipment. Today's "smart" forklift includes diagnostics that allow the equipment to signal when it needs to be serviced, speed controls, anti-slip technology that monitors wheel spin and improve traction on slick floors, collision detection, fork speed optimisation, and more.

Intelligent forklifts promote new process flows in the warehouse. When integrated to a WMS, the forklift's fork can be raised or lowered much quicker. The WMS directs a forklift to a pick location. Once at the location, the forklift knows whether the pallet to be picked is being stored at a height of three feet, six feet, etc. The operator pushes a button on the console and the forks move at the maximum safe speed, a speed considerably faster than the operator would be apt to move them.

Speed controls can be used to help ensure safety. For example, RFID tags placed in the floor can signal the forklift that this is a busy section of a warehouse traversed by humans. The forklift automatically knows it cannot exceed a set speed, for example two mph, and the governor automatically limits the top speed to two mph in those sections of the warehouse.

In mixed case picking, intelligent forklifts can integrate with pickers wearing voice systems, follow them up an aisle, lift the pallet to the correct ergonomic height for picking based upon the location of the inventory in the warehouse racking, and then, when ordered to do so, autonomously (without a human driver) make the trip to a shipping dock for unloading.

The most intelligent forklifts today are built with real-time location systems that allow drivers to proceed to a specified location and pick up (or put down) a load without the need for drivers to scan the location to prove that

they have picked up (or delivered) the right load. This solution is designed for full pallet moves in either a warehouse with racks or a bulk warehouse in which pallets are stacked on top of each other.

The Intelligent Material Handling Component

Intelligence is also becoming more componentised and distributed in conveyor and sortation systems. Modern conveyors resemble modular Lego blocks. Distinct segments of the conveyor can have their own sensors and intelligence. This makes this form of materials handling more flexible and the investment in these technologies less risky.

For example, imagine a warehouse in which daily throughput volumes have increased over time. One can now pop in a new five-yard segment containing the conveyor, a divert sensor, the sortation device, and a motor. If the WCS signals a divert, the distributed control at the component level can kick the inventory off the conveyor, and the engine on that segment of the conveyor revs up to close the gap with other items on the conveyor.

The Traditional View of WMS and WCS

In the traditional sense, the WMS contains the order, inventory, and location logic. The WCS has the move logic. The WMS knows that this many units of this SKU need to be picked and where that inventory is located.

When inventory is inducted into the automated materials handling system, it is the job of the WCS to move those items. The WCS does not need to know what inventory is being moved, or how that inventory fulfills customer orders.

Actually, it's much more complicated than that. If we are talking about moving goods by conveyors, the traditional view is apt. But if

> If warehouses are to utilise new sensors and intelligence to optimise performance and connect to the enterprise, warehouse management systems and warehouse control systems architectures need to be re-conceptualised.

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we are talking about automated storage and retrieval systems (AS/RS), the WCS also needs to have the location logic for the goods stored in the AS/RS. And the providers of highly automated materials handling solutions will tell you that in particular situations for some process flows, the WCS also needs to contain a subset of inventory data.

Still, at its heart, a traditional WCS is all about moving goods via intelligent materials handling systems. Because traditional forklifts are not intelligent, the idea of using WCS to integrate with forklifts in this example would have been unthinkable just a few years ago.

A New Conceptualisation of the WMS/WCS Stack

Warehouse control in the age of the Internet of Things, requires a new conceptualisation of WCS. The new view segments warehouse control into three segments - Highly Automated-, Semi-Automated- and Centralised Control

In highly automated warehouses, a warehouse is designed from the ground up around end-to-end flows based upon "advanced" materials handling systems. Because different materials handlings systems operate at different speeds and have different carrying capacities, a key job for the WCS is to achieve global throughput optimisation by properly buffering and throttling the various subsystems.

In a semi-automated warehouse, one key aspect of the WCS is to solve the "islands of automation" problem. In many warehouses, over time new materials handling systems have been added. For example, a short conveyor section in the shipping department one year, a carousel a couple of years later, conveyors in the receiving department after that, and so forth.

Each of these distinct materials handling systems has its own control system that needs to be integrated with the WMS. This ad hoc process of integrating to the WMS drives up costs and makes WMS upgrades all but impossible. Thus, a key job of a WCS in a semi-automated warehouse is to be the central integration point between the WMS and the various material handling systems that have been added over time.

A forklift that integrates through a control layer to some of the logic in a WMS to move its forks faster and more efficiently is now engaged in a move activity. That means intelligent forklifts need to be part of a larger warehouse control solution in this new WMS/WCS stack.

A small section of a conveyor, with its own logic and sensors to allow it to move items within its small domain more efficiently, is also engaged in a move activity. Wii technology provides a useful analogy of what is likely to come to the warehouse in the future. The Wii is an electronic game that senses the motions of players; it is inevitable that this form of technology will come to the warehouse.

For example, it is possible to imagine a worker loading a truck supported by an extendable conveyor. One can imagine that worker making hand gestures to speed up or slow down the conveyor speed and other motions that signal the conveyor to extend

further into the trailer or begin to pull back into the warehouse. Thus, we clearly need to visualise a WCS as integrating with new forms of sensor intelligence.

There's never been a neat line separating the types of logic contained in a WMS and a WCS, and this isn't going to change. Semi-automated warehouses also need to attempt to attain global throughput optimisation. However, the logic to do this is frequently found in a WMS, sometimes in the WCS, but more often will require cooperation between the two.

For example, if a manual pack station is the warehouse bottleneck, a conveyor feeding those stations needs to be able to throttle up and down to provide a buffer to avoid overwhelming those stations. Acting as a control tower, a WMS can utilise visualisation to allow a warehouse manager to see whether work is proceeding on schedule or slowing down at those stations.

If the pack stations are falling behind, the manager can reposition labor from other sections of the warehouse to ramp up warehouse throughput.

In highly automated warehouses, the WCS technology is critical. In these warehouses, local zone needs must be balanced to speed up or slow down, with global optimisation of all move activities occurring in the warehouse. While this will create new hurdles, it is likely that agent-based software development will be needed to solve this requirement.

Meeting These New Challenges

Clearly, our key recommendation for materials handling and WMS suppliers is to reexamine their WMS/WCS architectures and ask themselves whether these can support far more types of materials handling systems and sub components of those systems that have sensors, connectivity to a broader environment, and intelligence.

In an era of distributed intelligence, a robotic revolution, and an environment in which new forms of "goods-to-person" automation are arising, it is inevitable that we will see value migrate from certain types of solution providers to others. Value will migrate away from solution providers focused on highly automated warehouses based on fixed (bolted down) material handling systems.

That is because highly automated warehouses don't flex well as order volumes and profiles change, and thus can carry a high-risk profile even though they can provide un-patrolled throughput. Value is beginning to migrate toward more mobile (non-bolted down) forms of materials handling used in goods-to-person processes.

WMS and materials handling suppliers that can provide WCS solutions that can treat a forklift as an advanced form of automation, allow companies to add new forms of automation while protecting the WMS upgrade path, and provide logic that helps optimise throughput (even in warehouses where bottlenecks may shift over time between manual and materials handling system choke points), will be the winners in this brave new world. *RF*

HOW **UPS** HAS BECOME THE NEW FACE OF GLOBAL TRANSPORTATION LOGISTICS

**By Chuck Salter
(supplychain247.com, November 2014)**

The future of transportation logistics is coming toLondonderry, New Hampshire (population: 23,000).

Next year, when a 600,000-square-foot distribution center opens, workers will begin inspecting, tracking, storing, organising, and ultimately shipping more than 270,000 parts used to assemble various Pratt & Whitney airplane engines.

But in a twist that illustrates how dramatically the modern supply chain is evolving, the workers handling those parts for commercial airliners and fighter jets will work for UPS, which also owns and operates the facility.

In recent years, the $55 billion shipping giant has been redefining not just its role but also logistics itself. UPS tapped an opportunity to do more than deliver goods such as laptops, x-ray machines, and guitars for customers. It would also tackle the jobs of repairing those laptops, installing those x-ray machines, and tuning those guitars.

These "supply-chain solutions" integrate the company more deeply into its customers' businesses and boost revenue—now nearly $9 billion a year (including freight).

For its customers, outsourcing more of the supply chain is part of a strategy to free up real estate and resources.

Pratt & Whitney is better positioned to focus on what Rob Grossman, general manager of global distribution and logistics for Pratt & Whitney, calls a new wave of "unprecedented growth."

A few years ago, the engine maker had one assembly plant. Today it has five.

That could easily complicate the movement of parts. Enter UPS. "We're looking to simplify logistics," says Grossman.

UPS has become adept at learning the intricacies of other industries, even those as demanding as health care and aerospace.

On the Pratt & Whitney solution, employees are trained to inspect parts for "air worthiness" by taking caliper measurements and consulting engineering blueprints.

"They're very complicated drawings," says Tom Upshaw, UPS's director of operations in high tech and aerospace. "You and I wouldn't know what we're looking at." Which is like the Londonderry center and UPS itself. There's a lot more (logistics and supply chain) going on than you realise. *RF*

SUPPLY CHAIN DESIGN
FOR THE AUTOMOTIVE INDUSTRY

**By 24/7 Staff
(supplychain247.com, October 2014)**

Use Supply Chain Design Technology to Tackle Automotive Industry Challenges LLamasoft has enabled some of the world's leading automotive companies to turn common industry challenges into sources of competitive advantage.

Inbound Logistics

Dedicating time and resources to optimise inbound logistics sometimes takes a back seat to outbound logistics efforts. Controlling the inbound transportation network and evaluating alternate network designs can reduce costs, improve service times and minimise asset usage.

Here are a few examples of how automotive manufacturers and suppliers have leveraged supply chain design technology to create efficient inbound supply chains.

Facility selection: Sourcing decisions are some of the most vital ones automotive manufacturers face. This challenge is often referred to as the "off-shore vs. near-shore" or "low-cost vs. local" question. By using modeling technology, companies can make supplier and manufacturing location decisions that are optimised across the entire supply chain, identifying the tradeoffs across all the different cost elements.

Transportation route optimisation: This can be done alone or in conjunction with either supply chain optimisation or simulation. Using advanced algorithms, transportation routes are defined to minimise the cost of inbound shipments, while considering realistic cost and constraint structures. This helps answer the questions, "What's going to happen to our transportation routes when the network design is changed?" or "Could there be a more efficient way to get our product from the supplier to production?"

Product flow-path optimisation: The process of moving products from supply through production and eventually distribution presents myriad choices. The collective set of these choices make up a product's flow-path through the supply chain. Modeling all the alternative flow options and using smart algorithms to determine the best choices takes the guesswork out of these decisions and provides a useful reference in boardroom discussions.

Consolidation center selection and analysis:

For a company with multiple suppliers making different products in a relatively small area, a consolidation center (CC) may be used to combine smaller shipments for fewer larger shipments and reduced transport costs. Flow path optimisation can identify which products/suppliers should go to a CC, and network optimisation can recommend where and how many CCs may be needed.

Facility and Manufacturing

Demand for different automobiles shifts over time to new regions or different quantities, and suppliers and cost structures change as well. Facility locations and inventory levels should also change to keep in-sync.

Production footprint: Modeling the production footprint and analysing varying scenarios helps a company balance existing capacity with the investment required to add additional production. This may mean investing in additional capacity in certain locations or perhaps completely moving production capacity to other facilities within the network.

Inventory optimisation: Inventory is your insurance against variability in the supply chain, but one of the biggest sources of variability is demand, and demand can be highly unpredictable, or very slow-moving, as with service parts fulfillment. LLamasoft inventory optimisation recommends end-to-end stocking levels and appropriate ordering behavior after it thoroughly analyses and automatically classifies the underlying demand patterns. This results in right-sized inventory levels.

> LLamasoft has enabled some of the world's leading automotive companies to turn common industry challenges into sources of competitive advantage.

Network optimisation: This is often a starting point for companies exploring supply chain design, and can identify major improvements in cost, service and sustainability - often leading to total supply chain savings of 10 percent or more.

Outbound Logistics

With endless combinations of mode, routes and carriers from which to choose, automotive manufacturers are turning to supply chain and transportation network design to simplify outbound logistics decision

making. Here are a few examples:

Evaluating new modes, lanes and strategies: Using modeling technology, companies can identify optimal DC-to-customer assignments, determine the ideal mode mix and LTL/FTL combination, create optimal multi-stop delivery or pick-up routes, determine the best utilisation of assets, evaluate driver work schedules and even perform service-based greenfield analysis.

Backhaul optimisation: When designing transportation networks, efficiency is the name of the game. Many manufacturers are utilising "milk runs" or backhaul optimisation in order to make the most of driver time, assets and fuel. Transportation route planning technology enables companies to design optimal multi-stop routes.

Considering new delivery options: Should we continue to ship our own products, or consider shipping directly from foreign suppliers? For example, a domestic auto manufacturer could analyse the costs and service times of utilising the outbound logistics network of Chinese suppliers to deliver direct instead of first shipping to the U.S.

Case Example: Service-Level Inventory Optimisation

A tier-one automotive manufacturer leveraged breakthrough demand segmentation/inventory optimisation technology for its service parts operation. By analysing and automatically classifying the slow-mover demand patterns of the company's service parts business, the inventory optimisation recommended end-to-end stocking levels to better fit this irregular demand and meet target service levels at the lowest holding cost.

Supply Chain Design Strategies for Automotive Companies

LLamasoft customers often identify 10 to 20 percent cost savings while maintaining or improving customer service levels through strategic supply chain design projects including:

- Supply Chain Network Design
- Transportation Network Design
- Long-Term Capacity Planning
- Multi-Echelon Inventory Optimisation
- Product Flow-Path Optimisation
- Inbound Consolidation
- Greenfield Analysis
- Cost-to-Serve Optimisation
- Merger and Acquisition Rationalisation
- Risk Analysis and Contingency Planning

Case Example: Route Optimisation

A U.S.-based automotive supplier saw considerable opportunity for improving the utilisation of their fleet trucks through backhaul optimisation. Empty trucks that complete deliveries early in the day can be leveraged to pick up vendor supplies or perform cross-DC transfers, which are necessary because different area DCs stock different products. Transportation route design is used in an operational workflow to form optimal backhauls given empty truck locations and potential inbound pickups. The analysis yielded millions of dollars of costs savings opportunities.

## Case Example: Network Optimisation and Greenfield Analysis

A tier-1 automotive manufacturer utilised supply chain design technology to model its distribution network consisting of 15 parts distribution depots in the Asia-Pacific region serving 1,800 dealers. The objective was to model and analyse the existing network to determine the optimal number and location of depots to meet defined service requirements at lowest possible cost. The analysis included multiple network optimisation scenarios and greenfield analysis of potential new locations. Multiple opportunities for improvement were uncovered which would increase total depot throughput by 9.4 percent, increase the number of dealers receiving 1-day service by 28 percent, and reduce weighted average outbound distance by 14 percent.

Total Landed Cost: Bridging the Inbound - Outbound Gap

Wide gaps between the inbound and outbound sides of the business are common in large automotive production operations. This divide can lead to uninformed business decisions because of a lack of focus on the entire end-to-end supply chain, which includes the interdependencies of many cost factors including transportation, inventory and tax.

A total landed cost analysis can bring together inbound and outbound operations to quantify all supply chain activities and costs incurred to fulfill a customer's product demand.

Only by studying this "big picture" can a business answer key questions such as, 'Is this customer segment profitable, given the supply chain costs?' or, 'Does it make sense to continue to manufacture this product?' *RF*
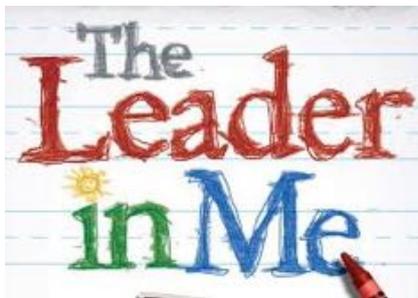
LEADERSHIP: THE SUM OF THREE HUMAN ESSENTIALS

By Jordi Alemany
(linkedin.com, November 2014)

Leadership is the combination of three human essentials: Being, Knowing and Doing.

In the following lines I tried to describe some common attitudes and behaviors that based on my observations, all natural leaders seem to have in common.

Nothing too complicated and in most cases pure common sense, but I like to revisit this list from time to time, as power and authority are very addictive and can make us forget about what true leadership means.

Good leadership is about making people want to do what needs to be done!

Being

Be innovative - Be open to change. Instill a Culture of innovation and continuous improvement in those around you. Don´t ask what happened, make things happen.

"The best way to predict the future, is to create it."

Be passionate - Express passion and emotion in what you say and do. Get excited about the future. Show your people your enthusiasm for what you all can achieve as an organisation. Passion is the key to engagement.

"Leading without passion is like cooking without salt. Extremely boring."

Be coherent - Treat everyone respectfully and make rational decisions based on coherent arguments. Inconsistent decision making can destroy your reputation as a leader. People do not follow unreliable leaders.

"The bigger the title, the better the person behind it must be."

Be assertive - Express yourself effectively and stand up for your point of view, but also respect the rights and beliefs of your people. Avoiding confrontation by always saying yes will poison the organisation; equally speaking aggressive communication undercuts trust and mutual respect.

"If you want it to be heard, don't shout it from the rooftops, whisper it in the basement."

Knowing

Listen to your people - People don't want to follow someone who is only concerned about his or her own agenda. People at lower levels of the organisation see things that you don´t. Your goal as a leader shouldn't be to be the one who calls all the shots.

"The ear of the leader must ring with the voices of the people."

Learn from mistakes - Victory teaches you nothing. Identifying what went wrong and then adapting accordingly to it, is the only way to success. When you acknowledge mistakes and use them as learning lessons you create a more collaborative learning organisation.

"Any man can make mistakes but only an idiot persists in his error."

Provide direction - Providing direction is more than just issuing directives and giving instructions to your team. Many leaders tend to think that they provide direction by telling people what needs to be done. True leadership consists of sharing your vision, communicating the plan and showing a supportive behavior.

"Efforts and courage are not enough without purpose and direction."

Zoom-In-Zoom-Out - Flying at all altitudes is key to develop deep influence with those around you. It helps understand what is the organisation reality in terms of capabilities and therefore, whether the business will or will not be able to execute your strategic thoughts.

"Distance tends to dilute uglyness, making things look prettier than they truly are."

> Leadership is the combination of three human essentials: Being, Knowing and Doing.

Doing

Put your money where your mouth is - Your actions must reflect your words. If you believe in what you tell your people, the best way to show your public support to it is by making it happen. Telling people one thing and doing the opposite or simply doing nothing about it, will kill your reputation and their trust in you.

"Don't make any promises that you can't keep. Walk the walk before you talk."

Delegate with confidence - Delegation is one of the core competencies of leadership. The opposite of effective delegation is micro-management. Spending time closely supervising your employees will have three adverse effects. 1. – Make you ineffective. 2. - Make them ineffective. 3.- People disengagement.

"Don't tell people how to do things, tell them what to do and let them surprise you with their results."

Lead by example - Did you know that Baboons look at their pack leaders every 20 seconds? Your actions can have a huge impact on your people. Remember, people only respect those who they trust, so become a role model to your people and you will gain their respect.

"Leadership is practiced not so much in words as in attitude and in actions." RF

Note - All credit goes to the particular author and/or publication of the articles shared in this publication.

das [R]ESULTAT

integrity • independence • results

Result focused
logistics and supply chain advisory services

By Anton Nieuwoudt / Niels Rudolph

dasRESULTAT is a results focused logistics and supply chain management advisory company with greater than 30 years combined experience in various functional areas of logistics and supply chain management across diverse industries.

Our primary objective is to support our clients to reduce operational costs and increase their service offering to their clients through optimising their supply chain, by offering a wide range of services based on our own practical experience.

Leadership

dasRESULTAT stands under joint leadership of Anton Nieuwoudt and Niels Rudolph.

Anton has close to 15 years experience in logistics- and supply chain management across various industries.

Prior to co-founding dasRESULTAT as a boutique logistics and supply chain advisory company, Anton was at Accenture where he was involved in various projects in the Retail, Mining, FMCG and Energy sectors. Here he was able to expand and apply his fulfillment, supply chain management, supplier management, project management and business consulting expertise.

At DB Schenker, Anton gained experience in integrated logistics management, spare parts logistics as well as inbound- and outbound logistics solution implementation.

Anton holds a Bachelors degree in Marketing from the Rand Afrikaans University and a Masters degree in Logistics Management from the University of Johannesburg.

Niels has more than 20 years experience in logistics- and supply chain management mainly within the 3PL industry.

Prior to co-founding dasRESULTAT as a boutique logistics and supply chain advisory company Niels founded ORAscm as a specialised logistics consultancy company. He also worked at DB Schenker and PriceWaterhouseCoopers in Germany as a project consultant.

Niels spent the largest part of his career at DB Schenker in various roles in Germany, Singapore, Malaysia and South Africa. During his last role at DB Schenker in South Africa, Niels was responsible for logistics development, reporting directly to the CEO. Here he applied and expanded his knowledge to develop logistics solutions across the local automotive, high-tech and retail industries.

Niels holds a Diplom Betriebswirt (BA) from Staatliche Berufsakademie, Mannheim (Germany).

Functional experience

Our functional experience include among others warehouse design & management, transportation management, inventory management, demand planning, supply planning, supply chain planning, supplier relationship management and project management.

Industry exposure

We have had exposure to industries such as retail, automotive, consumer goods and services, petrochemical, mining and defense aerospace.

Core offerings

Through our core offerings we can support our clients to achieve strategic, tactical and operational results. These offerings cover areas such as Strategic Supply Chain Planning, Fulfillment, Sourcing & Procurement, and Project Execution.

Significance

Through our part-time lecturing commitments to the University of Johannesburg we continue to be actively involved in tertiary education and student mentoring programs to encourage excellence in up-and-coming supply chain professionals.

Credentials

Since founding the company in the fourth quarter of 2012 we've been involved in various engagements.

Our primary engagement in 2013 has been with a leading global third party logistics company. Here we've been instrumental in the turn-around of their contract logistics department, transportation management strategy and operating model design, Africa business development strategy, and procurement strategy development.

Secondary engagements during our first year of operations included a warehouse performance assessment at the Cape Town operations of a global apparel company, supporting a logistics service transition at a German automotive manufacturer, and providing warehouse implementation support for an agricultural equipment manufacturer.

We continue to support a transportation consulting company with project management and subject matter advisory at a South African FMCG company. With this client we have since May 2014 also embarked on a journey to evaluate and redesign their Import-Export service provider landscape which has flowed into a full blown group level RFQ process for carrier and clearing services.

At a KZN based manufacturer of engineered wood products, we continue to provide subject matter support for various cost saving and process efficiency improvement projects.

We are also supporting a bulk agriculture transportation client to identified key business strengths, weaknesses, opportunities and threats and developing measurable action plans do unlock business growth opportunities. *RF*

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dasRESULTAT is a result focused logistics and supply chain management advisory company.

We partner with our clients to identify and unlock practical and sustainable supply chain solutions.

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