



Global supply chain challenges

Solutions for transparent logistic flows



What is a global supply chain ?

- ▶ **A dynamic worldwide network when a company**
 - ▶ purchases or uses goods or services from overseas

- ▶ **It involves people, information, processes and resources looking at**
 - ▶ the production, handling and distribution of materials and finished products
 - ▶ providing a service to the customer



- ▶ **Are creating truly global supply chains because**
 - ▶ it enables them to reduce their costs
- ▶ **Are taking advantage of lower production costs**
- ▶ **They can outsource the free capital**
 - ▶ from non-core activities and generate large-scale efficiencies
- ▶ ***The costs of shipping, communications and tariff-related charges have come down over the years***

A Global Perspective

- ▶ **Going “global” through global supply chains helps facilitate**
 - ▶ entry into new markets,
 - ▶ enables business growth
 - ▶ provides firms with access to new technologies through partnerships with foreign firms





Aims

- ▶ Generating an optimum level of customer service while being as cost efficient as possible
- ▶ Incorporating different management processes
- ▶ Achieving a successful integration, flows of information materials and finances
- ▶ Coordinating effectively the supply chain

What are the three things all successful supply chain management needs?

- ▶ People
- ▶ Processes
- ▶ Technology



People

▶ They are the key to supply the chain management

▶ They are the core of organizations

▶ For successful supply chain management, the people involved must have:

- ▶ the skills and knowledge
- ▶ a solid view of the company's strategic business vision
- ▶ and know how their role fits



Processes

- ▶ **They are the actions taken with the aim of satisfying customers**
- ▶ **They include all functions involved in the supply chain:**
 - ▶ sourcing
 - ▶ distribution
 - ▶ transportation
 - ▶ warehousing
 - ▶ sales and customer service
- ▶ **They also include all actions performed by external companies that are part of the supply chain.**

Technology

- ▶ It should be used in the supply chain to connect people and processes
- ▶ It must be “easy to use”
- ▶ It should be carefully selected and implemented
 - ▶ for its essential supply chain success



The benefits of global supply chain management

- ▶ **Expecting a steady and regular supply of products**
 - ▶ in good condition
 - ▶ at the lowest possible price

- ▶ **Companies should always be looking for**
 - ▶ ways to improve the function of their supply chains
 - ▶ to ensure that their supply meets projected demands cost effectively.



Outcomes

- ▶ **If they do not produce sufficient product to meet demand**
they will lose customers
- ▶ **If they produce too much product**
they must pay for expensive warehousing
- ▶ **If supplies are not sourced carefully and production is not monitored**
 - ▶ Companies might be faced with mass product recalls or returns
- ▶ **These can result in financial ruin for a company**

Management

- ▶ **By managing their supply chains carefully, companies can**
 - ▶ select the most cost-effective solution at each stage in the chain
 - ▶ can avoid business costs
- ▶ **This provides a company with a real competitive edge**

WHAT IS STRATEGIC SUPPLY CHAIN MANAGEMENT?



The cost savings

- ▶ **They enhance additional cost-cutting:**
 - ▶ manufacturing methods
 - ▶ strategies that many international companies have already instituted

- ▶ **These strategies include the following:**
 - ▶ Just-in-time Manufacturing
 - ▶ Lean manufacturing
 - ▶ Total quality management

Benefits

- ▶ **Enabling the business processes to be organized**
 - ▶ Companies can react rapidly to unforeseen market conditions
 - ▶ Transport strategies can be improved
 - ▶ Costs can be minimized
 - ▶ Waste can be eliminated
- ▶ **Small** and **Medium** sized businesses benefit as well

Conclusions

- ▶ Ports are clearly highly heterogeneous and complex environments
- ▶ Successful ports belong to successful supply chains
- ▶ Each port actor has an own agenda, and strategic objectives and tools
- ▶ Much will depend on the behavior of the largest and most influencing customers of ports
 - ▶ shipping companies





Thank you for your attention!

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