

Supply Chain leaders converge on Europe's diamond capital to debate the most important catalysts for business growth

The second European Chief Supply Chain Officer Forum, which took place 21 – 23 November in Antwerp, Belgium, saw supply chain leaders from multinational companies debate and share their thoughts, experience and predictions about supply chain's potential to create competitive advantage and improve the bottom line. Hugh Williams, managing director, Hughenden Consulting, chaired the event for the second year running.

The supply chain leaders identified and debated the following catalysts for business growth:

- **Supply chain resilience** – Delegates agreed that if companies provide resilience through *green* supply chain processes, they will drive costs down - and vice versa. Data visibility and horizontal collaboration are also important factors in improving supply chain resilience. Delegates predicted that materials re-use, reverse supply chains and bi-directional supply chains will be massively important in the future.
- **The supply chain CFO** - There is still a disconnect between the vital business functions of supply chain management and a company's finance department. There was a general feeling that companies need to strengthen ties and build more empathy between departments about the day-to-day challenges. The fact that very few finance people attended the conference highlighted this lack of integration.
- **S&OP best practice** – The panel discussion on *Sales and Operations Planning (S&OP)* revealed that there is still a mountain to climb with only 5 percent of companies claiming to have a sound, well structured S&OP process in place. Delegates accepted the merits of implementing a formal S&OP process but do not yet trust forecasting accuracy.
- **Sustainability** – Delegates discussed the importance of *sustainable supply chains* along with how best to achieve them. Most agreed that sustainability isn't usually an option these days but expected of companies. With the likelihood of more sustainability legislation on the horizon, people felt that now is the time to start planning. Although the costs of sustainability are dropping all the time, companies are delaying taking action because of financial insecurity in the Euro zone and beyond.
- **Horizontal collaboration** – Delegates held a range of views on the extent to which they would collaborate with trading partners. The most accepted practice was teaming up with partners to purchase from common suppliers in bulk in order to achieve economies of scale. Delegates felt that sharing logistics processes was a more complicated scenario. Trucks, for example, might need to be de-branded. Many felt this would happen out of necessity, when profit margins are squeezed and operational costs rise. Delegates agreed that the key to better horizontal collaboration is improving trust.

- **Gaining an edge in emerging markets** – Understanding the culture and political situation in any emerging market was seen as vitally important in addition to sound market analysis. Companies need to analyse local issues much more thoroughly, including the need to potentially create bespoke products and sizes for the market. Delegates resoundingly agreed that “the biggest risk to a business [in an emerging market] is growth”.

After the conference Chairman Hugh Williams commented: “I am heartened that the supply chain debate has moved on from ‘keeping the lights on’ to being seen a catalyst for business growth. Delegates have shared many tangible examples of real progress and plans in a range of areas from collaboration to sustainability. However we still have much work to do to engage and integrate business functions across the piste, most notably finance. I look forward to seeing how this develops over the year and hope to be welcoming more CFOs into next year’s conference.”

Hugh Williams
Managing Director
Hughenden
Hugh.Williams@Hughenden.net
+44 (0)1494 535649
www.hughendenconsulting.com

Katharine O’Reilly
Executive Director
eyefortransport
koreilly@eft.com
+44 (0)207 375 7207
ww.eft.com