



Does the Logistics Function Really Understand Supply Chains?

It is a truth universally acknowledged that a successful supply chain is much more than just physical logistics. Understanding the supply chain through sales, operations, procurement and Supply Chain Management (SCM) is fundamental to success. The Fresh Connection, a supply chain management competition launched by SCALA Consulting in February 2010, makes evident the importance of the supply chain and the need to develop integrated supply chain strategies throughout all the functions of a business.

The Fresh Connection demonstrates the impact a supply chain has on company profitability and success. It provides an insight into the teamwork that is required to make real and tangible improvements in the supply chain and company performance.

Why Supply Chain Directors frequently do not sit on main boards, when they have such a fundamental role to play in the success of businesses, remains a mystery, this, despite efforts of supply chain professionals to make SCM to be more influential within businesses.

The Fresh Connection illustrates why SCM training is vital to gain a wider understanding of fundamental supply chain strategy. Since its launch in the UK and Ireland, it has become apparent that companies are entering the competition for different reasons; some to learn, others see this as a chance to compete internally between departments, against competitors, or their suppliers and customers. There is no doubt all the participants will find this an exciting competition useful in assisting with team building whilst still providing affordable and accelerated training and staff development.

The rational approach to the current economic climate should be increasing the training budget giving the organisation a jump start when the business outlook improves, gaining a competitive advantage. For many organisations, now could be the right time to invest in training.

This internet based, role-playing simulation is built around a virtual fruit juice producer, the objective is to save the company from collapse and turn it into a successful organisation. Working in teams of four over six weekly rounds, with each week equivalent to half a year in real time, each team will spend one to two hours a week making strategic and tactical decisions as Procurement, Operations, Sales and Supply Chain Directors.

The teams taking part will experience learning in a safe and structured environment to maximise individual performances while optimising the overall team performance.

As the game commences, players must concentrate on crisis management at The Fresh Connection. Things are going badly for the fruit-juice maker. Inventory is too high and losses substantial. Customers and suppliers are dissatisfied. By managing the safety stock, service levels, shelf life guarantees, supplier contracts, manufacturing operations and warehousing capacities, hopefully the crisis can be contained.



In the next two rounds participants are involved in change management. Strategy, market, suppliers and technology - all are caught up in a process of accelerating change, from the introduction of forecasting software, setting up preventative maintenance to dealing with promotional pressures and addressing environmental concerns regarding packaging and water usage.

In the fifth and sixth weeks the key challenge is supply chain integration. The chain is becoming increasingly complex and there are opportunities to implement On Shelf Availability and Vendor Managed Inventory projects, supply chain collaboration and logistics outsourcing. Creating dual sourcing strategies also becomes a choice from the fifth round.

In the final and decisive phase, an extra dimension is created through interaction. Players meet their competitor teams in person. Participants may decide to co-operate with them, or decide to compete even more intensely than before. The choice is before them. This round is their last chance.

Building an effective team is an ongoing process. Like any team sports, businesses get new players, new competitors, and new opportunities and threats. Opportunities to practise in business can be difficult, expensive or even impossible replicate. Computers can provide a virtual environment to test upgrades before going live, in the same way, training to optimise team performance needs to be planned and executed so that the learning can be analysed and strategic and tactical changes can be measured to assess improvement.

After the competition, all participating teams will receive a detailed performance evaluation report. In this report they will receive personal feedback on their performance as a team and as an individual. The evaluation report will help to ensure that those lessons learned in The Fresh Connection leave a lasting impression.

Further details of this competition can be found at www.thefreshconnection.co.uk or by calling Safwan Isap at SCALA Consulting on 01484 437497