

ADAPTING TO CHANGE



SAVINO DEL BENE®

Global Logistics and Forwarding Company

LogiPharma 2022

05 - 07 April, 2022

Nice Acropolis | Nice, France


adding value to the supply chain through efficiency and resilience

#The new era...

Global supply chains have emerged as being fragile.

How are we adapting in ensuring efficiency and resilience in the future?

The hurdles to being efficient



Fragile global logistics chain

Dependency on a single supplier or supplying country



No "Risk assessment and management"

Globalisation instead of nearshoring



For the last decades, the "Mantra"
in manufacturing has been:

**lean manufacturing which
focuses on reliability and
predictability.**

For the last decades, the "Mantra" in manufacturing has been:
"lean manufacturing which focuses on reliability and predictability".

First the pandemic, and now war, have accelerated supply chain issues in many industries - which are now being reflected as backorders, delayed shipping and empty shelves.

The abnormal has become normal.

Historic forecast data, is now virtually obsolete.

Companies are faced with tough decisions about how to meet new levels of demand.

Sleek supply chains, just-in-time (JIT) inventory management and minimal waste all work as they should when production and supplier which you depend on are able to meet the demand.

Adapt or Die



Adapt or Die

Fragile Global
Logistics Chain

More than two years into the pandemic, industry experts are exhorting supply chain professionals to adapt, evolve or die.

Many have suggested that companies must alter their inventory and production strategies to better account for rapidly changing customer demands.

A composite image showing a port scene with a large ship on the left, a plane flying in the sky, and a truck in the foreground. The background is filled with stacks of colorful shipping containers.

The agile supply chain focuses on flexibility and responsiveness.

Agile + Lean

An agile supply chain acts on current demand rather than only historical forecasting.

Agility and adaptability win in rapidly changing environments.

Being agile is the ability to respond positively to market volatility.

A hybrid Solution can be possible

The lean strategy is designed to cut costs when producing products with limited fluctuation.

"Agile" means the ability in reacting to market changes more easily.

The "**lean**" supply chain is more reliable and predictable, whilst the "**Agile**" is adaptable and flexible.

As supply chains grapple with unpredictable consumer behaviours, they need to build "Agility" into their operations in order to respond quickly whilst applying lean principles where relevant.

Agile + Lean

Agile + Lean

Technology is a key enabler of "Agility"

#1 Question...

What measures and initiatives have you taken to ensure a supply chain which is resilient to shock?

Supply Chain: uncertainties contributing to fragility

TRANSIT DELAYS

LACK OF MATERIAL

INCREASED COSTS

LACK OF RISK ANALYSIS

NO INVENTORY

SUPPLY CHAIN MANAGEMENT

COST VS QUALITY



CHAOS IN GLOBAL TRANSPORTATION

Traditional
Risk assessment
concept

Global companies all require a risk assessment and route analysis from the freight forwarder before nominating them for a tender and/or regular shipments.

Global companies all require a risk assessment and route analysis from the freight forwarder before nominating them for a tender and/or regular shipments.

Traditional
Risk assessment
concept

Definition:

A risk assessment is the identification, evaluation, and estimation of the levels of risks involved in the shipment process from A to B.

Global companies all require a risk assessment and route analysis from the freight forwarder before nominating them for a tender and/or regular shipments.

**Traditional
Risk assessment
concept**

Scope:

Creating awareness of the risk areas and parties involved so as to manage shipments, mitigate risks and to avoid additional costs such as legal claims and compensations.

Expanding
Risk assessment
concept

Senior leaders acknowledged
that companies had little
experience of the supply chain
of their suppliers

Senior leaders acknowledged that companies had little experience of the supply chain of their suppliers but adding this additional step to the existing Risk Management tools could appear an almost never ending mission.

Expanding
Risk assessment
concept

There is the need to go to a
full-on data-driven digital
system

Expanding
Risk assessment
concept

There is the need to go to a **full-on data-driven digital system** for supply chain management and enhance a more comprehensive Risk Assessment policy.

Expanding
Risk assessment
concept

Choosing Digital Transformation

Expanding
Risk assessment
concept

Digital transformation in the supply chain **industry means rethinking the business from the standpoint of both fundamental and supporting technology infrastructure.**

Expanding
Risk assessment
concept

This can entail adding significant capabilities to what enterprise resource planning (ERP) software has delivered in traditional ways over the past three decades, and then **finding better ways to expose and learn from the inventory data that has been accumulated by these legacy systems.**

#2 Question...

How are companies investing in Risk assessment and Risk management initiatives efficiently?



Globalisation vs nearshoring

**Re-evaluation of the
total processes to
highlight quality**

For the past 30+ years, the supply chain was considered as a cost center - "A necessary evil".

Supply Chain Managers focused heavily on operational efficiency as directed by CEOs and CFOs.

Purchasing Managers focused on discovering and securing the lowest cost supplier possible, regardless of the source.

Limited attention was paid to taking the geographic location, the ethical practices or the political environment of the companies from which critical components were sourced, into consideration.

It appears to the casual observer that low-cost approaches can no longer be the sole driving force in manufacturing and supply chain strategic thinking.

**Customer value
must remain at
the heart of
everything**

#3 Question...

Is the focus on strengthening the supply chain through Quality driven decisions or is cost still a priority?

Definition from the UN World Commission on Environment and Development



“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”



Sustainable practices support ecological, human, and economic health and vitality.

The fundamental principle is that resources are finite and should be used conservatively and wisely with a view to long-term priorities and consequences of the ways in which resources are used.

Globally, supply chains are responsible for a large percentage of a company's overall environmental impact which include carbon footprint and emissions.

Reduction of the "Scope 3" emissions is becoming a business norm.

EMISSION REDUCTION IN LOGISTICS

- Reduction of high emitting transport modes
- De-carbonization of the supply chain
- Route optimization
- Use of “greener fleets”

HURDLES

- Absence of net zero standards
- Companies pursue self-defined goals.
- Scarce or little evidence of real-world impact.

#4 Question...

What is the actual impact of the transportation and logistic services carbon footprint compared to the overall emissions of your supply chain?

#4 Question...

Is a reorganization of the supply chain services, including transportation, the most efficient way to reach your science-based targets?



An integrated/combined process

QUALITY - RISK ASSESSMENT / ANALYSIS - NEARSHORING - COST

THE RESILIENT AND EFFICIENT SUPPLY CHAIN

**If not now
when and how ?**



SAVINO DEL BENE[®]

Global Logistics and Forwarding Company