

**2012**

Syndicate 3: “The Link”

Project Proposal & Team Charter





STREAMLINING THE SUPPLY CHAIN IN RETAIL SOUTH AFRICA

Improving South Africa’s retailers by implementing lessons adapted by the “first-in-class” thinking methodology of China and India in the retail and wholesale sector in Supply Chain Management.

**ILDP 2012 – Syndicate 3 “The link”**

***“Streamlining the supply chain in retail South Africa”***

**Team:**

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**Context**

Supply Chain is a crucial component of businesses today. The structure of a Supply Chain as well as how it is managed has a great impact on profits, customer service and cost reduction (O’Byrne, 2012)

Organisations are all working towards driving efficient supply chain management practices to increase sales of goods and services to the end user whilst simultaneously reducing expenses.

The growing tendency to source product and materials off shore has led to significantly longer lead times. While the sourcing off shore has had a substantial cost advantage, (low labour cost), the effect on lead times can be severe. Therefore an agile supply chain is needed to focus on responsiveness, hence it is more likely to be information based.

Part of what you need to do in the supply chain is to help your company anticipate events, and understand the environment you operate in from a physical, political and economic perspective.

The best supply chains aren't just fast and cost-effective. They are also agile and adaptable, and they ensure that all their companies' interests stay aligned.

Often the efficient and effective supply chain management is a bafflingly challenging aspect for retailers.
It provokes head shaking and finger pointing than just about any other aspect in operations.

In the words of Frederick W. Smith (1979) "The information about a package is as important as the delivery of the package itself."

**Aim of the project**

The aim of the project is to understand the challenges faced by retailers within the supply chain, identify the gaps and develop a solution that is practical and relevant in order to streamline and optimise supply chain.

Our initial findings have indicated a major need for systems integration within the supply chain however we will immerse ourselves within various supply chains in order to better understand this.

In doing so we will enable the streamlining and optimisation of supply chain.

**Problem Statement**

Supply Chains in South Africa are generally immature especially in the retail domain and have many operational inefficiencies. Many of these inefficiencies are attributed to:

* Lack of cross-business cooperation/standards/policies in regard to supply chains
* Lack of synergy identification and leverage in the retail industry
* Lack of systems integration across the value chain
* Limited visibility of the movement of stock across the value chain
* Poor communication between key stakeholders across the value chain
* Inability to predict, plan and forecast in the absence of reliable and credible information

These inefficiencies have a significant impact on the cost within supply chain components of business and erode profitability over time. Consider the concept of ECR –efficient customer response –this is quite a powerful concept which I found on the web some years ago that determines that benefits should be measured from the consumer backward into the supply chain. Benefits to the consumer are going to be benefits to each stakeholder in the supply chain (considering sustainability)

**Objectives**

* To understand the current landscape and infrastructure in retail supply chain to enable effective supply chain management practices
* Understand the supply chain issues related to business, technology and systems infrastructure. Note that technology is simply an enabler. Business buy-in and leverage to process is the pre-cursor to systems considerations. If business does not have the capability or maturity to leverage advanced processes, no technology will be of any value.
* Understand the flow of information within supply chain Generally products/services flow toward the consumer and information flows back from the consumer as maturity increases
* Understand best practice supply chain operations to leverage learning’s on streamlining supply chain initiatives SCOR is a quality standard that identifies inefficiencies in Supply Chain in a logical manner.
* Develop a solution that is practical and relevant based on the findings of our research

**Inclusions & Exclusions**

***In Scope***

* Review of the supply chain end-to-end
* Investigating best practice supply chain operations locally and internationally
* Delivery of a solution to enable streamlining the supply chain
* Developing of a feasible business case to support the implementation of the solution

***Out of Scope***

* Procurement and sourcing of product as part of the broader value chain

**Assumptions**

* Different retailers are at different stages (of maturity and capability) with supply chain Also don’t see the retailer in isolation –ownership of the supply chains are higher in some retailers, but generally the supply chain is owned by multiple legal entities as maturity increases and each member is able to leverage their highest value proposition in the supply chain
* Proposed solution can be interfaced with existing infrastructure

**Constraints**

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| --- | --- | --- |
| **Constraint** | **Description** | **Corrective Action/Alternative** |
| Senior Leadership buy in and support | There may be conflicting business priorities which may impact support and buy in. | Engage, consult and involve leadership throughout the process |
| Supply Chain and Retail business landscape | Diverse sectors and maturity of supply chain operations will challenge the relevance of the solution. | Appropriate Business requirements and design customized blueprints for solution outcome. Workshop questions with vendors for clarity. |
| Business impact of project | Understanding and articulating the business impact | Impact assessment and analysis by Business owners |
| Resistance to change | Business may resist opportunity to implement new initiatives | Engage, consult and involve business throughout the process |
| Resistance of businesses to share their information and best practice | Businesses may want to protect their intellectual property and their competitive advantages. | Continuous engagement and alternative options for research |
| Existing business focus and initiatives to streamline the supply chain | Projects impacting this programme | Assess and Plan for impacting project  |
| Legislation constraints | Legislation may restrict the implementation of the proposed solution. | Integrate all relevant legislation through the project life cyle. |
| The lack of measurement of efficiency and effectiveness or a balanced scorecard for the process | From a requirements perspective, the fastest way of evolving a business solution is for all participants to have the end in mind –this is generally the hardest part and tests articulation and visioning capability | Include comprehensive measures for the end state so that the destination is known for all participants |

**Team Charter**

**The Link – Syndicate 3**

**Team Name**

We have chosen the name **“The Link”.**  We believe this is symbolic of the many links within a supply chain and the opportunity to immerse ourselves into understanding this very complex chain of links.

**Team Purpose**

Our vision is, through our research, to understand the challenges faced by retailers within the supply chain, identify the gaps and develop a solution that is practical and relevant based on our research findings.

As a diverse team of retailers with a wealth of expertise and skills we have a mandate to address this prevalent business concern. Through rigorous research we will aim to satisfy the project terms of reference and deliver a pragmatic business solution to address the concern.

**Goals of the team:**

* Deliver the goals and objectives of the project
* Deliver a business relevant solution to address the goals and objectives of the project
* Create a culture that promotes the opportunity to learn and grow from each other
* Deliver high standard and quality work
* Optimise teams strengths in delegation of work
* Be mindful of team shortcomings and support team in the areas of development.
* Celebrate team achievements
* Be fully present and engaged
* Be consistently delivery orientated
* Our solutions are simple, commercially rational, sustainable and customer centric
* Understand and promote the richness of our diversity

**Roles and responsibilities**

|  |  |
| --- | --- |
| **Roles** | **Team Members** |
| Chair | Kedisaletse Baloyi |
| The Shaper | Sue Samie |
| The Contacts Person | Sashenthren Subbiah |
| The Ideas Person | Jonathan Loder |
| The Critic (QA to DOV and measurement) | Mohamed Carrim |
| The Implementer | Jonathan Loder / Allison Hess |
| The team builder | Mohamed Carrim / All |
| The finisher | Sue Samie / Allison Hess |

**Decision Making**

Decision making will be based on the principle that everyone has an equal voice in the decision making.

The Chairperson will illicit input from all team members in getting to a decision. Decisions will be made by majority vote principle. It is the Chairperson’s responsibility to manage deadlocks where decisions can’t be reached and has an additional vote to assist in moving a decision along the process.

**Team Meetings**

In order to maintain the focus and keep momentum on the delivery of the ALP we will meet as follows in between study blocks and during study blocks:

**Inter study blocks**

We will meet on a regular basis outside of study blocks to maintain ongoing focus through:

* Weekly conference calls
* Individuals with same geographic locations to meet and work in syndicate groups as sub groups of the broader group
* Use opportunities to meet by integrating syndicate meetings with business travel

**During Study Blocks**

We will meet at the allocated time slots as part of the programme schedule.

In addition we will meet periodically during lunch and evenings after lectures.

**Code of Conduct**

* Respect for each other and our competence, skill and knowledge.
* Be on time
* Integrity in our ways of working
* Honour commitments
* We listen to each other
* No subject is taboo, everyone’s input and ideas are valued
* We respond timeously and strive to meet deadlines
* We speak with courage and honesty
* Have fun
* We admit when we are wrong
* We trust each others intent
* Behave as one team
* Find the opportunity to laugh
* If it’s to be , its up to me

**Managing conflict**

Given that we are a diverse team with unique personality’s conflict is bound to exist from time to time. Where conflict exists between two individuals this must be managed by the individuals concerned. We will talk to each other directly if there is an issue.

Where there is group conflict this must be facilitated by the Chairperson and where necessary for further intervention, the ALP coach will be called in to assist.

**Holding each other accountable**

We will hold each other accountable through development of a focused project plan and measure our deliverables against the plan.

Review of progress on our project plan will be a standard agenda item in all our meetings.

Where individuals are not able to deliver their requirements it is the responsibility of the individual to contract with another team member to assist and ensure that all project deliverables are met timeously.

We will also challenge each other constructively where agreed accountabilities and responsibilities have not been met.

**Communication**

Our communication will be open and transparent and drive a culture of active engagement and participation in the team. Our communication will ensure that all team members are upto date with key issues, events and have an opportunity to freely express their ideas, and opinions.

Communication will predominantly be via email and weekly telephone conferences.

It will be the responsibility of the contacts person to identify integration opportunities with business for ongoing engagement in the team. Each team member to communicate their movements with the contacts person.

**Evaluation of performance**

Our performance will be evaluated at each meeting against the deliverables and project plan. Our project plan will be our scorecard in terms of ensuring that we meet the required deliverables within the required timeframes.

To ensure that we deliver high quality work each team will have an opportunity to provide feedback on each others contribution as part of a standard agenda item during our meetings.