

LIMERICK INDEPENDENT
22 FEBRUARY, 2009

SerCom research shows strong interest in links with Asian businesses

Written by David Raleigh
Sunday, 22 February 2009

AS celebrations draw to a close for the Chinese New Year, a business survey commissioned by Limerick based supply chain services specialist, SerCom Solutions, has highlighted strong interest among Irish based companies in developing trading links with South East Asia and in particular China.

Despite the current economic recession, over 80% of survey respondents see China as an opportunity for business as opposed to a threat, with 57% of companies surveyed, currently doing business in Asia, in some shape or form.

“The results have clearly highlighted the need for companies to build in more resilient supply chains, particularly in the current very difficult trading environment. These supply chains must have the ability to withstand disruptions, with minimal impact on the business, and that can enable them to respond effectively to demand fluctuations,” said Kevin Vaughan, business development director at SerCom Solutions.

The survey, which was conducted by the research team at the National Institute for Transport & Logistics (NITL), also set out to gauge the need for supply chains that are both sustainable (i.e. environmentally friendly, with reduced CO² footprint, less damaging to natural resources) and resilient (i.e. commercially efficient, robust, and meeting customer needs at an economic price).

While the majority of companies surveyed (67%) rate their company’s environmental performance as strong or very strong, almost 80% that environmental and sustainability issues are likely to become more critical in the years ahead.

According to respondents of the survey, some of the environmental/sustainability initiatives likely to be introduced in the near future, include the use of alternative energy sources such as bio-fuels in transportation and the introduction and use of more bio-degradable materials in products.

As supply chains become more complex as a result of global sourcing and the continued trend to 'leaning-down', supply chain risk increases, and with this, the need to create more resilient supply chains becomes ever greater.

Based on the survey’s findings, over 75% of respondents stated that SCM resilience issues will become more critical as businesses today increasingly need to grapple with managing and mitigating a whole range of risk factors impacting on the business. “With so many risk factors in play from currency movements, interest rate changes, supplier management issues, quality control, energy and transport costs, right through to the more general financial, economic and political climate, businesses must

appreciate the necessity to evaluate all options,” Mr Vaughan said. He added: “The mindset of automatically moving operations to the low-cost locations must change to ‘best value location’, taking on board all the risk factors related to the sustainability of the business.”

SerCom Solutions is headquartered in Dublin, Ireland with additional facilities in Limerick, Poland and China.

The company currently employs 230 people and is a wholly owned subsidiary of DCC plc, Ireland’s leading business support services group.