



# Enhancing Global Competitiveness Through Your Supply Chain

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**Presentation to the  
Business Link**

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# Agenda

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- Economic and Global Competition Issues
- Supply Chain Management
- Top Tips

# Economic and Global Issues

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- Rising energy / transportation costs
- Risks- personal/ bio/ security
- Environment costs
- Trade and competition from China- “Made in China”
- Financial meltdown- have we hit the bottom?
- We have to compete globally

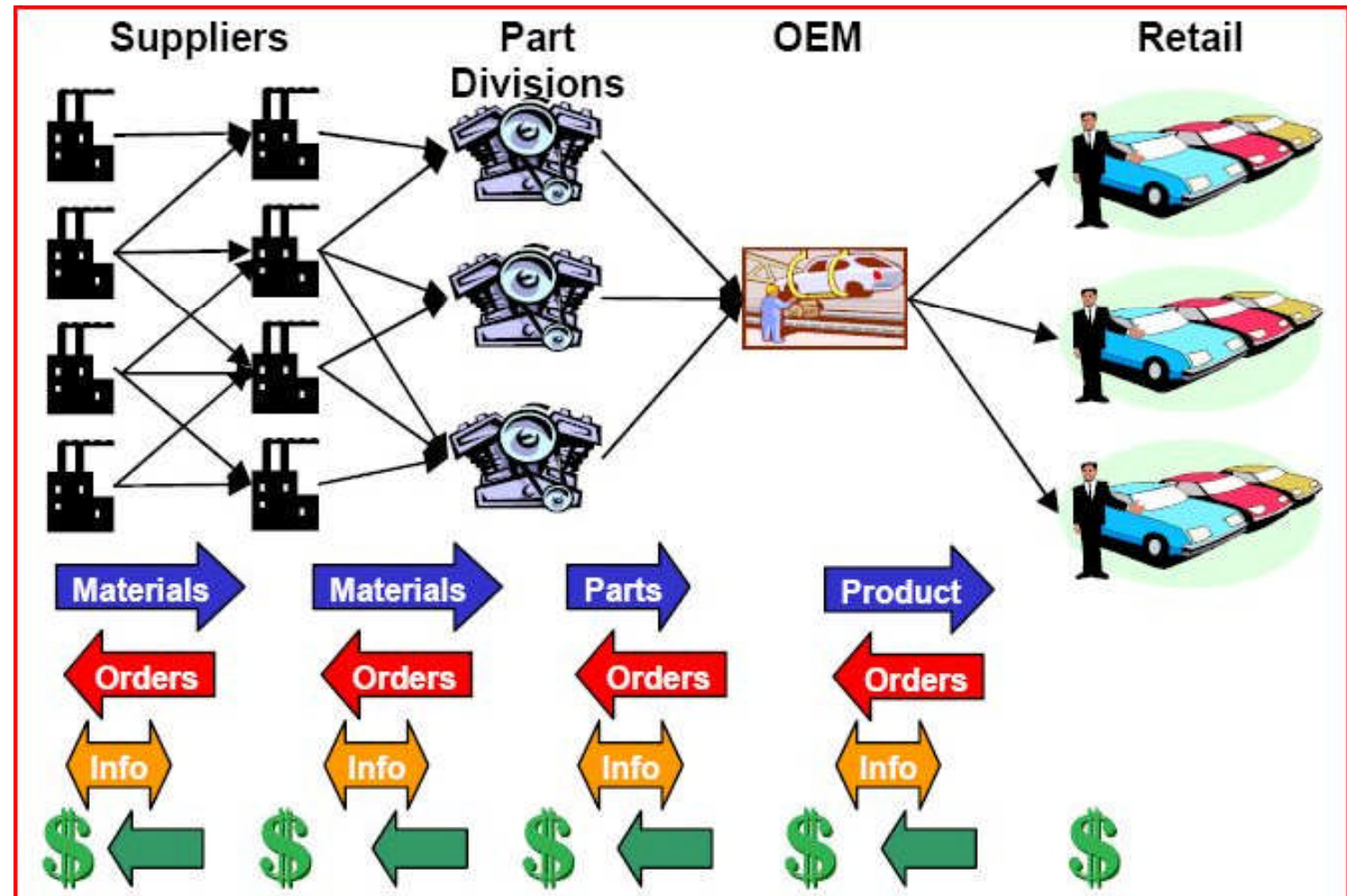


# Business Risks- Are you Competitive- Globally?

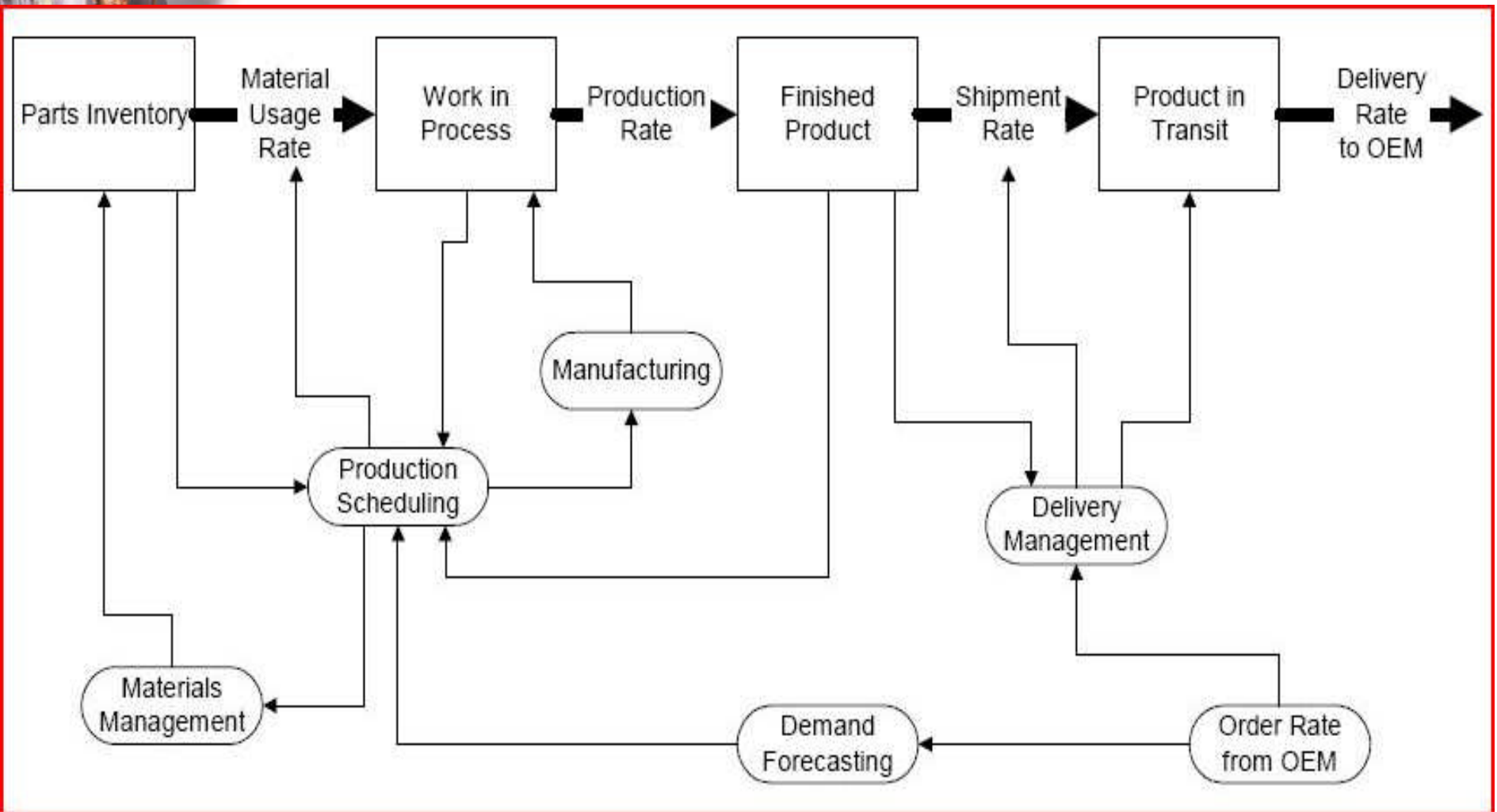
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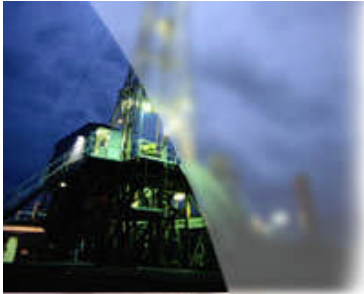
- *Competition- can you keep or increase your market share, profitably?*
- Given your products and pricing can you remain viable? what about labor, quality, etc ?
- Markets- China manufactures a threat?
- WTO / trade agreements
- How can your supply chain help you?

# The Problem- The Auto View



# Auto Supplier

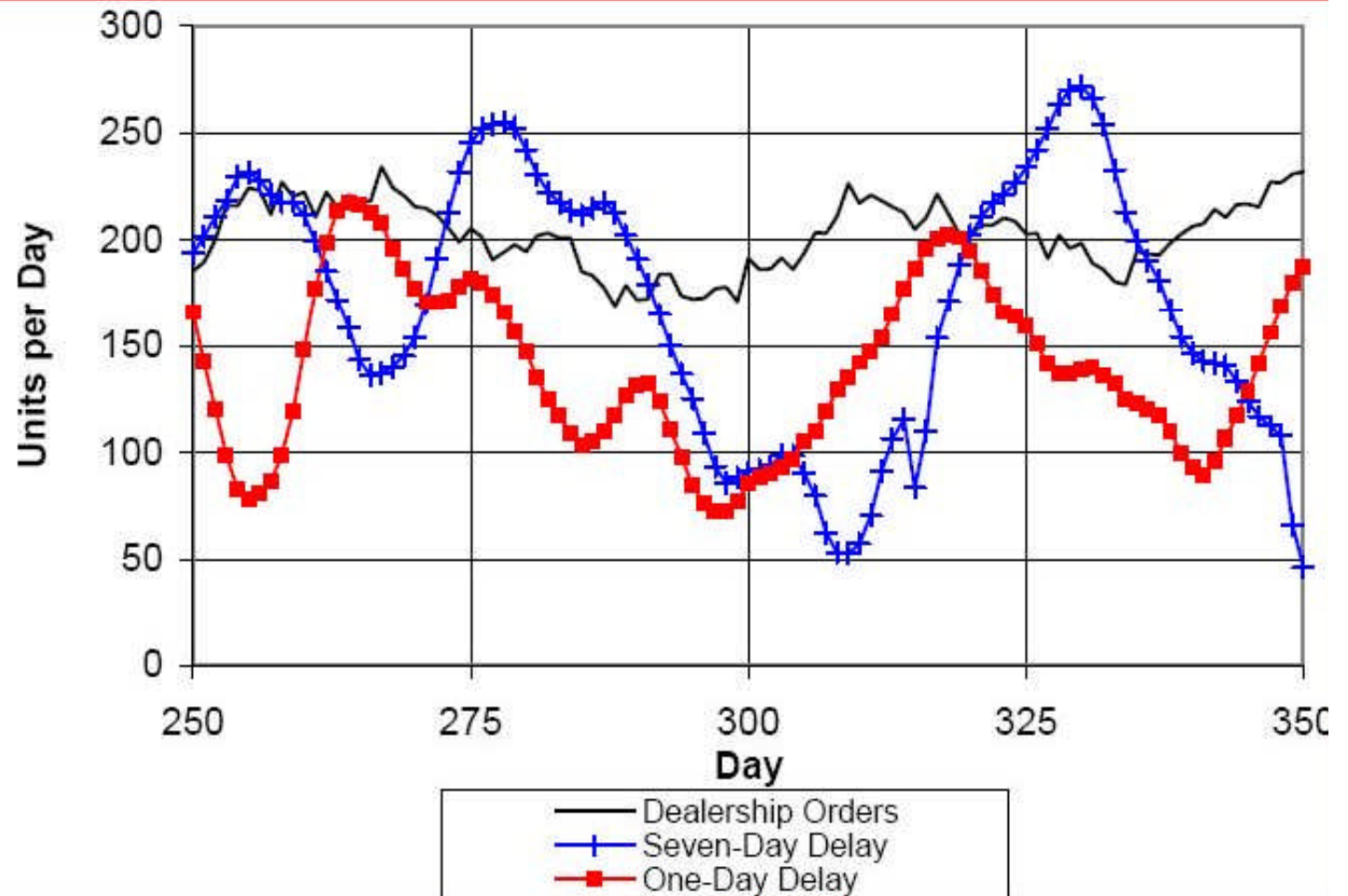




# Auto Production



Figure 5b: Powertrain Production Rates with Seven-Day and One-Day Delay



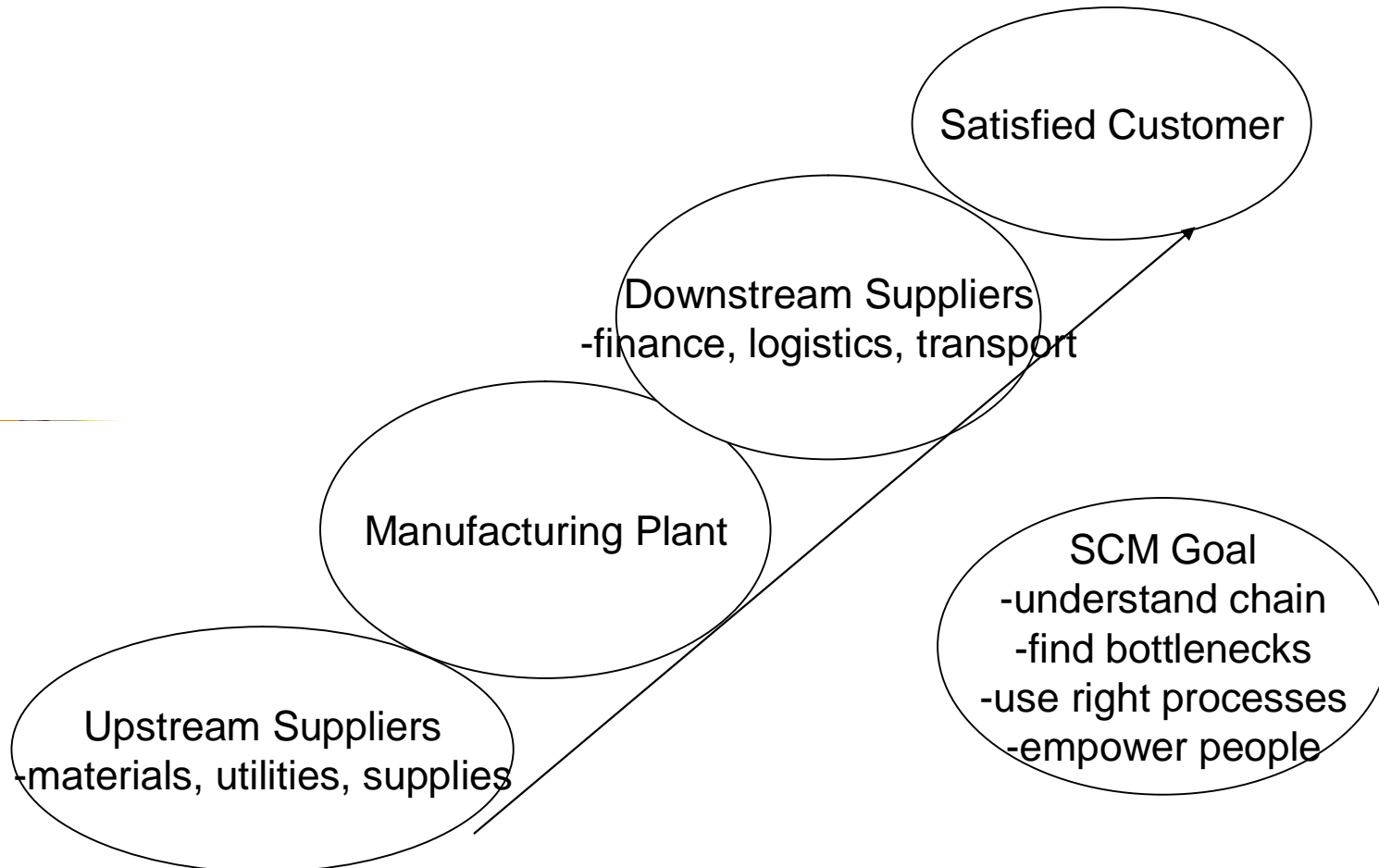


# Have You Considered SCM?

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- We are moving to global supply chains
- The end consumer sets the target, the chain responds
- Where do you fit in the chain?
- Is it coordinated or transaction based?
- *“Top supply chains have the ability to respond quickly to shifts in demand”*

# Supply Chain Management





# Common Themes- Best Practice

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- Leaders scan for best practices because the competitors will and are
- SCM is one of those key best practices.



# SCM- Principles

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- Know your suppliers: fewer=better
- Use internal standards
- Understand customer needs
- Use technology to enable
- Communicate/ collaborate



# SCM Principles

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- Focus on where \$ are spent/  
bottlenecks
- People are key- use the right people
- Use performance measures
- Balance business goals with activities
- Best Buy- SCM model reduced  
transport time 70%, 2X Inv turns



# SCM Problems- Yours?

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- Inventory write offs
- Too much inventory
- Parts shortages
- Shipping delays
- Lost sales/ penalties
- Higher system costs/ reduced operating income

# Real Examples- Failure

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- Maple Leaf Foods- to their customers/ consumer
- Melamine in China milk- affects 53,000 babies



# Also- Have you Considered Lean Enterprise Principles?

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- Lean enterprise is based on the Toyota model- now biggest car company
- Focus on eliminating waste
- Focus at plant and office levels
- Customers pay for value, not waste
- Can be a tool for competitiveness in SCM
- See [www.bestmanagementpractices.ca](http://www.bestmanagementpractices.ca)



Competitive supply chains means you are “inside or not inside” a supply chain. Suppliers can be:

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- Potential supplier base- from anywhere;
- Approved suppliers which meet specifications;
- Actual suppliers;
- Sole supplier.

# Supply chains find success through:

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- People- relationship fits with their business strategy;
- Identifying and getting the best partners;
- Optimizing the relationship “portfolio” through shared information;
- Maximizing day to day performance;
- Managing the relationship;
- Capitalizing on the collaboration’s assets for leverage.



# How can SCM help?

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- Better planning/ forecasting
- Reduced transport costs
- Lower inventory costs/ issues
- Better information for decisions
- Reduces risks of failure
- More complex world, is needed

# Alberta Example

- McCain's- Lethbridge- grower contracts
- Use McDonald's Protocol from EU- are:
- Canadian Horticulture On-farm food safety plan
- Environmental farm plan
- Potato Growers of Alberta record system
- Certified chemical applicator for on-farm use
- Must have to sell to this global SC



# Website Asset/ E-Commerce

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- Many businesses use websites & email
- Does yours have a ROI?
- Is your web useful? Does it generate leads/sales?
- With a web, have you integrated inventory orders, invoicing etc with suppliers/customers?
- Can you? Why not?



# How to Start- Key steps are

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- Meet your SC
- Using and developing good listening skills;
- Brainstorming and discussing specific mutual opportunities;
- Organizing ideas and sharing information;
- Making strategic decisions which benefit all;
- Documenting and using letters of intent and term agreements
- Sustaining the SC relationship



# Top 9 Tips

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- Understand your SC- roles, goals, values
- Your Product- must be equal to or better than- state of market
- Have credentials/ certifications/ performance measures
- Costs- know yours and manage
- Web enable your SC



# Top 9 Tips

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- Manage SC risks- currency, payment, security, bio, weather, product form/ specs
- Communicate & use technology- email, Skype, website databases, etc
- Learn & build your SCM capacity
- “Businesses are like consumers- they like to do business with companies who deliver perfect orders, on time”



# References

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- Extreme Toyota, Osono et al
- Supply Chain Best Practices, D. Blanchard
- Best Practice and Resource Guide for Manufacturers, D. Toma see CAEP website- manufacturer page