

Stepping into the future of global supply chains and logistics



By [Kate Stubbs](#)

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In a global environment fraught with political and economic uncertainty, many industries and sectors are being forced to rethink their current strategies and make provisions for the prevailing market fragility. Within logistics, which functions as the backbone of economies worldwide, we are undergoing our own moment of introspection. Ever changing markets and an atmosphere of constant, technology-led disruption has forced our industry to embrace new ways of operating and to learn to change and iterate quickly.



Kate Stubbs

One major advantage we have is that supply chains are continuing to grow and expand as forward-looking companies look to leverage off their supply chain efficiencies and develop key competitive advantages. This is creating momentum and growth in many markets, some of which sees their supply chain industries actually growing ahead of GDP rates.

For savvy businesses within the sector, this is, in fact, creating huge opportunities despite a depressed global economic outlook. In South Africa, our supply chains need to continuously progress, innovate and stay abreast with supply chains across the globe. As a result of our geographic positioning, and the significant distances that need to be covered (from ports to transit hubs in Gauteng, for example), efficient supply chains are integral to the country's economic, political and social wellbeing.

Manufacturers moving closer to customers

Notably, one of the major trends that will define the year ahead is a shift back to manufacturing close to the customer base. In the face of global instability, companies are going back to what was once the de facto strategy of establishing manufacturing operations in close proximity to their customers. Added to this, companies are looking to harness the information from their systems to develop greater efficiencies. For example, one strategy is to carry less inventory/stock

and use less warehousing space. This is part of a wider move towards agility and a lean approach to business.

Smart companies collaborating to tackle high costs

For supply chain and logistics players worldwide, high costs continue to be a challenge and in some cases, prohibitive to growth and sustainability. In South Africa, there is an urgent need for industries to work more closely with government and state-owned enterprises (SOEs) so that companies can more effectively optimise their supply chains and tackle spiraling costs. Such collaboration needs to involve all industries and all public/private partnerships.

Arguably, it is the often-overlooked 'intangibles' such as collaboration and communication that can prove most valuable to companies in both the short and long term. When the channels of communication are open, innovative solutions are given the space to emerge and flourish.

For example, when a business takes a multipronged approach rather than just focusing on one aspect (such as cost) the company has greater potential to garner long-term profit.

For many logistics operators, their biggest investment and liabilities sit with their equipment. Their high-value assets are on the road, and so the risks need to be mitigated by building long-term, trust-based relationships with clients and contractors. Increasingly, outsourcing non-core areas of the business to niche players/specialists is one way to alleviate risk and also to ensure competitiveness.

Taking on a client's business as your business

In such a competitive and complex ecosystem, it is the companies that can effectively build and nurture great partnerships that will flourish in the coming years. This requires operating as a partner to your client – as opposed to just a service provider. In short, you should ideally view their business as your own and deliver with the same attention to detail and efficiency as you do within your own company.

ABOUT KATE STUBBS

Kate Stubbs is the current group business development and marketing director for the Interwaste Group which forms part of Séché Environment, an international environmental solutions business.

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