

How to improve your Supply Chain – simple steps – one step a time.

Many institutions in Canada offer courses on Supply Chain Management (SCM): universities, colleges, private institutions and online and in persons courses that offer prep courses for writing the SCMP exam.

With inflation, rising logistic costs and insurance premiums, more and more government regulations for trade and import, high capital costs professionals in SCM play a significant role in supporting companies profit margins.

Still, for many small to medium size companies the purchasing function is seen as an administrative task that offer little benefits and financial transaction control is the hands of ownership or upper management.

Big corporations hire lawyers to set up the T&C (Terms & Conditions) for Sales and Purchase orders, to review their operational processes, to mitigate risks, improve staff effectiveness, reducing cost and time by eliminating redundancies.

These initiatives are driven by upper management who use data, business analysis on their dashboards fueled by BI and data driven by ERP systems. These data now even extended into a stream of information that is extended into the future by AI machining forecasts based on historic data, reducing again the risks for overall operations through providing insight for decision making.

So, the question here at hand is: how can small to medium size companies drive improvements without making heavy investments? Incremental steps can go a long way in setting up a professional supply chain. It also may require a fresh set of eyes to get their inhouse processes reviewed and vetted, making suggestions that can easily be implemented.

In many small to medium sized companies where the ownership still makes the buying decisions and signs the Pos procurement is indeed relegated to an administrative task and not enough time is spend on the review of the whole supply chain including review of market data or setting up KPIs. Best practices are ignored, purchase orders are not protecting all legal rights and historical data not collected.

Lack of KPIs also means lack of data to decide on where improvements are needed and where progress has been made. Supplier management also falls to the side of luck.

In conclusion: change here means mostly as a first step a change of mindset of management, an empowerment of staff and a mindset that is focused on growth.