Global Chief Supply Chain Officer Strategy

A brief analysis of eyefortransport's recent survey

2011

For further details, please contact:
Katharine O'Reilly
eyefortransport
world phone: +44 (0)207 375 7207
US Toll Free: 1 800 814 3459 Ext. 7207
Canada Toll Free: 1 866 996 1235 Ext. 7207
koreilly@eft.com

Table of Contents

I. Introduction **4**

II. Methodology and Approach **5**

III. Profile of Respondents **6**

IV. Perception of Supply Chain **9**

V. Effects of Economic Conditions **11**

VI. Supply Chain Challenges and Projects **12**

VII. Conclusions **14**

List of Charts

Annual Revenue 6

Respondent Job Titles 6

Business Type 7

Industries Represented 7

Company Locations 8

Respondent Locations 8

Value of Supply Chain 9

Importantance of Supply Chain to Overall Business Recovery 9

Importance of Strategic and Operational Capabilities 10

Head of Supply Chain Represented at Board-Level 10

View of the Economy 11

Recruiting Supply Chain Staff 11

Biggest Challenges Driving Supply Chain Agenda 12

SCM Projects 13

I. Introduction

The importance of supply chain strategy is never more clear than during and after a recession, when the competitive advantage that only lean, streamlined and highly reactive supply chains bring can make or break a company. As we exit the recession and take on new challenges, the changing perception of the role of supply chain to overall business success is a top of mind concern.

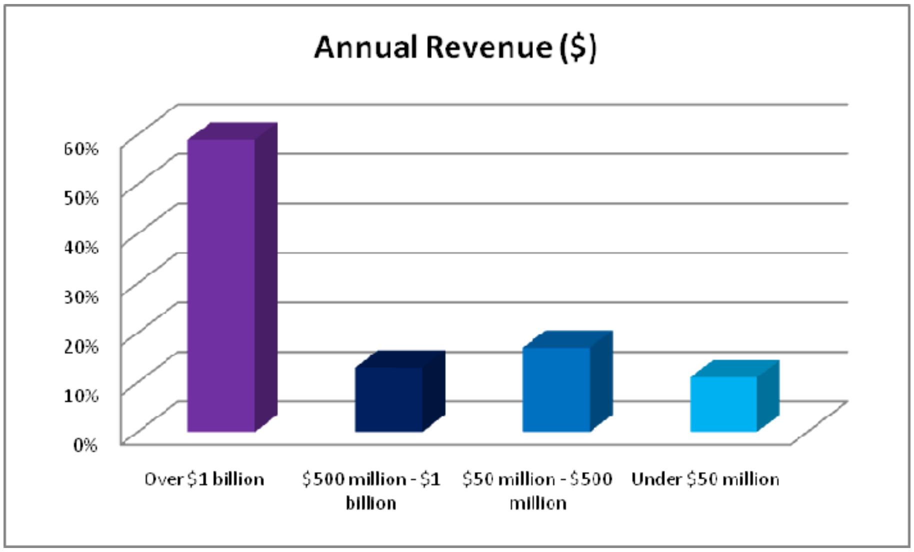
With this in mind eyefortransport surveyed a cross-section of supply chain executives to discover their views on the perception of supply chain management strategy globally. We are launching the results in celebration of the Chief Supply Chain Officer Forums in Europe and North America, where the heads of global manufacturer and retailer supply chains discuss and debate key strategy issues. For more information on the events please visit **www.CSCOforum.com**

II. Methodology and Approach

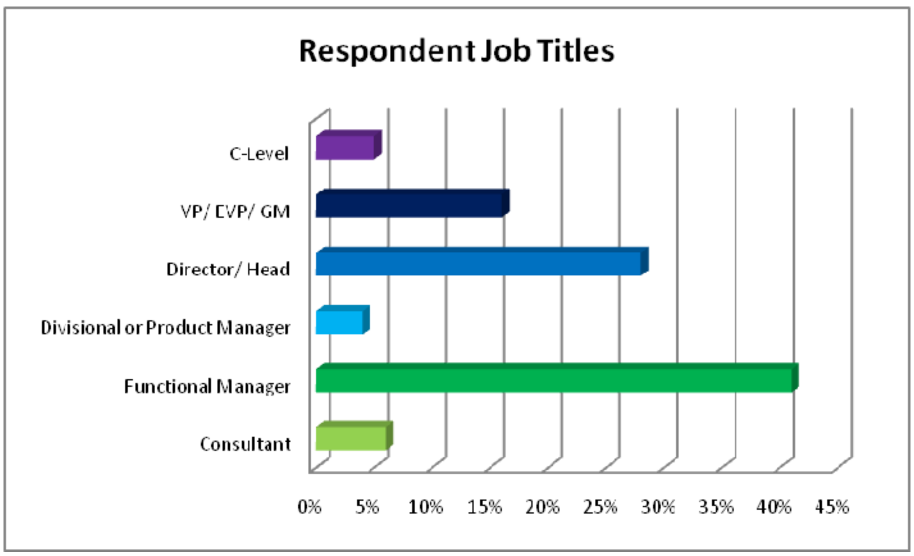
This survey was conducted in September-October 2010 with responses solicited by targeted e-mail lists, select trade association memberships, various related-industry databases and other targeted methods. The majority of respondents were key figures, representing major companies. No individual responses were analyzed, but rather all responses were consolidated.

III. Profile of Respondents

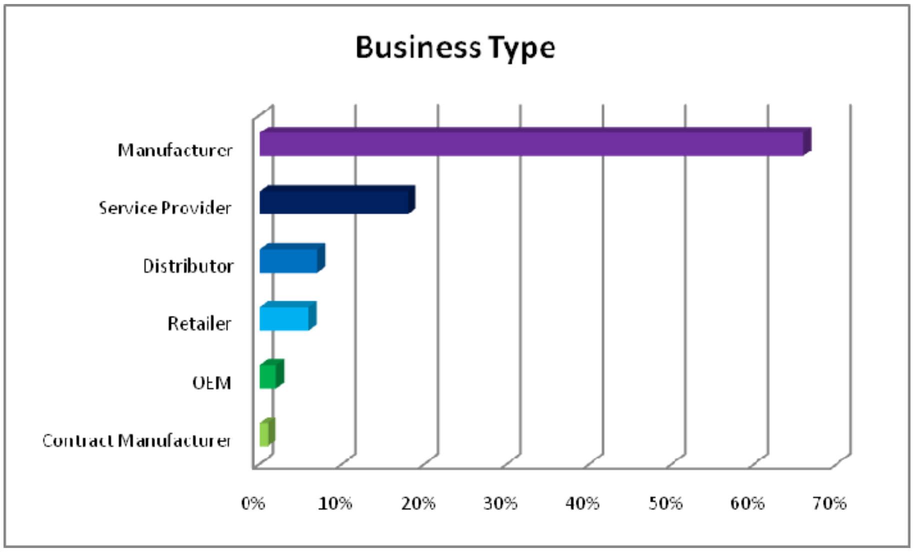
The majority (59%) of the survey's respondents represented companies whose annual revenues exceeded $1 billion. 13% represented companies with annual revenues between $500 million and $1 billion, 17% represented companies with annual revenues between $50 million and $500 million, and 11% represented companies with annual revenues below $50 million.



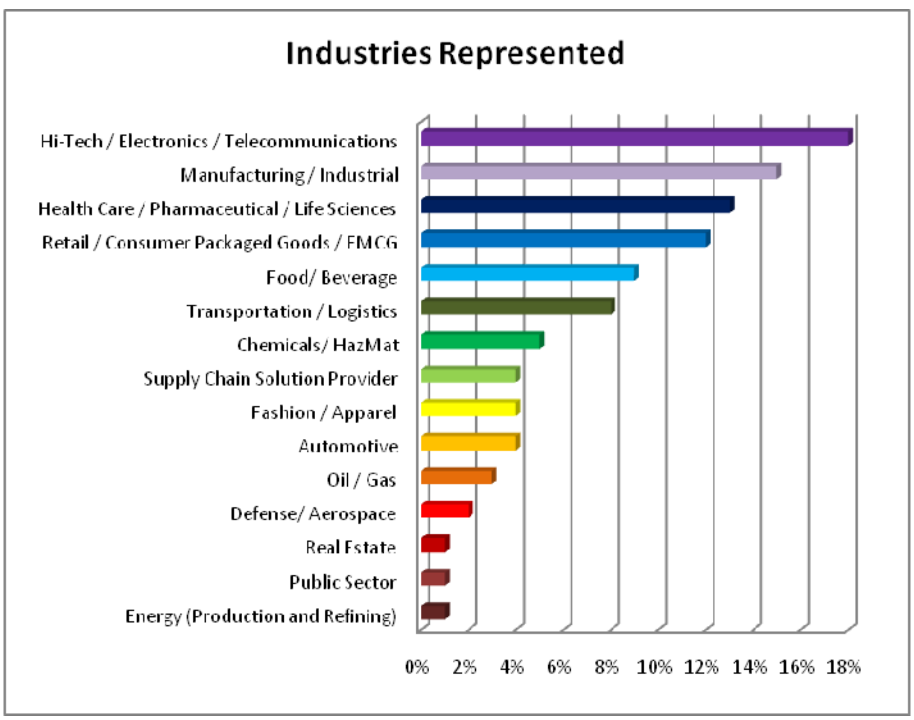
5% of the respondents held C-Level positions, while 16% were either VPs, EVPs or general managers. 28% were either directors or heads of sections, while 4% were divisional or product managers. Of the remaining respondents, 41% were functional managers (supply chain, logistics, procurement, distribution), and 6% were consultants.



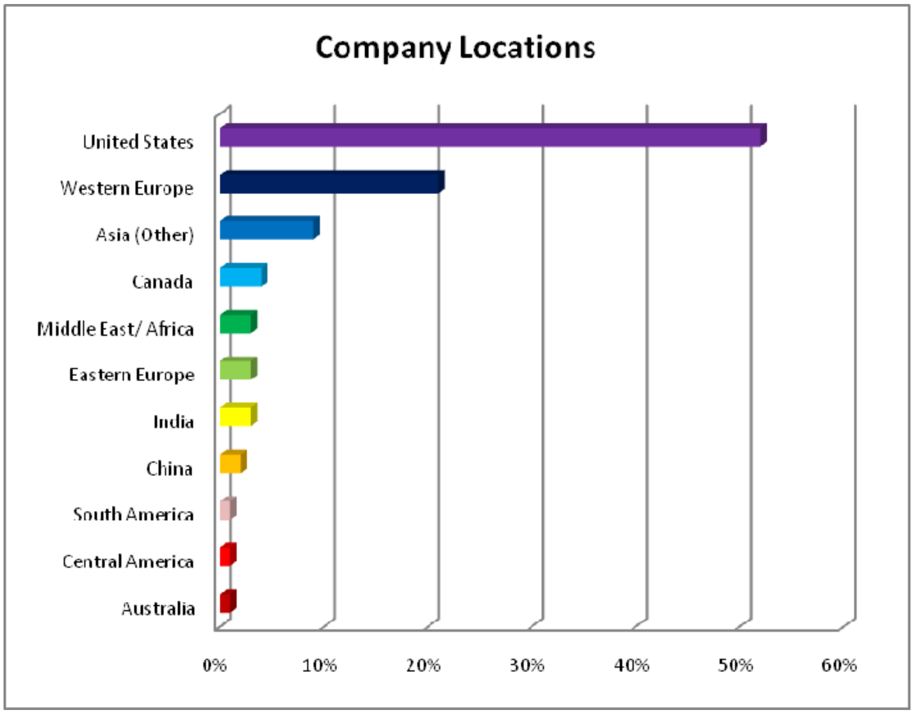
66% of the respondents represented manufacturers, while 18% represented service providers, 7% represented distributors and 6% represented retailers.

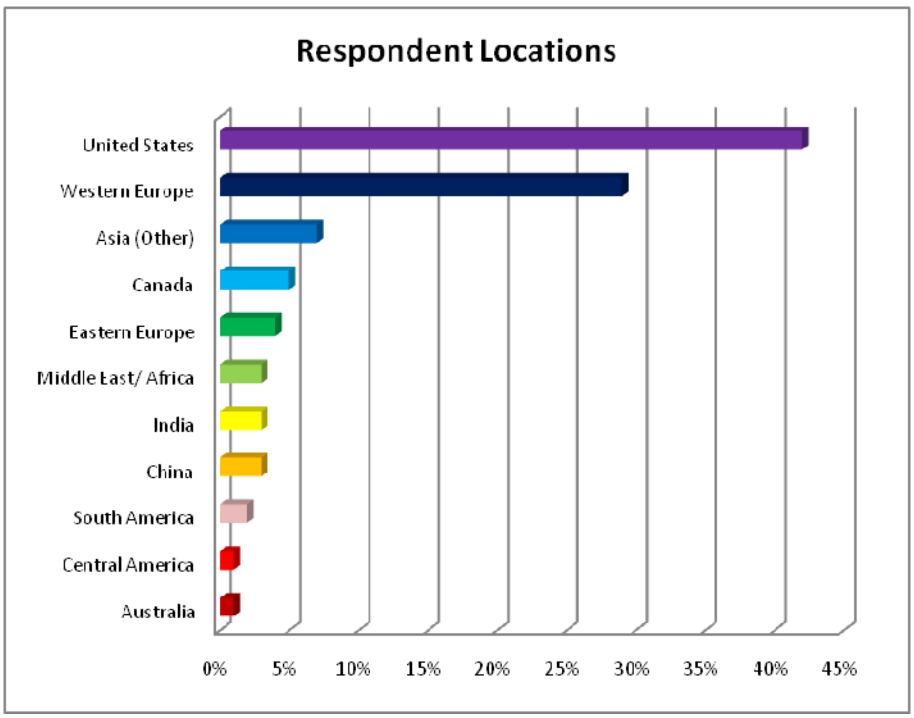


The most notable industries represented included hi-tech / electronics / telecomms (18%), manufacturing / industrial (15%), health care / pharmaceutical / life sciences (13%), retail / consumer packaged goods / FMCG (12%), food/ beverage (9%), and transportation / logistics (8%).



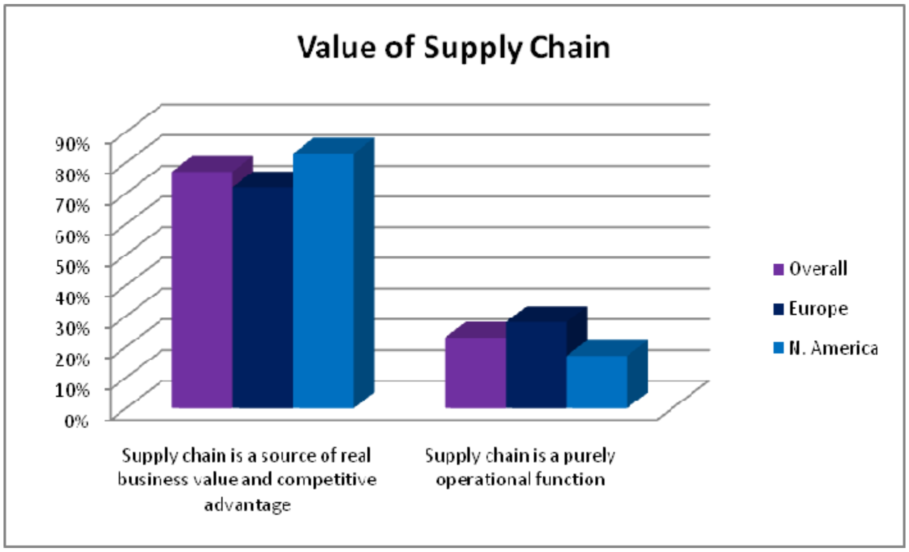
The majority of respondents represented companies headquartered in the United States or Western Europe.



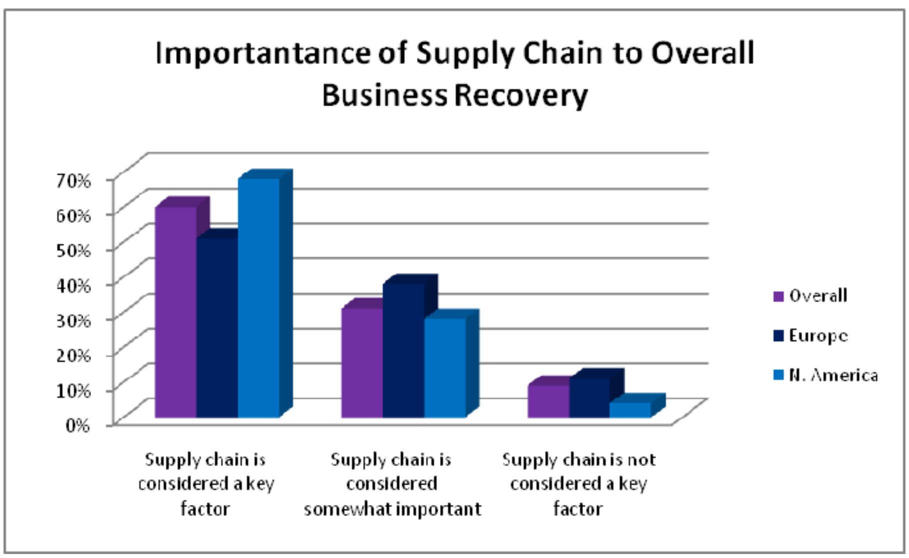


IV. Perception of Supply Chain Value

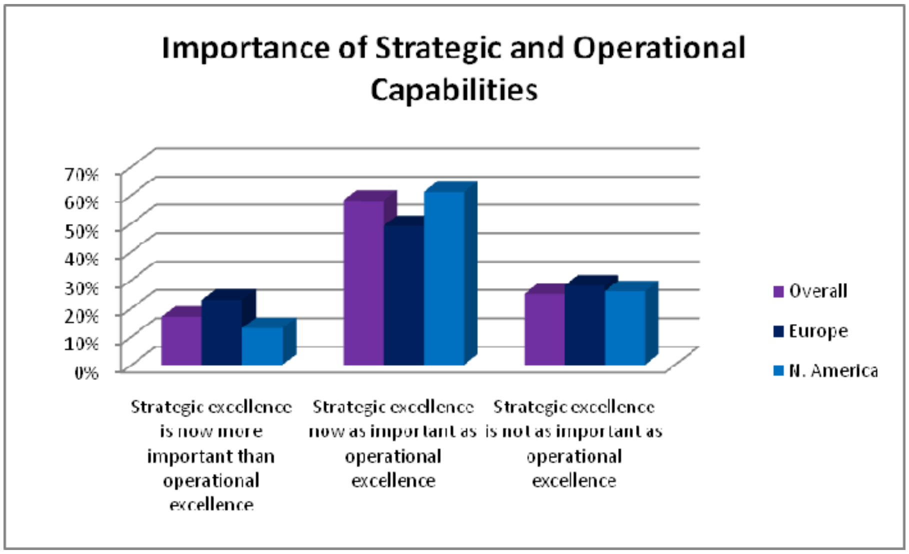
Respondents were asked if they feel that the value of supply chain as a source of real business value and competitive advantage, rather than a purely operational function, is recognized by their organizations. The majority (77%) thought that this was the case, with this trend being more notable in North America (83%) than in Europe (72%).



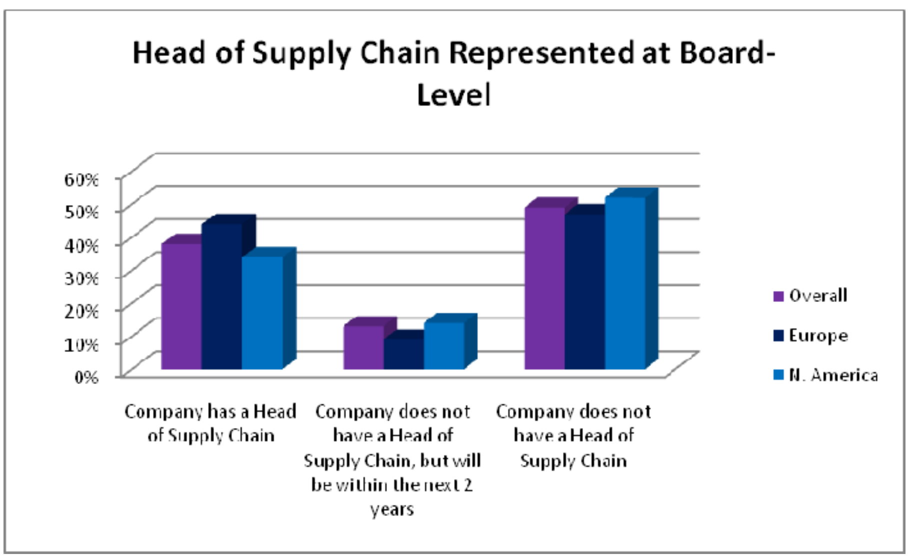
Respondents were also asked if supply chain is considered important to overall business recovery in their organizations. The majority (60%) thought that this was the case, a trend more notable in North America (68%) than in Europe (51%). 31% of respondents feel that supply chains are considered somewhat important to overall business recovery, with only 9% seeing it as unimportant.



We asked responents whether strategic excellence has overtaken operational competence in their businesses. The majority (58%) see strategic excellence as equivalent in importance to operational competence, though a larger number (25%) see strategic excellence as less important than operational competence, compared to those who see it as more important (17%). Opinion was more divided on this subject in Europe when compared to North America.

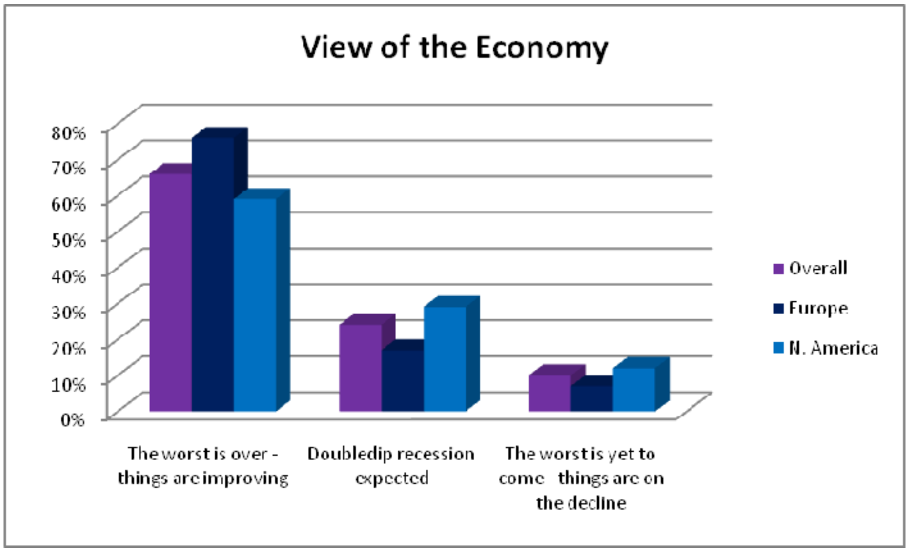


Respondents were asked whether Head of Supply Chain is a board-level role within their organization. Overall, 51% of respondents either have a Head of Supply Chain on the board or plan to within the next 2 years. Of these, a larger number of respondents from Europe already have a Head of Supply Chain at board level, compared to those from North America.

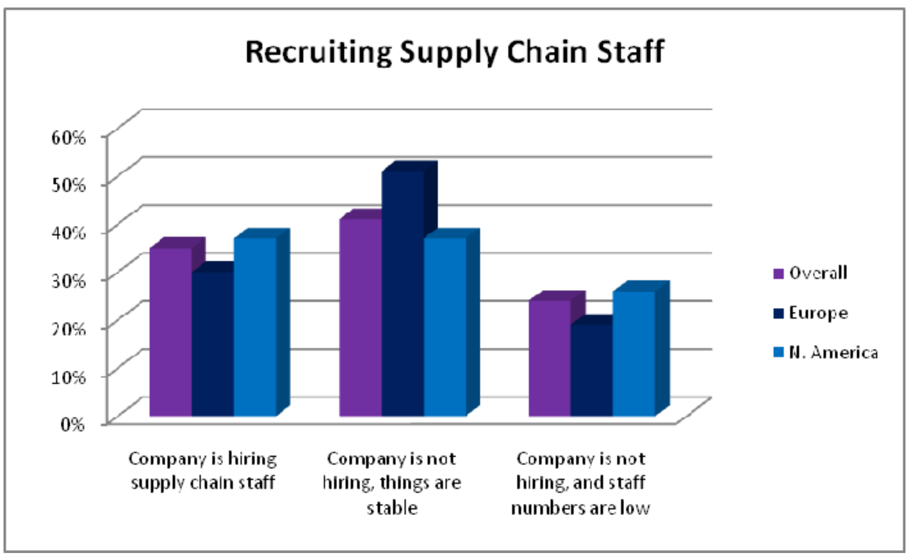


V. Effects of Economic Conditions

When asked of their views on the economy, 66% of respondents reported that they feel the worst is over and things are improving. This was an opinion which was held more notably in Europe (76%) than North America (59%). Overall, 24% of respondents are expecting a doubledip recession, though this opinion is more prevalent in North America (29%) than in Europe (17%).

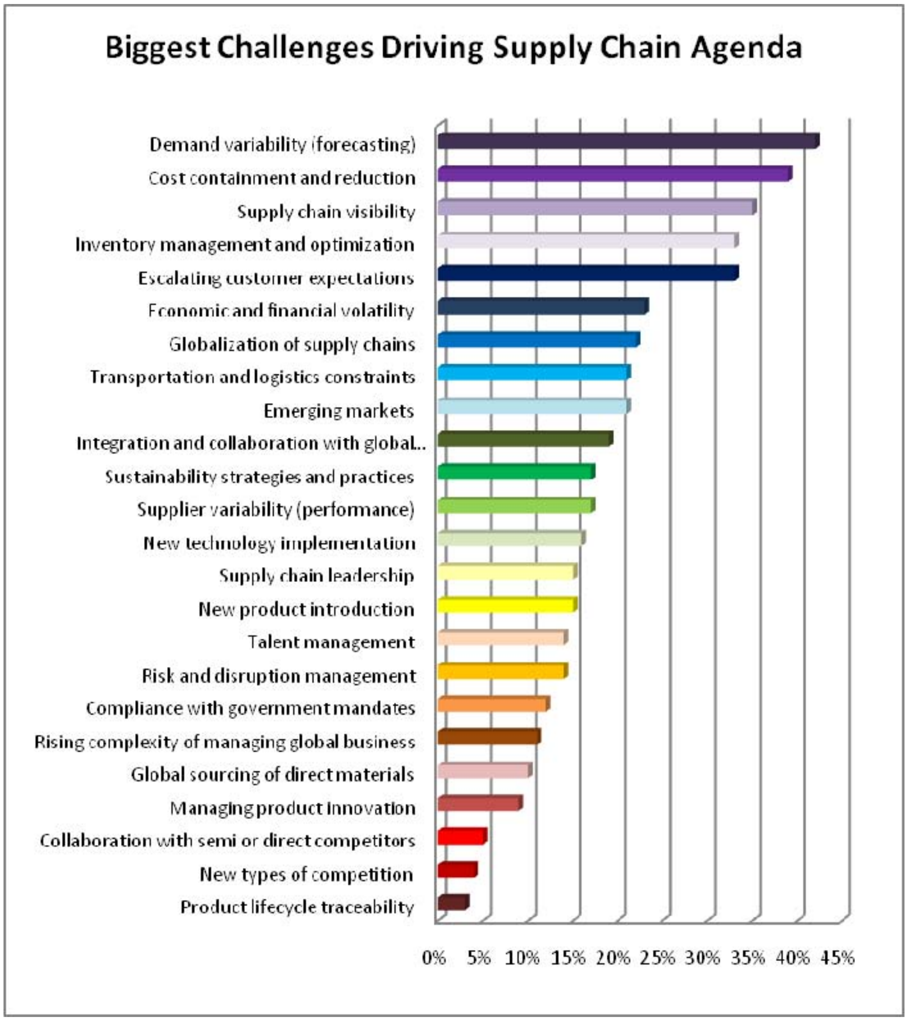


Respondents were asked whether their organization is currently recruiting supply chain staff. Overall, 35% of companies are currently hiring staff (30% in Europe compared to 37% in North America). Of companies not currently hiring staff, 41% say their staff levels are stable while 24% say staff levels are low.

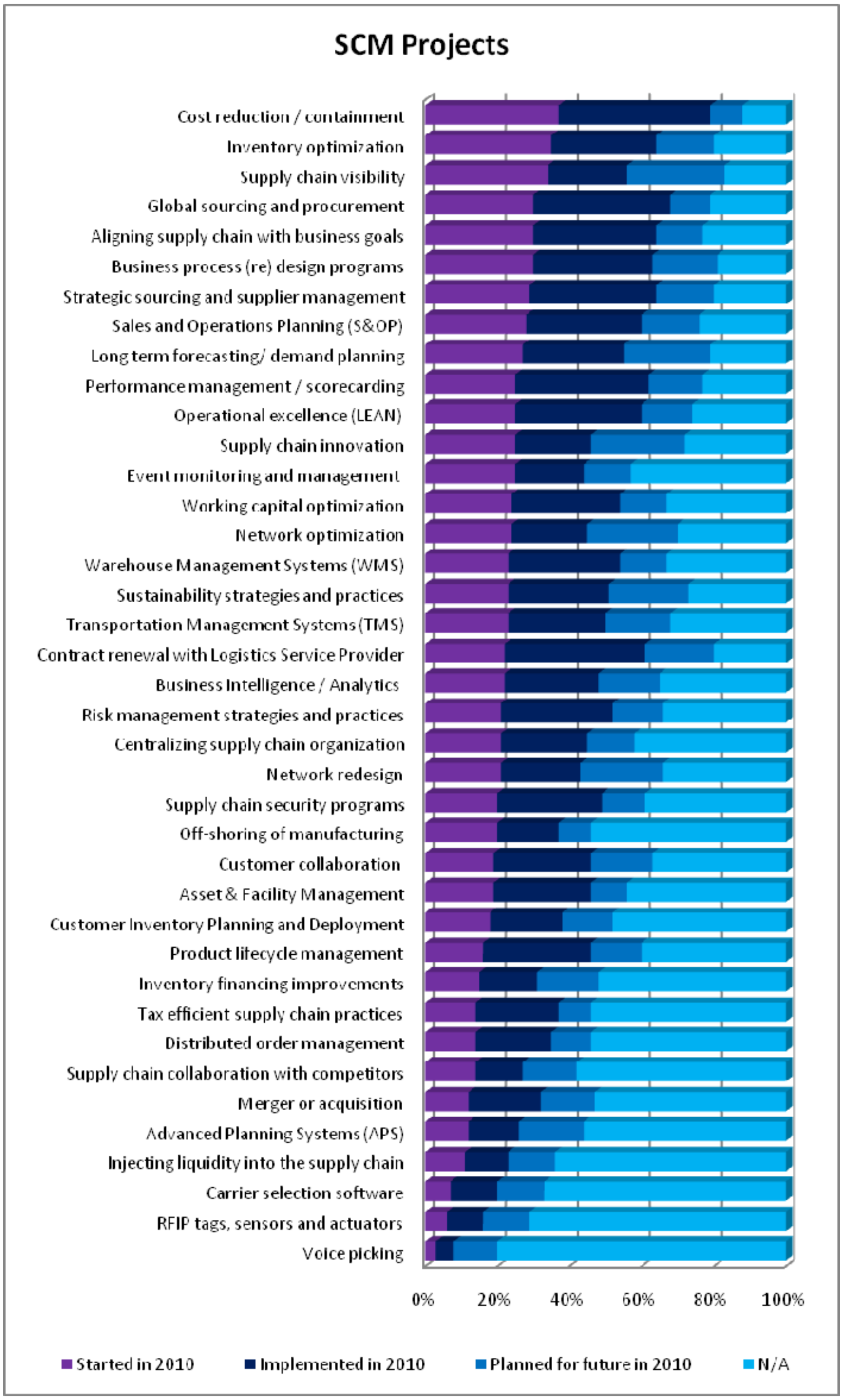


VI. Supply Chain Challenges and Projects

Respondents were asked to identify the biggest business challenges driving their supply chain agenda in 2010/11. The most notable responses were demand variability (forecasting) (42%), cost containment and reduction (39%), supply chain visibility (35%), inventory management and optimization (33%), and escalating customer expectations (33%).



Respondents were also asked to identify which SCM projects have been started/implemented/planned for in 2010. The most popular choices (started or implemented by more than 50% of respondents) were cost reduction/containment, inventory optimization, supply chain visibility, global sourcing and procurement, aligning supply chain with business goals, business process (re) design programs, strategic sourcing and supplier management, sales and operations planning (S&OP), long term forecasting/demand planning, performance management/ scorecarding, and operational excellence (LEAN).


SCM Projects
Cost reduction / containment
Inventory optimization
Supply chain visibility
Global sourcing and procurement
Aligning supply chain with business goals
Business process (re) design programs
Strategic sourcing and supplier management
Sales and Operations Planning (S&OP)
Long term forecasting/ demand planning
Performance management / scorecarding
Operational excellence (LEAN)
Supply chain innovation
Event monitoring and management
Working capital optimization
Network optimization
Warehouse Management Systems (WMS)
Sustainability strategies and practices
Transportation Management Systems (TMS)
Contract renewal with Logistics Service Provider
Business Intelligence / Analytics
Risk management strategies and practices
Centralizing supply chain organization
Network redesign
Supply chain security programs
Off-shoring of manufacturing
Customer collaboration
Asset & Facility Management
Customer Inventory Planning and Deployment
Product lifecycle management
Inventory financing improvements
Tax efficient supply chain practices
Distributed order management
Supply chain collaboration with competitors
Merger or acquisition
Advanced Planning Systems (APS)
Injecting liquidity into the supply chain
Carrier selection software
RFID tags, sensors and actuators
Voice picking
0%
20%
40%
60%
80%
100%
Started in 2010
Implemented in 2010
Planned for future in 2010
N/A

VII. Conclusions

The importance of supply chain management excellence to the success of companies is far from entrenched, yet there is clear evidence that best-in-class companies are putting supply chain decisions at the top of management agendas, and including supply chain executives in top management positions. The executives who take up these challenging leadership roles will require more information sharing from within the industry to support this heightened importance, Our hope is that this and other pieces of research on the views of industry executives will help provide this support.

Eyefortransport has launched this report in celebration of the Chief Supply Chain Officer Forums in Europe and North America, where the heads of global manufacturer and retailer supply chains discuss and debate key strategy issues. For more information on the events please visit www.CSCOforum.com

About eyefortransport
Established in 1998, eyefortransport has become one of the leading providers of business intelligence, independent research, news and executive level events for the supply chain & logistics industries. eyefortransport has two primary focuses:

1) To provide executive networking opportunities in the supply chain & logistics industries via the more than 15 events we annually organize and host in North America, Europe and Asia and online via the tens of thousands of users of www.eft.com. The events are designed to compliment and enhance the business connections available through our online network, and bring together the industry elite. Regularly attended by CEOs and senior management from the transport and logistics industry and Heads of Supply Chain of major companies, the events focus on current developments and latest trends, and are enhanced by high level, exclusive networking opportunities.

2) To deliver industry education through dozens of industry reports, surveys, newsletters, webinars and senior-level presentations at leading events.

For the list of current research, news and conferences we produce please visit **www.eft.com**