

SAPICS – your supply chain community 7 April 2016

Supply chain problems explained with a braai

Service delivery to citizens and customers is influenced by the entire process of supply chain management, not just procurement or logistics.

"It is often easy to confuse supply chain with logistics, or even mistake it as a new name for purchasing or procurement," warns Onnica Mailula, winner of the Best Speaker award at last year's SAPICS conference for supply chain professionals. Mailula's session used a well-known South African activity – the braai – to explain basic supply chain management principles.

"There are several functional aspects that form part of the supply chain for a braai," says Mailula. "Each function is crucial in ensuring that a successful braai is organised. In both supply chain management and an enjoyable braai, the sum is always more important than the individual elements."

Demand management or forecasting relates to the number of guests invited to the braai, which determines the budget needed for the amount of meat, drinks, and side dishes. In supply chain management the details of this function normally goes all the way to a stock keeping unit (SKU) and even to a specific time horizon. Performed well, this function might even predict which of the guests will have a glass of beer at a specific time during the braai.

Making sure that the planned menu for the braai becomes a reality relies on a meticulous shopping list. The best lists include careful consideration of which shops provide the best quality products at the best price, and when to shop so ingredients are still fresh on the day of the braai.

Similarly, for business to operate efficiently, it is necessary to take vendor selection processes and supply agreements into account. Supply chain professionals must also ensure that the exact sequence and timing of events are planned to produce sufficient product to meet customer demand.

"Consider how many times a customer delivery was late or wrong and relate it back to the braai experience," advises Mailula.

True to South African hospitality customs, there are usually ample leftovers after a braai. When these leftovers are divided between the guests using the host's containers, the issue of returning the empty containers quickly becomes a point of lengthy discussion. The

returns process in business is called reverse logistics, and is a specialist area of its own in supply chain management.

"While some of the functional areas of supply chain management are explained in simpler terms in this example, it does give a basic overview and understanding of what supply chain management entails," says Mailula.

The different areas of speciality will be explored in formats suitable to both novice and advanced supply chain practitioners at the 38th Annual SAPICS Conference and Exhibition, 12-14 June 2016 at Sun City. More information and registration is available at conference.sapics.org

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