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BOOK OF THE MONTH

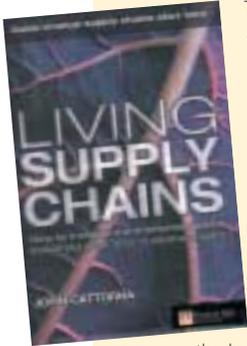
Living Supply Chains: How to Mobilize the Enterprise Around Delivering What Your Customers Want

By: John Gattorna

Published by: Financial Times Prentice Hall (2006)

Price: £35.00

ISBN: 0 273 70614 4



This is, fundamentally, an important book that not only develops a very forceful and practical new approach to supply chain assessment and management, but is also one that presents the material in an enlightening, informative and thought-provoking manner. Enforcing the written narrative are numerous supporting and illustrative practical examples, scenarios and case studies from business practices – from inside and outside supply chain business – and everyday occurrences that, along with the diagrams, serve to enlighten and inform the reader rather than encumber and distract from

the key issues, concepts and working framework being proposed. Therefore, the information and knowledge is presented in a format that will appeal, and be of relevance, to the managers of any organisation, as well as those whose business activities focus on the more specific logistics and supply chain processes. Additionally, the book will provide thought, material and insight for anyone involved in either academic or consultative research, including any students studying towards a professional development and/or academic qualification.

The framework and structure of this book logically steers the reader through the building blocks – and steps – that enable the concept of 'living supply chain' to evolve and come to life. In doing so, the narrative presents a solid argument for the need to approach supply chain management from a customer perspective, taking the necessary identification and implementation measures to align the supply chain to satisfy, meet and where possible exceed these needs and expectations. Certainly by the end of the book you will feel as if you have followed an informative journey of discovery, in search of – as described on page 65 – the Holy Grail: that being the 'dynamic alignment' of the supply chain.

John Gattorna, in this book, advocates that the supply chain needs to be viewed as a living organism, responsive to the customers needs. Supply chains are viewed as systems driven by humans and human behaviour, where 45% consists of human behaviour, 45% by the systems technology and 10% by the assets infrastructure. The traditional, more mechanistic approach sees the supply chain as being 60% technological and 40% asset driven. Given the dominance of identifying, addressing and satisfying the customer's requirements and expectations in other areas of business theory and activity, it begs the question of why, despite the development of numerous tools and techniques intended to optimise supply chain processes, these issues have never been considered before. Reading and then reflecting on the material in this book immediately makes the proposed concepts and process appear totally relevant and

obviously applicable to today's supply chain business; although the success of their application, as acknowledged by the author, is very much dependent on having a flexible and responsive managerial culture and ethos – Chapter Three.

Chapter One presents a logical story and critique that reflects on the historical and traditional practices in supply chain assessment and, through the focus of supply chain alignment, creates the framework by which a new way of supply chain practices can be identified, developed and implemented. Comprising 10 chapters in total, with an excellent series of appendices that provide the diagnostic framework to enable an assessment of current supply chain alignment between itself, its market place and customers, the book provides the background and framework to better understand and respond to customers needs – Chapter Two; and then proposes the practical means of working with people to deliver the required level of responsiveness to the customer – Chapter Three.

Building on the buying behaviours and characteristics of an organisation's customers the author essentially identifies four potential divisions – segments – of behaviour, namely collaborative, efficiency, demanding and innovative – Chapter Two. These segments, according to John Gattorna, relate to four specific supply chain activities, namely continuous replacement, lean, agile and fully flexible supply chains – Chapters Five, Six, Seven and Eight respectively). Each category is examined from the perspective of the way(s) that understanding the customer buying behaviour, the organisational structure and leadership and the formal process can ensure that the supply chain(s) are better linked to the market needs, and ultimately enables the supply chain, according to its customers' buying behaviour, to be reconfigured and realigned. In doing so, specific performance measurement are suggested, with each key performance measurements being tailored specifically to identifying the needs of the customer(s); and ensuring that the supply chain is assessed and evaluated according to these needs. The final two chapters in the book detail and discuss the future potential and opportunities for this – new – supply chain – customer – alignment approach in terms of developing supply chain models and the issues concerning the delivery of living supply chains.

In summary, this exciting, much needed and very relevant book offers a new approach to supply chain optimisation. Through the proposed range of tools, techniques and concepts that, when – if – identified and addressed are equally applicable to practice and activities within every organisation, irrespective of size or nature of the business – including those that do not traditionally view their activities as having a supply chain.

Pauline Cooksey FCILT

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