Interview by Dustin Mattison

Subject: ‘Is Supply Chain an old discipline?’

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**1. Please provide a brief background of yourself**

CADU: Sure. I am a Production Engineer with post-grad in Business Administration. Born and raised in Sao Paulo, Brazil, have lived and worked in Europe for 8 years. I have almost 20 years of experience in Supply Chain, having started my career as executive on FMCG companies, designing and running processes and operations on a number of different functions, and, over the last 8 years I have been working as Supply Chain consultant.

Currently I am one of the founding partners of Spin Consulting (www.spinconsulting.net), a specialized SC boutique who differentiates by delivering fast, tangible and sustainable results to our clients.

Thanks for having me here.

**1) Would you provide us a historical perspective of Supply Chain Management evolution over the last years?**

Sure. If we think as Supply Chain Management as the management of the flow of products, information and money between entities (businesses most of the time), we can say that we have been managing Supply Chains for a long time, even before that terminology was used.

Formal knowledge and organizations started to get a shape during the 60´s mainly on warehousing and transportation focused on improving operational efficiency. After that, during the 70´s and beginning of the 80´s the focus was on connecting the operational functions and manage the total cost, still mainly focused on logistics. It was during the 80´s that the terminology Supply Chain Management started been used in the literature and being practiced (worth mentioning the P&G and Wal-Mart collaborative program by late 80´s).

Since then, SCM practices have been quickly evolving, addressing internal coordination (source, plan, make and deliver processes) and external integration with the ultimate objective of delivering superior service to consumers at competitive costs.

**2) What role do you think SCM plays on the business nowadays and how do you see it evolving?**

The world is getting more and more complex each day and that trend will only speed up. The markets and customers will differ on their requirements and expectations implying that operations will have to be segmented in order to be powerful and relevant. Also, the integration with business partners (both customers and suppliers) are key drivers of that evolution. On that context, Supply Chain is a key enabler and source of competitive advantage.

We can already clearly notice that companies with robust Supply Chain structures and with Supply Chain strategy connected to the business strategy are the companies delivering superior Customer Service Performance and financial results. P&G, Apple, Unilever, Inditex and Wal-Mart are some examples on a global scale.

**3) So, is SCM an old discipline?**

As I mentioned, Supply Chain thinking has started a long time ago, even before the terminology was used.

It has been quickly evolving, transforming itself and the businesses and playing an ever-increasing role on the businesses performance.

Some sectors tend to move on the leading edge of SCM development, such as the auto industry and FMCG. They set the path for other industries that tend to follow their good practices.

More and more, companies have been investing relevant time and money in order to develop strong and robust SC departments to address a scenario of decreasing margins and growth rates, pressure from more demanding costumers and markets and consumers more complex and segmented.

The future of SC is to keep evolving and driving businesses transformations, creating competitive advantage and allowing step changes on efficiency, customer service and internal and external integration.

**4) And, what would you point out as key success factors for SCM to develop its full potential and support business transformations?**

The relevance of SCM, now and in the future, is related to its transformational potential of organizations and the value it creates for customers and consumers.

But that is far from an easy and quick task. A McKinsey survey says that 70% of transformational programs fail to deliver its promised results, and that is driven by non-desired behaviour, specially resistance to change and lack of leadership support.

Apart from that, having a robust Supply Chain Strategy, Processes and proper Technology support are non-negotiable elements to move organizations in the direction of more integrated and collaborative ways-of-working.