

Achieving Supply Chain Resilience through Collaboration.

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Agenda

- Understanding and implementing **C³** behaviour: from cooperation to coordination and finally collaboration.
- The measurement of relationships
- What is needed for successful collaboration in the supply chain?

What can destroy your Supply Chain?



What can destroy your Supply Chain?



WWF 2009 - <http://www.worldwildlife.org/tes/change.html>

Water is the new CO2!?

0.1 for the water itself

2.5 to make the plastic lid

5.5 to make the paper cup and sleeve

7.5 to grow the sugar for one teaspoon.

49.5 to feed the cows that make the milk

143 to grow the coffee

208.1 Litres

WWF 2009

The colour of water

Green Water

Water used at the point where rain falls

Blue Water

Water abstracted from rivers, lakes and groundwater

Grey Water

Water required to dilute polluted return flows

Source - Dr Tim Hess, Reader in Water Management, Cranfield University, UK"

Blue water / Green Water

- **Green water**
 - Opportunity cost of water is low
 - Opportunity cost for land may be higher
- **Blue water**
 - Taken from renewable resources
 - Competes for water with other uses



Source - Dr Tim Hess, Reader in Water Management,
Cranfield University, UK

Colour is important



250 g Peanut M&M's[®]
1,153 litres



575 g Dolmio[®] pasta sauce
202 litres

Blue	127	128
Green	987	21
Grey	39	53

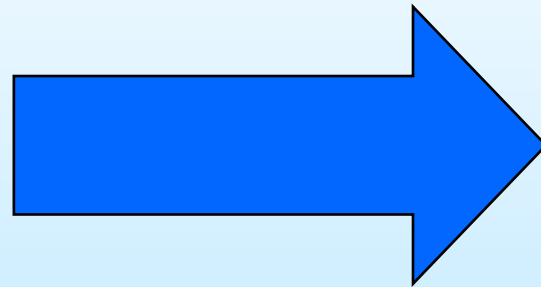
Supply Chain Risk Management

“The identification and management of risks within the supply chain and risks external to it through a coordinated approach amongst supply chain members to reduce supply chain vulnerability as a whole – this is not a single company concept.”

Effective Supply Chain Management results in effective Supply Chain Risk Management!

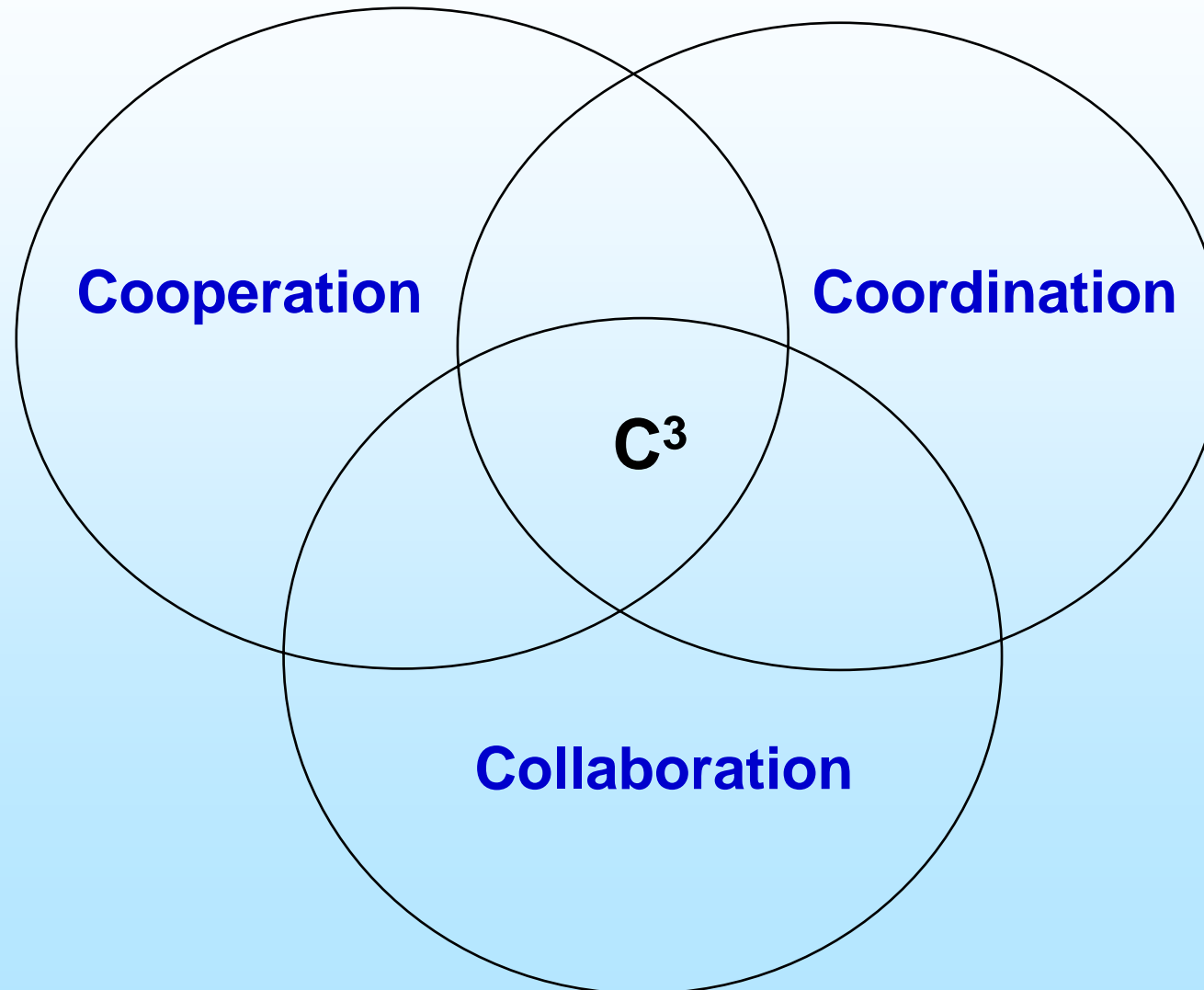
“Supply chain management can be defined as the **management of** upstream and downstream **relationships** with suppliers, distributors and customers to achieve greater **customer value-added at less total cost.**”

Supply Chains need “T” shaped people.

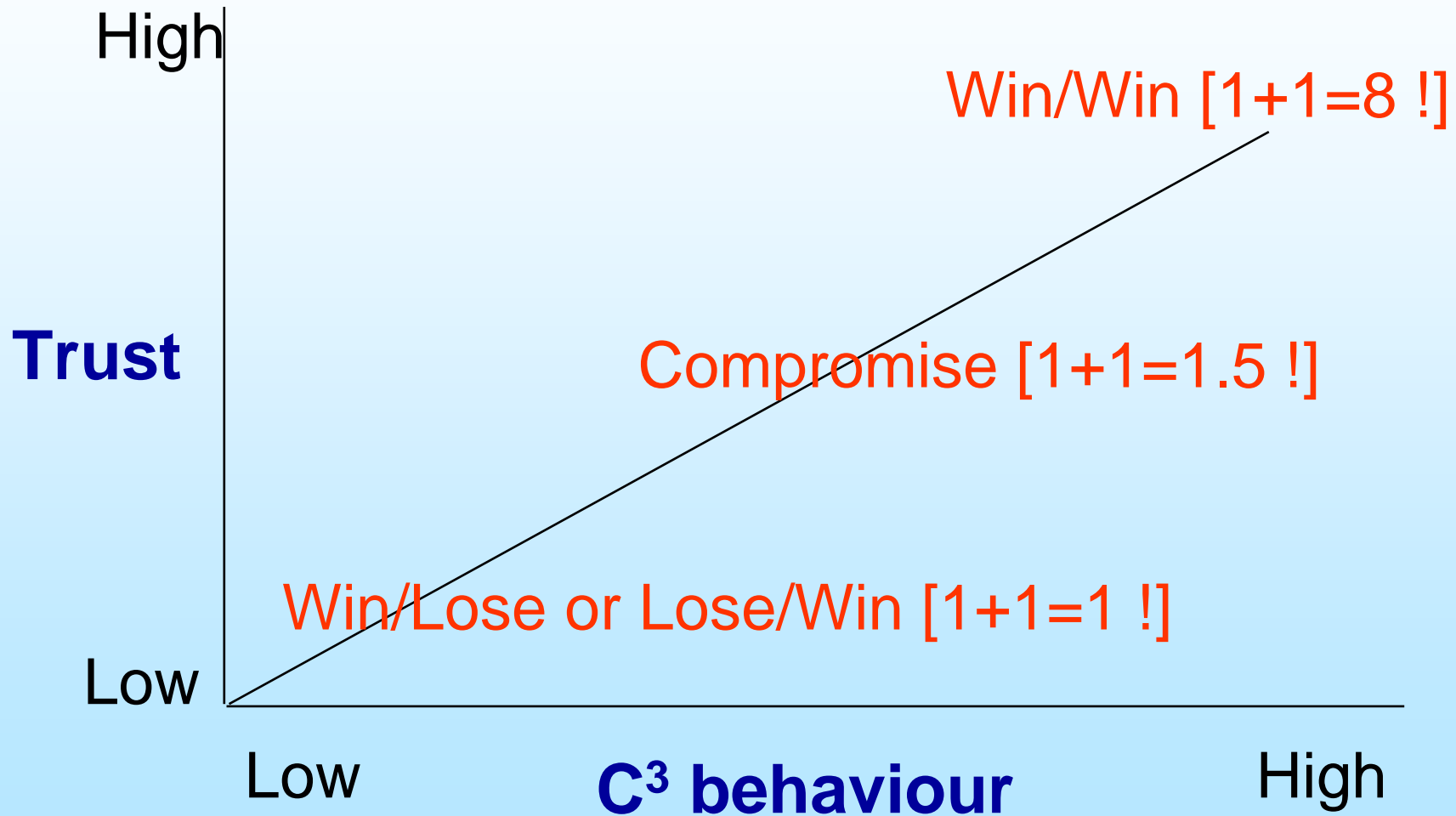


- “I” shaped people only understand their own function.
- “T” shaped people understand the process they are part of and also their functional strengths.

C³ behaviour – an essential for supply chain success.



Multiplying the benefits: C³ behaviour and Trust.

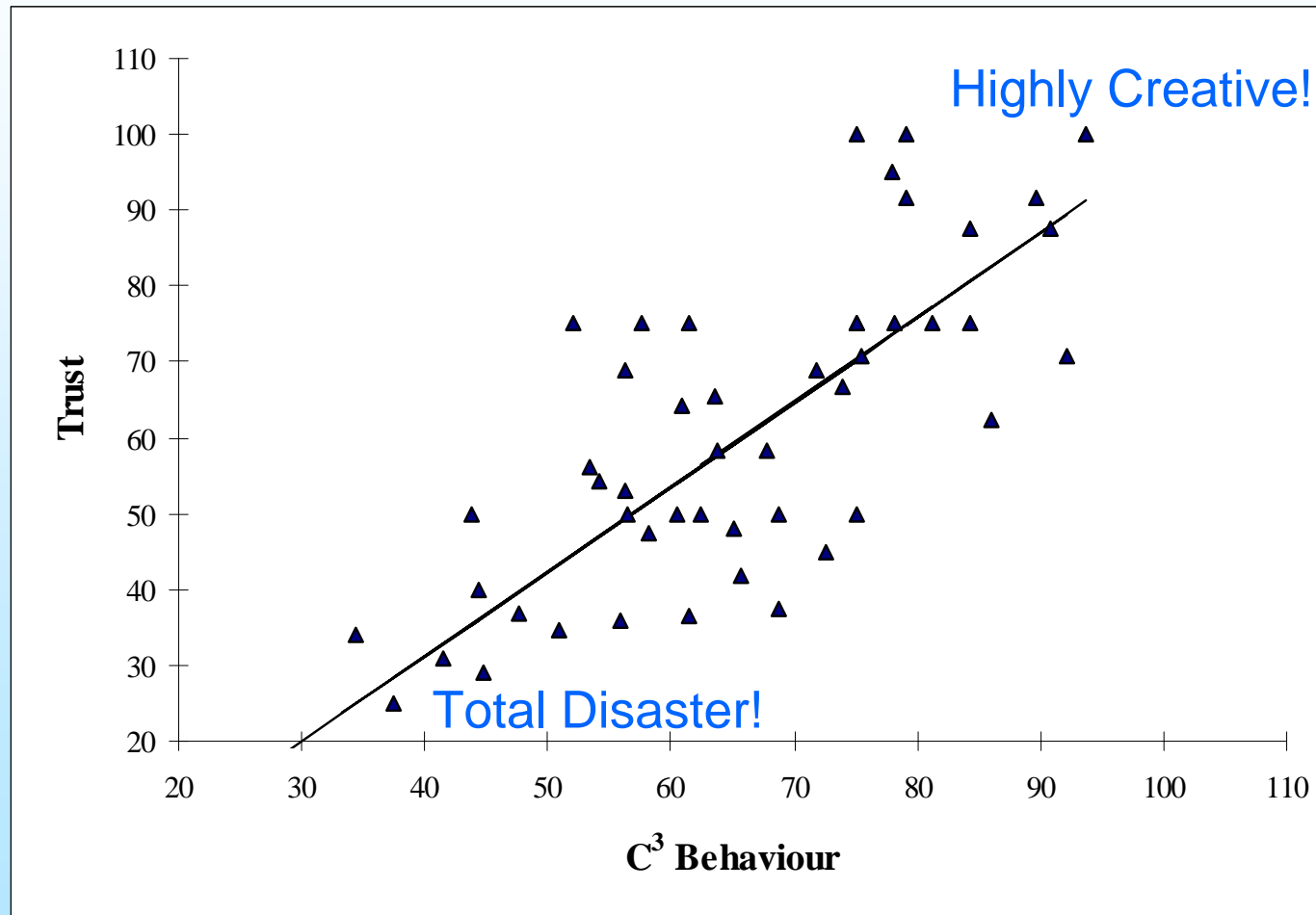


Collaboration: Win/Lose or Lose/Win



John West and his Bear

C³ behaviour and Trust in 54 Collaborative Environments.



Emotional Intelligence gains competitive advantage.

Top 25% of companies selected for profitability, Cycle times, output etc. showed the following characteristics:

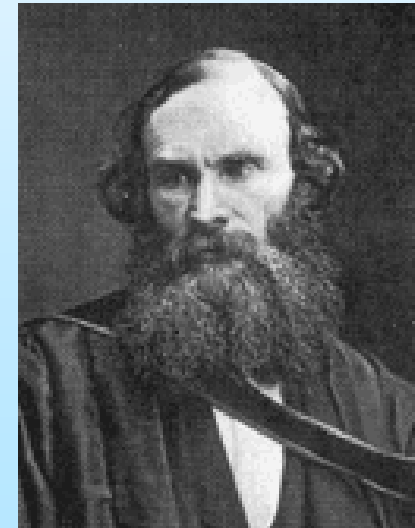
- A passion for competition and continual improvement.
- Organisational commitment to a basic strategy.
- Open communications & trust-building with all stakeholders.
- Building relationships both internally & externally that offer competitive advantage.
- Collaboration, support, and sharing of resources
- Innovation, risk taking, and learning together.

Source: Goleman "Working with Emotional Intelligence" 1998

To measure is to know....

“If you can not measure it, you can not improve it”

Lord Kelvin
(Sir William Thomson)
1824 - 1907

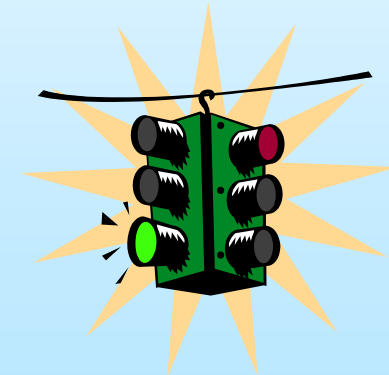
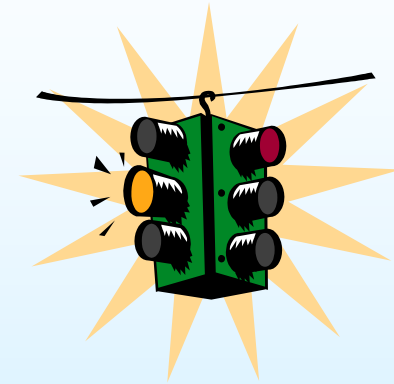
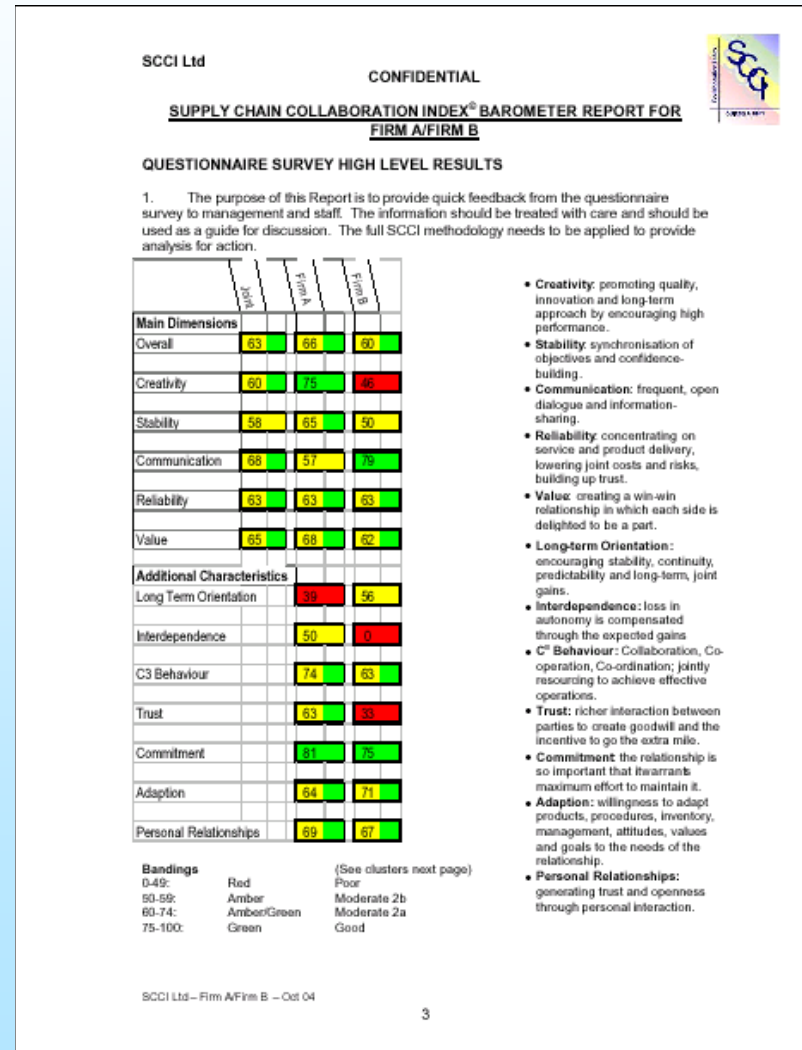
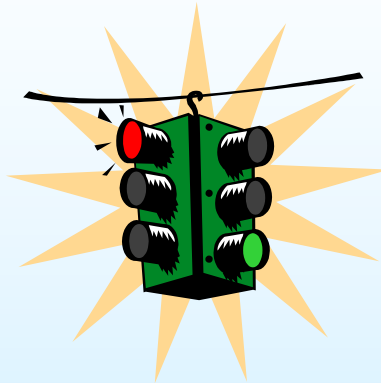


Questions we all need to ask

- How many business relationships do we have?
- Why are they important?
- Which ones are doing well and why?
- Which ones are NOT doing well and why?
- How do we identify hard targets for continuous relationship improvement, and remove risk?
- How do we do all of this jointly with our business partner?
- How do we do it with minimum effort and maximum effectiveness?

Collaboration: Success or Failure?

We can measure it & make it Transparent!



SCCI[®] Barometer

www.sccindex.com

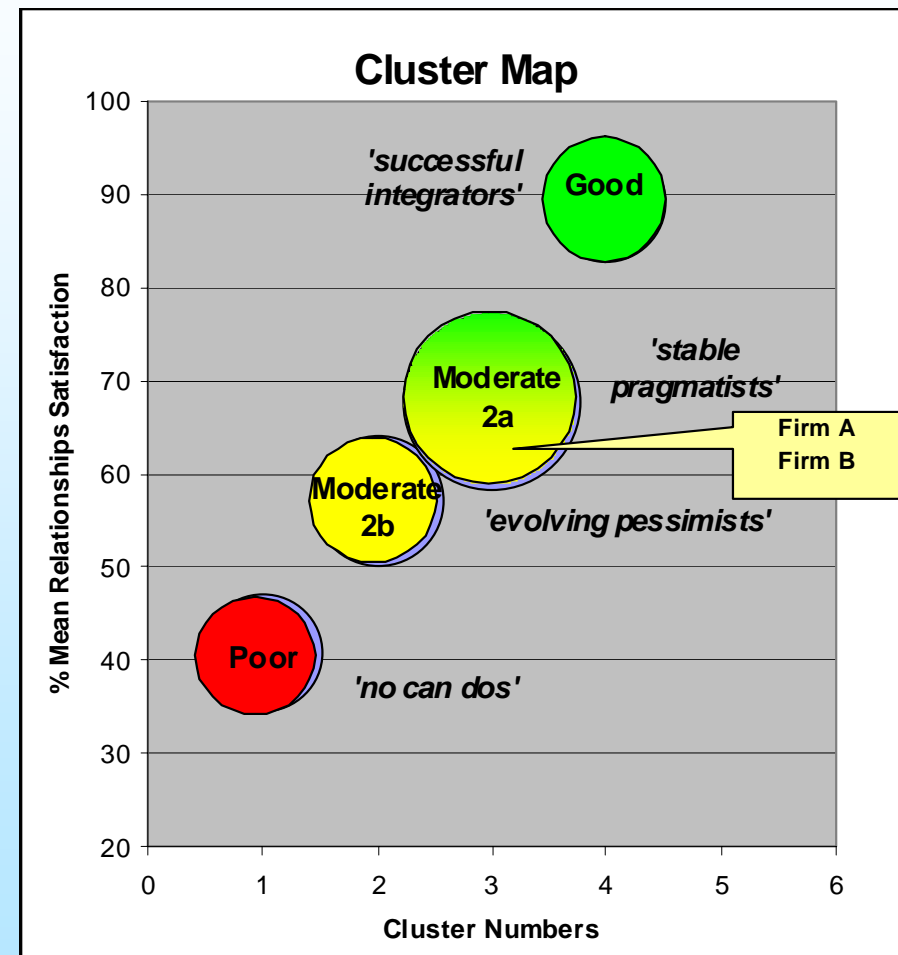
	Joint	Firm A	Firm B
Man Dimensions			
Overall	63	66	60
Creativity	60	75	46
Stability	58	65	50
Communication	68	57	79
Reliability	63	63	63
Value	65	68	62
Additional Characteristics			
Long Term Orientation		39	56
Interdependence		50	0
C3 Behaviour		74	63
Trust		63	33
Commitment		81	75
Adaption		64	71
Personal Relationships		69	67

Bandings		
0 – 49		Poor
50 – 59		Moderate (2b)
60 – 74		Moderate (2a)
75 - 100		Good

Collaboration: Success or Failure?

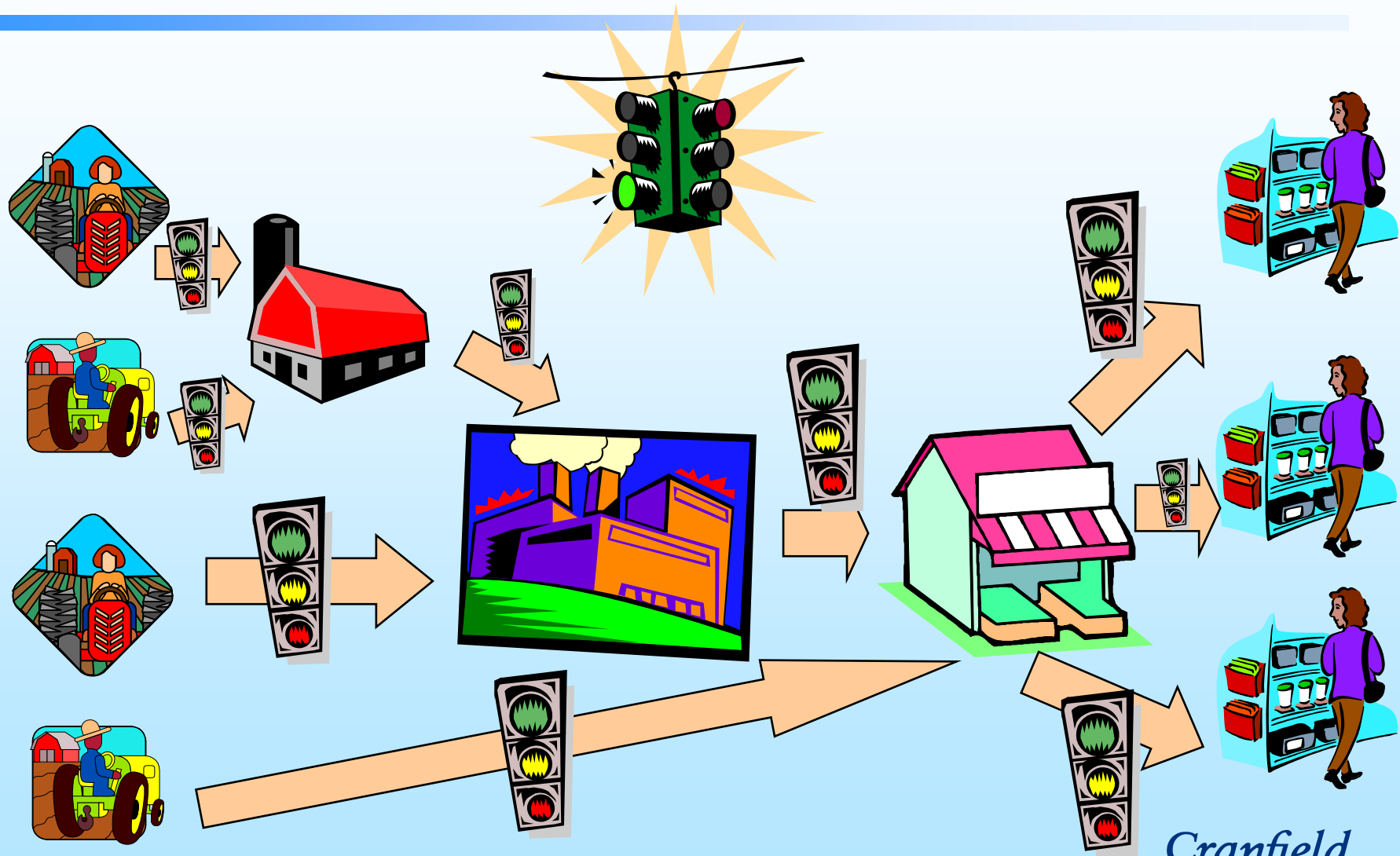
How do you compare?

- **'Successful integrators'** Contain high levels of interdependence, co-operating, co-ordinating, collaborating (C3) behaviour, information sharing and innovation resulting in efficient, effective supply chains focused on customer requirements.
- **'Stable pragmatists'** Characterised by co-operation based upon the pragmatic need to overcome normal supply chain operating difficulties. Culture-matching has taken, a sense of 'being in the same boat'.
- **'Evolving pessimists'** Operating problems such as complexity, difficulties in predicting customer requirements and either cultural or financial obstacles to process/facility improvements generally reduce relationship satisfaction.
- **'No can dos'** Adversarial conditions with feelings of 'imprisonment' and 'impotence', a long term lack of co-operation and entrenched opposition to any form of innovation, efforts to improve or gain better equity are unrequited. Result is poor supply chain practices and processes and poor returns.

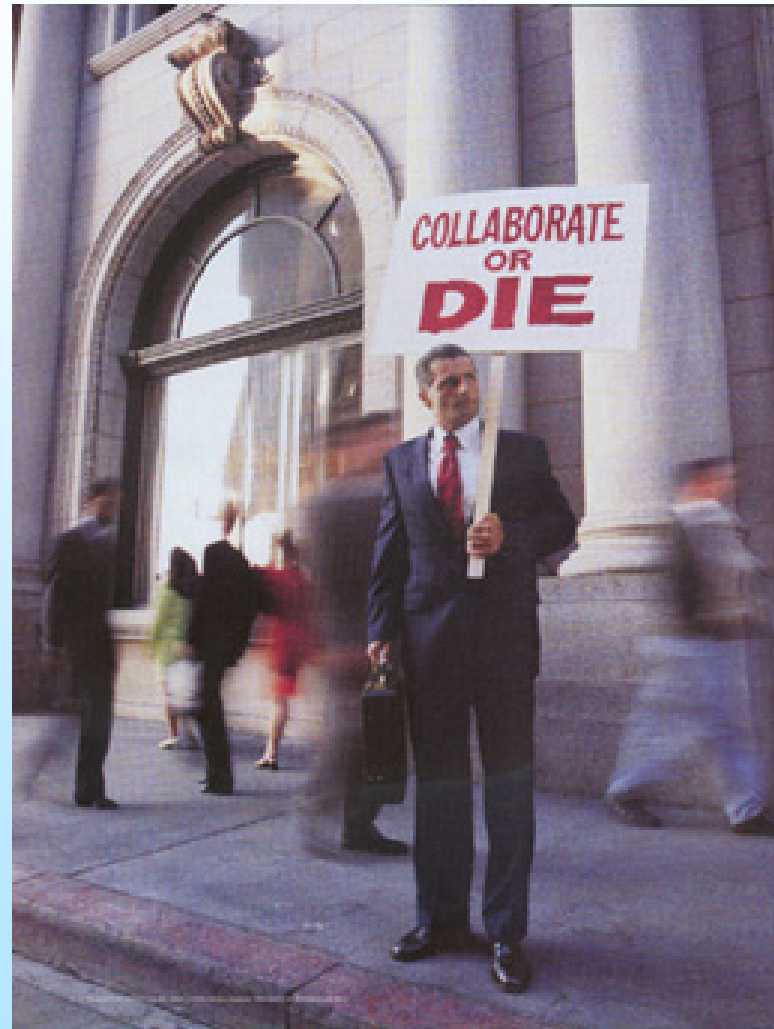


Collaboration: Success and Failure

A poor relationship can be a source of risk.



So without Collaboration you can Kill a supply chain?



Conclusion: Collaboration is up to YOU

- Is **YOUR** organisation capable of collaboration & sustaining relationships?
- Do **YOU** have the skill set required, IQ (Technical) and EQ (Relational) ?
- Can **YOU** identify the appropriate type of relationship required?
- The most important question....
 - **How will the company/function you want to collaborate with benefit from collaborating with YOU?"**



Links & Further Information

Cranfield School of Management
www.cranfield.ac.uk/som

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Videos

www.youtube.com/SupplyChainPodcast
Or www.YouTechTV.com

Professor Richard Wilding
www.RichardWilding.info



Download the free “The Supply Chain Podcast”
www.supplychainpodcast.info or visit iTunes.com



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Which MBA (Global Rankings 2006)

- 3rd in the UK, 9th in Europe and 28th in the world
- 4th in the world for educational experience
- 5th in the world for student quality

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Please keep in touch!

If you would like further information on the techniques described in this presentation, for example, supporting journal articles, or would like to discuss the content further, please don't hesitate to contact the author at the following address:



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