

2010

SUPPLY CHAIN BUSINESS SUMMIT

**“THE RULES OF THE GAME
HAVE CHANGED..... TIME TO
RE-SET YOUR ENTERPRISE
SUPPLY CHAINS”**

AFTERWORD



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AFTERWORD

It is just four months since we met in Sydney for the 2010 Supply Chain Business Summit, and the world has been shaken by on-going events in Greece, and the massive disruption to global commerce caused by the eruption of the Icelandic volcano. If ever we needed confirmation of the intrinsic importance of enterprise supply chains, these two unrelated events are a stark reminder.

Before the event I invited Turloch Mooney, Editor of *Supply Chain Asia*, to craft a short piece on each of the nine panel sessions that were scheduled for the Summit, and what follows are his thoughts and insights from those sometimes lively discussions. I think he has captured the mood of each debate very well, and I trust that in the reading you will recall some of those discussions with satisfaction.

In closing, it was with deep regret that we heard of the tragic death of Ken Talbot in an air crash in Africa in mid-June. Ken was a big contributor to Panel 6 at the Summit, and gave generously of his time. He died pursuing his passion for mineral resources. Australia will miss his expertise and influence.

The plan is to meet again in mid-2012, but just where we will hold that meeting is still an open question. I am inclined to hold the next event at an overseas location in an effort to bring the world closer to us, or us closer to the world, whichever you prefer.

In the meantime, please stay in contact with your new network of colleagues in this space, and let's all learn from each other.

Sincerely,

DR JOHN GATTORNA

ADJUNCT PROFESSOR, MACQUARIE GRADUATE SCHOOL OF MANAGEMENT,
SYDNEY, AUSTRALIA



BOARDS AND LEADERSHIP RIDDLED WITH FUNDAMENTAL PROBLEMS

There are fundamental problems with the leadership of a great many modern organisations. Realisation of strategic alignment at board level is a major challenge for many, while leaders frequently fail to develop and utilise corporate culture as a tool to meet strategic goals, according to the expert panel discussing boards and leadership at the 2010 MGS Supply Chain Business Summit.

“Fundamental divisions exist among top teams and the capacity to address problems through conversation often does not exist,” said Professor Andrew Kakabadse, Professor of International Management Development at Cranfield University. Cranfield has carried out surveys of 3000 boards in ten countries over the past ten years which point to serious problems with alignment and communication between board members and senior managers in modern organisations.

“In the case of Enron, well over 400 managers were highly cognizant of vulnerabilities in the company, but did nothing, said Kakabadse.

DIVORCING STRATEGY FROM CULTURE

One of the biggest problems with the leadership of modern organisations is an apparent divorcing of strategy from culture, said Dina Oelofsen, a psychologist and specialist in complex leadership challenges who works with boards at a variety of global companies.

“There tends to be a lot of misalignment between strategy and culture and a lack of understanding of how internal capacity should work together to deliver strategy,” said Oelofsen. “Culture can be neglected as a vital tool of strategy.”

The Cranfield surveys found that board members can have strikingly different philosophies when it comes to risk, competition, and other basic strategic issues facing their organisations. In the UK, for instance, the surveys found that 80 percent of board members could not agree on what the competitive advantage of their organisation

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was; while 80 percent of directors could not agree on what the function of their colleagues was. Boards in the US were even more dysfunctional, and comprise, “one of the most defensive and

inhibited groups we have ever come across,” said Kakabadse. “The average US company board has very high level of defensiveness and inhibition; is discouraged from talking to top management, and dismissive of CSR,” he said.

Critical feedback to boards is crucial to company success, noted Paul Bradley, a former senior executive with Li & Fung and Vice Chairman of *Supply Chain Asia*. “At Li & Fung, board members include people such as Hau Lee and the Chairman of HSBC, who are not inhibited from providing the critical feedback necessary to drive improvements. You need a mechanism to challenge. If you don’t have that, you won’t succeed.”

Some countries do better when it comes to alignment of board members with one another and with executive management teams. Differences of opinion between executive managers, board members and executive and non-executive directors in Russia are less than in the UK; while Australia, too, manages better alignment between the boards of its organisations and top management.

“In Australia, people treat the board role as full-time as a part-time job can be. They typically try and get close to the company and understand the organisation. This contrasts with the UK where members of the House of Lords can hold up to 20 individual board memberships.”

BETTER ALIGNMENT OF CULTURE AND STRATEGY

According to Oelofsen, an opportunity exists for organisations to create a ‘dynamic alignment’ between culture and strategy. Organisations can develop and nurture a culture that will help deliver overall strategy, she said.

“Leaders need to get past the blind spot to achieve good leadership; to recognise how ego can disable dialogue. With self-reflection leaders become role models with the capacity to handle complexity.”
Developing the capacity for complexity is key to effective leadership, she said: “If you are confused then you don’t know what is going on. You need to learn to sit with the anxiety and not knowing and through that the answers will reveal themselves.”

Boards also need to develop this capability for self-reflection for effective system leadership.

“There are three parts to board leadership: content, process and the self. The self is too often ignored. Knowledge of the self is key to effective leadership.”

Capability to deal with the enormously high levels of complexity in development and relief work is the key function of the board according to Tim Costello, one of Australia’s leading voices on social issues and CEO of World Vision. According to Costello, a quantum leap in the number of natural disasters hitting the world over the past ten years, and a 40 percent shift in spending on development to disaster response, has made the role of governance and boards even more critical.

“You need to constantly track promises and objectives; clarify them and simplify them. You need a board that pushes for clear strategic plans and objectives despite the complexity,” he said.

As poverty creates security risks for everyone on the planet, social problems increasingly need to be solved with business solutions, including effective governance of boards, said Costello.

“There is a profound inter-dependence of the global system. Problems are global. Things like climate change have no boundaries and need effective international governance to be addressed properly.”



MORE SUPPLY CHAIN REPRESENTATION ON BOARDS?

Organisations continue to underestimate the value of supply chain with supply chain personnel still underrepresented at board level, according to Kim Winter, CEO, Logistics Executive Recruitment (LER).

“Most organisations still fail to see the value of supply chain. They are focused on sales and revenue, back-end finance and cost control.”

Only 54 percent of organisations had supply chain representation at board level, according to LER’s most recent annual global supply chain and logistics recruitment survey.

“Supply Chain is still undervalued and under-represented. The lessons of organisations like Woolworths, Coles and Wal-Mart, which 10 years ago were probably seen as more sales driven organisations but are now seen by many as being more supply chain driven, need to be noted.”

Boards need more supply chain people, according to Winter, and they need more HR people as well: “Like supply chain, you need the right approach to HR or you won’t get the results you’re looking for.”

But not everyone agrees specialists have a place on the boards of organisations. “I’m not a believer in having discipline specialists on boards,” said Matt Millar of GRA. “You need generalists, and you need to make sure supply chain issues are presented to them in the correct way and that there is a mechanism in place to question board members.”

RECESSION TEACHES A HARSH LESSON IN HUMAN BEHAVIOUR

The need for more flexible and agile supply chains grounded in a better understanding of customer/human behaviour is a core takeaway lesson from the global recession, according to Simon Ratcliffe, Operations Director with the Just Group, a fashion retail business with 1,000 stores across Australia, New Zealand and South Africa.

“The recession showed consumer behaviour in terms of what consumers were prepared to pay and when and where they were prepared to spend. We need to ask to what extent do our supply chains understand that behaviour,” said Ratcliffe, a former Supply Chain and Logistics Director for Marks and Spencer PLC in the UK. “We also need to ask whether our supply chains are flexible enough to deal with what I call ‘20/20 Vision’: a sudden 20 percent drop in volumes and margins. You need the dynamic in fulfillment machinery to cope with those losses.”

According to Ratcliffe, new rules are emerging that require the supply chain to talk more to the consumer and deal with the dynamic of what the consumer wants in a more sophisticated manner.

“Consumer behaviour is changing. The fulfillment process of delivering retail excellence is also increasingly about how to talk to consumers and about the experience of buying rather than just the brand. Companies

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such as Apple demonstrate this very well, and what they are doing has big implications for supply chains.”

“It is a sad fact that there is still very little evidence of sustained alignment to customers,” said Dr. John Gattorna, Adjunct Professor of Supply Chain Management at MGSM. “Most companies start out by interpreting the market in the wrong way. They need to understand the buying values of their customers.”

While information technology has been widely championed as the key to better customer understanding and supply chain performance, panelists and delegates at the summit were slow to agree.

“How much of the investment in IT is made to understand human

behaviour and share that information across the value chain?” asked Roddy Martin, Senior Vice President with Boston-based AMR Research. “Our research shows most companies still only see demand change three to five weeks after it happens.”

In the apparel retail business, investment in IT is often in the wrong place, said Ratcliffe. “It should be in rate-of-sale; markdowns, and linked to sourcing.”

Supply chains built on better customer understanding with the flexibility to handle shocks such as the recession are not necessarily more expensive to build and operate than their more rigid counterparts, he added. “In apparel retail, the big devil is markdown. The gearing between markdown and sourcing is such that makes a more flexible supply chain cheaper.”

DON'T FORGET YOUR CORE VALUES

Avoiding knee-jerk actions and sticking with your core values are important responses for organisations when faced with recession, said Michael Byrne, CEO of Linfox Logistics, who also attended the summit.

“We saw a lot of reactionary behaviour from customers. Some asked us to triple our payment terms; others asked us to cut back on education and training. Some even asked for cut backs on safety. We spent time reinforcing safety and other values that are core to the success of our business,” said Byrne.

“You don’t dump years of strategy just because you have one bad quarter.”

As well as values, it is also important not to upset your core competitive strengths in reaction to difficult times, said Ralph Evans, Chairman of Wulworra Associates and a former Chief Executive of Austrade. “If you deconstruct a company under stress and put it together with a different kind of supply chain, make sure you don’t undermine or compromise the competitive advantages you have spent time and money building up.”

A robust and well-defined company culture is an important part of creating the capability to stick to core values and strategies even when under significant stress, said Byrne, who noted the important role of human resources (HR) in the process.

“You need a very strong culture for a company to work. This is something that starts with HR which has a very tangible and important role in creating the culture and values for a company to work effectively.”

HOW WOOLWORTHS SOUTH AFRICA RESPONDED TO RECESSION

A survey in South Africa by Barloworld, covering companies representing 40 percent of the country’s GDP, found four broad objectives for supply chain operations among respondents. In summary, these were to: 1) lower procurement costs 2) reduce inventory levels 3) align business and supply chain strategy; and 4) improve collaboration with suppliers.

“Our supply chain objectives over the course of the recession broadly matched these areas,” said Burger Van Der Merwe, Supply Chain Director with Woolworths of South Africa. “Going back to local sourcing helped us to lower our procurement costs, while focusing on better selling product lines assisted us to achieve better inventory control.

“Those were the easy ones,” he continued. “The challenge really comes with working on the other two. In order to better understand the value supply chain can add to the overall business, we started to bring cross-functional teams together to work out where and how value can be added.”

Achieving better levels of collaboration and communication with suppliers was particularly important during recession as the number of risks facing the business increased. “When 2,000 apparel businesses in China suddenly close down, you need to have your risk management strategies in place.”

Better collaboration, said Van Der Merwe, can be challenging to realise on many levels, and needs to be built despite inhibiting factors such as anti-competitive legislation. “Investment in IT can help, but the real goal is to improve levels of trust.”



DESIGNS ON THE FUTURE

The vast majority of organisational design today is flawed and cannot provide business and commerce with the degree of responsiveness that customers desire, according to Dr. John Gattorna, Adjunct Professor of Supply Chain Management at Macquarie Graduate School of Management (MGSM).

“While it has a role going forward, the conventional functional organisation with its specialist silos will be secondary to the ‘clusters’ or multi-disciplinary teams that are focused solely on servicing customers,” Gattorna said in opening remarks as Chair of the panel discussing organisational design at the MGSM supply chain summit.

“You can get away with the [conventional] design during good years but the reality is it does not deliver the responsiveness to customers you need in modern commerce.”

In his book *Living Supply Chains*, Gattorna identified dominant buying behaviours that cover 80 percent of customers in any given market and corresponding four supply chain types – continuous replenishment, lean, fully flexible and agile – to best meet their needs. Each supply chain type is operated by a multi-disciplinary team.

“Conventional organisations are only covering 10 percent properly. With multi-disciplinary clusters, you can dynamically align your supply chains to serve the three or four dominant types of customers and so dramatically improve levels of service and response.”

LITTLE JOHN WAYNES

Several major organisations, including Spanish clothing retailer Zara; Hong Kong’s Li & Fung and Dell Corporation already successfully apply this approach in one form or another.

“I am a disciple of dominant buying behaviour,” said Annette Clayton, Vice President, Global Supply Chain, Dell Corporation. “A one-size-fits-all supply chain is not effective enough for us. We have identified four ‘supply chain segments’ with an additional incubator segment for new ideas.”

With an annual turnover in excess of US\$18bn and 80 offices in 40 countries linked to 10,000 virtual factories, Hong Kong’s

Li & Fung Group is considered one of the world’s foremost supply chain operators. In the book *Competing in a Flat World*, Victor and William Fung describe how 300 multi-disciplinary clusters, referred to internally as ‘Tribes’ or ‘Little John Waynes’, service the Group’s global clientele.

“The clusters have enormous autonomy when it comes to purchasing, marketing and sourcing,” said Paul Bradley, Vice Chairman of Supply Chain Asia and a former Managing Director with Li & Fung Group.

“The clusters are empowered to be very entrepreneurial and are incentivised by KPIs and revenue. But you also have very ‘tight’ alignment on the strategic plan and financial control coming from the top. The Managing Director set three-year strategic plans and checks how you are doing against that plan every three months. Finance is controlled at corporate level with visibility to the Group Chairman. The combination of the flexibility and entrepreneurialism in the clusters and tight alignment with corporate strategic plan and finance is very effective.

According to Gattorna, effective organisational designs of the future will see the role of the clusters supersede the vertical functional side of organisations. “The vertical functional side is important to develop

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skills and capabilities but should be secondary to the clusters. Talent from the vertical organisation is seconded into clusters for periods of time, where there is a dominant type of customer response mindset, before going back to further develop functional skills and capabilities.”

HYBRID SUPPLY CHAIN MODEL

With 1,800 brands distributed globally, Unilever needed to develop a supply chain model that was capable of leveraging the company’s scale while at the same time ensuring capacity to respond to customers at local level. The supply chain design also needed to ensure core values and the right mindset were infused at all levels of supply chain operations.

“The majority of our customers are local or national. We need to understand that those customers have different needs and objectives but still take advantage of our scale on a global and regional level,” said Colin Nelson, Unilever’s Senior Vice President of Supply Chain for Asia, Africa, the Middle East and Turkey.

“We operate our supply chain on a local basis, to the point where we embed planners with some local customers. But we buy our raw materials, for instance, on a global or regional basis. We would buy aluminium at the highest level of aggregation, but make the can at local level.”

For Nelson, the key to making what he describes as this ‘hybrid model’ work is the mindset of his people. “[Mindset] is my main concern. My people need to know what it is they are required to deliver, the value they are adding, and the core values of the organisation.”

CLUSTERS AT WOOLWORTHS

While it doesn’t segment customers, Australia’s largest retailer, Woolworths, does use cluster-type teams in its supply chain organisation. As well as consumer electronics, petrol, and soon-to-be hardware outlets, Woolworths operates 2,200 supermarkets across Australia and New Zealand, with 3,000 suppliers and 8,000 staff in logistics.

“Our customers want value for money, quality and freshness, safety and ethical standards,” said Geoff Thomas, CLO, Woolworths Australia. “That is what our supply chain has to deliver. At the same time, it has to allow us to take advantage of our scale.”

In 2002, Woolworths implemented a major transformation of its logistics operations, which included the introduction of cluster teams.

“This was more about culture than structure. Getting individuals from different backgrounds interacting with one another helped to make operational handoffs more seamless, while operational planning was improved by including sales and operations planning in the process,” said Thomas.

“[The clusters] also helped development of a management culture that thinks more ‘end-to-end’ and empowered our people to take initiative on issues within a defined framework and with clear communications protocols.”



SERIOUS TALENT GAP IN SUPPLY CHAIN

The dramatic growth in the domain of supply chain over past decades has resulted in a big challenge in locating the talent required to build, manage and operate modern supply chains.

“Supply chain used to be about trucks, sheds and costs. It has come a very long way since then – now the focus is on value and value creation. It is very encouraging to see organisations using supply chains to differentiate and compete,” said Martin Christopher, Emeritus Professor at Cranfield School of Management. Modern supply chain management requires a new type of talent, he added.

“Supply chain managers need to be ‘change managers’. They need to be able to anticipate and adapt to change. The behavioural side is much more important. Instead of the ‘boot-on-the-throat’ approach to supplier relationships, you need people who can manage relationships and collaborate effectively with suppliers, as well as customers, competitors and knowledge providers.”

For many organisations it is a big challenge to locate the talent that they need. “In terms of supply chain ability and skills, we are very far behind where we need to be,” said Peter L. O’Brien, Head of Asia Pacific Supply Chain Practice with Russell Reynolds Associates.

Panelists discussing the talent issues facing the supply chain sector at the MGSM supply chain summit in Sydney identified the following five key areas organisations should address in order to improve their supply chain talent situation and boost supply chain and business performance.

1. UNDERSTAND SUPPLY CHAIN AND UNDERSTAND WHAT SUPPLY CHAIN MEANS TO THE ORGANISATION

The issue of how to properly define ‘supply chain’ was debated many times during the summit where it was generally agreed that it can be a challenge – particularly for those without any history working in supply chain – to understand what the term means from both conceptual and practical points of view.

“If you don’t understand it you will always struggle to find the right people,” said O’Brien. “This is especially true from the point of view of the search industry where being a generalist just doesn’t work anymore. The search industry needs people who understand the supply chain space and who understand the technical and cultural requirements of supply chain talent.”

2. UNDERSTAND THAT ENTERPRISE SUPPLY CHAINS ARE INCREASINGLY GLOBAL AND THAT THE MINDSET OF YOUR SUPPLY CHAIN PEOPLE SHOULD REFLECT THAT

As the world is increasingly globalised, so are organisations and their supply chains. “The world is truly global today and this is a very important point when you are looking at the area of talent and people,” said O’Brien. “As well as working across different aspects of supply chain, another characteristic of the best supply chain talent is that he or she will have experience of work in a number of different markets, including some developing ones.”

One of the new demands of supply chain management on its people is a much more international outlook, agreed Cranfield’s Martin Christopher. “[Modern supply chain people] need a different type of perspective including a better understanding of the behavioural side of supply chains and more cross-cultural experience,” he said.

Globalisation is creating many new aspects to supply chain management that require a response grounded in cross-cultural and international experience. “We need to think about things like sustainability. We need to think about what international markets we want to source from and many other realities of a more interconnected and global economy,” said Evangelos Angeletopoulos, Managing Director of Business Logistics Services.

3. DON’T FORGET THE IMPORTANCE OF ‘CULTURE-FIT’

While the operations and risks of organisations are increasingly global, elements of their structure can still be heavily rooted within national borders. Boards, for instance, are primarily nationally-focused and comprised of national representatives. This makes finding and retaining supply chain talent a more complex undertaking.

“To compete globally, you need the best supply chain people on a global level. But will they fit culturally with your organisation? You frequently see very capable people coming into organisations but they can’t survive because they don’t fit the culture,” said O’Brien.

“Organisations need to ask themselves if they could find a ‘Superman’ for their supply chain, are they really ready for him? Would he be able to operate at the level he should?”

For Conor O'Malley, Specialist Retail Director with Red Group Retail and formerly with National Foods in Australia, the very definition of the word 'talented' implies a capability to understand and work well with your peers.

4. PUT TIME AND EFFORT INTO DEVELOPING TALENT ON AN INDIVIDUAL BASIS

A recurring theme throughout all of the panel sessions at the summit was that supply chains are fundamentally about people – customers, suppliers, and people on the inside of the organisation. In the discussion on talent, it was generally agreed that focusing on your people to the point of nurturing and developing individual talent was vital.

"You should be passionate about your people," said O'Malley. "You need to take the time to understand what makes them tick. You need to take an interest in them and help with their development on an individual basis."

Identifying and nurturing individuals for career development at a young age is extremely important for organisations to continue to meet their talent needs, agreed Simon Ratcliffe, Operations Director with the Just Group. "Leaders should make sure they know their top ten 25-year-olds and are supporting and developing them by giving them the experience they need."

Businesses where supply chain has been identified in terms of the value it is generating for the business tend to excel at developing supply chain talent, said Roddy Martin of AMR Research. P&G is one organisation that does a very good job of nurturing and developing supply chain talent from the inside, he noted.

5. FOCUS ON RETAINING YOUR BEST PEOPLE

Even when organisations put a lot of money and time into finding people who are a good cultural and technical fit, or train them to the correct level to fill key positions, there is always the risk that you can lose them. "In my work we do supply chain training through NGOs and other ways, but after we train people up, we frequently lose them to the private sector," said Maevae Magner, Director of Supply Chain with the Clinton Foundation.

According to Peter O'Brien, retention of good staff in rapidly emerging markets such as China and India – where the shortage of qualified staff is particularly acute and new opportunities more plentiful – can present big problems for organisations. "They find or create good talent only to have it pinched by the competition," he said.

Offering higher salaries is one obvious way to address this, said Deborah Ellis of Carpenter Ellis, a Sydney-based supply chain consulting firm. "Paying people 15 percent more will help you to retain them. Moving people around within the organisation, so they gain different experience and work on new challenges, can also help in retaining people," she noted.



THE ROLE OF TECHNOLOGY

How important is the role of technology in creating better and more efficient supply chains? Participants in the discussion titled 'Driving transformation with smart use of technology' agreed there are big opportunities for organisations to transform supply chains through the application of technology. Yet they also warned of the dangers of looking to technology as a silver bullet solution to all of an organisation's problems, and of failing to properly follow through on implementation projects.

Smart use of technology is an important part of achieving supply chain excellence because it allows organisations to better understand demand and supply and provides them with the end-to-end information to make balanced trade-offs between the two, said Roddy Martin, Senior Vice President and Research Fellow at AMR Research-Gartner.

“ THERE IS A REAL OPPORTUNITY TO IMPROVE THE LIVES OF 2.5BN PEOPLE LIVING IN POVERTY THROUGH APPLICATION OF SUPPLY CHAIN MANGEMENT AND TECHNOLOGY. ”

“The maturity curve moves away from simply reacting to demand in an efficient way toward attaining a visibility of demand that allows you to anticipate. Then you get better at information-sharing for improved collaboration and – ultimately – an understanding of demand that is so good you can anticipate and shape demand in the direction of the supply chain.”

Martin noted Apple, P&G and Dell Computer as leaders in supply chain excellence. To improve response to customers, Dell recently reorganised its supply chain operations on a segmented basis.

“We have two billion interactions with customers every year. We use that data to determine dominant customer behaviours,” said Annette Clayton, Dell's Vice President of Global Supply Chain.

The data allowed Dell to segment customers into different groups based on their buying behaviours and build a supply chain type to serve each of those groups. Like supply chain, the importance of the application of



technology for operational excellence at Dell is reflected in the structure of the overall organisation – a structure that facilitates good alignment between supply chain and technology.

“Michael Dell is our Chief Supply Chain Officer, and he is the Chairman and CEO. So we certainly do get supply chain,” said Clayton. “I work for the Vice Chairman, who is also responsible for technology... that makes it very easy for us to clearly align product, and fulfillment methodology, and procurement methodology and all the planning that we need to do.”

The opportunity for transformational change through application of technology in supply chain processes is perhaps greatest in the developing world, said Maeve Magner, Director of Supply Chain with the Clinton Foundation.

The Clinton Foundation provides drugs for HIV patients on a global basis but is faced with serious supply chain challenges due to little or no collaboration between donors and procurement agencies and because it is serving health organisations in developing countries with poor infrastructure and limited training and understanding of critical supply chain processes. The result is that the Foundation’s supply chains are probably 20 years behind those of supply chains in the private sector.

“There is a real opportunity to improve the lives of 2.5bn people living in poverty by providing better access to food, water and medication through application of supply chain management and technology,” said Magner.

“At the moment there are huge gaps in data collection and analysis. We need to solve that, and we need to solve it in a sustainable way.”

While hardware such as PCs for data collection is often available, there is normally no way to fix or maintain it, and few of the health clinics receiving drugs for distribution have processes in place to gather the necessary supply chain information.

Panelists agreed that viewing technology as an instant solution to supply chain problems or as an instant remedy to overtake competitors is a common mistake. Solutions should be tailored to fit the organisation and proper follow through on implementation is key to the success of transformation projects built around IT, said Mark Pearson, Global Managing Director of Supply Chain Management with Accenture.

“Where things fail is after a [technology] project has been implemented. Everyone breathes a huge sigh of relief as if the project is finished. My message is at that point the project is really just beginning.”

GETTING ABOVE THE CLOUDS

The role of technology in supply chain development and transformation is approaching a new dawn as new systems such as cloud computing are increasingly looked to by organisations to support their supply chain processes, according to the head of Accenture’s global supply chain practice.

“My feeling is that we’re going to see technology emerging again in a much more sustainable way than we have in the past and lead elements of supply chain development,” said Mark Pearson, Global Managing Director of Supply Chain Management with Accenture.

“We have been very quiet on the technology side in the past ten years. Now you have some very interesting developments emerging around SaS and Cloud. We’re seeing companies – particularly in the transportation and warehousing space – looking to systems like Cloud to source processes.”

Yet before looking for advanced technology solutions, organisations need to make sure they have the basics in place and running smoothly, said Pearson.

“You need the base capabilities around data integrity and basic functions to process orders and so on. If the base isn’t right, then there isn’t much point talking about application of smart technology.”

Going forward, developments in supply chain technology would centre on three primary areas – end-to-end visibility and collaboration, data analytics, and process capability through Cloud-type systems, Pearson told delegates at a supply chain summit at Macquarie University in Sydney.

“We’re seeing organisations using new advanced technologies for visibility and collaboration to look outside the organisation to customers and their customers’ customers for clearer pictures of demand and then taking that information back through to suppliers.

“Then we’re seeing technologies that allow organisations to react and respond in a very quick way to the information they have. Tied to that is a major focus at the moment on supply chain analytics – building analytic capability on top of core backbone data systems to provide information that their people can really use.”

Recent research from the global management consulting company found seven core characteristics among companies that achieve high performance in their supply chains. One of those was having a supply chain strategy that is set up to support the overall business strategy of an organisation in a very aligned manner. Another was an ‘outstanding ability to execute’, a key part of which is deploying the right technology.

HOW TO UNLOCK VALUE FROM MULTI-USER RESOURCE SUPPLY CHAINS

Plans by the Queensland government to sell off the entire Queensland coal rail freight business should be scrapped, according to Nick Greiner, former premier and treasurer of New South Wales. “The coal companies think that is an appalling piece of public policy and they are right.”

“I also think it is an appalling piece of public policy from the point of view of the Queensland government because the infrastructure is worth more to the coal companies than it is in the IPO market and that is perfectly apparent. The notion that you take a public monopoly and you simply make it a private monopoly [and do not accept a bid from the users] is very strange.”

Greiner, who led a review and development of a solution to bottleneck issues in the the Hunter Valley coal supply chain said getting governance right is key to elevating multi-user supply chains to a strategic level where they can add value and global competitiveness to Australia’s resource industry.

“If you want supply chain to be part of the business model you need to get the most senior people involved and understanding that supply chain is fundamental to the business model,” he said.

“You start with a proper governance structure and then do the detail, not the other way around.”

COLLABORATE TO COMPETE

The panel examining Australia’s natural resource supply chains at the MGSM supply chain summit spent time discussing whether and how the industry could collaborate in areas such as capacity, infrastructure

“**THE PROBLEM WITH THE LOGISTICS BODY IN HUNTER VALLEY WAS THAT THERE WERE NO COAL COMPANIES THERE. WE SAW THAT – SINCE THEY PROVIDED THE ECONOMIC VALUE IN THE CHAIN – THE COAL COMPANIES NEEDED TO BE ON THE INSIDE RATHER THAN THE OUTSIDE.**”

access, capital investment and performance and regulatory issues to increase its competitiveness on a global level.

The resource industry in the country is currently facing a range of different challenges, said Keith McNeil, a Consultant with Advantage International. Among these are excessive costs in getting material to ports, where the cost of shipping to port can actually be more than the cost of shipping to the export destination; competition for transport and port capacity; infrastructure access conflicts; issues with infrastructure quality and capacity; regulatory shortfalls, and misaligned expectations of the industry at community and government level.

Improved collaboration would go a long way to help address these challenges and unlock value from Australia’s resource supply chains making them more globally competitive, said McNeil, who noted Australia already has examples of world class, best practice resource supply chains in the iron ore supply chains operated by Rio Tinto and BHP Billiton in the northwest of the country.

“If you get collaboration, you can start to develop demand-driven supply chains that pull rather than push product to the port,” he said.

Maximising efficiency and value out of resource supply chains requires users and owners looking at it from a 'whole-of-chain' point of view," said Greiner, something that starts with putting in place a rational governance structure that has the correct representation on the inside and a focus on maximising the overall value of the chain.

Another threshold issue in a multi-user coal chain is a proper information-sharing mechanism. "You need a common body of information that people have confidence in ... You need to come up with a process to gather and share information in an appropriate and genuine way.

"You also need the right pricing mechanisms in these situations ... If you send the wrong price signals or you don't have price signals you are likely to get behaviour that isn't optimal. Getting appropriate price signals is a basis for getting the correct result from the chain as a whole," he said.

THE HUNTER VALLEY SITUATION

The Hunter Valley Coal Chain, which serves the A\$10bn coal industry in New South Wales, has been a highly visible case study of the challenges in operating resource supply chains with multiple stakeholders. In 2007, vessels queuing at the ports of Newcastle, the largest coal loading point in the world, reached a record 70. Stacked up vessels were estimated by some to be costing the coal industry some A\$300-400m in demurrage charges on an annual basis.

According to Graham Davidson, General Manager of Port Waratah Coal Services – the operator of Newcastle's coal loading ports – the main problem was a common-user clause that prevented the signing of long-term contracts.

"Without long-term contracts, there was no certainty in terms of the capacity of the coal chain. Without certainty, there was no investment in capacity expansion. And without investment you had a queue of vessels."

A review of the problem led by Nick Greiner resulted in a new model that allows the users of the coal chain to contract directly with rail operators, to ensure coal can get to the port, and with terminal operators. This allows operators to line up contracts and gives the required level of certainty for improved operations and capacity expansion at the port.

The changes mean the port will grow capacity from 104m this year to 123m in 2011, instead of the normal increase in capacity of around 6 percent per year.

Getting the right people involved and giving them an understanding of the supply chain was key to the solution. "The problem with the logistics body in Hunter Valley was that there were no coal companies there. We saw that – since they provided the economic value in the chain – the coal companies needed to be on the inside rather than on the outside," said Greiner.

But a huge value opportunity still lies within the chain, said Zeljko Nikolic, Managing Partner, SCM ANZ with Accenture, who also warned that demand for further capacity down the line would continue to add complexity and challenge to the chain.

"In this supply chain, the technical issues are significant, but the biggest issues are governance. There has been good progress in governance and now users can get contractual alignment and the benefits of the certainty that delivers.

"The next step is to look at the significant return to be made from driving operational excellence in the supply chain – a 2-3% throughout improvement can mean hundreds of millions of dollars additional revenue to the industry. Now is the time to accelerate investment in operational excellence."



COLLABORATE FOR A MORE

GLOBALLY COMPETITIVE LIVESTOCK SECTOR

Australia's beef industry is inarguably world scale and world class. Comprising 27m cattle, 120,000 beef-producing enterprises and 180 processing enterprises, the industry exports thousands of products to 110 different countries and is worth A\$12bn to the economy annually.

Although Australia produces a relatively small percentage of the world's beef, it is the second largest beef exporter by volume. Prior to 2007, it was the largest, but the past three years has seen Brazil take that mantle and emerge as a dominant producer in many areas of the industry.

The industry in Australia recognises that meeting increased international competition in livestock exports depends in large part on achieving better collaboration and integration in its supply and value chains.

"There is an imperative to find ways to differentiate. We don't think we can compete on cost alone... We believe that innovation in business models such as value chain integration is really going to be one of our primary differentiators," said Dr. Christine Pitt, General Manager of Client Innovation Services at Meat & Livestock Australia, an R&D and marketing service provider to the beef and sheepmeat industries in Australia and international markets.

Poor information-sharing, lack of trust and transparency and ineffective relationships are the main inhibitors to a more effective integrated value chain, said Pitt, Co-Chair of the Panel looking at supply chain challenges

“ WE DON'T KNOW UNTIL THE SEASON UNFOLDS WHAT OUR PRODUCT SEASON HOLDS. WE CAN'T DETERMINE PRODUCT QUALITY AND DON'T KNOW THE DESTINATION OF THE PRODUCT UNTIL THE END OF THE PRODUCT LIFE. ”

dispositions create unique challenges and uncertainties in livestock supply chains.

"We don't know until the season unfolds what our product season holds. We can't determine product quality and don't know the destination of the product until the end of the product life," said Nigel Alexander, CEO of North Australian Pastoral Company (NAP), which farms 200,000 head of cattle on an area of land the size of Tasmania.

To minimise inherent uncertainty in livestock chains, NAP applies a combination of technology, modern animal handling processes and business practices that support long term relationships. The company invests heavily in DNA technologies to identify genetic markers for preferred product traits while staff undergo training to minimise stress on the animals. NAP also guarantees supply of product even if it has to sustain negative margins to do that. In return, it asks supply chain partners to develop an understanding of its business and engage in open communication with enhanced feedback on the quality of the product.

Various technologies and processes are being applied to develop Australia's livestock supply and value

and opportunities in Australia's livestock sector. "There are difficult issues that we have to overcome... There is certainly a lack of common measures throughout the value chain and that makes it very difficult even if you want to share information. There is a perception that power is not shared equally along the value chain and, in the past, there have been some very adversarial relationships that have led to a whole range of missed opportunities."

UNIQUE PRODUCT AND SUPPLY CHAIN

A variable production environment dictated by weather conditions and a moving product subject to differing genetic

chains. All cattle in the country have embedded RFID chips that provide information such as detail of every property the animal has visited in its journey through the supply chain. "No other country can do this," said Michael Doyle, Director of Swift Australia, an operator of Feedlots in eastern Australia. "It provides certainty when it comes to quality management and security."

Meanwhile, at least one very large meat processor in the country is currently implementing customer segmentation and dynamic alignment principles in its value chain operations. Tey's Brothers, an export beef processing and value adding company based in Brisbane, decided to study the behaviour of its customers with a view to segmenting them to be served by different supply chain types. Customers were segmented into three main categories: Collaborative (17%), Fair Deal (29%) and Dynamic (54%), according to Tom Maguire, General Manager, Corporate Affairs and Innovations.

KPI's are now being developed to align supply chains with each segment, said Maguire. "We are also focusing on aligning elements of company leadership and culture and developing a process for monitoring implementation of dynamic alignment and determining the impact on the business," he said.

Applying dynamic alignment principles will benefit the company in a whole range of different ways, said Maguire, in particular by providing, "a view of the business from the eyes of the customer."

WAVES OF CHANGE

Going forward, the livestock industry in Australia and its supply chains face a wave of change as a result of new consumer demands and other major influences. "People want different things now. They want the assurance of animal health and welfare, environment protection, social responsibility and business ethics," said David Foote, CEO of Australian Country Choice, a family-owned business headquartered in Brisbane that operates cattle stations, feedlots and an integrated food processing facility for supply of beef and veal to the Coles Group.

What he described as a new 'emotive position' on the part of the consumer was being addressed in part by a new leadership culture in the industry of executives with business and science degrees that is slowly replacing an old guard of tough masters.

But the biggest current driver of change in Australia's livestock supply chains is coming from the changing environment. "Climate change is top of our agenda. The direct effects of climate change on our industry can be quite severe," said Christine Pitt.

Working from a finite resource that could conceivably be dramatically reduced by climate change means the industry needs to rapidly find ways to do more with less. In this task, improved supply chain and value chain processes are crucial.



PROCUREMENT AND THE VALUE CHAIN

The procurement function in organisations is undergoing significant change due to factors such as more dispersed sources of supply, demand for higher ethical and sustainability standards, changing consumer purchasing patterns and the search for value and competitive advantage from better integrated supply chains.

“The historical role of procurement is no longer. The role of the procurement manager is now of much

“ PROCUREMENT MANAGERS ARE SAYING TO US THEY ARE HAVING TO WORK HARDER TO ACHIEVE THE SAME OUTCOMES BECAUSE THERE IS MUCH GREATER RIGOUR BEING BROUGHT TO BEAR IN TERMS OF THINGS LIKE GOVERNANCE STRUCTURE, DISCIPLINE AND ETHICS. ”

greater value – he is involved earlier in the decision-making unit... and there is also a much greater role for procurement downstream in the supply chain process,” said Jonathan Dutton, Managing Director of CIPSA.

Risk management is one of the biggest areas of development of the procurement function, said Dutton. “Chief Procurement Officers are telling us that what the CEOs are talking about is managing risk. They are wide awake about supply chain destruction and the cost of that to organisations.

“Procurement managers ... are having to work harder to achieve the same outcomes because there is much greater rigour being brought to bear in terms of things like governance structure, discipline and ethics.”

David Henchcliffe, who heads up procurement and logistics functions for Santos, Australia’s largest oil and gas producer, said risk mitigation and control is a major part of his job.

“I am the defacto risk manager as far as supply is concerned,” he said. “We need to understand suppliers and the drivers of suppliers. In some cases, we’ve even visited suppliers of suppliers to see what their drivers and influences were. This gives us a sense of the viability of our own suppliers.”

Deeper relationships with suppliers also facilitates expansion of the role of procurement as a driver of new product innovation and R&D. “Procurement can find and develop opportunities for competitive advantage by working with suppliers to bring in new technologies to support R&D,” said Henchcliffe.

According to Michael Brooks, ex-Chief Supply Officer with Fosters Group, the central role of procurement as an integrated part of the value chain is an absolute certainty: “The brewing industry 50 years ago was integrated from paddock to pub. Over the years

inputs and services have been outsourced, but they are actually extensions of the value chain. The setting up and management of those contracts, which is done by the procurement function, is clearly an integrated part of the value chain.”

THE INFLUENCE OF THE INTERNET

In the retail sector, the growth of the Internet and changing consumer behaviour is having a significant effect on the procurement function. The Internet is leading consumers to do more of their shopping from home, and their decision-making is increasingly influenced by social networks. “They see the product and want it the next day,” said Denis Leahy, General Manager, Supply Chain, with Target Australia, which operates 290 retail outlets and imports 25,000 containerloads of product to the country each year. Leahy projected that what he called the ‘imminent sales’ category will comprise three to five percent of Target Australia sales within two years. The recent recession saw many consumers trade down to less expensive items, said Leahy, who expects 75

percent of those who traded down to keep shopping at that level. “In terms of food, this means a move away from branded items. In clothing, we’re seeing trends like development of ‘disposable’ clothing that you wear once and then throw out.”



THE SEMANTICS OF SUPPLY CHAIN

What’s in a name? When it comes to supply chain – a concept and industry with a reputation for an unfortunate amount of jargon – there is rather a lot in a name.

At the MGSM supply chain summit in Sydney, there was unanimity and not a little passion over the idea that the phrase ‘supply chain’ is inadequate for what it is supposed to be describing.

The phrase fails on several levels, delegates said. It implies an approach to the ‘chain’ from the wrong direction entirely – an effortful push rather than the more natural pull that results from good customer understanding and good demand forecasting, both core objectives of supply chain management. Use of the word ‘chain’ is also a problem. Its linear and restrictive connotations belie the true complexity of an industry that stresses flexibility, innovation and, above all, value creation.

On a daily basis, supply chain is too readily confused with logistics. Logistics is a key part of the business of supply chain management. But it is only one part, and it is a part that should in fact be largely designed and driven by other elements of supply chain management.

Keith Oliver, a vice president with the London office of Booz Allen Hamilton is credited with coming up with the phrase supply chain in 1982. It was probably also in the 80s that the term logistics, considered the forerunner of supply chain, started to be widely applied in commercial business (It was used in a military capacity long before that – the ancient empires of Greece and Rome had military officers called ‘Logistikas’ who were responsible for supply distribution).

So what are our alternatives? ‘Value chain’ and ‘demand chain’ are both suggested and, in the case of the former at least, has been used not uncommonly for decades. Michael Porter introduced the term value chain in his 1985 book *Competitive Advantage, Creating and Sustaining Superior Performance*.

Both value chain and demand chain look at things from a better perspective, but both fail to remove the linear connotation of what is inarguably a three dimensional concept. At the summit in Sydney, it was ‘Value Networks’ that was selected the preferred phrase. The term ‘network’ is widely applied to supply chain in the book ‘Competing in a Flat World’ by Victor and William Fung and Jerry Wind of Wharton University. Although the industry has a reputation for jargon, this discussion is not simply a matter of playing with words. Like many who work in supply chain, I am constantly asked by outsiders to define the phrase and need to speak for ten minutes and draw a diagram to get people starting to understand. I flinch every time I see the term used incorrectly in general and business media.

As I see it, the term ‘supply chain’ fails to provide a semantic framework for the truth that supply chain is not just something people and companies do, but is a mindset: a more effective way of looking at and developing any business or organisation in an increasingly globalised and complex world.

Whether ‘value networks’ will catch on remains to be seen, but given how quickly this industry and the markets it serves are evolving, I wouldn’t rule it out.

IN PURSUIT OF **EFFICIENT** AND **COST EFFECTIVE** DEFENCE LOGISTICS

As the military organisation responsible for the defence of Australia, the Australian Defence Force (ADF) consists of the Royal Australian Navy, the Australian Army and the Royal Australian Air Force. The Joint Logistics Command (JLC) is the provider of immediate and short-term logistics support to ADF and has a co-ordinating role among the private contractors that also provide logistics support.

JLC directly manages seven logistics bases in Australia while private companies provide support logistics services out of a further 204 warehouses in 24 locations. Together with operations at home, these facilities support 14 different overseas ADF missions with 4,000 ADF personnel currently serving in overseas locations from Afghanistan to East Timor and the Solomon Islands.

ADF consists of general stores and explosive ordinance, worth around A\$1.7bn and A\$2.6bn respectively with some 395m litres of fuel are used on an annual basis. The IT system consists of 34 major logistics systems used by 32,000 people.

According to Peter Burgess, Founding Partner at GRA, a supply chain consulting firm specialising in defence, defence supply chains differ significantly from supply chains in the commercial sector and present a variety of big challenges.

“You have a large number of categories – fuels, spare parts, pharmaceuticals, food, clothing, explosives, arms, and so on. Around 20 percent of the inventory is low-volume, sporadic inventory that doesn’t move much but still needs to be there.

“Also, as a public sector activity, the processes employed in defence logistics are very important.”

Given its overriding objectives, the conceptual framework for decisions on whether to outsource defence and military logistics services differs from that in the commercial sector, said Air Vice Marshal Margaret Staib, Commander, Joint Logistics,

ADF. “At tactical or warfare level we need organic support and never outsource.

At an operational level we will outsource where the risk is lower and where we can employ contractors.”

Even at home country peacetime level some strategic logistics support will not be outsourced, said Staib.

“There are some areas we want to retain, for example the location where we import explosive ordinance, which we continue to manage ourselves because it is strategically crucial.”

As well as seven logistics bases, logistics assets

owned and managed by JLC include landing craft, amphibious craft, C17 and C130 aircraft. These are the primary assets used for the many short notice, rapid response requirements of ADF.

COST CONTROL

Although the prime goal of defence logistics is clearly to support national defence, cost control is a huge factor in determining the nature of defence logistics in Australia and globally. The search for improved efficiency and cost effectiveness is resulting in increased outsourcing of services to commercial logistics providers and the driver behind moves to better integrate defence supply chains.

“Defence logistics worldwide is taking on the same issues – effectiveness and efficiency,” said Keith Lippert,

“ALTHOUGH WE ARE DEALING WITH HIGHLY COMPLEX AND ADVANCED TECHNICAL SYSTEMS, DEFENCE IS A HIGHLY CONSTRAINED ENVIRONMENT AND HAS A MUCH MORE FLEXIBLE AND AGILE COMMERCIAL SECTOR WORKING WITH IT.”

a former Director of the Defence Logistics Agency in the US now working with Accenture. Logistics is frequently viewed as the 'bill payer' within military organisations, with savings in the area used to pay for other things such as new defence assets and systems, said Lippert.

According to Margaret Staib, cost pressures and the related increase in outsourcing makes defence logistics an increasingly complex business. "We need to drive a cost-effective solution while at the same time create a robust, flexible and responsive system using a complex mix of organic and third-party assets and services," she said.

"The right mindset among personnel is crucial to meeting the challenges of defence logistics, with a working culture normally rooted in motivation from building capability and capacity, to military success," said Peter Burgess. Beneath this, he added, you need logistics and supply chain professionalism. "You need the right personality types. Managing defence inventory is either a fully flexible or lean approach. For fully flexible, we need 'can-do' people who do what it takes to achieve an outcome. For lean, we need people who prefer a structured environment."

Good collaboration between the defence organisation and suppliers is currently a struggle that needs to be improved, as more outsourcing is the order of the day. "There is extension of responsibility to OEMs like EADS, Boeing and Lockheed, and their maritime and land equivalents," said Burgess.

STRATEGIC REFORM PROGRAMME

A Strategic Reform Programme for ADF was launched in 2009. The programme is aimed at improving accountability, planning and productivity with a view to gross savings of A\$2obn in the military budget over the next ten years. These savings are to come in part from development of homegrown industrial and engineering defence capability by SMEs, which need to integrate into defence supply chains with larger defence equipment contractors, logistics contractors and the ADF itself.

"A more integrated supply chain means we can create long-term performance contracts so we can keep developing and building a higher performing defence industry sector," said Chris Jenkins, Managing Director of Thales Australia, a primary defence contractor for ADF.

But integration of different cultures is a big challenge. "Although we're dealing with highly complex and advanced technical systems, defence is a highly constrained environment and has a much more flexible and agile commercial sector working with it," said Jenkins.

Upgrade of IT systems is part of the solution. According to Keith Lippert, this is happening in defence forces the world over, with countries replacing legacy systems designed and implemented in the 1960s and 70s. "In the UK, they are using 200 legacy systems - the objective is to take it down to the smallest number possible." Back in Australia, while new IT systems and applications are certainly part of the solution, educating people is seen as a big part of the solution in reducing the complexity of and better integrating defence supply chains.

"Out of the Strategic Reform Programme, we are looking for simpler ways to do business and engage with suppliers, and have an external review of this underway at the moment," said Margaret Staib. "We are also putting more effort into educating people to be comfortable in a complex environment. We need more training, systems and tools to manage and quantify complexity."



2010 IMPRESSIONS

2010 SUPPLY CHAIN BUSINESS SUMMIT - IMPRESSIONS



PANELS AND PANELISTS

PANEL 1

THE PERFORMANCE OF BOARDS IN TERMS OF RESPONSIBILITY FOR SHAPING THEIR RESPECTIVE ENTERPRISE SUPPLY CHAINS.

Co-Chairs Prof. Andrew Kakabadse, Prof. of Intl Mgt Dev. Cranfield
Dina Oelofsen, Director, Dina Oelofsen Leadership Development
Panelists Tim Costello AO, CEO, World Vision
Kim Winter, CEO, Logistics Executive Recruitment

PANEL 2

THE POWERFUL ROLE OF SUPPLY CHAINS IN DRIVING RECOVERY FROM THE GLOBAL RECESSION.

Co-Chairs Michael Byrne, CEO, Linfox Logistics
Simon Ratcliffe, Operations Director, Just Group
Panelists Ralph Evans, Chairman, Wulworra Associates
Burger Van Der Merwe, Supply Chain Director, Woolworths (SA)

PANEL 3

ORGANISATION DESIGN, THE SECRET SAUCE OF ENTERPRISE SUPPLY CHAIN PERFORMANCE.

Co-Chairs Dr John Gattorna, Adjunct Professor, SCM, MGSM
Paul Bradley, CEO Caprica International; and Member, Global Advisory Board,
Arshiya International
Panelists Colin Nelson, Snr VP Supply Chain, Asia, Africa, ME & Turkey, Unilever Asia
Geoff Thomas, CLO, Woolworths

PANEL 4

BOOSTING SUPPLY CHAIN/BUSINESS PERFORMANCE WITH TALENTED PEOPLE

Co-Chairs Peter L O'Brien, Russell Reynolds Associates
Emeritus Prof. Martin Christopher, Cranfield
Panelists Evangelos Angeletopoulos, MD, Business Logistics Services
Conor O'Malley, ex Group Executive Logistics & Planning, National Foods

PANEL 5

SUPPLY CHAIN LEADERS: DRIVING TRANSFORMATION WITH SMART USE OF TECHNOLOGY

- Co-Chairs** Roddy Martin, SVP & Research Fellow, AMR Research-Gartner (USA)
Mark Pearson, Managing Director – Supply Chain Management, Accenture
- Panelists** Annette Clayton, VP Global Supply Chain, Dell
Kate Carnell AO, CEO, AFGC
Maeve Magner, Director-Supply Chain, Clinton Foundation

PANEL 6

IMPROVING THE GLOBAL PERFORMANCE OF AUSTRALIA'S RESOURCES SUPPLY CHAINS, IN PARTICULAR, COAL AND IRON ORE.

- Co-Chairs** Dr. Keith McNeil, Consultant, Advantage International Pty Ltd.
The Hon. Nick Greiner AC (AUS)
- Panelists** Graham Davidson, GM, Port Waratah Coal Services
Zeljko Nikolic, Managing Partner SCM (ANZ), Accenture
Ken Talbot, Owner, Talbot Group

PANEL 7

USING 'DYNAMIC ALIGNMENT' PRINCIPLES TO TRANSFORM GLOBAL BOVINE MEAT AND LIVESTOCK PRACTICES.

- Co-Chairs** Dr. Carlos Bremer, Partner, Axia Consulting
Dr Christine Pitt, GM Client Innovation Services, MLA
- Panelists** Michael Doyle, Director, Swift Australia
Nigel Alexander, CEO, North Australian Pastoral Company
David Foote, Managing Director, Australian Country Choice
Tom Maguire, General Manager, Corporate Affairs and Innovation, Teys Bros.

PANEL 8

FIXING THE SUPPLY-SIDE: FULLY INTEGRATING THE PROCUREMENT FUNCTION INTO ENTERPRISE SUPPLY CHAINS

- Co-Chairs** Jonathan Dutton, Managing Director, CIPSA
Michael Brooks, ex Chief Supply Officer, Fosters Group
- Panelists** Denis Leahy, General Manager Supply Chain, Target Australia
David Henchcliffe, CPO, Santos

PANEL 9

THE CHALLENGE OF DEFENCE INDUSTRY SUPPLY CHAINS IN AUSTRALIA.

- Co-Chairs** Air Vice Marshal Margaret Staib, Commander Joint Logistics, ADF
Peter Burgess, Partner, GRA
- Panelists** Chris Jenkins, Managing Director, Thales Australia
Keith W. Lippert, USN (Ret.), Senior Executive, Accenture Defence
Bruce Jacquemard, EVP and GM, MINCOM

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