

supply chain

CSCMP Supply Chain

COMMENT

ENHANCING YOUR CAREER. ADVANCING YOUR PROFESSION.

CSCMP's Education Strategies Chair, Tom Freese, recently joined CSCMP members Paul Bender, Garland Chow, and C. John Langley on a journey halfway around the world...to Shenzhen, China.

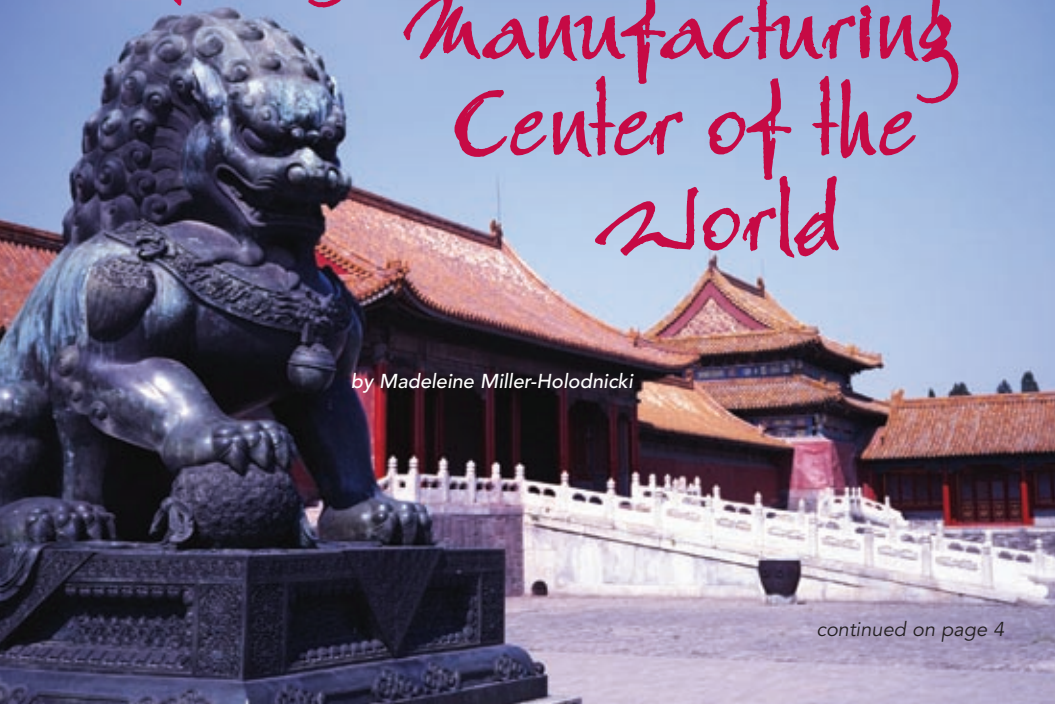
The group attended the *Boao Forum for Asia: World Logistics Conference, 2004*, an event with the intent of networking Asia with the world. In cooperation with the *Shenzhen Economic Daily* and the Shenzhen Municipal Government, the conference was designed to:

- strengthen the cooperation between Asian logistics enterprises and those from the international community
- develop the Asian logistics industry, drawing lessons from other parts of the world
- use logistics as a vehicle to deepen the Asian economic integration to further develop Asia and increase its prosperity

I spoke with Tom when he returned from his travels to the Far East about the presentations he gave at the forum, the logistics landscape of Shenzhen, and what China's emerging economic might means to the rest of the world.

Spotlight on China—The Manufacturing Center of the World

by Madeleine Miller-Holodnicki



continued on page 4

In This Issue

Page 2

Don't Let Old Logistics Screw Up a New Supply Chain

Page 5

Consultants Corner: Philip Burris

Pages 6

The Desktop Classroom

Pages 7 & 9

When It Comes to Security, Good Enough Is No Longer Good Enough

Pages 8-9

CSCMP Inside

Page 10

Meet CSCMP Member: Paul Newbourn

Page 11 & 16

Assess Your Career in the New Year—What's Your Value to Your Industry?

Pages 12-13

TechKnowledge: Purchasers Beware

Page 14

Move Your Message To Market

Page 15

Reading the Runes

Creating a Virtual LSP

by Ken Ackerman

LSP stands for "logistics service provider." An LSP is any company that provides logistics services for other companies. Such firms are sometimes called 3PLs. In business, a virtual company is one that provides products with assets that it does not own.

For example, in its early years, Subaru was a virtual automobile manufacturer since it had a marketing and distribution organization but did not have a factory. Virtual logistics services are relatively widespread in the freight business, but a great deal less so in warehousing.

Two Ways To Develop The Virtual LSP

There are at least two options for creating an LSP without assets. The first is to sell franchises, which is the procedure commonly used in fast foods, hotels, and car dealerships. The franchisee pays a fee, and the franchisor offers training, marketing, detailed procedures, and very strict quality control.

When a customer buys a meal at Wendy's, he or she assumes that the hamburger in Chicago will be identical to the one

continued on page 3

ONE LINK IN THE SUPPLY CHAIN



Wally Klatch is a CSCMP member and Chief Operating Officer of Olami, Inc., New York, New York and Jerusalem, Israel. He specializes in supply chains for liquid products within discrete and service industries, and has written a book titled "Supply Chain for Liquids®: Out-of-the-Box Approaches to Liquid Logistics."

Don't Let Old Logistics Screw Up a New Supply Chain

by Wally Klatch

You may think you're using the right tool for the job when the tool is actually preventing you from doing the job right.

Take a look at American car manufacturers. They used standard slot screws in all their production lines until 1936 when Henry Phillips got Cadillac to use his cross-slotted screw and power screwdriver. Phillips screws and drivers worked better than slot screws on automated lines—the driver seated better in the slot during screwing and "jumped out" of the slot when the screw was fully embedded.

By 1940, virtually all car manufacturers were using Phillips head screws and drivers. Slot screws had worked, but caused inefficiencies that the Phillips screw eliminated.

Supply chain thinking often suffers from what could be called a "slot screw approach"—applying traditional methods to an advanced environment without adjusting those methods to meet updated demands. The area of logistics is particularly vulnerable to this problem because it's so easy to slap the term "supply chain" onto our operations and think we've done something.

Like a slot screw on an automated production line, traditional logistics can work in an advanced supply chain environment, but it's not always the best tool for the job. Like the Phillips screw, a modified approach to standard logistics can truly bring innovation, not only to operations, but to the strategic capabilities of a company.

What's the difference between standard logistics and leading edge supply chain thinking? One example is the use of bar code labels. Even with all the RFID hype, advanced use of a bar code system can represent the most efficient, cost effective, and reliable product labeling and tracking approach.

"Advanced" use means going beyond the standard of simply printing the item number on the bar code, and exploring how the label may be used to increase supply chain effectiveness. In some cases, a product's entire pedigree, including date of production and expiration date, may be placed on the bar code label, thus simplifying and making more efficient downstream steps and the entire product flow.

Sticking to a simple content of the bar code label limits its usefulness to the supply chain. This is the "slot screw" approach, using the traditional logistics approach even within the context of implementing a more advanced supply chain approach.

Just like the difference between slot screws and Phillips screws, both are screws, but each is the best solution for its own environment. We need to reexamine our "legacy" logistics practices, then redefine them to meet today's and tomorrow's supply chain needs. ■

Tried-and-true logistics methods may not be the best in an updated supply chain design. You may need to get some of your logistics techniques out of a rut to enable them to fit into your overall supply chain methodology.

We'd like to hear from you! Please e-mail your "Comments" to **CSCMP Supply Chain Comment**—mholodnicki@cscmp.org.

CSCMP Supply Chain COMMENT

CSCMP Supply Chain Comment is published six times a year by the: Council of Supply Chain Management Professionals
2805 Butterfield Road, Suite 200
Oak Brook, IL 60523-1170 USA
Phone: (630) 574-0985 Fax: (630) 574-0989
Web site: www.cscmp.org

Editor: Madeleine Miller-Holodnicki
Direct line: (630) 645-3487
E-mail: mholodnicki@cscmp.org

© Copyright 2005 Council of Supply Chain Management Professionals

Creating a Virtual LSP

by Ken Ackerman

in Columbus. This occurs because the production procedure is rigidly monitored. Because this process is more easily executed with sandwiches than it is with warehousing or trucking, the franchise procedure is relatively rare in the field of supply chain management.

The second option is contracting, which is the path that Subaru used with a Japanese manufacturer, Fuji Industries. The service provider simply develops contract relationships with warehouses, transportation companies, and information technology suppliers in order to deliver these elements of supply chain management without investing in capital assets.

Marketing and Selling Logistics Services

There are also options in both marketing and selling the services. In marketing, many logistics service providers are generalists who are willing to sell almost anything to any interested buyer. A relatively small number of service providers concentrate their efforts in one industry segment, such as plastics, replacement parts, or frozen foods. The specialist searches for companies within the same segment and creates unique service capabilities that are specifically tailored to that product line.

In selling, most service providers concentrate their sales efforts on shippers who pay their bills. Relatively few will direct sales efforts toward the customer's customer, a grocery chain, or a dry goods retailer that is trying to consolidate or eliminate small shipments. When this sales approach works well, the customer's customer (or consignee) will recommend vendors who have a problem with LTL deliveries.

What Does the LSP Sell?

Transportation is the largest and most frequently sold of the many logistics services. Warehousing is in a strong second place, but many service providers also sell information technology, "last-mile" delivery services, light assembly, installation, packaging, and other value-added services.

Two Case Examples

E*fill America reports that it has 130 warehouses strategically located in 46 cities throughout the US, with over 50,000,000 square feet of space. Founded in 2002, the company's goal is to double its space within the next 12 months. These warehouses are owned by franchisees, or shareholders, and each has made an investment in order to acquire the E*fill

trademark and marketing effort.

So far, most of E*fill's activity has been in the acquisition of franchisees, building a management team and implementing an IT system. As of January, the company has landed six customers.

The company's web site (www.efillamerica.com) describes its capabilities in providing visibility, connectivity, and execution. The site also provides a diagram to describe "Xpress-one," a proprietary integrated logistics technology. It also promises a rigorous quality control process. E*fill America is a generalist, offering all kinds of warehouse services to a wide variety of prospective users.

CaseStack, Inc. was founded in 1999 by a former Procter & Gamble executive. As a non-asset-based logistics service provider, this company contracts with warehousing and transportation firms in order to serve both the warehousing and transportation needs of one specific segment: mid-sized consumer packaged goods (CPG) companies.

It's worthy to note that CaseStack, Inc. was ranked number 30 in *Entrepreneur* magazine's list of the 100 fastest-growing companies in America. It was also named the fastest-growing company in Los Angeles.

Much of CaseStack's sales effort is directed at large retailers such as Wal-Mart, Costco, and Safeway, offering consolidated shipments that merge the products of more than one manufacturer into a single truckload delivery. One observer points out that CaseStack is as much in the data management business as it is in warehousing or transportation.

In addition, CaseStack recently won a Deloitte Technology award. A demonstration of its information system can be made available via the Internet. This proprietary web-based software allows customers to gain real-time access to every detail of inventory and transactions, including the retrieval of bills of lading and proofs of delivery. The system is also designed to facilitate demand planning and inventory management tasks.

We interviewed CaseStack customers Marie Callender, Inc. and Glory Foods, Inc. At Marie Callender, Doug Shannon told us that the consolidation program has saved significant amounts of freight expense for his company. He particularly appreciates the tracking ability that's offered by the information system. From a service standpoint, he explained that

inquiries are always answered on the same day, and usually within the hour.

Dan Charna at Glory Foods pointed out that CaseStack's distribution centers allow customer pick-up as well as consolidated shipments. He praised the "hands-on" management style of CaseStack's senior management.

The Future

It's certainly possible that the virtual LSP could change the face of the logistics service industry. Yet, we must recognize the sand traps that will always exist. Franchising in the fast food or hotel business works only when detailed procedures and strict quality control provide the customer with an assurance of a dependable level of quality. Can this level of standardization be achieved through franchising or contracting of warehousing and transportation?

While specialization within a single industry segment is obviously attractive, success in this area depends upon the service provider's ability to achieve a critical mass that makes the consolidation program economical. Failure to achieve this volume level has led to the downfall of at least two earlier consolidation programs within the grocery product industry.

Finally, will the information system available through the virtual LSP be sufficiently attractive to overcome the potential problems just mentioned? Since the virtual LSP is still in its infancy, it could attract additional players who might change the way this concept is developed in the next few years. ■

Ken Ackerman is a long-time CSCMP member and the president of K.B. Ackerman Company in Columbus, Ohio.



Spotlight on China— The Manufacturing Center of the World



Port of Shenzhen, China

Q: *Why was this an important event for you, representing CSCMP, to attend?*

A: China is now the manufacturing center of the world. The Port of Shenzhen on the southern coast of China is the world's fourth largest port. It is the gateway to the Western world...and where the Western supply chain begins. Most of the products manufactured in Chinese factories (clothing, computers, furniture, toys, cameras) are exported to Europe and North America via the Port of Shenzhen. It's a very critical crossroads for logistics and trade. As such, whenever a major event like the *World Logistics Conference* occurs linking South China, logistics, and the world, CSCMP needs to be involved.

Q: *What information did you share with your audiences?*

A: I presented them with an overview of the importance of logistics and supply chain management (SCM), and the impact these functions have on every country. I talked about CSCMP's and the China Roundtable's role in the supply chain and logistics professions, and shared information from our *State of Logistics Report*.[®] I also spoke at length about RFID and the driving forces behind this technology.

The basis of logistics and SCM is threefold: education, communications, and collaboration. This conference helped establish the foundation for building long-lasting relationships between China and the US, and between Shenzhen logistics leaders and CSCMP.



Q: *What impressed you the most about the Boao Forum for Asia?*

A: It had to be the eagerness to learn! There was such an enthusiastic interest in logistics education by the attendees—a real desire to understand and learn more about logistics and supply chain management based on what the Western world is doing. I was also impressed by the support for logistics and SCM from the local government, and from Chinese government at all levels. There was a true openness to discussing free trade coupled with a growing sense of capitalism.

Q: *What is the current logistics and supply chain management business climate in China under its Communist government?*

A: China's government is keenly involved in business development and very supportive of economic growth. They recognize that business development provides an excellent opportunity to improve the standard of living for their people. China is the fastest growing economy in the world. It has the fastest growing middle class and a real growth rate of 9% last year.

This is so evident in Shenzhen. Thirty years ago, Shenzhen was a small fishing town. Today, it's a major trade and commerce hub with a population of eight million people. Shenzhen was designated one of three Special Economic Zones in China some years ago in which capitalism was encouraged to develop. It's one of the great success stories of China and for the concept of capitalism.

Q: *Why has China become the economic powerhouse of the 21st century?*

A: North America's work rules and labor restrictions often create an economic disadvantage that China doesn't have to deal with. Look at what has happened in America...our textile and steel plants have been shuttered. We're no longer the manufacturing giant we used to be. It's less expensive to manufacture goods overseas in regions like Asia. China is also a developing country so there's more room for accelerated growth than in countries that are already developed.

Q: What are some important facts that American executives need to know about doing business in China?

A: China has the fastest growing consumer marketplace in the world. Chinese consumer demand is very high for upscale, imported products Made in the USA. There's a tremendous opportunity for us to sell our high-end goods to this market. There are also enormous opportunities to further develop 3PL capabilities in China. But one must always keep in mind that the Chinese build all business relations on *Guanxi*, which is the principle that relationships are critical.

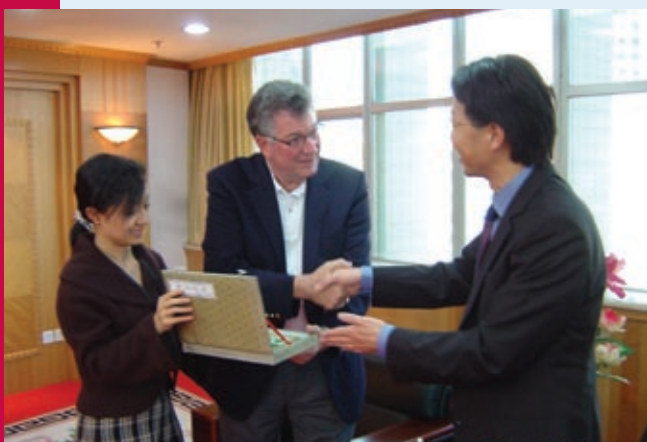
Q: A January 11, 2005 Reuters news report stated that between 1989 and 2003, the United States lost 1.5 million jobs to China. This is an alarming statistic for US workers. Why is this happening?

A: One must recognize that these jobs were not exported from the US; rather, they were attracted to China. China is the center of consumer goods manufacturing due to its abundance of low-cost labor, manufacturing capacities, and the available infrastructure to support such production. These are not political actions...they are economic realities.

Q: What can CSCMP do to reach out to Chinese supply chain management professionals?

A: CSCMP is the go-to point for supply chain management knowledge in the world. We are and must expand our ability to be the portal to provide education, contacts, speakers, and programs to all. We can fill the educational void and provide Chinese professionals and those in developing economies with the information, programs, and services they need to maximize their logistical efforts and minimize their SCM costs. ■

Thomas L. Freese is CSCMP's 2004-2005 Education Strategies Chair and the Principal of Freese & Associates, Inc. in Chagrin Falls, Ohio. Paul Bender is the President of P.S. Bender and Company LLC in Miami, Florida. Garland Chow is associate professor at the University of British Columbia in Vancouver, Canada, and C. John Langley is the professor of supply chain management at the Georgia Institute of Technology in Atlanta, Georgia.



Tom Freese (center) shakes hands with Wang Mao Liang, chief editor/senior editor for the Shenzhen Economic Daily newspaper, as he receives a gift. Dana Wang, also from the newspaper, and chief coordinator of the Boao Asian Forum World Logistics Conference, looks on.

CONSULTANTS [corner]

Philip Burris
Senior Vice President
L.E. Peabody & Associates, Inc.
1501 Duke Street, Suite 200
Alexandria, Virginia 22314
Phone (703) 836-0100
Fax (703) 836-0285
E-mail: pburris@lepeabody.com



Question: In early 2003, Class I rail carriers began imposing fuel surcharges on tariff rates and contract rates where allowable because of rapidly escalating fuel costs. Do these fuel surcharges over-recover the increase in carriers' fuel costs on individual movements?

Phil Burris' Answer: In most instances the fuel surcharge over-recovers the carrier's increased fuel costs. Fuel surcharges are equal to a percentage of individual shipment tariff rates, or contract rates (when allowed by the terms of the contract), and are typically tied to either the US Department of Energy's On-Highway Diesel Fuel price per gallon or the West Texas Intermediate Crude Oil price per barrel. The fuel surcharges imposed by the Class I carriers in February 2005 ranged from KCS' fuel surcharge of 8.0% to CN's fuel surcharge of 12.0%. The fuel surcharges are applied in addition to any other rate adjustment published by a carrier on its tariff rates or the rate adjustments allowed in contracts.

Increased Fuel Cost – The Surface Transportation Board (STB) publishes an all-inclusive index of railroad input prices quarterly titled the Rail Cost Adjustment Factor (RCAF), both unadjusted for productivity (RCAF-U) and adjusted for productivity (RCAF-A). The RCAF-U is used to adjust tariff rates and some form of the RCAF-U is used to adjust most contract rates.

The index reflects the railroad industry's market basket of costs, and is comprised of labor, fuel, materials and supplies, equipment rents, depreciation, interest, and other items. The fuel component of the RCAF, which equals 10.6% of the railroad industry's market basket of costs, has increased by 52.2% from 2003 to first quarter of 2005 (1Q05). Measuring the 52.2% increase as a percent of the carriers' total costs yields a fuel-related increase in total cost of 5.5% between 2003 and 1Q05.

Increased Revenues – The RCAF-U, in whole or in part, is used by the railroad industry to adjust both tariff and contract rates. For the period 2003 to 1Q05, the RCAF-U has increased by 9.3%, driven largely by the 52.2% increase in the carriers' fuel cost. Applying the 9.3% increase in the RCAF-U to an individual rate, plus applying the current industry average fuel surcharge of 9.0%, produces a compounded increase in rates of 19.1%. Of the 19.1% increase, 15% is related to fuel (1.09×1.055).

Over-Recovery of Cost – Clearly a 19.1% rate increase will more than offset the carrier's 5.5% cost increase that is related to fuel. For example, assume an individual shipment moves for \$18 per ton in 2003, that the carrier's cost is \$10, of which its fuel cost (10.6%) is \$1.06 per ton. As shown previously, the fuel portion of the rate increase is 15% or \$2.70 ($\18×0.15). By comparison, the carrier's fuel cost increased by only \$0.55 ($\1.06×0.522) for which the carrier receives \$2.70 in fuel recovery.

Possible Solutions – In order to be successful in reducing the fuel surcharge imposed by a rail carrier, it's essential for a shipper to have a thorough knowledge of the carrier's fuel cost, its total cost of providing service, and what portion of the carrier's rate increases are attributable to changes in fuel costs. Based on this information, a strategy may be structured to negotiate a fuel surcharge that will compensate the carrier only for fuel cost increases not covered by the rate adjustment mechanism, thus avoiding a fuel surcharge that creates a second profit center for the carrier.

If you're a consultant, Supply Chain Comment would like to feature you in an upcoming issue. Please send your contact information to mholodnicki@cscmp.org.

The Desktop

Classroom



by Mitch Mac Donald

Been getting a lot of e-mail communiqués of late inviting attendance at online seminars, briefings, sales pitches, and other various and sundry “virtual events.” I’ve taken up many of the hosts of these “webcasts” on their invitations to attend and have found them, in most cases, well done and informative.

For those unfamiliar, these online learning opportunities are generally straightforward, 30- to 60-minute presentations that essentially mimic a live briefing or panel session at a real (that is, in-person) conference. Most everything is the same: Introductions and so forth, followed by PowerPoint presentations with a voice-over, and then some manner of audience-interactive Q&A. It is genuinely everything you’d expect a conference session to be, except you don’t have to endure the perils of business travel to attend.

Given that most if not all of these programs are delivered straight to your desktop, it’s hard to justify passing up the opportunity, at least once or twice a month, if not more. If you’re like me, you might just get hooked.

Be forewarned, though. You will undoubtedly come across a clunker. Just as it happens when you’re attending a conference live *and* in-person on the road, you’ll find some that are little more than a sales pitch. With that proviso in mind, I can highly recommend taking advantage of the chance to attend one, or even several. The topics are usually extremely timely, the presentation quality solid, and the user-friendliness of the online sessions’ computer interface pleasantly appealing.

The hosts of these events run the gamut from universities to consulting houses, research firms, product and service vendors, professional groups, trade associations, and, yes, even business-to-business magazines like *DC Velocity*. It’s easy to overlook these invitations to attend when they hit your e-mail inbox.

Amongst all the other missives, jokes, “offers,” bulletins, alerts, rants, newsletters, and, of course actual **work** that flow to your desktop every minute of every hour of every workday, most appear to

be just that many more targets to hit with your keyboard’s delete key. Slow down and take a look occasionally. Some are actually worth the time.

One vendor offered a series of “webcasts” on issues revolving around implementation of RFID capabilities into logistics operations. I spent 60 minutes listening and learning, and came away feeling like I was genuinely “plugged-in” on the situation. I heard from a market analyst, an end user, and the vendor. All three were highly informative, delivered a nice presentation, and stuck around for about 15 minutes of Q&A done in an interactive, instant-messaging format.

A couple of others presented information on the capabilities of various software applications. The format was roughly the same. Three speakers. A consultant, a vendor, and an end user who was also a

customer of the vendor. Again, the quality was great, the information helpful, and my time well spent. The vendors in all three of these programs, of course, focused their presentations on their companies’ products and services and the benefits of buying them, installing them, and using them. This is certainly the vendor’s right, given they are often “paying the freight” to deliver the program to you for free.

Still, while commercial in nature, their presentations were all worthwhile. It’s not unlike getting a highly-detailed and useful briefing from a car company exec while you’re in the market for a new car. He or she wants you to buy their car, but even if you don’t, they help you make a more educated buy when you finally and invariably crack open your checkbook and make the purchase.

In a time when e-mail abuses are rampant, and the influx of spam almost makes us long for the days when junk mail came in print rather than in digital format, it’s easy to pass right by an invitation to a webcast. The view here is that stopping to check one out once in a while is a very worthwhile move.

So click and learn. It can be a beautiful thing. ■

Mitch Mac Donald is the Editorial Director of DC VELOCITY. He has spent over 15 years covering the logistics profession and is a regular speaker at CSCMP’s annual conferences.



My company recently represented a major manufacturer that was in litigation with a third party logistics company they had contracted with to distribute their product in the United States. Working with our client's legal team, our objective was to determine whether this 3PL had used a reasonable standard of care protecting the product they were entrusted with shipping, receiving, and warehousing.

The conflict began after the 3PL's distribution center was broken into. Our investigation revealed that within a matter of minutes, the thieves (who appeared to have inside knowledge of the building) had circumvented the alarm and video systems, entered the warehouse, and used the forklifts to remove three trailer loads of inventory. The value of the stolen product exceeded 1.4 million dollars.

WHEN IT COMES TO SECURITY, GOOD ENOUGH IS NO LONGER GOOD ENOUGH

by Barry Brandman



The 3PL was shocked, not only by the amount of the loss, but by the response of their customer, whom they had always enjoyed a harmonious working relationship with. The manufacturer was threatening to (and later did) file suit to recover the cost of the stolen inventory, as well as all the indirect costs associated with the theft, such as the expense involved in reshipping, restocking, loss of revenue as a result of the stolen product not going to market on a timely basis, and attorney fees. Additionally, the manufacturer also threatened to end their working relationship due to the loss of confidence in the logistics provider's ability to adequately protect their inventory.

The 3PL argued that the customer had toured its distribution center on numerous occasions and never raised a concern about its security measures. However, the manufacturer countered that it was the 3PL's responsibility to maintain adequate asset protection safeguards, not theirs. After all, they contended, the 3PL was the professional logistics provider, right?

During a pretrial meeting with all the principles and their lawyers, we gave a detailed assessment of the 3PL's security program. We demonstrated how easily their intrusion detection system had been defeated. We then identified more than a dozen significant deficiencies in their loss prevention policies, procedures, and practices.

It became clear to the 3PL's attorneys that their client would be portrayed as a grossly negligent outsourcing provider if the case went to court. Rather than risk a verdict, as well as the loss of the account, they subsequently reached an out-of-court settlement with their customer.

After this case was resolved, one of the 3PL's executives approached me at a logistics conference and stated, "I still can't believe that happened to us. We never had a major security problem like that before." I explained to him that it was a different world today and that his company had relied on security controls that were antiquated and ineffective.

I then asked the executive this question, "Do you think the reason you didn't incur this type of loss in the past is because your security was so good, or were you just lucky?" The vice president thought for a minute before answering, and then replied, "Good point... I guess our luck ran out."

It's no mystery why logistics companies are incurring losses more frequently than in the past.

To begin with, September 11th resulted in the US government dramatically tightening border security. Many of the criminal organizations that had specialized in drug smuggling began finding it far more difficult and costly to import narcotics into the country. Consequently, some of these groups turned their attention to the logistics industry as their new source of revenue. They found that they could commit truck thefts and facility break-ins with relative ease, and that these operations yielded huge paydays.

In the unlikely event they were caught, the criminal penalties were relatively lenient—far less than getting caught smuggling drugs. Because they had the expertise and the distribution channels in place, they were able to quickly convert the goods they stole into hundreds of millions of dollars of cash each year.

Another contributing factor to the rise in security problems has been the resentment of employees who've witnessed their stock options losing value, their overtime disappear, and layoffs becoming commonplace as a result of tough economic times.



Paul Blair
CSCMP's Manager
of Finance

"We have a great team in the accounting department and in CSCMP as a whole. Paul (Blair) has always given us the space and time to finish our projects, but at the same time, he's there for guidance to make sure we meet our project goals efficiently."

~Shital Patel, CSCMP Staff Accountant

"As part of the accounting team, I'm motivated every day to learn more about the various departments within CSCMP, and to 'look beyond' the numbers in order to get the entire financial picture of the organization. It's a pleasure working in this department, and for CSCMP and its many members."

~Jill Chochole, CSCMP Staff Accountant

CSCMP's Accounting Department—The Bucks Stop Here

by Madeleine Miller-Holodnicki

At 5:30 am, Paul Blair's alarm clock goes off, signaling the start of another day of balancing budgets and finessing finances for CSCMP's manager of finance. He gets ready for work, grabs a cup of coffee, and kisses his two little girls goodbye before steering his Dodge minivan onto the always-bustling Chicagoland expressways.

The sun is just beginning to peek out over the horizon, but Paul is already mulling over the upcoming day's activities—reports and reconciliations, payroll, policies, and procedures. Whoever said that being an accountant was just a numbers game?

Since joining CSCMP three years ago, Paul Blair along with his expert staff accountants, Shital Patel and Jill Chochole, have been managing CSCMP's money matters. "I make sure that we operate CSCMP with sound business practices," Paul emphasizes, "and that funds are used appropriately to enhance our value to our members."

The primary role of CSCMP's Accounting and Controls Department is to provide senior management with timely, accurate, and useful financial information in accordance with Generally Accepted Accounting Principles. The manager of finance ensures that this information is accurate as it has an impact in planning for and on strategies concerning current projects and future organizational opportunities. The department is responsible for a wide variety of duties including:

- financial and budgetary reporting
- financial audit
- general accounting
- accounts payable
- accounts receivable/sales orders
- human resources/payroll

Paul Blair loves what he does. Coming from a larger not-for-profit organization, he says that at CSCMP, he has more

responsibility than he did at his previous job. "I enjoy the work that goes into all these numbers," Paul remarks. "And the yearly audit we perform reflects my department's attention to accuracy throughout the entire 12 months. Members and prospective members alike are able to review our annual report."

He adds that he has been especially interested in learning about supply chain management and logistics, and how much of an impact they have on the global business community.

"But I couldn't get the job done without my staff," Paul stresses. "Shital and Jill are the best two employees I could ever have. They're friendly, helpful, do a terrific job, and are always open to change."

As the clock nears evening and the sun begins to set, Paul Blair wraps up his day of work as well. In early spring in the Midwest, it's dark when he leaves for work in the morning and dark when he leaves work each night.

As Paul heads home to spend evenings with his family or as the head coach of a boys' basketball team, his thoughts revolve around the kinds of things we all think about...helping his girls with their homework, taking the garbage out, his upcoming plans for the weekend, maybe a spreadsheet or two. Maybe not.

But at the end of each day, the most important thing for him is making sure that the Council of Supply Chain Management Professionals is financially sound and in good standing. CSCMP is in good hands with Paul Blair and his outstanding staff.

Madeleine Miller-Holodnicki is CSCMP's Editor and Senior Communications Specialist. She is the Editor of Supply Chain Comment.

CSCMP Invites You to Apply for the Position of Editor of the *Journal of Business Logistics*

We're currently seeking an editor for the *Journal of Business Logistics (JBL)*. The *JBL*'s editorial thrust is toward articles with a blend of theoretical and practical material, and its objectives are to provide readers with:

- new information about logistics operations and management
- emerging theory and techniques of interest to those who work in logistics and related professions
- researched generalizations about thought and practice in the related functions that make up the field of logistics
- creative views and syntheses of dispersed concepts related to logistics
- articles in direct and tangential subject areas which have significant current impact on thought and practice in logistics management
- a forum for discussion of key contemporary issues in the areas of business that are related to logistics

All **educator members of CSCMP** are **eligible for the position** of editor of the *Journal of Business Logistics*, and we encourage you to submit a proposal!

It takes approximately 350 hours per year of editorial time to produce two issues of the *Journal*—150 hours for the editor and 200 hours for the editorial assistant. All manuscripts must be carefully read, many of them through several revisions, as well as edited for grammar, spelling, and content. The *JBL* editor will need the help of a skilled editorial assistant in order to meet the high quality standards that have been established for the *Journal*. CSCMP does not monetarily reimburse the editor or the editorial assistant for these hours.

If you're interested in serving as editor of the *Journal of Business Logistics*, please submit five (5) copies of your proposal no later than **April 1, 2005**, to:

Jessica D'Amico
Research Coordinator
Council of Supply Chain Management Professionals
2805 Butterfield Road, Suite 200
Oak Brook, IL 60523-1170 USA

Additional guidelines for submitting your proposal are available on CSCMP's web site at www.cscmp.org.

Get a European Perspective on the Global Supply Chain

Plan to Attend CSCMP's 2005 European Conference!

April 21-22, 2005—Amsterdam, the Netherlands

Coping With Market Dynamics in Global Supply Chains, a European Perspective

With the addition of ten member countries and the possibility of more, the European Union (EU) is a major force in global trade. Company supply chains are magnified as they expand their reach globally, and, at the same time, develop their positions in Eastern Europe.

Recognizing the challenges unique to companies operating within and between Europe and the rest of the world, CSCMP's European Roundtables are hosting *Coping With Market Dynamics in Global Supply*

Chains, a European Perspective. This unique conference will combine provocative general session speakers and breakout sessions focused on practical, hands-on approaches for improving supply chain performance.

Take an all-day tour of the Port of Rotterdam on April 20, or the early-morning tour of the Aalsmeer Flower Auction on April 22 to broaden your understanding of the European supply chain. Panel discussions and case studies dealing with the challenges of an expanding EU will also be a part of the program.

Join your colleagues in the beautiful and historical city of Amsterdam next month. Contact CSCMPseminars@cscmp.org, or visit the Education link on our web site at www.cscmp.org for more information.

Workers, once loyal to their companies, who had never stolen or committed fraud in the past, began adopting a different mindset, which in some cases became, "Let me do it to them before they do it to me." Consequently, internal theft is now responsible for billions of dollars of loss each year, contributing to the financial instability of many companies.

Yet another factor has been the reliance of companies in the logistics field to depend on cosmetic security safeguards. We've witnessed this repeatedly when performing post-theft investigations for warehousing and transportation firms. Not only are alarm, video, and access control systems poorly designed, but safeguards that should be preventing loss in the shipping, receiving, transfer, returns, and pick-up functions are either nonexistent or completely ineffective. Yet these are the same areas where cartons and even pallets of inventory can easily vanish into thin air.

Savvy logistics executives understand that relying on lax security controls creates a false sense of security and leads to complacency. They also appreciate the value of being proactive, i.e., finding loopholes in their asset protection programs before dishonest employees, vendors, contractors, or professional thieves have the opportunity to exploit them.

When it comes to protecting millions of dollars of valuable inventory, the difference between being good and being lucky is a costly one. ■

Barry Brandman is the President of Danbee Investigations in Midland Park, New Jersey, and is recognized as one of the nation's top security experts. He has been a speaker at CSCMP's annual conferences, and is the author of a loss prevention manual titled "Security Best Practices: Protecting Your Distribution Center from Inventory Theft, Fraud, Substance Abuse, Cybercrime and Terrorism."





Paul Newbourne
Vice President – Carrier and Capacity Management
Exel
Addison, Texas USA
CSCMP member—25 years

[MEET CSCMP MEMBER Paul Newbourne]

Exel is a global leader in supply chain management, providing comprehensive, customer-focused solutions to a wide range of manufacturing, retail, and consumer industries.

Paul, what is your educational background?

I received my BS from the University of Maryland majoring in transportation, and my MBA in marketing from Loyola College of Baltimore.

You've been a member for a long time. What's been your involvement in CSCMP?

I've attended about ten annual conferences during the past 25 years, and more roundtable meetings than I can even recall!

What benefits do you realize from being a CSCMP member?

I enjoy belonging to CSCMP because of its educational and networking benefits. I have a great deal of interest in continuing education, so CSCMP's strong focus on education is a key benefit. Along with the annual conference, roundtable meetings, and other events, there is tremendous opportunity to polish my supply chain and logistics knowledge and stay on top of current industry trends. The networking aspect is terrific as well because I get to surround myself with industry leaders who offer their own experiences and unique perspectives on the profession.

What services or programs would you like to see that we're not providing?

I think that limiting the number of annual conference attendees and concurrent sessions would be beneficial. And holding two conferences—one in the spring and one in fall—with divided session topics would enhance the learning experience.

What are your responsibilities at your company?

I'm responsible for designing, implementing, and managing a corporate National Carrier Program for Exel's North American truckload, less-than-truckload, intermodal, and rail carload business. The objective is to improve our capacity, service, and total cost position by working with our service providers to more effectively optimize our transportation network. The desired result is to improve our performance so that we can, in turn, better serve our customers.

What do you like most about your position?

I enjoy the opportunity to be involved in improving how we deliver value to our customers. The energy and optimism of the people in our organization is also a great motivator.

What is a recent workplace obstacle you faced and continue to struggle with today?

Change is an ongoing challenge. With the increasing dynamics

of today's marketplace, I believe that we need to constantly evaluate how we get things done and try new, innovative approaches to solve our logistics problems. Getting people to exit their comfort zones is not an easy task. It involves educating them about the reason for the change and ensuring that they are an active part of implementing the new protocol. They need to understand how the change will impact them personally, and how the results will make the company more successful.

What did you want to be when you were growing up?

Successful!

What do you see as the biggest challenge supply chain management professionals will encounter in the coming years?

The ongoing globalization of commerce and the associated increases in the physical distances in which our supply chains must cover, while adequately addressing the corresponding rise in customer expectations, is going to be a big challenge.

What do you believe the biggest obstacle businesses will need to overcome in the near future?

The ongoing challenge of transportation capacity in North America will remain an issue for the next several years. As an industry, we need to collaborate and create an environment that makes driving a truck an attractive career option. This challenge requires changes in how we treat drivers when loading or unloading, the way we package and sell products, and compensation levels for those who drive a truck for a living. There will be other implications all along the supply chain that will also need to be addressed as we adjust our production, inventory, and sales practices to accommodate this new environment.

What have been the happiest moments in your life?

The day I married my wife, Laura, and watching my nieces and nephews grow up.

Why does a rainbow sometimes appear after a storm?

I'm sure that there's a perfectly good scientific explanation, but I prefer to think that it's because things have a way of working out for the best.

What is the number one lesson you've learned about life?

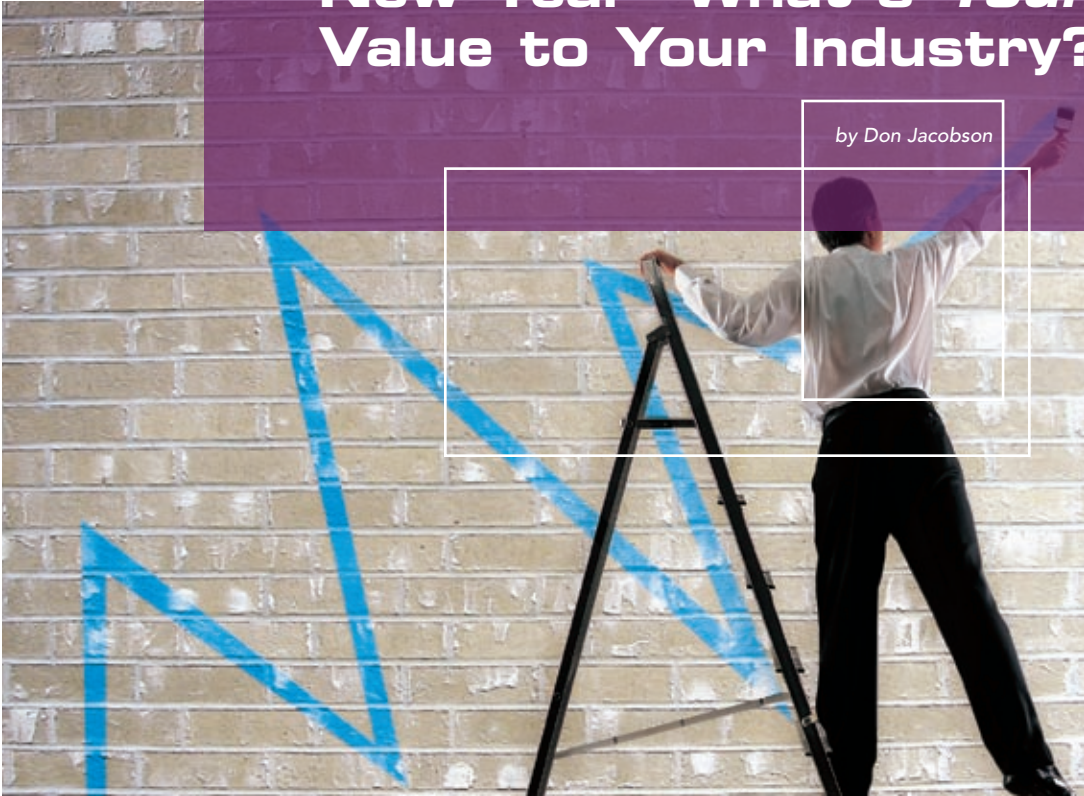
You must have a work/life balance that is good for you and for your family. I believe that to be truly successful and satisfied, you have to find the right balance between your faith, family, and friends in a business world of ever-growing demands on your time and on your expertise.

At the end of your life, what will determine if you were a success?

I will consider myself a success if the people I was associated with during the course of my life—whether it was family, friends, or work associates—say they enjoyed our relationship and benefited from knowing me. ■

Assess Your Career in the New Year—What's Your Value to Your Industry?

by Don Jacobson



As you learned in management school, when you do a thorough analysis of anything, you must evaluate the elements from two perspectives—the little picture and the big one.

In the January/February 2005 issue of *Supply Chain Comment*, we reviewed the components of assessing your value to your company—the little picture. In this issue, we're going to take a look at the big picture. How valuable are you—or can you be—to the industry as a whole? What's your personal market value?

Before we get into specifics, **it's important to stress the fact that your market value is not generally written in black and white, but rather in shades of gray. The same skill set can be viewed by an interviewer as ideal...or too limited.**

For example, one hiring authority may decide that a candidate's vast experience in supply chain management and computerized warehouse management software applications is sufficient for a particular position, understanding that if one can get a box from Point A to Point B in one piece and on time, it doesn't matter what's in the box.

Another manager may disqualify this same candidate because getting a box of frozen food from Point A to Point B is different than transporting a box of hammers. What you say and the way you present your skill sets and experiences can make the difference.

Most of us look at our industry as the supply chain management industry. However, in reality, this is our discipline. The industry in which you work is different for many of us, whether it's food, building materials, apparel, or chemicals. There are important competencies that are the same, regardless of what industry you're in, that will increase your market value:

- **Controls:** Being able to analyze the mechanics of critical functions such as receiving, shipping, inventory, transportation, and manpower is a primary foundation of efficient and effective sup-

ply chain management. While some industries may require a variation of this theme, the most effective manager must know the theme to begin with. These skill sets and experiences in the discipline can outweigh a less than ideal training in the industry.

- **Technology:** The 21st century demands a working knowledge of computer software. Managers must know industry-specific software—but what this really means is *discipline-specific* software.

The first step is to know your way around any brand of each key type. RFID, bar code readers, warehouse management systems, and transportation management systems are the generic terms for software applications prevalent in supply chain management. Add to this any possible accounting and spreadsheet programs and you will have a well-rounded technological education.

The more specific brand name experience you can garner, the better chance you'll have of answering the interview question, "Are you familiar with the program XYZ?" Even if you reply that you aren't familiar with that brand name specifically, you should explain to your interviewer about all the knowl-

continued on back cover

Purchasers Beware: Software Doesn't Always Deliver

by Fraser Ironside

Technology spending in the supply chain is once again on the increase, if somewhat cautiously. After a few difficult years, vendors are hoping for a return to easy sales and high profits, but purchasers are determined to avoid the mistakes of the past. Understandably, they are going to be more demanding as they look for ways of maximizing their return on investment, or ROI.

The arrival of the new millennium brought much hype over the potential of e-business via the Internet. This hype was accompanied by a plethora of new companies, product offerings, and services that promised new ways of conducting business and improving efficiencies.

But the subsequent investment hysteria and resulting high profile dot com business failures significantly damaged the image of Internet-facilitated businesses and services. To some extent, by association, the reputation of the entire software industry was damaged.

The dot com collapse coincided with the coining of terms like “vaporware” and “shelf ware.” These were applied when companies, seduced by the hype of the new technology, eagerly bought new software... only to discover that it didn't deliver the promised benefits.

The shortcomings of the new technology added to an uncertain business environment, and led to an overall reduction in corporate IT and software spending in the supply chain. According to Gartner, worldwide supply chain management (SCM) revenues for new licenses fell to \$2.1 billion US in 2002, down significantly from \$2.7 billion US in 2001. The recent “buzz,” however, over products like RFID certainly suggests that interest in supply chain technology returned during the course of 2004.

According to AMR Research, June 2004: “An obsession with cost cutting and asset utilization has evolved into a focus on innovation and creating an ability to capitalize on the variability of demand. Using technology to leapfrog the competition, reinvigorate growth channels, and provide shareholder value is the new earmark for supply chain savvy enterprises.”

This interest has materialized in the form of corporate spending. Another 2004 AMR Research report projected that the supply chain management software market was expected to grow by 5% in 2004. But, you only have to listen to a debate on RFID to realize that skepticism about ROI on technology and software still exists among cautious buyers.

Yet the need for more efficiency and visibility is even greater in newly emerging, global supply chains. These supply chains are becoming longer and more complex with the relentless migration of domestic manufacturing overseas to low-cost industrial bases in Asia, Latin America, and Eastern Europe. Now, more than ever, there is a need for software offering global strategic network design, inventory deployment optimization, and strategic sourcing which often offer the only opportunity to identify and realize significant productivity gains.

Indeed, complexity is the number one challenge facing supply chain leaders, according to a June 2003 Deloitte Touche Tohmatsu study of nearly 400 manufacturers. It suggests that most companies are optimizing their supply chains “locally” by function, facility, product, country, or continent. It's clear that the greatest efficiencies can only be achieved by acquiring a global view of the supply chain.

Given this return of spending and the need for sophisticated software applications to optimize complex global supply chains in order to “leapfrog” the competition, how should companies maximize their return on investment in new software and avoid it turning into shelf ware?

In addition to standard software selection and evaluation processes (see July/Aug. 2004 edition of *CLM Logistics* *Comment* TechKnowledge article,



Fraser Ironside is a CSCMP member and the Manager of North American Operations for Radical Strategic Logistics Modelling Inc. based in Toronto, Canada. Fraser participated in CLM/CSCMP's Software Education Track—now called the Learning Exchange—at CSCMP's annual conferences since its inception.

Expected ROI



10 Tips For Selecting Supply Chain Management Software), buyers of premium-priced software would be well advised to challenge vendor use of Internet technology to enhance some of the critical components that contribute to a successful software ROI. Let's consider three of these:

- software accessibility
- software support
- training

Some software vendors place unreasonable constraints on their customers by effectively restricting the use of a license to one physical location at a time. The hardware security devices known as “dongles” should by now have been consigned to history. It's relatively straightforward to use the Internet to control license use, allowing for rapid redeployment from one continent to another.

In this way, the ROI from a software investment can be dramatically increased through its use in several parts of the business. Some companies are already able to achieve optimal use of a single license by effortlessly passing it from Asia to Europe, and finally to North America, over a 24-hour period.

Software support desks are often manned by junior staff, constrained not only by their ability, but also by being in one place, in one time zone. Many vendors have implemented Internet-based support as a means of reducing costs and pressure on the support desk.

Purchasers of premium-priced software should expect competent, experienced support staff to be at the end of a phone line, with an Internet system as well. It should be up to the user to decide which route is the most appropriate at the time.

It could be argued that formal training classes are the best learning arrangement, but they come at a price. Unless your entire company is based in the same town and you find a software vendor down the street, there are going to be some travel costs involved. By now, software vendors should at least be offering top-up training over the Internet. Of course, it takes some getting used to for both trainer and student, but the effort is worthwhile.

Over the past few years, customer-focused companies have developed these applications for the benefit of their users. The application software may still be best hosted on a stand-alone personal computer (PC), but there is great scope for the Internet to be used to help provide added-value services. This strategy will enhance user productivity and increase the likelihood of achieving the expected ROI.

The Internet is a maturing technology, offering many opportunities for software vendors to improve their stand-alone product propositions. Purchasers are well aware that software does not always deliver the expected ROI, and although Internet-based services cannot guarantee success, they help significantly and should be a prerequisite for any software purchaser. ■

SUPPLY CHAIN MANAGEMENT PROFESSIONAL:

Move Your Message To Market!

by Mark Solomon



If you've been in this field for a while, you are highly skilled at moving goods to market. But are you as adept at moving your message to market? Are you able to effectively communicate your value to your stakeholders? Does the world know you are as good as you know you are?

This is an industry built on operational excellence. Get the goods to the right place at the right time, and you are golden. Many a successful business has been built via word of mouth, and there's nothing wrong with that.

But this is not your daddy's supply chain industry. It is more competitive and crowded than ever. The elevation of supply chain management to a central strategic role in corporate competitiveness means the opportunities are greater, and the stakes higher, than ever before.

In the modern day logistics and supply chain management marketplace, how do you strengthen your brand? How do you differentiate yourself from your competition? One way is through a cost-effective marketing, public relations, and communications strategy.

You may think you don't have the mindset, much less the budget, to undertake such an endeavor. Well, as for mindset, look at the companies that have made long-term strategic commitments to marketing, public relations, and communications. Their names are FedEx, UPS, and DHL, among others. These three world-class companies will tell you those commitments have been well worth the investment.

As for budget issues, notice I used the term "cost effective." You don't need to spend millions of dollars buying full-page advertisements in national magazines. In fact, that may be money *ill spent* as such ads may have far too broad a reach for your target audience.

There are many ways to efficiently build brand awareness, and none involve expensive advertising.

The key is harnessing the power of the media. Case studies that include your customers. Timely press releases. Relevant opinion pieces. Authoritative speeches. Even making yourself available to a reporter on deadline for expert comment. All of these tactical steps are easy to implement, cost effective to execute, and often resonate with more power than the purchase of ad space.

Why? Because your message is being communicated—albeit indirectly—by

an objective source: A journalist. A journalist, unlike the ad space, is not being bought and paid for. If he or she is a pro, the story has been reported fairly and honestly. Favorable news coverage delivers credibility often the equal to the slickest of ads.

My comments should not be construed as a critique of a well-thought out and carefully executed advertising campaign. Advertising has value in that it communicates the message in repeated doses. It's likely that a decision maker is exposed to an advertisement multiple times. And studies have shown that it requires repeated exposure to a message for it to have an impact on awareness, perceptions, attitudes, and behaviors.

We believe a robust communications strategy involves the interplay of advertising, public relations, and communications with internal stakeholders, most notably the company's employees. Within that structure lies an effective plan to reach the news media with compelling content. Truthful and accurate stories told through the prism of objective news articles are a powerful strategic weapon. ■

Mark B. Solomon is the
President of Media-
Based Solutions in
Roswell, Georgia.



How to predict outcomes in markets that are becoming more unpredictable is a daily challenge for supply chain managers. But there are ways to remove some of the clutter from crystal balls and improve a company's foresight.

by Ken Cottrill

For most managers, peering into the distant future is something of a luxury; short-term goals tend to dominate the agenda. Forecasting market demand is one of the main items on the list, but the fact is that companies still struggle to accurately forecast what their customers' short- or medium-term buying intentions are.

"Even with the most sophisticated models, forecasts are notoriously inaccurate," said Yossi Sheffi, director of the MIT Center for Transportation & Logistics, who has researched how different demand forecasting methods are applied. Moreover, the task is not getting any easier.

As he explained, globalization, product proliferation, and web-savvy customers all complicate the demand picture. The Internet and television communications channels such as CNN bring new trends and innovations to every corner of the globe, making markets more homogeneous and turning local demand variations into global ones.

The corporate landscape is littered with products that have failed or undersold because companies found it difficult to fathom what their customers would actually buy. The results can be dramatic. Take just one example cited by Sheffi, FluMist, an inhaled flu vaccine that was introduced by pharmaceutical company Wyeth, Inc. in 2003.

Wyeth was able to sell only 83,000 doses out of four million produced, even though there was a flu vaccine shortage at the time. The company had to take a \$20 million charge in January 2004 to destroy or write off the unsold stock, and announced it was eliminating 1,000 jobs and closing two manufacturing plants.

Supply chain managers are familiar with the fallout from poor demand forecasts: excessive inventory carrying costs, lost sales, disgruntled customers and company leaders. Much effort has gone into improving the quality of forecast data through automated information systems like vendor-managed inventory, but there are other approaches.

While no one can predict the future with absolute certainty, there are ways to

Reading the Runes

Ken Cottrill is a CSCMP member and the Director of Global Communications at the MIT Center for Transportation & Logistics in Cambridge, Massachusetts.



increase the odds of developing demand forecasts that are at least near the mark. "Instead of forecasting a single demand figure, progressive companies have turned to forecasting a range of potential outcomes," Sheffi said. Estimating the likely range of future demand enables companies to establish contingency plans for low- and high-end demand outcomes, and "conditions the company to think in terms of uncertain outcomes or a range of possible realizations."

A well-known manufacturer of scientific instruments develops a range of forecasts for future demand, supply volumes, and prices for all its products. It assigns probabilities to each outcome that has more than a 10% likelihood of occurring and develops contingencies for these scenarios.

Pooling forecasts is another approach to improving demand estimates. In the US, auto industry pooling statewide dealer forecasts has slashed order processing times because the combined figures were more accurate than the information generated by individual dealers. Motorbike maker Harley-Davidson uses this technique to refine its forecasts in Europe.

A shorter forecasting horizon can bring the future into sharper focus. A way to do this is to reduce the lead time from product conception to market launch through quick response manufacturing methods that perform many tasks in parallel. Some companies, such as Lucent Technologies, achieve concurrency by creating a single supply chain organization.

Others bring key departments physically closer together. Fashion company Liz Claiborne Inc. plans to use a "supply chain city" under development in the Southern China city of Dongguan. Liz Claiborne designers will be co-located with production engineers on the sprawling industrial campus, so they can collaborate more closely and decrease time to market. The overall aim is to reduce the

concept-to-retail store cycle time from the current 10 to 15 weeks to just 60 days.

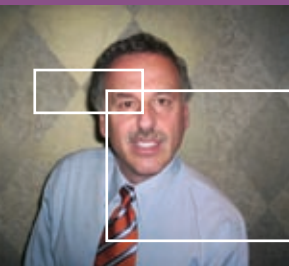
One problem that fast-moving industries face is that product turnover is so great there is a lack of historical data available to refine forecasts. Nine West, a subsidiary of Jones Apparel Group, is a leading retailer of specialty women's shoes, and tackles the problem by creating its own historical data. The first 1,000 pairs of shoes of a new style are shipped by air to five representative US stores where sales of the items are closely monitored. The information is then used as a sales indicator for the complete line.

While each of the above approaches offers a different way to shed light on the future, they are drawn together



by a single, overarching goal: to build more responsive supply chains. As Sheffi pointed out, companies that are seeking solutions to the problems of uncertain demand are doing more than investing in better forecasting tools. They acknowledge that future telling is an inexact science and "design their supply chains to be flexible and respond to ever-changing demand patterns, thus making them less dependent on demand forecasting." ■

Assess Your Career in the New Year—What's Your Value to Your Industry?



This is the second in a two-part series on managing your career by Don Jacobson, CPC, a long-time CSCMP member and the President of LogiPros, LLC, in Lincoln Park, New Jersey.

Don has specialized in recruiting for the supply chain discipline for over 20 years. In an effort to provide industry with the highest level of service on a global level, LogiPros developed The World Logistics Network made up of 60 supply chain recruiters in six countries.

edge and expertise you possess in similar programs, and how easy it will be for you to learn their system. This also covers you if the company has a custom-made application.

- **People:** Different disciplines attract different personalities. Oftentimes, you can identify a person from the accounting, sales, or marketing department within the first few minutes of meeting them. What this means is that your people management skills will work just as well in a food processing distribution center as they will in a building supply distribution center. It's a manager's job to fit an employee's personality with the proper job function.
- **Education:** Some HR directors insist that a candidate possess a degree in supply chain management, while others easily accept a candidate's degree in management, coupled with experience relevant to the position. Your degree is what it is and this is a bit harder to decorate with a new perspective...or is it?

Look at what we've discussed here. **All of these components are management components, not just components of supply chain management.** However, if you believe that a general management degree is diminishing your career opportunities, look into a professional or graduate certificate to give you that higher educational edge in your specialty without having to spend several more years in school.

The value to your company, as you calculated from our last article, is an important part of your big picture value as well. But as you examine each asset that you've documented, you now need to look at it from the broader perspective. Look for the similarities between your industry and others.

Remember: every cover letter and résumé can—and should—be custom written for the specifications of the position to which you're applying. This will help you showcase your numerous assets in a much more effective way. ■

If you'd like to submit an article to Supply Chain Comment, send it to the editor at mholodnicki@cscmp.org.



**Council of Supply Chain
Management Professionals**

2805 Butterfield Road, Suite 200, Oak Brook, IL 60523-1170 USA
Phone (630) 574-0985 • Fax (630) 574-0989 • www.cscmp.org

PRSRT STD
US POSTAGE
PAID
CHICAGO, IL
PERMIT #9711