

CSCRL SPRING SYMPOSIUM

DEMAND DRIVEN SUPPLY CHAINS

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ABSTRACT

SUPPLY CHAIN MANAGEMENT IS ON THE WAY OUT! THE WORLD NEEDS DEMAND DRIVEN PRODUCT FLOW NETWORKS

KEITH LAUNCHBURY, CFPIM, CIRM. CSCP, DDPP, DDLP
PRESIDENT | KEITH LAUNCHBURY AND ASSOCIATES

Businesses today face multiple challenges, the world has become more volatile, uncertain, complex, and ambiguous (VUCA) all at the same time. Despite enormous computing power at their fingertips, many companies are frustrated by the inability of their Enterprise Management and Supply Chain Management systems to provide real answers to the challenges that are faced every day. Supply Chain Management has simply not kept pace with the digital revolution. On June 15, 2018 the Harvard Business Review published an article entitled “The Death of Supply Chain Management” by Allan Lyall, Pierre Mercier and Stefan Gstettner and this is an extract:-

“The supply chain is the heart of a company’s operations. To make the best decisions, managers need access to real-time data about their supply chain, but the limitations of legacy technologies can thwart the goal of end-to-end transparency. However, those days may soon be behind us. New digital technologies that have the potential to take over supply chain management entirely are disrupting traditional ways of working. Within 5-10 years, the supply chain function may be obsolete, replaced by a smoothly running, self-regulating utility that optimally manages end-to-end work flows and requires very little human intervention.”

Companies like Google, Apple, Facebook and Amazon are on the leading edge of revolutionary change that is disrupting the status quo of business as usual, and putting less agile competitors out of business.

The challenge is how to enable products to flow seamlessly across borders and trading zones, with the same ease as they can be transferred between departments in the same building. Many supply chains are simply too wasteful in terms of inventory and also too rigid in terms of time and cost.

In this vastly different business environment it will truly be a question of the survival of the fittest, and there will be no time to waste in making sure that the entire supply chain is governed by fast, flexible product flow. Many companies will simply cease to exist if they do not adapt to the latest thinking about Intelligent Product Flow Networks driven by actual customer demand. The future belongs to those companies with integrated and flexible supplier networks that are empowered by information and are capable of responding rapidly to any change in market or delivery conditions.

During this presentation, Keith will explain how companies must adapt in order to remain viable in this new VUCA world.

