

# Optimising the supply chain for sustainable business growth

By [Jessica Hubbard](#)

6 Sep 2016

When looking ahead at the various business challenges facing South African companies, particularly with regards to sustainability, it is useful to look back and briefly chart the most significant changes and trends. In the late eighties and early nineties, we witnessed the emergence of the 'one world' economy - which coincided with the arrival of the internet and rapid digital transformation. The resulting changes triggered quantum leaps in global trade and duly affected national and regional economics, politics and business practices.



©soleg via [123RF](#)

Moreover, the new era empowered the world's customers and consumers. On the back of these seismic shifts in the global business ecosystem, the role of supply chain management and logistics came to the fore as a powerful means to creating competitive advantage and sustainable business models to satisfy the needs of the extended markets.

In its [13th annual supplychainforesight](#) programme, Barloworld Logistics sought to map the journey of change and adaptation South African businesses undertook in parallel with the global changes noted above. One of the major findings relates to the increasing recognition amongst business leaders of the role of the supply chain in tackling key sustainability challenges. However, with this recognition, comes the need to innovate and evolve – often at the risk of upending established processes and instilling a certain level of uncertainty amongst employees.

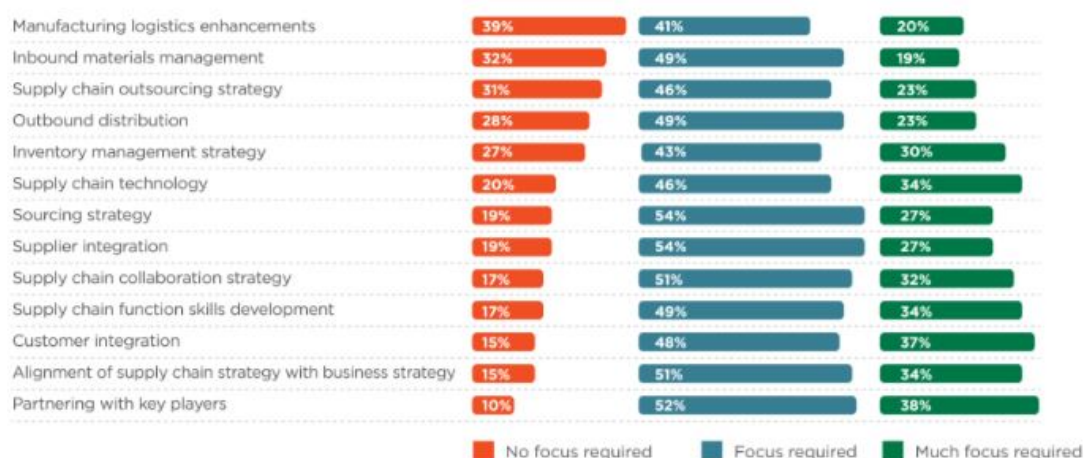
“The ability of an organisation to sustain market position through its traditional business model and strategy has become increasingly challenging,” explains Kate Stubbs, managing executive, Barloworld Logistics. “Indeed, adaptation to a new reality is critical.”

According to Stubbs, the rising importance of logistics and supply chain management in achieving business success has been evident in the *supplychainforesight* findings over the past decade. In essence, supply chain management relates to almost any business activity and has in effect been a key element in overall business strategy. It entails the management and optimisation of resources and business processes to meet specific business objectives e.g. customer satisfaction, greater efficiency, and reduced risks.

## Critical supply chain factors and business performance

Having canvassed the views of business leaders and managers across various industry sectors in South Africa, the most recent *supplychainforesight* survey revealed that a strong focus on a diverse range of supply chain factors is delivering significant value to many companies. Universally, the alignment of supply chain with business strategy has become more critical and is delivering very positive results to South African businesses looking to achieve sustainability.

“The integration of the customers into the supply chain is recognised as an approach that delivers improved customer centricity, thus enabling improved performance and satisfaction levels,” adds Stubbs. “The strong focus on collaboration strategy is widespread, and most likely adopted to minimise cost and reap benefits of partner specialisations.”



The above chart reflects the aggregation of the perceptions of all of the industry sectors, with variations according to the needs of each sector. Critically, respondents appear to recognise the need for much more focus in all of the categories listed. The findings also revealed that customer integration has raised its profile in recent times, and emphasises the growing importance of Customer Centricity as a means of achieving sustainable profits and growth.

“As a general theme, technology is also an important area of focus with regards to sustainable business practices - which relates not only to processes and systems, but also to the collection of data and the conversion of that information into business intelligence from which actions and strategies can be developed,” says Stubbs.

Interestingly, when assessing the impact of supply chain related issues, there is a high degree of acceptance in nearly all areas tabled as either being a positive or moderate impact on business success. “The lower levels of impact of inbound logistics, environmental issues and manufacturing are in line with those sectors of business activity not at present being a key area of strategic focus, although they each have opportunities to be explored for better performance and attainment of competitive advantages,” she notes.

As South African businesses look to navigate political uncertainty, a contracting economy, and global volatility, a greater

focus on the supply chain is already proving to be a smart strategy for companies looking to weave sustainability into the heart of business practices.

For more, visit: <https://www.bizcommunity.com>