
COMMUNICATION AND TEAMWORK: THE ROOT OF SUPPLY CHAIN MANAGEMENT

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Abstract: This study focuses on the soft skills used in Supply Chain Management. Supply Chain Management (SCM) is a hot topic today. Many Companies are implementing SCM, it is an effort to increase profits and customer satisfaction.

This study focused five soft skills: Organising, Influencing, Communication, Teamwork and Problem Solving skills. A Questionnaire method was used to evaluate the dominating soft skills. It has been seen that Communication and Teamwork skills is higher as compared to other soft skills.

Keywords: Communication, Soft skills, Supply Chain Management, Teamwork.

Introduction: The supply chain consist of highly coordinated and integrated flows of information, products and funds. It starts with the customer and it ends with the customer. It requires looking at the business as one continuous, seamless process. This process absorbs distinct functions such as forecasting, purchasing, manufacturing, distribution, sales and marketing into a continuous business interaction. Supply Chain Management is that coordinated function responsible to: plan for, acquire, store, move and control raw materials, work-in-process, finished goods, so as to optimize the usage of physical facilities, manpower, capital funds and improve customer services (Pre-transaction, transaction, post-transaction) in line with corporate goals; profit, growth, and survival. (Mohanty&Deshmukh, 2004)

"The management of a network of relationships within a firm and between interdependent organizations and business units consisting of material suppliers, purchasing, production facilities, logistics, marketing, and related systems that facilitate the forward and reverse flow of materials, services, finances and information from the original producer to final customer, with the benefits of adding value, maximizing profitability through efficiencies, and achieving customer satisfaction"(Stock and Boyer, 2009)

Action plan for supply chain management are: Efficient Customer Response (ECR), Centralized Distribution Centers and Cross Docking, Demand Forecasting and Planning, Cycle Time Compression/Lead Time Reduction, Synchronized Production, Just-in-time applications, Improvement in purchasing efficiency, Improvement in quality and delivery performance of suppliers, Isolation of factors that influence the cost of material, Removal of unnecessary cost factors in the materials supply system, Outsourcing, Third party purchasing, Supplier Rationalization, Supply base Reduction, The Use of sourcing teams, Co-location of buyer and

supplier, Strategic alliances with suppliers, Time based purchasing, Supplier Managed Inventory, Consolidation of vendors, Negotiation with vendors on the size of their minimum shipment quantities, joint shipping programs, and restructuring of shipment patterns where multiple locations are involved.

JIT purchasing:

- Reduced lot sizes.
- Frequent and reliable delivery schedules.
- Reduced and highly reliable lead times
- Consistently high quality levels for purchased materials

Each of these elements constitutes a major benefit to the purchasing firm, not the least of which is shorting the procurement cycle. The ultimate objective should be a single reliable source for each item and the consolidation of several items from each supplier, Streamlined Logistics and Distribution, Driving Out Complexity in Purchasing/Distribution, Capability Development in the Supply Chain, Transaction cost management, Use of EDI, Organizational integration by restructuring.

There are many reasons underlining the global skills shortage. Work has become more complex and employers are requiring more particular skills, which leads to a disparity between the supply of and demand for these specific skills. The blend of skills required to accomplish effective supply chain management differs with the type of firm and industry involved. According to a whitepaper published by Massachusetts Institute of Technology (MIT), "Supply chain analytical skills are necessary and important but not sufficient; sufficiency comes with these 'other' skills". The 'other' skills which they refer to are soft skills which include creative thinking and seeing the big picture. There is an increase in demand for supply chain professionals with a broader skills set to tackle future business challenges. Some of the business challenges supply chain managers need to overcome include: continued emphasis on global

markets and uncertainty, profitability, leadership, increased business and financial experience requirements, analytical and modelling data skills, technology to manage commodity volatility, availability of real-time information and social responsibility resulting from globalization.

Literature Review: Numerous studies from around the world have been completed to determine the typical skill sets that are required for successful supply chains. The BLM framework identifies three main areas, business skills, logistics skills and management skills, in which logistics managers need to be proficient in. Murphy and Poist found that discipline specific knowledge is the most important business skill, followed by aspects such as business ethics and business writing. The latter emphasizing the role of communications in modern supply chains. In logistics skills they find that customer service is ranked as the number one requirement whilst under management skills, personal integrity, the ability to motivate others and decision making ability are the most important skills. Their research conclude that senior level logisticians need to be "managers first and logisticians second."

Razzaque and Bin Sirat explored the logistics skills requirements for two developing South-East Asian countries. They replicated the BLM framework and found that the main business skills are transportation and logistics, human resource management, business ethics, general business administration and information systems. Important logistics skills are transportation management, customer service, inventory control and demand forecasting. Finally, management skills include aspects such as personal integrity, the ability to plan, the ability to adapt to change, and problem solving abilities.

Mangan, Gregory and Lalwani identifies communications / negotiations, computers / information technology, general experience, logistics / supply chain management and people management as the most important future supply chain skills. In a study by Gammelgaard and Larson logistics practitioners and students were asked to rank the importance of 45 supply chain management (SCM) skills areas. They suggested a three-factor model of SCM skill areas. Their work highlights problem solving, decision making, teamwork, and ability to see the big picture, prioritising, supply chain awareness, cross-functional awareness and written and oral communication as important skills.

Mangan and Christopher cluster their research results into three knowledge area, viz. general, Logistics/SCM specific and competencies. Under general skills they find that finance, IT and management / strategy are critical. In the logistics / SCM specific cluster they find operations / SCM,

focus on processes / flow, legal, security and international trade, multimodal logistics and logistics in emerging markets as important. Under competencies, they identify analytical, interpersonal, leadership, change management and project management skills essential for logistics and supply chain managers.

Rahman and Yang explores the skills required by logistics and supply chain managers in China and identifies that a combination of hard and soft skills is required. The top ten skills requirements include sector specific skills such as inventory management and transport management, but that there is also considerable emphasis on skills such as supply chain awareness, cross-functional awareness, customer service, supply chain cost, ability to see the big picture, cross-functional coordination, teamwork and information flow.

Kisperska-Moron views the supply chain from a virtual perspective and emphasizes that a different skills set will be required in the future. The main conclusion of the study are that highly educated personnel are required, even at the operational level, on account of the extremely high level of customer service expected, good communications skills for efficient coordination; good skills in fully automated information systems, critical analysis, adaptability to changing requirements and an innovative and open mind.

Thai, Cahoon and Tran considered the profile of skills and knowledge of Australian logistics professionals. Their study was also based on the BLM framework but incorporated a number of additional skills required in a contemporary business environment. The researchers report that the five most important skills as perceived by respondents are personal integrity, managing client relationships, problem-solving ability, cost control and ability to plan.

Daniel Prajogo, Amrik Sohal, (2013). The paper "Supply chain professionals: A study of competencies, use of technologies, and future challenges". Their study focused on the competencies and skills of supply chain managers, their use of supply chain technologies and future challenges in supply chain management (SCM), including issues relating to globalization, environment, and supply chain integration. Communication and teamwork is identified as the most important competencies for successful supply chain integration. Knowledge of a broad range of technologies is considered essential; however, their use remains somewhat low. Environmental issues relating to the management of scarce resources are identified as having a significant impact on supply chain strategies.

Research Hypothesis: Communication and Teamwork skills will be higher in supply chain

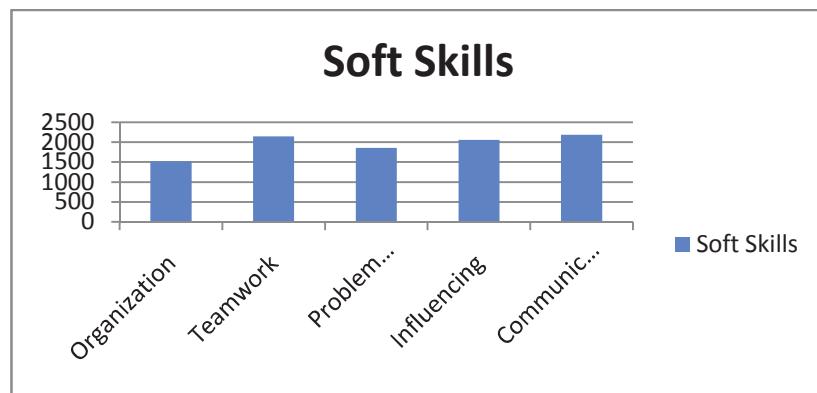
management as compared to the other soft skills.
Procedure

100 samples. It has been seen that Communication and Teamwork skills are higher as compared to other soft skills.

Result and Discussion: The blend of skills required to accomplish effective supply chain management differs with the type of firm and industry involved.

Table 1: Total response of the soft kills

| | Soft Skills |
|-----------------|-------------|
| Organization | 1523 |
| Teamwork | 2145 |
| Problem solving | 1853 |
| Influencing | 2061 |
| Communication | 2188 |



Graph 1: Graphical representation of the subject's response

The result shows that Communication and Teamwork skills is higher as compared to other soft skills. Other soft skills are also required at the same time. As we can see in the graphical representation there is no much difference in the other soft skills i.e. Organization, Problem solving, Influencing. Communication and Teamwork skills is high in Supply chain management because the definition of SCM itself says that it is a co-ordinated function without these two we can't process with an effective

supply chain. so a blend of soft skills is needed to process an effective supply chain.

Conclusion: Research hypothesis " Communication and Teamwork skills will be higher in supply chain management as compared to the other soft skills." is proved. Communication and Teamwork are necessary and important but not sufficient. Sufficiency comes with the blend of other soft skills. The blend of soft skills required to accomplish effective supply chain management.

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