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RESULTFOCUSED

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THE RESULT: ATTITUDE ALLIES

By Anton Nieuwoudt

In his book, The Magic of Thinking Big, David J. Schwartz discuss various topics for achieving greatness.

This month we look at "Making your attitudes your allies".

Did you know that we all have the ability to 'read minds'? No, think about it. We might not be able to know what people think, but we know how they think by observing how they act. Attitudes are mirrors of the mind. They reflect thinking.

You can read the mind of the fellow sitting at the desk next to you, simply by observing his expressions and mannerisms. In other words how he feels toward his job.

This capability is inherent in the human race. A capability developed and passed on over millions of years when people communicated with other people by body language and facial expressions and sounds, not words. And we still communicate our attitudes, our feelings toward people and things, the same way.

Attitudes do make a difference. Salesmen with right attitudes beat their quotas; students with the right attitude make A's; right attitudes pave the way to really happy married life. Right attitudes make you effective in dealing with people, enable you to develop as a leader. Right attitudes win for you in every situation.

So which attitudes should we develop?

According to Schwartz, there are three attitudes that we need to make our allies every day.

1. The attitude of "I'm activated" - Results come proportion to the enthusiasm invested. Three things to do, to activate yourself are: a) Dig into it deeper - When you find yourself uninterested in something, dig in and learn more about it. This unlocks enthusiasm; b) Life up everything about you - your smile, your handshake, your talk, even your walk...act alive; c) Broadcast good news - No one ever accomplished anything positive telling bad news.

2. The attitude of "You are important" - People do more for you when you make them feel important. How? Show appreciation at every opportunity, make them feel important and call them by name.

3. The attitude of "Service first" - Make it a rule in everything you do to excel in service excellence...give people more than they expect. People with a money-first attitude become so money conscious that they forget money cannot be harvested unless they plant the seeds that grow the money. And the seeds money is service.

I'd like to challenge you to take some time to assess and adjust your attitudes accordingly.

This month marks our third business anniversary and although we are celebrating this achievement, we are also introspective and assessing our significance. We continue to be grateful continue to achieve the necessary results at our clients, and to be actively involved in tertiary education programs. Thank you for your support during this time.

"Attitude is everything. Life is 10% what happens to you and 90% how you react to it
- Charles R. Swindoll

AUTO RECALL ISSUES BRING REVERSE LOGISTICS INTO PLAY

By Lorraine Luk
(supplychain247.com, September 2015)

The Volkswagen scandal may have given other auto manufacturers a wake up call regarding quality control and vendor transparency, but analysts say it points to a need for greater analytics and ultimately… reverse logistics.

Derek Snaidauf, Deloitte Advisory senior manager in advanced analytics, Deloitte Transactions and Business Analytics LLP, told Logistics Management in an interview that reverse logistics providers can leverage analytics by collaborating closely with manufacturers that employ these capabilities to proactively sense potential product problems.

"Doing so allows everyone to better anticipate product quality and customer satisfaction and in this respect can really benefit suppliers and other downstream supply chain participants," he added

While many auto executives (42.3 percent) expect more industry recalls in 2015 and 2016, just 8 percent use advanced predictive analytics to help prevent, prepare for, and manage recalls, according to a recent online poll from Deloitte.

Nearly one-quarter (23 percent) have no operational product safety and recall anticipatory analytic capabilities.

"The essential paradox is this: today's vehicles are among the highest quality ever produced from a safety and reliability standpoint; innovations in technology have accelerated such that manufacturers can now identify emerging safety and quality issues much sooner than before; and, regulatory scrutiny of the auto industry has increased dramatically during the past 12-18 months," said Robert Biskup, Deloitte Advisory director, Deloitte Financial Advisory Services LLP, and former automotive industry chief compliance officer. "While adequate early warning systems seem within reach, not all are taking advantage."

Snaidauf agreed, adding that manny automakers still take a manual, rearview-mirror approach to vehicle quality and safety. "But, leading OEMs are starting to adopt innovative analytic capabilities like proactive sensing for early issue identification and command centers for campaign management," he said.

"By cross-source correlating internal and external data sources, employing specialised advanced analytics, and leveraging interactive visualisations, these companies can improve customer satisfaction, vehicle safety, and brand perceptions. They also can realise significant reductions in their total cost of quality spend."

Most respondents (90.8 percent) indicated that recalls are impacting the working relationships between suppliers and original equipment manufacturers (OEMs).

"Because the stakes are so high in recall management, it now makes even more sense for traditional automakers and those within their supply chains - particularly new industry entrants - to consider investing in predictive analytics capabilities that can help detect trouble earlier," said Bruce Brown, principal and U.S. automotive and off-highway consulting practice leader, Deloitte Consulting LLP.

Reverse logistics providers can leverage analytics by collaborating closely with manufacturers that employ these capabilities to proactively sense potential product problems

"Once in place, those competencies can also facilitate richer collaboration and communication between involved parties in times of investigation or crisis."

One of the biggest challenges to OEM-supplier collaboration in preventing, preparing for and managing recall-related events was ineffective communication channels (21.7 percent). ***RF***

GOLDMAN SACHS: WELCOME TO THE 'THIRD WAVE' OF THE FINANCIAL CRISIS

By Ben Moshinsky
(businessinsider.com, October 2015)

Remember the 2008 financial crisis? Well, it's back.

The financial disaster, which started seven years ago with the US real estate and investment banking collapse, has entered its third phase according to a team of Goldman Sachs analysts.

This wave is characterised by rock bottom commodities prices, stalling growth in China and other emerging markets economies and low global inflation, Goldman Sachs analysts led by Peter Oppenheimer said in a big-picture note.

This triple-whammy has its roots in the response to the first two waves of crisis — the banking collapse and European sovereign debt crisis — and its all part of the so-called debt supercycle of the last few decades.

Central banks all rushed to lower interest rates in response to the first two debt-fueled crises, encouraging investors to lend in emerging markets such as China for a decent return.

Now that interest rates are looking like they might go up, lenders are heading for the exits and investors are pulling out of commodities, which are closely linked to the fate of the emerging economies.

That's what links the EM (emerging market) wave to the first wave. As the US housing market collapsed, low interest rates "helped fuel credit growth and increased leverage, particularly in China," according to the note. Combine that with China's attempt to transform itself and escape the middle-income trap, and the plunge in global commodity prices, and you have a new crisis.

Chinese investment has exploded since the crisis, but trillions of dollars worth has likely been extremely inefficient, or even wasteful. Slower growth means the debt that investment produced will be harder to service. At best, that would be a painful readjustment period for China.

Here's the breakdown from Goldman Sachs: "But with bond yields in real terms close to zero, and policy rates at historical lows, this extraordinary combination of events has raised concerns about the sustainability of the financial returns on a forward-looking basis, particularly if deflationary forces continue to develop."

As central banks in the developed economies start talking about raising interest rates, rates on safer assets, government bonds, should go up.

This creates less incentive for debt investors to take risks overseas to get a decent yield. They move their money out of emerging markets, making it harder for EM companies to refinance themselves and makes it more expensive for them to fund big projects with debt, slowing the global economy.

> This wave is characterised by rock bottom commodities prices, stalling growth in China and other emerging markets economies and low global inflation

The problem is that the different stages of the crisis keep interacting with each other, stalling the recovery. Just as the EU sovereign debt crisis derailed the US economic recovery in 2010 and 2011, so the emerging markets collapse hit the EU, just at at the wrong time.

Here's Goldman Sachs again: EM markets were moving into Optimism, supported by very accommodative US policy and credit growth. But as Europe finally entered a 'Growth' phase in 2012, bolstered by aggressive policy easing, EMs were just entering their next 'Despair' phase.

So while this could be the last phase of the financial crisis, it won't be over until all the excess lending in emerging markets is worked through. And losses taken. ***RF***

DSV ACQUIRES UTI
WORLDWIDE IN $1.35 BILLION DEAL

By Will Waters
(lloydsloadinglist.com, September 2015)

One of the great takeover sagas of the past year looked like reaching a conclusion today, after the board of US 3PL UTi Worldwide announced it had accepted a new purchase offer from Danish group DSV. DSV has agreed to pay UTi shareholders a total of $1.35bn, with each paid $71.0 per share, a premium of some 50% on the company's share price the day before. UTi's largest shareholder, P2 Capital Partners, which holds 10.8% of its stock, has "entered into an irrevocable voting undertaking in support of the transaction, subject to certain conditions", it said.

As The Loadstar wrote a little more than three weeks ago, DSV was in the driving seat to acquire UTi following a failed bid last year, and it has since pressed its foot on the accelerator.

Initial reaction from investment analysts suggested that the acquisition price might be on the high side, with one suggesting it was a "hefty price, given current operating outlook".

However, that also came with the recognition that previous DSV acquisitions – Frans Maas, ABX Logistics and DFDS Transport, the haulage arm of the Danish ferry line – had largely been an operational success, and transformative in propelling DSV into the upper echelons of the road freight, forwarding and logistics businesses.

According to market data from Transport Intelligence, a combined DSV-UTi would be the fourth largest global 3PL after DHL, Kuehne + Nagel and DB Schenker in terms of revenue, with annual earnings of $12.9bn; the sixth largest sea freight forwarder with a combined volume – based on 2014 bookings – of just under 1.4m teu; and the seventh largest air freight forwarder of just over 600,000 tonnes.

DSV chief financial officer Jens Lund said of last year's approach by DSV: "We had some preliminary discussions and, based on these, we didn't find it relevant to proceed. But it is clear that there have been some changes in the performance of UTi and now there is a good match between what we buy and what we pay."

With shareholder and regulatory approval still required, the deal is not expected to close until the first quarter of next year. DSV chief executive Jens Andersen declined to comment on where the axe would likely fall into terms of staff, offices and senior management, but he said that the two companies would be combined into one: "We will be sitting alongside each other."
But he called the strategic rationale behind the acquisition "compelling", with the combined entity expected to be significantly more balanced both geographically and in terms of sectors.

"We will get a lot of new competencies and skills and, based on what we have seen in previous acquisitions, we will learn a lot," he added.

However, the gap in financial performance between the two companies over the past couple of years is stark. They employ similar numbers of staff – 23,000 at DSV and 21,000 at UTi – but have markedly different financial results: in 2014 DSV recorded revenue of $7.7bn and an Ebitda of $505m, while UTi's revenues were $3.7bn with a marginal loss.

Mr Andersen said this was partly due to UTi's greater involvement in the contract logistics and distribution business.

"It is a more staff-heavy company, but it has a large contract logistics business and it has a lot of employees in warehouses – it has a lot more blue collar staff."

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Mr Lund added: "There's nothing inherently wrong with UTi – the profitability has not been the best recently, but they have a very strong network and it just seems as if it is slightly sub-scaled – there is not enough volume to pay for the network, but by combining themselves with DSV volumes they will get this scale."

UTi chief executive Ed Feitzinger said, "For our clients and employees, the potential combination of our two businesses has a strong cultural fit, aligned strategy, and a complementary client base and geographic footprint. We have the opportunity to draw on the current strengths and scale of both companies to bring solutions to our clients that we could not have delivered on our own."
Mr Andersen added that the two companies had broadly similar customer profile, although UTi had several customers, mainly from the automotive sector, that "are bigger than our top five." ***RF***

5 AREAS AND 3 TACTICS TO CREATE AN EFFECTIVE END TO END SUPPLY CHAIN PRESENCE

By Adam Robinson
(cerasis.com, September 2015)

The ability to optimally integrate all areas of the supply chain is key to meeting customer and shareholder needs. A strategy that encompasses all allows decision-makers the visibility to see concerns early on and respond promptly. This builds a leaner, faster process while also increasing profit. Do you find the idea a bit unwieldy and difficult to implement? Finding an experienced partner to manage and engineer end to end supply chain solutions allows you to achieve this global undertaking and an efficient supply chain.

5 Areas for Reorganisation

An end to end supply chain strategy allows companies to see and tailor their mechanisms within the supply chain. Deliver the products that end users want and keep shareholders happy. Some areas that can benefit from better strategy are:

Stock - Oftentimes there is confusion as to how much stock is in the pipeline, delivery that is on the way and assets that can be reused from returns. Companies need to deliver to consumers on time and order more than what they need to cover anticipated requests. Track what is available at all stages- delivery, pipeline and returns- to efficiently meet needs.

Excess & Obsolescence (E&O) - This extra product is not requested and quickly becomes obsolete. Particularly in IT and advanced technologies, the longer product sits in the pipeline, the more it depreciates in value, offering less return for companies. Reducing the amount of unnecessary product will shrink overheads and allow companies to use the cash in other areas.

Returns and Asset Management - How are returns processed and managed in a global supply chain? What parts can be reused or recycled to better manage resources? This end process gets short shrift and can be reorganised to return assets and cash into the company. This is an area to recoup loss if so inclined.

Shipping - Visibility in the end to end supply chain allows companies to know exactly what products they are delivering and what may be missing. Better practices can organise freight for complete shipments the first time. Extra product also needs to be shipped. Reducing the need for product based on knowledge of assets will decrease shipping costs as freights are smaller and less frequent. This makes consumers and companies happy.

Assembling - Shipping and deliveries of components are involved in the location of where products are assembled. End to end supply chain practices that deliver all necessary data can allow for more convenient locations that will cut costs. Reduce freight and transport time with proactive management.

Best Practices for End to End Supply Chain Presence

In a supply chain, it is important to select one decision-maker that will be held accountable for revenue and profit. Invest in internal processes to guide platform management and stock-keeping unit rationalisation and simplification. Develop strong supplier relationships that encourage communication and partnership. Concerns can be worked out easier and adjustments can quickly be made. Have a presence on the ground with talented collaborative members that can give feedback on adjusting to local practices, concerns, and culture. Have clear visibility from end to end of the supply chain. An eagle's eye is important to address delays and mitigate impact on deadlines and targets.

Better Visibility Makes for Continuous Improvement

The fact is that when a company is not always putting out fires, they can use their energy and the data from a transparent end to end supply chain process to make changes that will enhance efficiency. Advanced knowledge of concerns allows companies to have the time to respond appropriately and put processes in place to prevent similar issues. Add additional suppliers based on local conditions, price, and availability. Build stronger communications on the ground and create plans to adjust in a timely manner. These are a few of the adjustments that can be made with tighter organisation practices.

Changes can make the company more agile in an ever-changing market. Swiftly adjust to changing trends and work in partnerships with teams and suppliers to guarantee better-operating procedures and a loyal customer base. With supply chains there is even more need for sustainable growth and an ability to quickly respond to multiple points along the chain. Don't get bogged down in the problems of now but use end to end supply chain visibility to plan for future development.

> An end to end supply chain strategy allows companies to see and tailor their mechanisms within the supply chain.

Leverage the Expertise of Others

Building visibility into an end to end global supply chain presence is well-worth the investment. Lead that change in a partnership with a third party logistics company. Their teams, resources, and experience will operate as an extension to the company's existing infrastructure. Work together to develop the agility to shift gears and easily monitor, address concerns, enhance communications, and use better practices to develop with future success in mind. *RF*

PROCUREMENT SUCCESS TODAY REQUIRES GETTING CLOSER TO BUSINESS MANAGERS

By SDigest Editorial Staff
(scdigest.com, September 2015)

There are still huge gaps in performance between leading procurement organisations and the rest of the pack, the consultants at the Hackett Group say.
Their research finds top performers deliver services at 17% lower cost with greater effectiveness and require 26% fewer full-time equivalents (FTEs) per $1 billion in spend.

For many of these top performers, procurement efficiency gains have reached their practical limits, Hackett Group says, and they are looking to new areas to increase their value to the organisation. That includes moving procurement to what Hackett calls "trusted advisor" status, which earlier Hackett Research found was a the top priority for companies in 2015. A combined 72% of respondents to a survey said that was either a critical or major goal for their procurement organisations this year. That put it ahead even of "reduce/avoid purchase costs" (69%) and "improve procurement's business agility" (68%). (See Procurement Organisations Strive to Reach "Trusted Advisor" Status.)

"Ultimately, procurement has to rebrand itself as a customer-centric organisation," a new Hackett report says. "This will require rebalancing the service portfolio to focus on the areas with not only highest demand but the most potential to contribute to company revenue. Success will also hinge on procurement's ability to market itself in new ways to build awareness."

And in pursuit of those goals and process requirements, some procurement organisations are taking some unusual steps. For example, Hackett says that 83% of world-class organisations (versus 44% of peers) report high utilisation of dedicated resources who act as liaisons between procurement and the business.

Beyond getting things done as quickly and efficiently as possible for internal customers, Hackett says managers in this role need to have well-honed interpersonal skills and the ability to recommend and sometimes even challenge proposed solutions when a better alternative is available. They of course also need to be able to well speak the language of business.

Too many procurement organisations are viewed as gatekeepers rather than valued business partners, Hackett adds. And the difference is more than just connected to internal prestige. Hackett says that procurement organisations that are viewed as valued business partners report 68% higher savings than those viewed as just gatekeepers.

Why is that? Hackett says companies in the world-class group have realigned their service portfolios to deliver more value to the business and thus increase demand for their services, emphasising capabilities such as on-demand analytics and market intelligence. This in turn has increased the scope of their spend influence, the savings they are able to capture, and value delivered beyond just hard-dollar savings.

Among other recommendations, Hackett says internal surveys to gauge how the procurement organisation is viewed by stakeholders are a good place to start.

Hackett also suggests identifying key stakeholders for each high-value activity and assigning a procurement team member to each one, though it cautions it will take some time determine the best cadence for interaction with each stakeholder.

Similarly, Hackett says leaders are building a culture focused on becoming "client-facing service providers," certainly a term or approach not seen traditionally associated with procurement departments.

The next-generation procurement organisation will feature a new type of talent, one that is comfortable with technology, able to speak the language of the business, and knowledgeable enough to navigate complex organisations in order to drive change

Hackett says changing performance metrics in procurement is also key, with the goal to align procurement's scorecards to stakeholders' own success metrics. In fact, Hackett research shows that world-class organisations that spend more time aligning with internal stakeholders generate 41% higher savings than peers.

All that can be summed up in the following four steps, also illustrated in the graphic below..

Identify different stakeholder groups and understanding how they interact with and think about the procurement organisation: Segment customer groups based on attributes like importance and level of influence within the organisation, creating the foundation for an engagement plan customised to the needs of each stakeholder type.

Develop formal customer satisfaction surveys tailored to each stakeholder group: While adoption of procurement surveys is high among world-class companies, there is still quite a bit of room to grow. The way these surveys are designed, administered, analysed and acted on makes all the difference in their value, Hackett says.

Analyse and sharing measurement results: simple scorecard can be effective for executives. For broader stakeholder groups, procurement can hold information sessions that showcase procurement's plans.

Take a holistic approach to customer service: That includes broad use of technology that allows stakeholders to utilise self-service for procurement-related information.

"The next-generation procurement organisation will feature a new type of talent, one that is comfortable with technology, able to speak the language of the business, and knowledgeable enough to navigate complex organisations in order to drive change," Hackett concludes. "There are no quick fixes here, no single action that will elevate procurement's brand and value proposition. Rather, ongoing self-reinvention is required for sustainable improvement." *RF*

THE ART AND SCIENCE OF SUPPLY CHAIN LEADERSHIP

By Stan Aronow, Mike Burkett, Jim Romano, and Kimberly Nilles (supplychain247.com, September 2015)

In May of this year, Gartner published its 11th annual Supply Chain Top 25, a ranking of the world's leading supply chains. As always, a primary goal of the Top 25 is to foster the celebration and sharing of best practices as a way to raise the bar of performance for everyone.

Another objective of the Supply Chain Top 25 is to shine a light on the importance of the function and profession - within our community certainly, but also for corporate executives outside of supply chain and the investment community at large.

The ranking is focused on identifying supply chain leadership, which includes operational and innovation excellence, but also other behaviors such as corporate social responsibility and a desire to improve the broader practice of supply chain management.

While the list changes from year to year, there are some common characteristics that separate the best from the rest.

What is the Definition of Excellence?

Gartner defines excellence as demonstrating leadership toward a demand-driven ideal. Our Demand Driven Value Network (DDVN) model has seven dimensions with interrelated areas of capability in supply, demand, and product lifecycle management, all enabled by robust strategy and governance.

The maturity model follows five stages of progressive maturity along each dimension and tracks corporate supply chains through a journey from reactively operating in silos to eventually orchestrating for value across both internal and partner networks.

Leading companies have achieved a much higher degree of visibility, coordination, and reliable processes both within and across the plan, source, make, deliver, and return functions - but also in partnership with sales and marketing and product management organisations in lines of business.

Their supply chains are designed starting with what brings value to customers and then back through the supply network. The ability to sense, translate, and shape demand, and pair up appropriate supply is also improved and both demand and supply are determined in close collaboration with customers and upstream suppliers.

Our methodology is outlined in it's entirety on our "Supply Chain Top 25 for 2015" Web site, but at a summary level it operates as follows. Each year, approximately 300 companies are chosen to be evaluated. Companies do not apply to be included; rather, we select the companies from publicly available lists using a defined set of criteria, including size and industry sector.

Each company gets a composite score, and these scores are force-ranked to come up with the final list. The composite score is made up of a combination of publicly available financials, as well an opinion component, providing a balance between objective and subjective perspectives. In completing their ballots, voters are asked to identify those companies that they believe are furthest along the journey toward the demand-
driven ideal, as defined in Gartner research and on the voting Website.

The Masters

This year we are introducing supply chain masters, a new category to highlight the accomplishments and capabilities of long-term leaders. At the same time, we want to create room for growth and visibility of even more newcomers.We are, therefore, recognising those companies that have consistently had top five composite scores for at least seven of the last 10 years and placing them in a separate category from the overall Supply Chain Top 25 list. In this inaugural year for supply chain masters, we want to recognise two companies demonstrating sustained leadership: Apple and P&G.

Apple dominated the top slots of our ranking since its first appearance at No.2 in 2007. This was based on both its stellar financial performance and the high opinion of the supply chain peer and analyst community. Skeptics point to the fact that for the most part, Apple's products are mainly "designed in California assembled in China," but the reality is that it takes skill and, in some cases, sheer will to orchestrate the design, development, and high-volume launch of highly integrated products across a network of hardware, software, manufacturing, and logistics suppliers. This high tech leader demonstrates the spirit of the Supply Chain Top 25 through the integration of innovation and operations excellence.

> A primary goal of the Top 25 is to foster the celebration and sharing of best practices as a way to raise the bar of performance for everyone. Another objective is to shine a light on the importance of the function and profession - within our community certainly, but also for corporate executives outside of supply chain and the investment community at large.

P&G, a perennial supply chain and product leader, has appeared on the top five of our ranking for nine out of the last 10 years. The consumer products giant has a long-standing history of innovative supply chain practices, starting with the Efficient Consumer Response (ECR) capability it built with Walmart in the early 1990s. That effort evolved into modern day collaborative planning forecasting and replenishment (CPFR) capability.

Today's P&G is redefining customer-centricity in how it measures service by adopting differentiated performance metrics representative of the top customers in the channels it serves. The company has also blended its supply chain and product R&D organisations for a seamless approach to new product development and launch (NPDL).

We're excited to introduce this new masters category to the ranking, and will revisit it each year as companies enter and exit.

The Top 5

Amazon claims the No.1 spot on the ranking this year and makes its fifth appearance in the top five. The e-commerce giant has demonstrated its ability to successfully launch new supply chain services, such as same-day delivery, now available in 54 U.S. metro areas. In another out-of-the-box move, Amazon ran pilots with automakers Audi and Volvo to deliver packages directly to the trunks of customers' automobiles.

Last year, Amazon released a series of instant ordering devices under the brand Amazon Dash, which enable consumers to push a button on a small, product-branded fob when they need to reorder common household items like laundry detergent, instant coffee cups, and diapers. Where will Amazon go next? Its competitors will be watching closely.

McDonald's, No.2 on the ranking, is facing significant headwinds this year - new competition from specialty restaurants, innovative products from existing players, changing consumer tastes, and a tightening labor market with increasing wages. Internally, it has had challenges managing a menu that has grown more diverse over the last few years.

With a new CEO at the helm, it is focused on returning the restaurant giant to growth. Supply chain, in partnership with outsource partners, is positioned to help the company make data-driven decisions. Supply chain operations have deepened involvement in the product life cycle to drive profitability and can help the business strike the delicate balance between reigniting growth and stoking complexity that detracts from profitability.

CP leader Unilever is No.3 on the list. As part of the broader Sustainable Living Plan it launched in 2010 to double revenue and halve its environmental impact by 2020, the company announced earlier this year that it had achieved its goal of sending zero waste from all factories to the landfill, a year ahead of schedule.

A big part of the company's success comes from its partnership with suppliers and it is now forging multi-company relationships between suppliers to foster deeper collaborative innovation on ingredient design and manufacturing processes. Unilever is also rolling out regional centers of excellence (COEs) for customer service and logistics. With collaboration in its corporate DNA, Unilever's supply chain team has also embraced a broader role in spreading best practices across the entire community.

Intel, at No.4, is another company whose supply chain has risen quickly up our ranks over the years. Its supply chain vision includes delivering on five key vectors that drive Intel's competitive advantage in the marketplace: technology leadership, manufacturing scale, agility, responsiveness, and social responsibility.

Intel's supply chain has taken on an expanded partnership role as an enabler of growth in new product markets. In recent times, that has meant media tablets and solutions that leverage the "Internet of Things" (IoT). In 2014, Intel went from selling almost no media tablet chips to over 40 million of them. Beyond the ability to successfully supply and ramp new products, this is a story about building a new ecosystem of hardware and software suppliers and contract manufacturers to work with in China.

> Gartner defines excellence as demonstrating leadership toward a demand-driven ideal. Our Demand Driven Value Network (DDVN) model has seven dimensions with interrelated areas of capability in supply, demand, and product lifecycle management, all enabled by robust strategy and governance.

At No.5 this year is Spanish clothing retailer Inditex. It is the owner of eight brands, including flagship Zara, which continues to grow through new store openings and expanded e-commerce offerings in all existing and new markets. Inditex is rolling out a reusable item-level RFID tracking system for all garments sold in its Zara stores.

This system allows for more efficient inventory counts; quick, precision stock replenishment; enhanced security control; and, ultimately, better service for customers looking for specific products within physical stores and online. Its supply chain continues to prioritise social responsibility and was recently recognised by the Dutch Association of Investors for Sustainable Development.

Movers and Shakers: No.6 to No.15

Leading off this group is Cisco at No.6. The networking leader is well down the path of selling integrated solutions and supply chain's role in ensuring integrated hardware and software quality has evolved in line with this shift. Cisco's supply chain has also invested in improving customer intimacy. Each director and above is a customer champion aligned with specific end customers and sales teams. Cisco is using IoT as it has branded it, to both improve its supply chain operations and support the company in bringing these solutions to market.

Swedish retail chain H&M moved up to No.7 on the ranking. It continues to grow and, in 2014, established brick-and-mortar stores in nine new markets, including China. H&M's supply chain is strong at managing the product life cycle with designers and suppliers. Its next challenge will be reinventing the ability to capture demand and fulfill across all channels, given its recent expansion into e-commerce. H&M has received multiple awards for sustainability and social responsibility. The company was recognised as the 2015 World's Most Ethical Company by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices.

Samsung Electronics was ranked No.8 this year. This perennial leader is well respected in the peer community and continues to post strong inventory turns at 17.7, complemented by a three-year weighted-average ROA above 10 percent. Operational excellence at Samsung Electronics centers on two key factors driving flexibility and profitability. The first is visibility in end-to-end supply chain, which it defines as R&D, procurement, manufacturing, logistics, marketing, sales, and service. The second is the capability of its people, organisation, process, and IT infrastructure.

Colgate-Palmolive maintained its No.9 rank. Its supply chain team is testing the use and integration of leading-edge systems, utilising the latest in-memory computing technology. This will allow it to gain end-to-end visibility and to take real-time actions in the planning and execution horizons. Colgate continues to fund the company's growth through close management of all investments in capital and capabilities. This growth has tapered due to slowing emerging markets and a strong dollar, but Colgate-Palmolive's three-year weighted average ROA continues to be a bright spot at 17.8 percent.

Perennial footwear and apparel leader, Nike, is ranked No.10. Nike's supply chain has strong foundational capabilities in product life cycle and supply network management and is expanding the use of Lean techniques from the manufacturing environment to other supply chain functions. On the innovation front, it has unveiled products using a new ColorDry technology that dyes fabric with recycled CO2 and zero water versus traditional water-intensive dyeing methods. This technology also saves energy and eliminates the need for added chemicals in the fabric dyeing process.

Coca Cola Co.'s supply chain (No.11) is focused on a handful of key objectives this year. In the upstream supply network, it is about quality at the source, with leading metrics and process controls that support its safety culture. Within its manufacturing and distribution environments, it is automating to increase productivity faster than the top line. Customer-facing initiatives are aimed at improving on-time and in-full rates through improved forecast collaboration, value-based product and packaging portfolio management, and tailoring customer service models.

Starbucks (No.12), the world's largest coffee retailer, runs a broad-spanning supply chain that includes new product development, customer service, and strategy. Talent development is a core focus within the organisation, as reflected by its training and rotational programs. Starbucks is still the only retailer to offer no-strings-attached reimbursement for employees pursuing an online undergraduate degree. Sustainability is another priority for Starbucks, as evidenced by its recent verification that 99 percent of the coffee it buys is ethically sourced.

Supply chain pioneer Walmart (No.13) has continued its push into e-commerce and has expanded investment in multichannel drive-thru pick-up centers and a "click-and-collect" grocery service offered at some of its stores. Walmart is also leveraging its expertise in supply network design and optimisation in a drive to recapture the low-cost crown from its competition. The company is running multiple social responsibility programs focused on increasing sustainability at suppliers and in its own network, support for women-owned businesses, and the broader communities it serves.

Senior supply chain leadership at diverse industrial 3M (No.14) recognises that complexity limits the long-term growth potential of the company and is on a mission to optimise operations through Lean extended value streams. The engineering savvy company actively engages with customers to develop innovative solutions to its problems and works closely with key suppliers early in the ideation process for new products with a focus on joint cost reduction and accelerated cycle times.

Another perennial leader, PepsiCo landed at No.15 this year. Its new demand signal repository tools are driving significant results based on the ability to do real-time promotion display management at the SKU level. PepsiCo's supply chain is also making significant automation investments in manufacturing and its distribution centers. The PepsiCo team has continued its focus on social responsibility and sustainability, with programs aimed at environmental quality, ethical sourcing, and community improvement, including its innovative PepsiCorp program.

Rounding Out the List: No.16 to No.25

The supply chain team at storage company Seagate Technology (No.16) has developed a global network of customer value centers to provide more efficient fulfillment and deliver customer-specific solutions. Seagate Technology has spent the last few years developing a cross-functional supply chain transformation office focused on landing new capabilities, developing talent, and rolling out metrics for improved visibility.

Nestlé (No.17) runs one of the largest and most complex consumer foods supply chains in the world and was recognised by community-based organisation, Oxfam, as a top-ranked company for responsible sourcing. Nestlé's supply chain culture centers on decentralised, locally-empowered teams. Major focus areas for these teams are driving capital efficiency, enabling e-commerce businesses as a growth driver, and upstream product traceability to ensure consumer trust.

Chinese technology company Lenovo's supply chain strategy (No.18) cascades from its continuing corporate strategy to protect PC-based businesses and attack mobile, enterprise, computing ecosystem, and cloud services businesses. The supply chain team continues to drive new capabilities such as inventory and order support visibility, while ensuring the smooth integration of large mobile and enterprise computing businesses.

Chipmaker Qualcomm (No.19) is leveraging investments in supply capacity optimisation and inventory management as competition intensifies in the wireless telecommunications component market. The company continues to invest in new applications for its products including use of smartphone technologies for new consumer robotics applications such as the use of GPS and machine vision to guide delivery drones. The chipmaker is also making a push into the connected car market.

Kimberly-Clark (No.20) continues on a multiyear journey to improve its supply chain organisation and capabilities. It is extending Lean expertise out in partnership with customers to improve collaborative processes for joint value. The supply chain, in partnership with the business, has established a standard product portfolio governance process aimed at improving overall SKU health. This work, along with effective demand shaping capability, has enabled a relatively high forecast accuracy for the company.

Healthcare leader Johnson & Johnson (No.21) has a legacy of decentralised decision making, but its supply chain has become more center-led over the years as a Center Of Excellence (COE) formed to drive cross-business unit improvements. One of these programs is focused on complexity management and data-driven governance of the company's diverse product portfolios. The COE team is also working to better understand the voice of the customer in the pharmaceutical business.

L'Oréal lands at No.22 after a long hiatus from our list. Its supply chain team has a dedicated effort in partnership with the business to improve demand forecast accuracy. The cosmetics and beauty products company is leveraging optimisation techniques in supply planning to improve customer service levels, while holding less inventory. L'Oréal is also using a collaborative supplier platform with its top strategic upstream partners to feed them weekly demand forecasts and pull through consumption requirements.

Engine and power equipment leader Cummins (No.23) has a strong COE organisation. This team has partnered with operations to evolve to end-to-end differentiated SCM and, eventually, the orchestration of the extended supply chain through collaborative governance. Cummins' analytics team is starting to move beyond basic descriptive reporting of operational performance to more predictive applications such as network, inventory, transportation, and warehouse optimisation modeling.

Toyota rejoins the list at No.24 after last appearing in 2009. Its eponymous production system as well as its pioneered leveraging of Lean principles has been emulated by the rest of industry and beyond. Its supply chain team is focused on building logistics control towers and mitigation plans to avoid the supply disruptions of the recent past. Toyota is also building a next-generation customer service platform where vehicle owners, dealers, and service agents can exchange information via the cloud.

Closing out this year's list at No.25 is Home Depot, the world's largest hardware retailer. Home Depot's supply chain team is reaping the rewards of a multiyear improvement journey. It is introducing direct fulfillment centers that will be able to ship to 90 percent of U.S. households within 48 hours. E-commerce, while a small portion of its total business, spans a wide variety of products and one-third of the volume is "click and collect" at its brick-and-mortar stores. Upstream, Home Depot has set up a vendor source program tapping into vendor-managed inventory (VMI) stocks.

The Bar Has Risen

In our engagement with supply chain leaders over the past year, it is evident that the bar of performance has risen considerably for the top of the group.

As Gartner's supply chain research organisation, we remain committed to providing a platform for informed and provocative debate about supply chain leadership.

We look forward to leveraging this research to share the lessons, best practices, and characteristics of leaders to inspire and challenge the entire supply chain community to new levels of performance and contribution. *RF*

Masters

1. Apple
2. Procter & Gamble

Top 25

1. Amazon
2. McDonald's
3. Unilever
4. Intel
5. Inditex
6. Cisco
7. H&M
8. Samsung
9. Colgate-Palmolive
10. Nike
11. Coca Cola
12. Starbucks
13. Walmart
14. 3M
15. PepsiCo
16. Seagate Technology
17. Nestlé
18. Lenovo
19. Qualcomm
20. Kimberly-Clark
21. Johnson & Johnson
22. L'Oréal
23. Cummins
24. Toyota
25. Home Depot

LINES SET FOR FULL-YEAR PROFITS DESPITE LOW FREIGHT RATES

By Mike King
(lloydsloadinglist.com, September 2015)

Lines will likely see profit declines in the third quarter, but lower fuel costs will continue to buttress year-end financial performances, according to the latest analysis from Drewry Maritime Research.

The analyst said that sales by virtually every major carrier were down at the halfway stage of 2015 – average revenues fell 5% year-on-year for the top 20 carriers in the first half of the year – but profits increased despite bearish rates on key trades due to the deployment of more fuel efficient ships and the decline in bunker prices.

Although slow demand and excess supply has seen freight rates continue to slump in the third quarter despite a flurry of GRIs at the start of September, Drewry expects the continued deterioration in bunker prices to boost bottom lines.

"The change in direction that fuel costs have taken means that carriers' costs are falling faster than freight rates, enabling them to continue posting profits, albeit shrinking with each passing quarter," said Drewry, which estimated that industry-wide unit costs fell by about 11% in the first-half of 2015 versus the same period last year. By comparison, unit revenues were down by only approximately 7%.

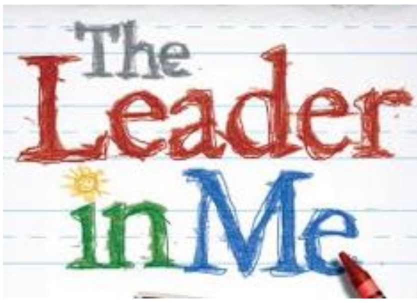
"Unfortunately, there is very little visibility on the cost side from carriers but a few lines do publish some information that helps illuminate the importance of bunkers as a part of the overall operating expenses," said Drewry. "Maersk reported that its average 2Q15 bunker fuel bill was down by over 40%, while OOCL and CSCL reported similar savings for the first-half."

Apart from lower fuel bills, the introduction of larger and more fuel-efficient ships is contributing to cost savings for carriers, although this has been offset somewhat by the destabilising effect on rates the new vessels have had on supply fundamentals in a low demand growth market.

"Ultimately though, events outside [lines'] control are dictating their bottom lines and as such that represents a serious risk to sustainable profitability," said Drewry. "Carriers need to somehow find a way to make GRIs stick and boost revenue before costs start rising again. That is a very difficult challenge.

"Based on prevailing fuel and rates in 3Q15 so far, we expect the story will be much the same – that is, diminishing profitability," said Drewry.

But the accumulation of profits over the first 9 months would be enough for carriers to generate "okay sums for the full year, regardless of what happens in 4Q15," added the analyst. ***RF***



THREE REASONS YOU NEED TO SAY 'NO' MORE OFTEN

By Ashley Stahl
(forbes.com, October 2015)

The lights came up on the stage, and I was about to make my entrance before the audience as a producer ran up behind me and tugged at my sleeve.

"Just one more thing," she whispered loudly.

"Um, sure…." I said, anxious to get started and keep my schedule on track.

"After you give your speech, would you mind sitting down with our executive team for a couple of hours and educating them on how you managed to scale your business into online programs? They're thinking of getting into e-learning, too." The look on her face, and the tone of her voice, made it clear that she didn't think she was asking me for all that much.

I wanted to be agreeable, but her request struck a chord with me…and not in a good way. I try to be self-honoring when it comes to my time and my practice. Not only was she putting me on the spot, but also she was expecting me to give away for free what my clients pay me for.

Despite all of this, a part of me wanted to say yes for the sake of being easy-going and willing…but I didn't.

"I'm sorry," I told her, watching her expression change from friendly to stunned, "but I can't do that." It was tough knowing that she was probably forming all sorts of opinions about me, but I've done enough personal development work to not take it personally.

While I live my life now in the zone of either "hell yes" or "hell no," it wasn't always this way.

Saying yes to others can have a powerful impact on your career, your reputation, your professional growth – but saying no – especially when it's uncomfortable to do so – is one of the most powerful steps you can take in your personal growth.

Here are some thoughts to consider.

1. You're responsible for creating your boundaries. - Here's a reality check: boundaries are created—they don't come baked into your relationships. If you're constantly finding yourself in uncomfortable situations with people who want you to give more and more of yourself, it's likely because you aren't taking responsibility for creating boundaries. What's stopping you from saying "no"? From saying "enough"? Is it fear? Are you trying to please others? If so, ask yourself: is this a pattern in your life? Is it serving you to keep it in place?

2. You're not responsible for anyone else's reaction. - Oftentimes, people say "yes" for fear of disappointing or hurting someone else… Sound familiar? This fear often comes from an intense desire to be liked, and it's incredibly damaging when you lead with it in the workplace. This is partly because you're focusing too much on keeping others happy and not enough on achieving results. After all, pleasing everyone around you takes a ton of time! Think about it: how much time do you spend pleasing other people and regretting your yesses? It's better to be uncomfortable than it is to be resentful, so knowing what this discomfort brings up in you is huge feedback for your own personal growth. This awareness will allow you to make a more conscious choice on how you show up in your authenticity.

3. Successful people know how to say "no." - This is something they've had to teach themselves, because they too struggled with the "no" word at some point in time. But with science showing us that "no" improves productivity and mental health, none of us can afford to keep saying "yes." In the words of Warren Buffet, "the difference between successful people and very successful people is that very successful people say no to almost everything." I'm not saying that you need to say "no" to almost everything, but I am saying that your success rides on your ability to honor your truth. Furthermore, successful people don't need to come up with excuses to soften the blow of the "no," they just say they're not able to, point blank.

The people-pleasing aspect of my ego hated saying "no" to that producer, but the part of me that recognises the importance of breaking that habit was much stronger because of it.

Each time you say "no" to something that you would have said "yes" to in the past, you are strengthening your muscle to create boundaries and making it easier to say "no" in the future.

The next time you feel caught between wanting to make someone else happy and wanting to make yourself happy, just remember: Saying no to whatever they are asking of you is just another way of saying yes to what you truly want to commit yourself to. ***RF***

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

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 DBSchenker, 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 dasRESULTAT 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. Along with the client we were able to unlock an overall 15% saving in their annual freight spend and associated landside and finance charges.

At a Kwazulu-Natal based manufacturer of engineered wood products, we provided subject matter support for various logistics cost saving and process efficiency improvement initiatives.

We currently support a Kwazulu-Natal based tyre manufacturer with logistics planning projects and unlocking savings on their freight import spend. *RF*

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dasRESULTAT is a results 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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