

THE NEW NORMAL OF ASIAN SOURCING AND SUPPLY CHAINS LEADERSHIP

Change, Evolution, Transformation... call it what you like but the new norm of sourcing and supply chain is driving changes in leadership writes Cassandra Lee, Logistics Executive Group's General Manager for North Asia.



Change, Evolution, Transformation... call it what you will, but the reality is that nothing is ever going to be the same again. Asia evolves year on year in a way never seen before, even in Western markets. As a result, all organisations are faced with the challenge of how they respond and build cost effective and time efficient sourcing and supply chain operations to feed the phenomenal consumer growth across Asia and remain competitive in supplying their traditional western markets. All this needs to be done by incredibly lean, post-GFC business operations with a strategic focus on significantly reducing working capital, whilst having incredibly dynamic and agile operations. Things we all know and certainly have heard many times in our organisations, but the question is how is everyone else handling these dynamics??

China +1 is now China + 2 /3 /4...

The rise of wages in China and foreign exchange dynamics have pushed significant levels of manufacturing into a China +1 strategy some two plus years ago. Now, most organisations have diversified manufacturing/sourcing to encompass a combination of China, Vietnam, Thailand, Indonesia and the Indian Subcontinent. This has presented positive gains in reducing the cost of sourcing, yet has affected logistics costs, presented major talent, training challenges, and challenge quality assurance compliance.

These challenges are not unique to emerging markets. However, they are challenges that are only successfully being managed by organisations that took stock of lessons learnt during their China

NEWS & EVENTS



Upcoming Events

Logisym 2015 - Singapore

Just 1 week until LogiSYM 2015 - Join more than 250 Supply Chain and Logistics Professionals at this world class International Supply Chain Conference being held in Singapore March 4-5th 2015. Register Now: www.logisym.org/2015

Home Delivery World Europe 2015

Europe's premier B2C delivery event is returning for its 2nd year. With 4 halls in the Business Design Centre in London, offering a larger exhibition hall and 4 streams of premium content, Home Delivery World Europe is fast becoming the go-to event for retailers and B2C delivery experts. Bringing together Europe's retail industry to learn, network and do business for buyers, sellers and their partners that drive innovation in retail and B2C delivery. Register: www.terrapinn.com/hd-register-now

ALC Forum - Melbourne

The ALC Forum will return to the Melbourne Cricket Ground on 10-12 March 2015. The ALC Forum is Australia's premier freight logistics and supply chain event, bringing together key decision makers from both Industry and Government with a focus on *Delivering for Australia*. The Forum will focus on the themes raised in a recent ALC Report, *The Economic Significance of the Australian Logistics Industry*. www.alcforum.cvent.com

Global News

Logistics Executive Group announces new appointments

Logistics Executive Group is pleased to announce two new staff appointments in Hong Kong and Mumbai, India.

Camila Osorio, an experienced supply chain professional joins in Hong Kong a role as Regional Consultant focusing on Latin American business interests in Asia.

Tputi Lal joins our Mumbai office as Principle Consultant leading market development across the growing supply chain market.

centric sourcing development. These organisations invested in their new emerging hubs. They moved leaders Vs. managers, they worked strategically with their logistics vendors and spent significant time investing in the development of their manufacturing vendors to get them up to speed, vs. purely focusing on short-term cost gains. Most importantly, they have been investing in the long-term training and development of their Asian talent to facilitate agile, proactive and collaborative cultures.

Supplying to the World is now being replaced by supplying Asia.

GDP growth - whether double or single digit across countries as populous as India, China and Indonesia has presented many organisations with unprecedented new market opportunities. However, these markets being on line/mobile-savvy, highly dynamic, geographically vast and internationally astute in many regards overshadow this.

The demand for mature market practices, products and service delivery standards gives little room for organisations to work on their strategy to get it "right" for the said market and is compounded by the social media obsession of their consumers in these markets. In navigating, these organisations are rapidly developing mega distribution hubs, retail storefronts, E-Commerce fulfillment centric operations; others are sourcing from or manufacturing in the said country to supply specifically to that domestic market. The common denominator of success is that organisations are building internationally experienced teams solely focused on planning and managing the end-to-end domestic supply chain with a rigor and a level of expertise that is unprecedented. Effectively this blends East and West experience, exposure and education and is enabling agile supply chains that are cost effective, efficient and ultimately profitable. These teams collaborate with their locally based colleagues executing similar strategies to supply their international markets but are no longer in their shadow.

Clicks Vs. Bricks... is now Click, Click & Collect, Brick & Import

Asia's love of technology, unrelenting consumption, vast geography and evolving free trade agreements are creating multi-channel, distribution demands that have the whole industry spinning. This just compounds the challenges of multi-country sourcing and supplying international and rapidly developing domestic markets and emphasizes the critical impact of the logistics function within the supply chains.

Whether you outsource all or part of your distribution there has never been greater importance on highly effective logistics networks which propel delivery speed and low cost. This is resulting in brands having a matrix of service providers to deliver competence across their requirements, fuelling an explosion of store growth and the hiring of trade and compliance specialists in-house to navigate the most cost effective ways of linking the logistics modes.

Whilst Trade and Compliance is delivering extensive profit gains for organisations and embracing the rapid evolution of free trade, the yields are largely masking the increased costs of logistics networks as organisations start to fragment their supplier base in order to deliver consumer driven speed capability and the need to service exhaustive geographies.

At the Parcel and Post Expo held in Hong Kong earlier this year, Logistics Executive Group facilitated an exclusive panel discussion featuring brands such as E-Bay, Converse and Strawberry.net to share strategic insights with key logistics providers on how they need logistics providers to support the click, click & collect, Brick and Import challenges. The consistent message through this discussion was the wish to simplify and reduce the quantity of logistics vendors they deal with which is challenged by the depth of capability they require in express, contract logistics and freight forwarding services to deliver to each domestic market and international requirements.

TRAINING AND STAFF PERFORMANCE

Logistics Executive in conjunction with partners is committed to providing the most relevant and cutting-edge Supply Chain, Logistics & Executive development to your employees upgrading their future skills and helping to retrain. Our short and long-term courses include industry specific seminars, tier one accredited courses, and on-site customised training developed for Supply Chain and Logistics employers. Logistics Executive Training Academy provides Quality Training and Development for companies and organisations that meet their individual needs. We provide training and assessment services that are relevant, flexible and of the highest quality.



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Integration and collaboration of capability amongst vendors is high on the wish list, but is the logistics Industry ready for this?

This is further compounded by Brands/Retailers in Asia competing with their own Brands/Stores of other countries as internet savvy shoppers source the best price for their brand of choice globally leveraging free trade agreements and currency fluctuations and efficient and cost effective international express delivery. What is consistently evident across these major shifts is the speed of dynamic change and the complexity of challenges facing sourcing and supply chain professionals in Asia.

It is this complexity and rapid change that is driving the need for employees in the supply chain to be fully equipped skill-wise to cater for today's demands and tomorrows horizon. Traditionally supply chain education has been a bi-product of broader educational curriculums and the lack of suitable specialist supply chain courses has held back the advancement of critical learning development.

This is slowly changing and good example is the launching of Logistics Executive Group worldwide partnership program with the US based Council of Supply Chain Management Professionals (CSCMP). A Partnership being launched in March 2015 will see Logistics Executive Group bring to a wider market CSCMP's leading accredited education programs. This highly specialized range of educational training includes pathway learning from 13 basic one-hour video tutorials to the more advanced Supply Chain Essentials Management Courses through to the senior level SCM-Pro Certification. With a vast array of critical subject matter, industry professionals and organisations will now be able to access some of the Industries best education resources specifically tailored to managing complex international end to end supply chain challenges, all of which is hosted in an online environment. More information can be found at www.LogisticsExecutive.com

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LOGISTICS EXECUTIVE GROUP

Capitalising on more than 15 years of experience in the Supply Chain sector, Cassandra brings significant depth of expertise adding value to her clients and candidates as she executes local, regional and global searches.

Having held leadership roles in mature markets, Cassandra has developed a niche in tailoring solutions for firms which require leaders with the depth of expertise, the cultural comprehension and respect to execute strategic goals in developing regions and market segments.

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