

RESULTFOCUSED

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IF YOU WANT TO CHANGE THE WORLD...

By Anton Nieuwoudt

We all have sources of inspiration. It can come in many forms and from potentially unusual places. But at some point in our lives we feel the need to tap into those sources. Some seasons in life require us to dig deep to find the courage and resilience.

I recently found inspiration in a powerful commencement speech by Naval Admiral William H. McRaven, ninth commander of U.S. Special Operations Command. You can watch it here: <https://www.youtube.com/watch?v=pxBQLFLei70>, but I would like to also share it with you in the following.

1. If you want to change the world, start off by making your bed - "If you can't do the little things right, you will never do the big things right."

2. If you want to change the world, find someone to help you paddle - "You can't change the world alone—you will need some help—and to truly get from your starting point to your destination takes friends, colleagues, the good will of strangers and a strong coxswain to guide them."

3. If you want to change the world, measure a person by the size of their heart, not the size of their flippers - "SEAL training was a great equaliser. Nothing mattered but your

will to succeed. Not your color, not your ethnic background, not your education and not your social status."

4. If you want to change the world get over being a sugar cookie and keep moving forward - "Sometimes no matter how well you prepare or how well you perform you still end up as a sugar cookie*."

*For failing the uniform inspection, the student [in Basic SEAL training] had to run, fully clothed into the surfzone and then, wet from head to toe, roll around on the beach until every part of your body was covered with sand. The effect was known as a "sugar cookie." You stayed in that uniform the rest of the day - cold, wet and sandy.

5. If you want to change the world, don't be afraid of the circuses - "Life is filled with circuses. You will fail. You will likely fail often. It will be painful. It will be discouraging. At times it will test you to your very core."

6. If you want to change the world sometimes you have to slide down the obstacle head first.

7. If you want to change the world, don't back down from the sharks - "There are a lot of sharks in the world. If you hope to complete the swim you will have to deal with them."

8. If you want to change the world, you must be your very best in the darkest moment - "At the darkest moment of the mission it is the time when you must be calm, composed when all your tactical skills, your physical power and all your inner strength must be brought to bear."

9. If you want to change the world, start singing when you're up to your neck in mud.

"If I have learned anything in my time traveling the world, it is the power of hope. The power of one person - Washington, Lincoln, King, Mandela and even a young girl from Pakistan - one person can change the world by giving people hope."

10. If you want to change the world don't ever, ever ring the bell. "In SEAL training there is a bell. A brass bell that hangs in the center of the compound for all the students to see. All you have to do to quit—is ring the bell. Ring the bell and you no longer have to wake up at 5 o'clock, you no longer have to do the freezing cold swims, you no longer have to do the runs, the obstacle course, the PT - and you no longer have to endure the hardships of training. Just ring the bell. If you want to change the world don't ever, ever ring the bell."

"People inspire you or they drain you - pick them wisely." - Hans F. Hansen



SEVEN SUPPLY CHAIN TRANSFORMATIONS AT SAMSUNG

By Unknown
(supplychainopz.com, September 2013)

Today Samsung Electronics has proven to be one of the most successful global brands to follow. Moreover, Samsung Supply Chain has demonstrated the operational excellence that leads them to the supply chain hall of fame. In this article, we will explain to you how they do it.

"Samsung" in Korean language means "3 stars" or "tri stars". At first, they had a strong root in trading business. Later, they took the diversification strategy and entered the electronic industry by producing the black-and-white TV set. Anyway, the rise of Samsung started when Lee Kun-Hee succeeded his father as the second chairman of the company. During 1990s, he noticed that many Japanese companies who were the leaders in the analog technology hesitated to adopt the digital technology. Then he gradually created transformations that later change the face of the entire industry.

How do they build the superb supply chain management capabilities? We investigate further and find 3 related articles as below,

- The Paradox of Samsung's Rise on Harvard Business Review
- Supply chain management six sigma: a management innovation methodology at the Samsung Group on Supply Chain Management: The International Journal
- An Analysis of Sources of Risk in the Consumer Electronics Industry on Journal of the Operational Research Society

The secret sauce behind Samsung's supply chain success is definitely "Best Practice Analysis".

Then we analyse these case studies and extract information related to supply chain management which is summarised as below,

Listen to Voice of Customer

At macro level, Samsung tries to understand the behavior of consumers in particular country by sending staffs to attend MBA programs at the local universities. These "Country Specialists" also establish the connection with many business leaders and potential business partners. At micro level, they gather the customer preferences and incorporate them into the product design through a method called "Quality Function Deployment".

Adopt Six Sigma Methodology

Based on "quality movement" in the electronics industry, Samsung believes they can improve the internal operations drastically using Six Sigma. Then they study various Six Sigma approaches from GE, Dupont and Honeywell. Later, they create the methodology based on GE approach called "DMAEV" (define, measure, analyse, enable and verify).

Utilise Advanced Planning & Scheduling system

Since the electronics market changes quickly, they need to be able to create a flexible production plan. So they implement APS system which brings the remarkable success.

Setup Cross Functional Team

In order to bring the internal departments closer, they use the system called "Voice of Business". What they do is to gather the internal requirements and establish an action plan based on collective decision.

Streamline Performance Evaluation System

The classic problem of many organisations in Asia is the seniority based performance evaluation system. Samsung thinks they won't be able to attract the best and the brightest to help them grow if there is no performance based system in place. Then they gradually integrate the merit-based system and allow high performers to have the fast track career path.

Standardise Processes and Parts

To achieve the economy of scale, Samsung standardise processes and parts and the majority of components are produced in Korea. This also enables them to manage product quality more effectively due to the ease of control.

Establish Risk Management System

They realise that risks are the fact of life. So they implement a very comprehensive risk management system and their risk mitigation strategies are low inventory level, flexible capacity and redundant suppliers.

Conclusion

The secret sauce behind Samsung's supply chain success is definitely "Best Practice Analysis". They study how other world's leading companies manage the business and choose to adapt these best practices gradually. *RF*



AFRICA: THE GIANT IS AWAKENING – SERIOUSLY

By Charles Dey
(supplychainonline.co.za, November 2015)

September saw the respective international conferences of two major supply chain management industry bodies – that of the International Federation of Freight Forwarders Associations (FIATA, in Taipei) and that of the Chartered Institute of Logistics and Transport (CILT, in Dubai). At both gatherings there was substantial African representation and, at the CILT Convention, Africans were in a clear majority. What does this imply for African businesses?

The greater majority of delegates at both of these events were either senior executives or business owners.

Discussions with those from Africa revealed that most were participating for two reasons:

- To network and find new business opportunities, both within and outside of Africa
- To seek ways of doing things better through innovative systems and the upliftment of staff.

In the area of upliftment there is a significant, emerging trend in Africa: whereas before there was a considerable reluctance to train staff for fear of their being poached, this has been replaced by a deep realisation that the way to increased profitability is through increased professionalism. The results are clear to see: Africa's gross domestic product (GDP) is expected to grow by 4,5% in 2015 and 5% in 2016, mainly driven by agriculture, extractive industries, construction and services on the supply side. On the demand side, the boost has come from private consumption and infrastructure investment.

In terms of world GDP growth, this is forecast at 2,8% for 2015 and 3,3% in 2016.

For Africa, all of these growth areas require increasing levels of competency: all of these areas require increasingly efficient management of supply chains. What is striking is how many of the countries concerned are meeting these needs: both CILT and FIATA are the awarding bodies of qualifications that are directly related to the management of goods whilst at rest or in motion.

For the qualifications awarded by these bodies, there has been a dramatic rise in the number of African education and training providers who are accredited to offer programmes aimed at these qualifications as well as the number of graduates. It is probably not too much to speculate that the other two supply chain management professional body 'majors', the Chartered Institute of Purchasing and Supply (CIPS) and APICS, are seeing similar growth increases in Africa. It is also worth noting that, for the past two years, FIATA's Young Freight Forwarder of the Year competition has been won by Africa-born Africans – both of whom are women!

Discussions with those from Africa revealed that most were participating for two reasons. Firstly, to network and find new business opportunities, both within and outside of Africa. Secondly, to seek ways of doing things better through innovative systems and the upliftment of staff.

Whereas in the recent past it was only possible for African students to acquire these qualifications through very expensive overseas study, this is no longer the case for many: the training is available on the doorstep and the courses have been adapted to reflect local conditions. In addition, there has been an increasing availability of online courses from prestigious, well-recognised institutions of higher learning, coupled to the expansion of Internet cover and bandwidth. This access to far wider education and training choices to African students can be expected to result in significant improvements to the performance of supply chains across the continent.

This is a good time to note that, for any business in Africa, the rules are changing – survival and growth are no longer reliant on an established organisation only: they need an established organisation that employs highly skilled and specialised people who can creatively address increasing complexity and so create new business models for a sustainable and profitable future. Education and training are therefore not something we do to comply with Government transformation measures: we do it because it is essential for growth.

For any entrepreneur seeking to expand his business across African the implications are clear: there are a growing number of facilities on the continent available to train staff to the levels of competency needed for international competitiveness. In utilising these to the fullest, the greatest benefits of intra-continental diversification can be realised. **RF**



AMAZON SAID TO MULL LEASING PLANES TO CONTROL DELIVERY CHAIN

By Michael Sasso
(bloomberg.com, December 2015)

Amazon.com Inc. is considering leasing 20 Boeing Co. 767 freighter jets to help gain more control over its delivery methods and costs, according to a person familiar with the plans.

The tech-savvy retailer is interested in building up its cargo operations as consumers increasingly order online, especially during the holiday shopping season. Controlling its own planes and crew would help Amazon shave time and money getting goods to to customers' doorsteps, and help keep its warehouses stocked with inventory. Amazon has run into delays when the shippers it depends on now, United Parcel Service Inc. and FedEx Corp., have struggled to keep up with the large and erratic orders around Christmas.

The Seattle Times reported Thursday that Amazon is testing its own service on a limited basis and will decide early next year whether to proceed.

The move could eventually pose a threat to FedEx and UPS, the world's largest package delivery service, though Amazon would be starting with a small number of planes and it could take years to expand the

operation to the point of having an impact on the two shipping leaders.

Peak Shipping

Seattle-based Amazon ships about 5.2 million packages a day during the peak holiday period, estimated Satish Jindel, a

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logistics consultant in Sewickley, Pennsylvania. About 70 percent will go through the U.S. Postal Service, 15 percent through UPS, 10 percent through FedEx and the remainder through smaller delivery companies, Jindel said.

Yet Amazon has a reputation for moving quickly when its trials show signs of working. The one-hour delivery service Prime Now grew from a test in a few Manhattan zip codes to a service in 16 cities around the country in less than a year with restaurant deliveries also being added.

The online retailer sets the standard for fast, inexpensive delivery in e-commerce and Chief Executive Officer Jeff Bezos has spent billions of dollars creating a network of warehouses and shipping hubs in 69 cities. The company is also buying thousands of its own Amazon-branded truck trailers to help speed shipping from its fulfillment centers -- where items are gathered and packed -- to its sorting centers. And Bezos' dream is to one day deliver items instantly with drones.

Amazon spokeswoman Kelly Cheeseman declined to comment on the Boeing discussions. UPS spokesman Glenn Zaccara declined to comment on Amazon's plans for an air freight operation.

"Amazon is an important customer and we are working hard to help all our customers meet their objectives for growth and customer service," Zaccara said.

Cost Control

Air delivery is a service few businesses are large enough to handle on their own, but Amazon's growth and emphasis on logistics makes it an important area for the company to control its costs, said Jarrett Streebin, CEO of EasyPost, a San Francisco company that helps retailers coordinate shipping labels and tracking with delivery companies. It also gives the company leverage over its delivery partners since it can demonstrate it has alternatives, he said.

"This is all part of Amazon's cost-cutting phase," Streebin said. "Amazon loses \$1 billion each quarter on shipping. It wants to do the same work cheaper." *RF*



TEN TIPS TO MITIGATE SUPPLY CHAIN RISK

By Unknown
(inboundlogistics.com, October 2015)

Supply chain risk comes from many areas, including natural disasters, acts of war or terrorism, supplier bankruptcy, theft, damage and data breaches. In a recent survey by the Zurich Insurance Group, more than 75% of companies reported at least one supply chain disruption in the past 12 months. And nearly one in five of them went out of business within 18 months. Companies must develop plans to prepare for, and help reduce, the impact disruptions can have on their bottom line. By Dave Zamsky, Vice President/Sales & Marketing, UPS Capital.

Evaluate and Identify Current Risks.

Take a critical look at your business and identify areas with risk exposure. Identify and evaluate potential supply chain disruption scenarios.

Prioritise by Probability and Impact.

Covering every scenario is impossible, so prioritise potential risks by the likelihood they could actually take place. Then estimate the financial and brand impact of each event. Develop mitigation contingency plans, starting with the most likely and highest-impact risk scenarios.

Ensure Supplier Quality.

Suppliers can impact your company's reputation. In addition to ensuring the quality of suppliers' goods, be aware of how they treat employees, source materials and interact with other partners. Conduct financial

due diligence to ensure long-term supplier viability.

Diversify Suppliers.

Don't rely on one source for materials or products. It's desirable to source from low-cost locations around the world, but if goods can't be delivered in a timely manner, your supply chain becomes vulnerable. Establish reliable secondary suppliers in different regions to minimise this risk.

Be Aware of Suppliers' Risks.

Be aware of risks your suppliers may face, including regulations compliance, country risk, economic and political conditions or anything that may impact their ability to serve you.

Include Partners in Risk Planning.

Work with suppliers, transportation carriers, data management centers and customers to ensure they have disaster recovery and business continuity plans that align with yours. Involving them in risk management planning reinforces their importance as a partner and elevates their role in risk mitigation.

Purchase Cargo Insurance.

Insurance is important in many facets of life. It should be just as important in your supply chain. Start by understanding that carrier liability is not insurance. Then find a cargo insurance provider who can protect in-transit shipments, as well as warehoused goods, against loss or damage anywhere in the world, no matter the carrier or mode of transportation.

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Be Transparent with Partners.

Share information, such as increased sales projections, and include partners in product design changes. This helps suppliers have the right product available when needed. Similarly, if sales forecasts drop, let partners know that, too. They'll appreciate the heads up, and it'll strengthen your relationship.

Consider Trade Credit Insurance.

Slow-paying or no-paying customers can really impact working capital. Trade credit insurance can protect your bottom line, free-up capital and help secure better financing options from lenders.

Review Risks Periodically.

Review risk scenarios regularly and identify changes in your supply chain. Preparation is the best way to protect your company from a supply chain disruption. *RF*



GETTING PACKAGING COSTS DOWN TO SIZE

By Jen A. Miller
(inboundlogistics.com, August 2015)

It's a wrap for bulky, wasteful packaging. Shippers today have to satisfy consumers who not only demand that fewer materials be used in packaging, but also prefer those materials to have a low environmental impact.

In addition to eliminating packaging waste to satisfy consumers, shippers also need to consider cost. Cutting back on packaging can reduce both material spend and shipping costs. Making packages smaller and lighter helps companies streamline the supply chain for additional time and money savings.

Sustainable Packaging

Forty-two percent of Americans are willing to pay more for sustainable paper products and packaging, and 56 percent want to see more sustainability labeling on products, according to a study by Asia Pulp & Paper.

This trend is especially pronounced among millennials, who "take the time to do homework into company supply chains, and understand products that are sustainable," says Ian Lifshitz, North American director of sustainability and stakeholder relations for Asia Pulp & Paper. "They're applying that knowledge to packing material and packaging choices." In response, companies are rummaging through their supply chains to understand where their materials come from.

In the past, companies that wanted to be sustainable considered recycled materials for their boxes and packaging, says Lifshitz. Since 2010, though, they have shifted that focus toward buying wood for paper and pulp from sustainable forests that can be planted and re-grown within five to six years. The Sustainable Forestry Initiative (SFI), a non-profit organisation dedicated to promoting sustainable forest management, now works with more than 1,000 companies. Additionally, more than 25 million acres of land in the United States and Canada are certified to the SFI Forest Management Standard.

"Ultimately, brands can take advantage of a whiter and brighter sheet of virgin paper and still feel comfortable because it's produced from a managed sustainable forest," Lifshitz says.

"For the past several years, both shippers and consumers have focused on sustainability," says Jorge Izquierdo, vice president of market development for [the Association for Packaging and Processing Technologies \(PMMI\)](#). "Part of that interest is in being environmentally friendly, but it's also the need to keep an eye on profits." New packaging tries to accomplish both goals.

Shippers are also getting more creative with packaging, says Jeff Lau, chief operating officer of [TPS Logistics](#), a logistics management company based in Troy, Mich. Since 2014, his company has seen the use of a variety of filler material, including recycled paper and newspapers. High-end retailers and cosmetics companies are turning to bamboo and wheat straw. "These are the companies that are conscientious of their footprint," he says.

One innovator in alternative packaging is global technology firm Dell. In 2009, the company replaced its plastic packing materials with bamboo. In 2013, Dell started using wheat straw in cardboard boxes to ship notebook computers originating in China. The country traditionally treated wheat straw as a byproduct of wheat harvesting and burned it. Dell estimates that it currently uses 200 tons of wheat straw annually, preventing 180 tons of CO2 emissions from being released into the atmosphere. In addition, Dell has been experimenting with mushroom-based server cushioning since 2013. It expects to re-introduce the material in 2016.

In 2014, FedEx and UPS switched to dimensional weight pricing, which determines shipping costs based on both package weight and size instead of just weight. This initiative further drove companies to cut down on packaging sizes and waste, and has led to innovative processes to do both.

Some companies are addressing this by customising packaging per product or order. One company providing that service is Battle Creek, Mich.-based Box On Demand, which ships material directly to the manufacturer and lets users either input desired dimensions or scan the item to be shipped to determine a box size using a machine that makes one of 400 types of boxes. The system reduces packing material inside the box, cuts down the materials used to make

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the box, and saves on shipping because the box is smaller and lighter than if it were packed with filler to make the item fit the space.

Filling the Void

Charlotte, N.C.-based packaging company Sealed Air also offers customised packaging. Its I-Pack Automated Void Reduction System folds down the height of a box if it's too high for the products packaged inside. This process not only reduces overall volume to cut shipping costs, but it also decreases the need for packing material inside the box.

Customising boxes isn't necessarily the fastest packing process, but its benefits offset the additional time, says Izquierdo. This approach not only saves on packaging material that would need to fill the void in a box that's too big, but it also makes shipping the item less expensive because it's in a smaller container.

Flexible packaging cuts down on wasted space, not only in boxes, but also in other packaging options, such as pouches and plastic bags, especially for food and personal care products. "That's also putting less packaging into the environment," Izquierdo notes.

Making packaging smaller can also help cut down on supply chain inefficiencies, says Dr. Patricia Kimball, an advisory team member for UL Environment, which works to advance global sustainability by supporting the growth and development of environmentally preferable products, services, and organisations. "If the box is small, it will cube out better when it's transported long distances," she says.

Since 2010, the main driver of engineering in the packing industry has been "designing the inlays that maximised all the space within the container," Lau says. "Determining how the products lay on top of each other has taken out every possible cubic inch of dead space." He has also seen more direct-to-store shipments, which eliminates a segment of the supply chain. This has led to fewer damage claims from shippers, another significant cost savings.

Still, striking the balance between too much and too little packaging has not yet been achieved. Some companies have added back some packaging so that the product can "withstand the supply chain," Izquierdo says. "We're now going back to using more corrugated cardboard because our primary packaging material is more flexible.

"For that reason, we need to reinforce the secondary packaging. The industry is trying to reach a balance between thinning the primary packaging and thinning the secondary packaging," he adds.

What's Next

In some ways, shippers have gotten packaging down to its smallest parts, at least from a logistical standpoint. The next step involves getting creative with new materials to be more sustainable.

"Beyond companies making things smaller and lighter, now they're trying to tackle increasing the content that reduces pressure on natural resources," Kimball says. In other words, they're looking toward renewable, non-petroleum-based materials.

Consumers are driving the demand for bioplastic packaging, according to An Economic Impact Analysis of the U.S. Biobased Products Industry, a June 2015 joint publication of the Duke Center for Sustainability & Commerce and the Supply Chain Resource Cooperative at North Carolina State University. The negative impact of creating petroleum-based plastics, combined with high carbon emissions associated with production and the fact that they don't degrade quickly, has forecasters expecting industry revenue for bioplastics to increase by 3.6 percent per year.

In June 2015, the Coca-Cola Company unveiled a 100-percent polyethylene terephthalate (PET) bottle that is both fully recyclable and made entirely from plant-based materials.

Things aren't perfect just yet. "We all have those experiences when we can't open a clam shell package," says Kimball, and we still receive shipments of a box within a box within a box. "We're not there yet in terms of lighter and smaller," he adds.

One sector that's still catching up in trying to match small, sustainable packaging with increasingly smaller consumer products is electronics. "There's a paradox between the consumer conscience and technology," Lau says. "Products get smaller, yet packaging hasn't gotten more creative."

He provides the example of a box for an iPad. It's a thin machine, yet the box still feels substantial. "The question is, how do you break the paradox of customers wanting to put their hands on a meaty product because they're spending a lot of money on it, but technology drives it to be smaller?"

But momentum is in sustainability's favor. Large companies will continue to lead the initiative, Kimball says. Unilever, for example, created a Sustainable Living Plan that includes halving its environmental footprint by 2020. Walmart set a goal of achieving zero waste. Dell plans to divert 90 percent of all waste by 2020. More than 200 companies, including 3M, Amcor, Disney Consumer Products, Dow Chemical Company, Microsoft, Nike, Procter & Gamble, and Verizon Wireless have joined the Sustainable Packaging Coalition, so the push to make packaging more sustainable isn't going away anytime soon.

"Design for sustainability is the ultimate goal," says Kimball. "Not just in products, but in packaging. What's the entire impact of that package—the selection of the raw materials all the way through the potential end of life of the product?"

"Manufacturers can only do so much in terms of lighter and smaller packages because they also have to protect the integrity of the product," Kimball explains. "Companies now have to get a little more creative to try to achieve their packaging goals." **RF**



THE STATE OF LOGISTICS OUTSOURCING

By Unknown
(www.3PLstudy.com, September 2015)

[Capgemini Consulting](#), the global strategy and transformation consulting brand of the Capgemini Group; [Penn State University](#); the preeminent authority on leadership and talent [Korn Ferry](#); and global logistics and supply chain management provider Penske Logistics today announced findings from the [2016 20th Annual Third-Party Logistics \(3PL\) Study](#), which examines the global outsourced marketplace of shippers and 3PLs in the logistics industry. The latest worldwide report shows continued collaborative and positive relationships between shippers and third-party logistics providers, which have been developing since the study began. Relationships are central to the success of 3PLs and their customers and, for partnerships between 3PLs and shippers to be successful, both parties are expected to invest in the relationships.

To achieve great efficiencies and effectiveness in their relationships, 3PLs and shippers must be well-aligned.

The report, based on responses from more than 260 shippers and logistics service providers in North America, Europe, Asia-Pacific and Latin America, found that 87 percent of shippers and 96 percent of 3PLs have agreed-upon performance expectations, and 80 percent of shippers and 81 percent of 3PLs have formal performance reviews, including the measurement of and feedback on results.

Tightening capacity, mergers and acquisitions and industry innovations are altering competition, 3PL service offerings and shipper-3PL relationships.

The ways in which shippers and 3PLs work together is changing as competition within the logistics industry ramps up. Tightened capacity along with increased consolidation within logistics service providers has resulted in fewer partners for 3PLs and increased prices. As a result, 44 percent of survey respondents reported that they have enhanced relationships to guarantee shipping lanes and on-time shipments and 40 percent have increased rates. Among shippers, 29 percent said assets have not been available to move

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shipments when needed. Similarly, 29 percent have engaged with a larger number of 3PLs to get access to capacity. "The spirit of collaboration with 3PLs and shippers has led to increased efficiencies in the supply chain," said Bob Daymon, Vice President of Transportation Management for Penske Logistics. "Enhanced relationships with shippers results in operational costs savings and ensures reliable coverage and better rates."

To differentiate themselves, 3PLs are working to provide sustained value, innovative solutions and information to facilitate data-driven decisions. 3PLs are also using technology and data to aid shippers in selecting the right shipment modes to maximise efficiency and reduce costs. Among respondents, 60 percent are using technology to increase visibility within orders, shipments and inventory; 40 percent are using technology for planning within transportation management; and 48 percent are using it for scheduling within transportation management.

As the logistics landscape continues to respond to more freight, capacity and regulatory issues, as well as increasingly demanding customers and consumers, the industry is more focused than ever on innovation. To meet increasing customer requirements, 58 percent of respondents said they are investing in new capabilities for themselves, 40 percent said they are leveraging new capabilities from other companies in different industries, and 15 percent said they are leveraging new capabilities from competitors.

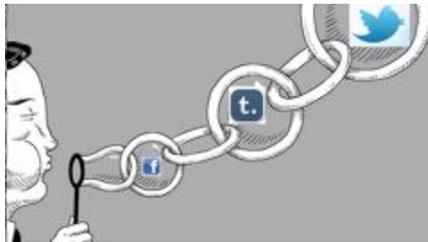
"These factors should create an interesting competitive environment, spurring significant changes to the 3PL business model," said Shanton Wilcox, Vice President and North America Logistics and Fulfillment Lead at Capgemini Consulting. "Social, crowd-sourcing and flexible fulfillment will converge to create opportunities for alternative logistics service providers. The challenge will be how traditional, asset-based providers respond to these circumstances."

Workforce innovation and agility will be particularly important for the 3PL industry as it is expected to face a shortage of talent.

The logistics industry is facing an unprecedented labor shortage, and the majority of 3PLs (79 percent) said they are unprepared for the labor shortage's impact on their supply chain. However, more than half of shippers (53 percent) feel they can rely on their 3PLs to address the labor shortage's affect on their business. To meet demand, 3PLs will need to leverage their employees in new ways and re-think their strategy for attracting and retaining employees.

"The employee skill sets and traits that logistics companies need are shifting as new technologies and distribution approaches transform the industry," said Neil Collins, Global Leader of Logistics, Distribution and Transportation for Korn Ferry. "Simultaneously, wage issues and job alternatives that didn't exist a few years ago have increased competition for talent. For many companies, this means a fundamental shift in how they recruit today's workforce for tomorrow's needs. A strong work culture and stand-out training will be key, while creating opportunities to work across departments or regions will help employers attract and develop an agile, adaptable workforce."

The study report and additional materials are also presented on a dedicated Website, www.3PLstudy.com. *RF*



SOCIAL SUPPLY CHAINS: TREND OR THREAT?

By Juanita Vorster
(logisticsnews.co.za, May 2015)

Buzzwords like social sharing, interconnectedness, engagement, immediacy and transparency have left the confines of social media discussions dominated by marketers and have started scaring professionals across all levels and functions of organisations.

The Robotics and the 'New' Supply Chain: 2015-2020 report produced by www.RoboticsBusinessReview.com included some clues to supply chain changes that need immediate action:

- Tomorrow's supply chains will be faster, smaller, cheaper and local. Some 70% of the supply chain leaders surveyed for the report were clueless about this new supply chain concept, and most admitted that they had no plans to change things for the rest of the decade.
- In an age of social-media-influenced selling, robot benefits will be huge and hugely transformative. Because robots are mobile computers, they will be able to interact directly with a customer, and be able to circumvent entire back office operations by directly taking customer orders from first interaction through to delivery and even confirmation of delivery
- The bottom-line concern is that no matter how hard present-day logistics' systems work, they will never catch up.

While forecasting and the increased adoption of demand driven materials resource planning (DDMRP) have already made significant inroads in reducing inventory levels and response times, data collected through social channels can increase the ability of forecasting systems to track where problems might occur before they occur.

Social media at its core is not about tweeting and liking and pinning and instagramming, but about access to information at a rate and volume that we've never experienced before. Adrian Gonzalez, founder and president of Adelante SCM, is spot-on in saying "social media can – and should – play a central role in supply chain management. After all, social networking is not really about socialising, but about facilitating people-to- people communication and collaboration."

Humans over the ages have always had an inherent need to gain and share information. With fast-growing popularity of broadcast mass media in the 1900s it became possible to share messages with large audiences quite quickly. However, it remained only in reach of those with big budgets and access to creative content creators.

The digital revolution took mass media one step further by making it possible for anyone with an internet connection to circumvent the privilege and limitations of traditional mass media. The social media revolution made it possible for everyone to share a message instantaneously, and as a result the speed of gaining and sharing information has increased to the extent where businesses and industries managed according to tried and true practices are struggling to keep up.

Social media at its core is not about tweeting and liking and pinning and instagramming, but about access to information at a rate and volume that we've never experienced before. Social media can – and should – play a central role in supply chain management. After all, social networking is not really about socialising, but about facilitating people-to-people communication and collaboration."

In 2008 the Future Supply Chain report (available from <http://bit.ly/2016FutureSupplyChain>) compiled by the Global Commerce initiative included a number of issues that required the urgent attention of supply chain professionals to find solutions that threaten supply chains. With only one year left until 2016, when the report advised these challenges be minimised, most supply chains still struggle with the same issues – collaboration, integration, balancing customer satisfaction and supply chain performance, increased energy prices, and e-commerce.

Similarly the report advised 'systems of transactions' be changed to 'systems of engagement' and predicted that access to these systems would no longer be limited to a select few companies with big budgets but to all allowing the younger generation of supply chain practitioners to lead the way. This process of change is hindered by experienced professionals who refuse to accept the impact of social media on business. As valuable as these professionals and their skills, knowledge and experience are, they have inadvertently become the ones who are placing supply chains at serious risk. Social media has already started impacting demand planning, sourcing strategies and transportation capacity of existing supply chains, and the impact is likely to increase exponentially.

Supply chains that are truly social demand a change in the DNA of the supply chain by making buyers part of the chain through being socially informed and who enable forecasting and feedback by, for example:

- developing social listening and collaboration as a strategic capability
- defining and controlling areas of focus for social input and sharing
- investing in IT infrastructure that can enable social integration
- designing processes to apply social insight as-it-happens
- proactively training on, rather than reactively monitoring, the areas of social focus.

It is of utmost importance that social supply chain conversations not focus on the popularity or comparison of existing social media platforms. The conversation should much rather focus on the genuine acceptance of customer demands that now include simplicity and absolute transparency. Social thinking is not about tools; it's about a social mindset. Supply chains willing to truly listen, collaborate and share will find themselves in a less threatened position for future growth.

The biggest challenge for supply chain professionals willing to embrace the necessary changes is to convince the entire supply chain to consider approaches that are currently resisted because they pose a risk to the status quo.

The benefits of social supply chains, however, far outweigh the risks:

Manage exceptions and risks faster

Supply chains can save time by evaluating the financial and operational consequences of any proposed changes in a timely and effective manner, and reach a quick consensus and compromise on the course of action. An e-mail to 50 people that might be able to work on a solution takes considerably more time to process and return feedback than a post on an internal, collaborative social network that can simultaneously reach 50 000 people who already have the answer.

Shorten inventory lead times

"The speed of the chain is not really related to the systems used by the various companies – it's all about people, and people talking to people," said Tony Martins, the VP of Supply Chain at TEVA Canada. "Traditional command and control structures are outdated. Social media can create a virtual table around which resellers, wholesalers, manufacturers and suppliers can sit at the same time, and work towards fulfilling market needs all at the same time ... not in a linear process as is currently the case."

Reduce response times

Being able to alter distribution based on social data, available in real time and at low cost is no longer a distant dream, but a reality already in use globally. Demand for new products based on trends can adjust import quantities, delivery schedules and even inform innovation. Adverse weather conditions forcing delivery delays can be logged and communicated before posing a threat to driver and fleet safety or customer satisfaction. Low stock level alerts can be triggered simultaneously at the retailer, manufacturer and distributor.

Leverage supplier communities

By leveraging supplier communities to make business decisions and improvements to the supply chain and the systems managing it can have a significant reduction in research, development and even IT support costs.

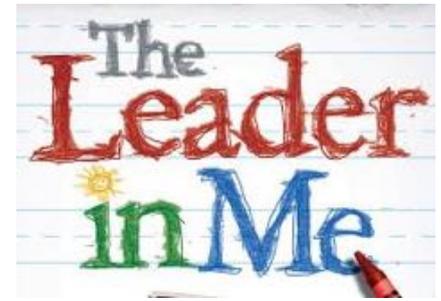
Transparency

Social networks can provide a wider view of the supply chain and enable a large kinetic entity, rather than static and separated cogs. Innovate and improve – Social networking can help companies generate more – and better – ideas for improving supply chain processes and solving existing problems by tapping the collective insights, knowledge and expertise of employees across all levels of the enterprise (and beyond). If companies are already using 'crowdsourcing' to drive innovation in product development, why not apply the same concept to drive innovation in supply chain management?

Measure effectively

Fill-rate, accuracy and on-time delivery type metrics only inform how well we did our jobs, but do not provide the full view of how well we serviced our customers. Insights generated by monitoring social media channels provide extremely valuable insight that can have significant impact on supply chain planning.

Supply chains have run out of time to be comfortable and complex. In less than 18 months end-users will have found or designed a way to bypass the traditional supply chain by simply using existing technologies in new ways. It is time to take to heart the wisdom of Charles Darwin: "It's not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change." **RF**



TEN TOXIC PEOPLE YOU SHOULD AVOID AT ALL COSTS

By Travis Bradberry
(inc.com, December 2015)

Toxic people defy logic. Some are blissfully unaware of the negative impact they have on those around them, while others seem to derive satisfaction from creating chaos and pushing other people's buttons.

As important as it is to learn how to deal with different kinds of people, truly toxic people will never be worth your time and energy—and they take a lot of each. Toxic people create unnecessary complexity, strife, and, worst of all, stress.

Recent research from Friedrich Schiller University in Germany shows just how serious the problem can be. They found that exposure to stimuli that cause strong negative emotions—the same kind of exposure you get when dealing with toxic people—caused subjects' brains to have a massive stress response. Whether it's negativity, cruelty, the victim syndrome, or just plain craziness, toxic people drive your brain into a stressed-out state that should be avoided at all costs.

Studies have long shown that stress can have a lasting, negative impact on the brain. Exposure to even a few days of stress compromises the effectiveness of neurons in the hippocampus, an important brain area responsible for reasoning and memory. Weeks of stress cause reversible damage to brain cells, and months of stress can permanently destroy them. Toxic people don't just make you miserable—they're really hard on your brain.

The ability to manage your emotions and remain calm under pressure has a direct link to your performance. [TalentSmart](#) has conducted research with more than a million people, and we've found that 90 percent of top performers are skilled at managing their emotions in times of stress in order to remain calm and in control. One of their greatest gifts is the ability to identify toxic people and keep them at bay.

It's often said that you're the product of the five people you spend the most time with. If you allow even one of those five people to be toxic, you'll soon find out how capable he or she is of holding you back.

But you can't hope to distance yourself from toxic people until you first know who

they are. The trick is to separate people who are annoying or simply difficult from those who are truly toxic. What follows are 10 types of toxic drainers that you should stay away from at all costs so that you don't become one yourself.

The Gossip

"Great minds discuss ideas, average ones discuss events, and small minds discuss people." - Eleanor Roosevelt

Gossipers derive pleasure from other people's misfortunes. It might be fun to peer into somebody else's personal or professional faux pas at first, but over time it gets tiring, makes you feel gross, and hurts other people. There are too many positives out there and too much to learn from interesting people to waste your time talking about the misfortunes of others.

The Temperamental

Some people have absolutely no control over their emotions. They will lash out at you and project their feelings onto you, all the while thinking that you're the one causing their malaise. Temperamental people are tough to dump from your life because their lack of control over their emotions makes you feel bad for them. When push comes to shove, though, temperamental people will use you as their emotional toilet and should be avoided at all costs.

The Victim

Victims are tough to identify because you initially empathise with their problems. But as time passes, you begin to realise that their "time of need" is all the time. Victims actively push away any personal responsibility by making every speed bump they encounter into an uncrossable mountain. They don't see tough times as opportunities to learn and grow; instead, they see them as an out. There's an old saying: "Pain is inevitable but suffering is optional." It perfectly captures the toxicity of the victim, who chooses to suffer every time.

The Self-Absorbed

Self-absorbed people bring you down through the impassionate distance they maintain from other people. You can usually tell when you're hanging around self-absorbed people because you start to feel completely alone. This happens because, as far as they're concerned, there's no point in having a real connection between them and anyone else. You're merely a tool used to build their self-esteem.

The Envious

To envious people, the grass is always greener somewhere else. Even when something great happens to envious people, they don't derive any satisfaction from it. This is because they measure their fortune against the world's when they should be deriving their satisfaction from within. And let's face it, there's always someone out there who's doing better, if you look hard enough. Spending too much time around envious people is dangerous because they teach you

to trivialise your own accomplishments.

The Manipulator

Manipulators suck time and energy out of your life under the façade of friendship. They can be tricky to deal with because they treat you like a friend. They know what you like, what makes you happy, and what you think is funny, but the difference is that they use this information as part of a hidden agenda. Manipulators always want something from you, and if you look back on your relationships with them, it's all take, take, take, with little or no giving. They'll do anything to win you over, just so they can work you over.

The Dementor

In J. K. Rowling's "Harry Potter" series, Dementors are evil creatures that suck people's souls out of their bodies, leaving them as mere shells of humans. Whenever a Dementor enters the room, it goes dark, people get cold, and they begin to recall their worst memories. Rowling said that she developed the concept for Dementors based on highly negative people--the kind of people who have the ability to walk into a room and instantly suck the life out of it.

Dementors suck the life out of the room by imposing their negativity and pessimism upon everyone they encounter. Their viewpoints are always glass-half-empty, and they can inject fear and concern into even the most benign situations. A Notre Dame University study found that students assigned to roommates who thought negatively were far more likely to develop negative thinking and even depression themselves.

Toxic people defy logic. Some are blissfully unaware of the negative impact they have on those around them, while others seem to derive satisfaction from creating chaos and pushing other people's buttons.

The Twisted

There are certain toxic people who have bad intentions, deriving deep satisfaction from the pain and misery of others. They are either out to hurt you, to make you feel bad, or to get something from you; otherwise, they have no interest in you. The only good thing about this type is that you can spot their intentions quickly, which makes it that much easier to get them out of your life fast.

The Judgmental

Judgmental people are quick to tell you exactly what is and isn't cool. They have a way of taking the thing you're most passionate about and making you feel terrible for caring about it. Instead of appreciating and learning from people who are different from them, judgmental people look down on others. Judgmental people stifle your desire to be a passionate, expressive person, so you're best off cutting them out and being yourself.

The Arrogant

Arrogant people are a waste of your time because they see everything you do as a personal challenge. Arrogance is false confidence, and it always masks major insecurities. A University of Akron study found that arrogance is correlated with a slew of problems in the workplace. Arrogant people tend to be lower performers, more disagreeable, and have more cognitive problems than the average person.

How to Protect Yourself Once You Spot 'Em

Toxic people drive you crazy because their behavior is so irrational. Make no mistake about it--their behavior truly goes against reason, so why do you allow yourself to respond to them emotionally and get sucked into the mix?

The more irrational and off base someone is, the easier it should be for you to remove yourself from his or her traps. Quit trying to beat them at their own game. Distance yourself from them emotionally, and approach your interactions with them like they're a science project (or you're their shrink, if you prefer that analogy). You don't need to respond to the emotional chaos--only the facts.

Maintaining an emotional distance requires awareness. You can't stop someone from pushing your buttons if you don't recognise when it's happening. Sometimes you'll find yourself in situations where you'll need to regroup and choose the best way forward. This is fine, and you shouldn't be afraid to buy yourself some time to do so.

Most people feel as though, because they work or live with someone, they have no way to control the chaos. This couldn't be further from the truth. Once you've identified a toxic person, you'll begin to find their behavior more predictable and easier to understand. This will equip you to think rationally about when and where you have to put up with them and when and where you don't. You can establish boundaries, but you'll have to do so consciously and proactively. If you let things happen naturally, you're bound to find yourself constantly embroiled in difficult conversations. If you set boundaries and decide when and where you'll engage a difficult person, you can control much of the chaos. The only trick is to stick to your guns and keep boundaries in place when such people try to cross them, which they will. **RF**

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

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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