

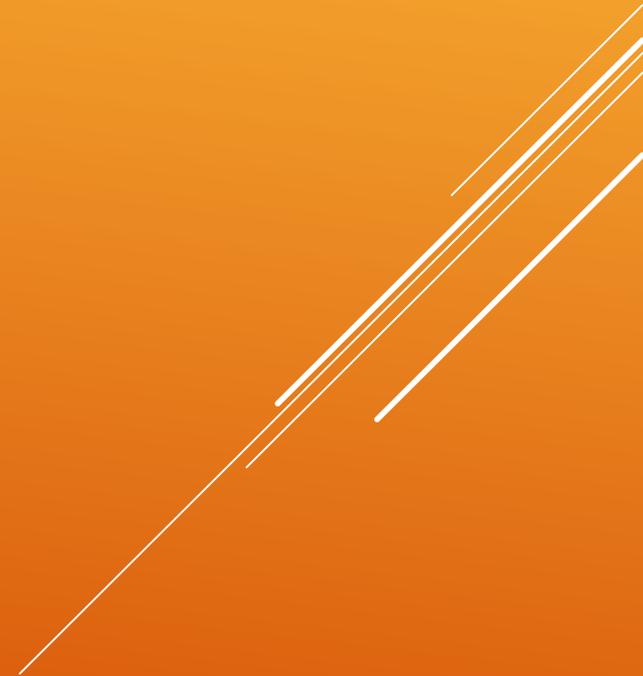
POTENTIAL OPPORTUNITIES THROUGH EFFECTIVE SUPPLY CHAIN MANAGEMENT IN THE CARIBBEAN

A report prepared for the Caribbean Institute of Certified Management Consultants and Parker Management Consultants by Gavin Michels, John Young, Kassandra Leizert, and Breanna Hartwick: students in the International Business Management Degree Program from Conestoga College Ontario Canada.

Project supervisor Gerald Ford, CSCMC, CPSM, CMC

WHAT IS SUPPLY CHAIN MANAGEMENT?

The supply chain “virtually universally encompasses the following three functions: supply of materials to a manufacturer; the manufacturing process; and, the distribution of finished goods through a network of distributors and retailers to a final customer. Companies involved in various stages of this process are linked to each other through a supply chain.”



PURPOSE OF THE PROJECT AND REVIEW

The purpose of the project undertaken by the students of Conestoga's International Business Management Program was to review the current Caribbean supply chain state and identify educational offerings.

They were to then evaluate the need for, and, feasibility of developing a supply chain educational program as part of a joint initiative between Conestoga College & Caribbean Institute of Certified Management Consultants.

The initial overview is centred on establishing the current state of supply and demand of Supply Chain Management talent in the Caribbean, and identifying potential areas which would benefit from an increase in targeted training, development, and certification.

INITIAL RESEARCH OBSERVATIONS

Sources of information included discussions with CICMC members, academic publications, news articles, websites and correspondence with business owners from Trinidad & Tobago.

- ▶ Many organizations expect individuals to perform Supply Chain Management type work, but do not hire staff specifically trained for these roles.
- ▶ Supply chain costs account for a significant percentage of the regions Gross Domestic Product.
- ▶ Availability of formal integrated supply chain management training/education programs appears to be limited in the region.
- ▶ Potential for the development and streamlining of international value chains (the activity by which a company adds value to the process by using sound supply chain management practices).
- ▶ The Caribbean is often hampered by inter-region competitive trade and customs policies.
- ▶ The potential value of increasing Supply Chain Management capabilities is significant, however the lack of deployment may indicate a lack of understanding of its benefits.

SWOT

Strengths

- ▶ Proximity to major world markets and trade routes.
- ▶ Movement toward removal of trade barriers in national policies.
- ▶ Abundance of natural resources: oil & gas, bauxite, agriculture, fishing.
- ▶ Tourism industry

Weaknesses

- ▶ Improving trade has typically not considered transportation costs
- ▶ Logistics costs 16-26% of GDP vs. 9% OECD benchmark
- ▶ Logistics costs 35% of product value vs. 8% OECD
- ▶ Policymaking frameworks are typically not in place
- ▶ Customs clearance increases transport costs 4-12%

SWOT



Opportunities

- ▶ Shifting environment of movement from traditional resource extraction economy to value added business.
- ▶ Develop logistics systems such as freight-forwarding, 3rd Party Logistics, cold storage, regulatory specialists.
- ▶ Establish learning programs to support effective supply chain management
- ▶ Potential to regionalize Supply Chain Management processes of bigger firms.
- ▶ Adding value through optimizing supply chain stream:
 - ▶ Decrease transport times.
 - ▶ Improve Supply Chain Management system reliability.
 - ▶ Security.
 - ▶ Entrepreneurship and business development.

Threats

- ▶ Resistance to application of modern Supply Chain Management practices.
- ▶ Challenging legislative and regulatory frameworks.
- ▶ Global economic uncertainty.

POTENTIAL BENEFITS FOR CICMC

- ▶ An international project with potential for short-term revenue creation & longer term government funding, will build a capacity to bid on larger consulting projects.
- ▶ Potential to greatly increase CICMC's profile, by the creation of strategic partnerships with regional & Canadian counterparts which should help to facilitate access to new markets and add benefits to members.
- ▶ Increased engagement with learning institutions to develop learning programs that enhance and add value to businesses in the Caribbean

CICMC: OPPORTUNITIES

Providing Supply Chain Management Training

- ▶ Partnership with learning institutions to develop curriculum training content
- ▶ Tailor content to address regional issues.
 - ▶ Would expedite deployment.
- ▶ Opportunity for CICMC members to develop new consulting business lines .
 - ▶ Individual or corporate training and certification
- ▶ Potential through Learning Institute Partnerships to develop New revenue stream for CICMC.

Developing Internal Supply Chain Management Capabilities

- ▶ Consultants that provide specialized Supply Chain Management services on demand.
- ▶ Raise the profile of Supply Chain Management value in the region.
- ▶ Potential New revenue stream for CICMC.
- ▶ Potential Expansion of membership.



THE SUPPLY CHAIN MANAGEMENT PROFESSIONAL DESIGNATION (SCMP) IS ALIGNED WITH AND COMPLEMENTS OTHER DESIGNATIONS



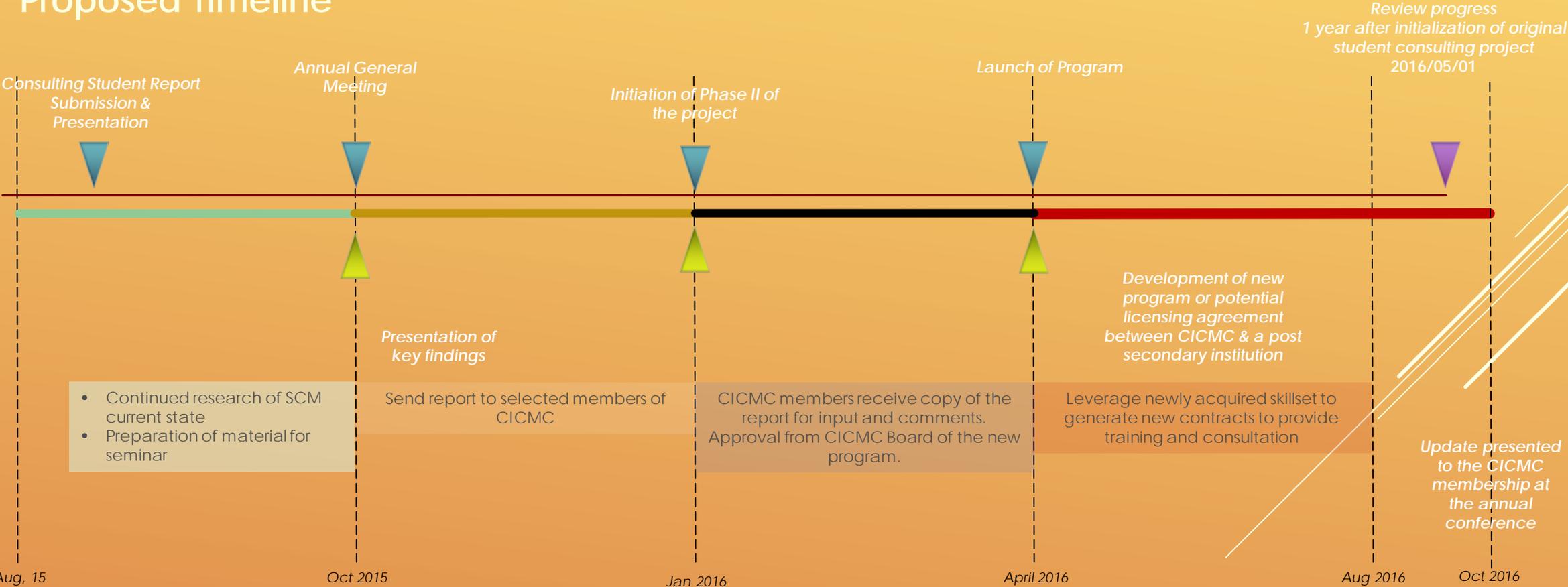
A HIGHER LEVEL of
management consulting



Un NIVEAU SUPÉRIEUR
de conseil en management

ILLUSTRATIVE IMPLEMENTATION PLAN

Proposed Timeline



SUMMARY BASED ON THE INITIAL REVIEW

There is evidence that the use of established Supply Chain Management techniques throughout the Caribbean could improve business performance.

Enabling CICMC to develop complimentary Supply Chain Management capabilities could provide CICMC members with additional consulting engagements.

There are potential opportunities to further engage academia in delivering comprehensive programs on supply chain management.

Further investigation is required to validate observations and initiate discussions with regional and local learning institutions to take place.



QUESTIONS?

Gerald R. Ford CSCMP, CPSM, CMC

A series of several parallel white lines of varying lengths and positions, all slanted diagonally from the bottom-left towards the top-right, located in the lower right quadrant of the slide.