

GOOD PRACTICES PRODUCE WORLD-CLASS FIRMS

By Leslie Faughnan

One thing that many world-class global enterprises have recognised is that supply chain management is a strategic, senior management function.

That was the view of Edward Sweeney, director of learning at the National Institute for Transport and Logistics (NITL), and a recognised

international expert on the subject.

Irish firms, by and large, did not have supply chain or logistics managers at a senior level, Sweeney said, which is one of the reasons why our indigenous industry was not generally at a world-class level. The Irish operations of multinationals, on the other hand, typically do represent what he said were world-class supply chain practices.

“In addition to recognising that strategic role, there is a strong focus on integration along the supply chain, in

both data and processes. Another key element is that constant and robust performance measurement is a characteristic of world-class enterprises, in manufacturing as in all sectors.”

But it was the status of supply chain managers that was the most revealing attribute of globally successful businesses, Sweeney said. “They have recognised that supply chain is now such a core and competitive function that it merits top level and even board room leadership. Unfortunately, many Irish businesses still think of it as just a

loading bay activity.”

Measurement was a characteristic of well-managed enterprises across all disciplines, said Sweeney. In world-class supply chain that would certainly include customer service parameters such as order-to-delivery cycle times and reliability as well costs. “Measurement and defined and consistent KPIs [key performance indicators] are the only rational basis for continuous improvement, vital to any organisation.”

Sweeney also emphasised supply

chain integration between all of the participants as an essential platform for any business aspiring to be world class in ever more competitive markets.

“At the highest level, market success is achieved by collaboration between all of the partners in a supply chain. It can even be validly argued that competition between businesses and brands is actually, in today’s fast-changing consumer world, between more like competition between the most effective supply chains.”