

Essence of Innovation in Supply Chain Management

I keep going back to innovation...and I am sure you'll be wondering, WHY??

It is simply so, because if it wasn't for innovation, we wouldn't have progressed thus far,.....for innovation keeps coming back,.....each time in a new avatar, hence for me to talk about innovation is neither stale,.....nor a stale-mate,.....instead it's a state we are in,.....a state of evolution and progress,....

In school we were taught, so many things,.....the languages, the mathematics, the sciences, the histories, the geographies,.....and thereafter it was our lives that took over, ever so constantly teaching us,.....every moment, every day,.....and in this mire we are constantly reminded that we have to survive, for life is a struggle,.....and we are all in the business of survival,.....and the law of "The survival of the fittest", holds true for us as well,.....and to survive in our businesses we must innovate,.....constantly ever so,.....never stale,.....never a stale-mate !!!

Looking at the logic of logistics, we realize that the strengths an army drew in the WW II, was through its logistical competence,.....the Industrial revolution took over thereafter,.....economies opened up unto one another towards the creation of a globalised environment, especially in terms of trade and commerce.

Soon supply chain brought in an edifice of scientific management in logistics which saved time and money, and catered to the needs of Individuals and Organisations. The advent of Telecommunication, followed by The Information Technology and Faster and efficient transport systems saw us propelled beyond our orbits towards a world that would change very fast,....and now we are here within a constant flux of our business environments wherein innovation is the only panacea for survival.

"Innovation begins at the intersection of invention and insight," notes Patricia Pepper, director of strategy and innovation for IBM Integrated Supply Chain

While many companies talk innovation, what's truly important is achieving the results of that innovation, according to the standards of your clients, internal employees, and suppliers.

While evaluating the importance of innovation we must ask ourselves that, will pursuing a strategy of incremental improvement through innovation allow us to meet our business objectives, and can we avoid having our products and services become commodities?

If they do become commoditized, the ability to price effectively will decrease, and so will the profitability.

Supply chain innovation is important for companies of all sizes. It means looking at the way a company applies its assets, operating resources, and capabilities to develop new ways to satisfy customer needs. Companies should measure the value of innovations by how well they help meet customer demands.

While few companies are implementing breakthrough or "leapfrog" innovations, nearly every company today is looking to innovate in some way or the other.

Some key areas of activity upon which innovation in logistics have taken place involve the following:

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Adapting:

This involves putting in place the necessary technology, people, and global operating models keeping in view global demand, alongside a global supply chain process to cater to that demand.

Collaborating: Collaborating with trading partners.

Instead of operating within one's own boundaries, we must look beyond our boundaries, collaborating with our trading partners so as to collapse the time between sales and replenishment. This holds especially true for a Supply Chain orientation.

Integrating:

Breaking down silos and integrating functions to develop creative solutions.

To transform through innovation we need to have a strong desire for internal and external collaboration. This transformation should cut across departments and areas of focus within a company and it should also link the extended enterprise, such as key suppliers, customers, and channels.

Innovation Teamwork:

Innovation isn't only about new technology; instead innovation should be an integral part of the entire operation.

Apart from **product innovation** we need to talk about **value process innovation** and **execution innovation**.

The seeds of innovation can be sown by any member from within the organisation, or from outside the organisation. We as managers should enable ourselves to derive from these through creative imagination and develop a *portfolio of feasible innovation approaches*, work upon each idea through a strategic orientation, plan and provide the required resources, such that Innovation can be executed in the best possible way and its outcome can be measured vis-à-vis the defined benchmarks.

A creation of a centralized repository of best practices in Innovation will be most desirable at an Organisational Culture level.

Measuring Results

Needless to say that many organisations which are driven hard by technology, have come a long way in streamlining an automated process, which reduces errors and saves time along with real time visibility of cargo movement, however through this we have somewhere lost out on the human front, and ironically it is the human touch which relates to service; in this direction our communication needs to be impeccable, such that we can coordinate in the most efficient and amicable way – understanding the needs of each other!

We should be prepared to advice our innovators on how to take ideas to the next level, in terms of assembling a team, developing a plan, and securing a patent (If need be.)

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The most critical step in innovation is to measure that we have indeed delivered the desired results, in terms of **Customer Satisfaction**, and our own **Profitability**.

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HOW FAR HAVE WE COME IN OUR JOURNEY IN INNOVATION

1. We have been working towards being an Integrated Logistics Solutions provider.
Note: A Solutions provider is a service provider who innovates.
2. Product Innovation – We offer multi products – LCL, FCL, AIR , Project cargo , warehousing , inland , over border , end to end offering (A question we need to ask – “Are we getting Commoditized here ?”
3. Collaborative Supply Chain Innovation and Specialization - Focusing on Industry Vertical – NGO / Automotive and Pharma
4. Network and Route Innovation - With our presence in the main gateways we are providing logistic solutions to our clients to use the corridors of Mombasa, Dares Salaam, Beira , Durban
5. Making Inroads into the Frontier Economies – First Mover advantage needs to be coupled with Innovation, such that we stay a differentiated Solutions Provider, in our quest to command market leadership, through Brand Value.
6. We have invested in technology – we have launched a warehouse management program in Morocco to cater to the global names and we plan to extend this to Egypt , Tunisia , Algeria and other locations as well.

-----, AND WHERE DO WE NEED TO GO FROM HERE

We need to imbibe an Innovative Culture at our regional levels (Some Innovations may work at regional levels and not at global level, while some may fit into a global scenario, however the Collaboration and Integration needs to be global)

We need to invest in developing “Innovation Think Tanks” involving Fresh Management graduates especially, to compile and collate data,.....so as to create an “Innovation Portfolio”

We at the helm of Management can guide and derive from the ‘PORTFOLIO’ thus created and work upon its Strategic viability, and Implementability.

We also need to have the Benchmarks in place, so as to measure the results of our Implementation.

And all this while we need to be nimble, and keep ourselves ahead of change,.....in other words we need be not just the Change Leaders,.....but we need to become Innovation Leaders !!

I would like to sum up my thoughts by saying, “Our customers will come to us with their problems, and we need to be the solution to their problem...and this is what Innovation means to me”

I would like to know your thoughts, such that together we can Adapt, Collaborate, Integrate into an organization which believes that Innovation is at its Heart...

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About the author: Shantha Martin



Shantha has 23 Years of working experience in diverse industries. Of these she spent 16 years in the logistics and supply chain arena as CEO handling the largest region of ISC/ MIDDLE EAST/ AFRICA / EMED. Her key strengths are people management of diverse cultures and large workforce, handling a large P & L, creating and implementing new initiatives, communication and business strategy.

Key achievement: Revenue and PAT - grew from Euro 58 mn to Euro 133 mn in a span of 5 years and PAT from euro 8 mn to Euro 12.8 mn in a span of 5 years. Managing a multi culture work force of 1200 people in 71 countries across the region

To view her short bio, click [here](#)

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