

Editorial Commentary – Better best practice sharing and training required for chemical supply chains

By Turloch Mooney

Supply Chain Asia online (Singapore)

January 8, 2008

Companies in the chemicals industry have made good strides in developing more efficient supply chain practices over the past two years, but big gaps in areas such as identifying and sharing supply chain best practices still remain.

In its annual Global Chemicals Industry Supply Chain Best Practices Study, Accenture found supply chain professionals in the industry were doing better at collaborating and communicating with customers than two years ago. The survey of 400 industry professionals on four continents found the percent of supply chain professionals who said they collaborate with customers to make sales forecasts had tripled from just 7% in 2005, the year the consultancy started the study, to 24% in 2007.

It also found good improvement in internal communication relating to supply chains, with more than a third of respondents reporting robust information-sharing within their company, up from just 21% in 2005.

The consultancy expressed concern over the lack of sharing of supply chain best practices illustrated by the study. Almost two-thirds of supply chain professionals surveyed said their companies had no formal processes for identifying and sharing best practices; while just 4% said their companies have captured best practices in one place and made them available to all supply chain professionals within their organisation.

“While companies have traditionally looked at the supply chain as a way to cut costs, they now look at it as a strategic and financially important part of the business and a way to generate value and revenue. In a competitive global landscape, sharing best practices will be critical to increasing performance,” said study author Christopher Lange.

The study found supply chain training within the chemicals industry to be much more prevalent than before, with the number of executives saying they had received no supply chain training dropping from 78% in 2005, to 11% in 2007. However, the majority of executives said they believe they are still not getting enough training; just 29% said they were satisfied with their current level of training.

“Companies have invested in improving their supply chains, but if their training is ineffective or informal, their professionals will lack the high level of knowledge and skills to drive value and sustain the changes they’re looking for,” said Lange.