

Supply Chain Insights #3

Keeping up with the continuous
pace of change and enabling a
responsive supply chain.

→ [How it works](#)

A shift in mindset

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An 8-minute read



Many organisations come to a point when difficult decisions are required to keep the lights on to fight another day. While treading water is necessary and may buy time, floating is not swimming and certainly does not pass as progress. With the current pace of change, a **small** pause can create a **big** gap. Especially in the world of supply chain, where one day of inventory can be financial consequential, the difference between being in the red or black can be impactful to customer satisfaction. So, how can you ensure that you keep moving forward and even stay ahead of the curve?

Here are some thoughts on planning and predicting responsive supply chains.



Telling the future

“The future is already here
– it's just not evenly distributed.”
~ William Gibson

You don't need a crystal ball to see the future. While precision, of course, may vary, if we consider our far and recent past we are able to better predict what is yet to come.

A few examples:

- In Retail and Automotive, supply chains were in need of item level visibility and material management solutions long before the rest of the market.
- In parts of Africa, cashless payments were ahead of the curve due to most having mobile devices before laptops, driving the mobile first trend.
- In China, single platforms and multipurpose applications like WeChat function as a commerce market, messaging, and money management application.

Using this approach and considering our current scenario, with half the world off-line, how will increased Internet usage in home offices affect the digital world? How will consumer behaviors be changed long term? How will corporations answer for the different supply chain requirements during times of lock down vs. re-opening? Are there success stories that hint of a future yet to come and what about any cautionary tales?



Consider this case study:

In the span of 2020 alone and in the midst of the Coronavirus (COVID-19) pandemic, a UK based retailer accelerated their supply chain to get products out of China before the impending Chinese New Year. Then, with the pandemic having hit the UK and lockdown taking effect in late March, deceleration of production was employed as not to hold extra inventory. At the will of the government's announcement for re-opening, planning to return to 'business as usual' and restarting the supply chain was not possible, again forcing the accelerated model in mid-June.

The consensus is that keeping up with the continuous pace of change, requires a responsive supply chain that **should be flexible to the unknown future state**. Any given companies' corporate supply chain strategy, must incorporate multi-faceted solutions. Complicated as it may be, the options are: find a solution to keep up with the continuous pace of change, possibly even find competitive advantage, or be left behind.

Mind the Gap

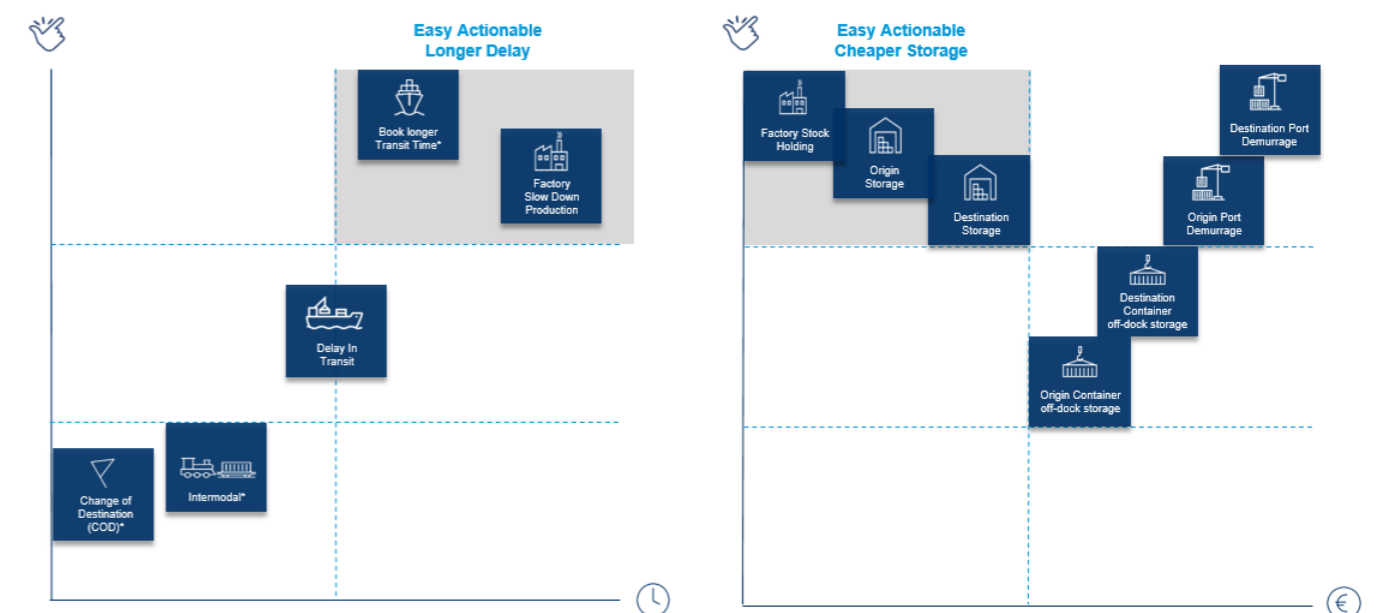
“I suppose it is tempting, if the
only tool you have is a hammer, to
treat everything as if it were a nail.”
~ Abraham H. Maslow

While searching for solutions to enable a responsive supply chain, not only can you never stop searching, but you must also be aware of the gap between 'as is' and 'to be'. This gap in time is a risk not afforded in the world of ever-changing consumer demand. Minimal gap impact requires strategic levers and enablers of the supply chain to be at the forefront – regardless of demand change, disruption, or strategy pivot. Levers and enablers are not the same, but both are required.

Levers are strategies that answer for disruption or drive opportunity without upending the entire supply chain; and are deployed based on the current environment and desired outcomes.

Enablers, on the other hand, are the constant backbone of a supply chain and determine the success of the strategic levers. As an example: delay in transit (taking a longer transit time as a means to hold inventory on the water during a country shut down due to COVID-19) is a lever, while an enabler is the technology required to identify transit time options or the executing strategic partner.

In a previous insight series webinar, the levers and enablers were further defined and examined. For the full list of levers and enablers, subscribe to the series and listen to the [‘How to Enable a Responsive Supply chain’ webinar](#).



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There is another gap to consider, namely your own capabilities. Filling the capabilities gap, as well as finding new levers and the necessary enablers of a responsive supply chain doesn't require mastery of every tool and option out there. Examine your own abilities! You may know when a scalpel is required, even if you could never wield one effectively. Maybe you write VBA (Visual Basic for Applications in Excel), but not elegantly. Maybe you know German, but not fluently. The key here and with a responsive supply chain is identifying the need (gap) and evaluating the gravity of its consequences.

'Play' or evaluation of options for levers (tools and strategies) and enablers (people, partnerships and technologies) are part of an evolving supply chain maturity journey and the first step in adopting an agile mentality or even mitigating some risk associated in evaluation and implementation of new solutions.

It's not all fun and games

“The only way to win is to learn faster than anyone else.”
~ Eric Ries

Having identified the levers and enablers, the game can begin. 'Playing' is synonymous with learning and learning is required for a lean and agile supply chain. The missing aforementioned link, speed, is key to productive 'play' and learning. Jeff Bezos is famous for allowing and even demanding projects that fail. "If the size of your failures isn't growing, you're not going to be inventing at a size that can actually move the needle," he wrote. This ethos means trying things that may not work. Thankfully, there are methodologies to set up minimum viable products (MVP) that help you fail quickly, but then develop, launch or pivot.

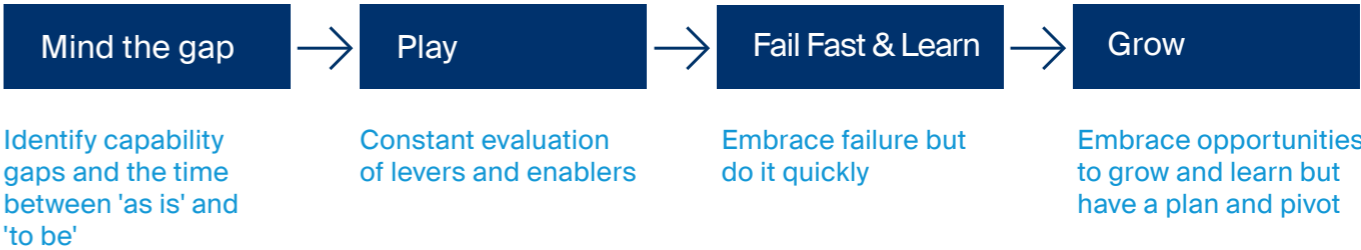
In a recent webinar hosted by [CITT](#), attendees were asked what percentage of minimal viable products people were prepared to let fail.

The lowest result was <25 %, and where most landed. This represents a challenge that too many of us focus on: all-or-nothing development vs. agile/lean project methodologies and a growth mindset. A failed product may seem like an end, but done well, it can be an inevitable mid-point pivot.



Boundless... Key Takeaways

How to enable responsive supply chains?



Progress may be in leaps, bounds or iterative, but it does not stop. The future often creates an endless loop of what-if scenario planning. This methodology can be helpful, but is focused on known constraints. Not only does it miss the unknown and unforeseen, but it also doesn't allow for the creativity of 'play' and failure.

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