

Project Management FOR SUPPLY CHAIN MANAGEMENT

#PMI CHAPTER XCHANGE
PROJECT MANAGEMENT FOR SUPPLY CHAIN MANAGEMENT



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REGISTER JULY 15, 2022

THIS EVENT IS OPEN FOR BOTH MEMBERS AND NON-MEMBERS.
ALL ATTENDEES ARE ELIGIBLE FOR 1.5 PDUS.

PANELISTS

JONATHAN BUERTEYE Ghana, Africa	JOHN CHOATE Phoenix, USA	JOSE ROSALES PERU, Latin America	ERLANGGA ARFAN Indonesia, Asia	ANETA WERESZCZAK SESSION MODERATOR Poland, Europe
				



From the editor's desk
Yudha Pratama
PMI Puget Sound, USA

"A chain is no stronger than its weakest link" - Thomas Reid

Yossi Sheffi, director of the Massachusetts Institute of Technology's Center for Transportation and Logistics, wrote in a Wall Street Journal commentary that:

"Pandemic-related issues such as product shortages have raised questions about the viability of "just-in-time" supply chains and the role lean strategies may play in the strained availability of manufacturing components and consumer goods."

He pointed out that some argued that JIT enables companies to cut inventory carrying costs even if that comes at the expense of the integrity of their supply chains. Thus causing the current supply chain disruption. However, he pointed out that much of the criticisms stemmed from misunderstanding

of JIT. The main focus of JIT as envisioned by Toyota is not simply to minimize inventory cost, but it is to improve product quality. The company has to continuously learn to quickly react to any disruption that may impact their ability to deliver.

After the 2011 Tsunami, Toyota uncovered a global supply chain vulnerabilities in the supply of semiconductors and automotive components. From this lesson, Toyota, the creator of JIT concluded that it need to stockpile semiconductors due to the long supply lead times - thus Toyota was less severely impacted by the "chip" shortage.

This demonstrate the need "for a flexible approach to inventory management, with just-in-time a critically important tool in the toolbox. Even JIT-heavy companies often have substantial buffer stocks for certain materials and parts." Because disruption will happen again.



Africa Jonathan Buerteye Addo

Question:

What are the Major Challenges in Supply Chain Management Today? How Can You Overcome Them?

Answer:

the major challenges in Supply Chain Management today are Digital Transformation / Digital Disruption, Port Congestion and Changing Consumer Attitudes.

Digital Transformation / Digital Disruption

In Supply Chain Management, Digital Transformation has become a two-edge sword.

On one side, we see some organizations struggling with the initiation, planning, implementation and successful closure of these Digital Transformation Projects for use for Supply Chain operations. For many of them, it takes a considerable time to create an organizational structure and culture (organizational re-alignment) that supports this paradigm shift towards making IT an integral part of their operations.

On the other sharp edge of the same sword, we see some successful organizations embrace the use of Internet of Things (IoT), Artificial Intelligence (AI), robots and drones to help them become more efficient and more cost effective in order to meet their customers needs and expectations.

Port Congestion

Port Congestion have been created and worsened by the backlog created by the COVID - 19 pandemic. The Ever Given container ship (containing about 18,000 containers) was trapped in the Suez Canal last year March 23 had cause the authority to temporarily suspended" for about 6 days causing as many as 367 ships stuck waiting to cross the Suez Canal.

Many manufacturers have come to accept working with the COVID - 19 pandemic using strict protocols like social distancing and lean staff rather than totally shutting down the factories and manufacturing firms. This will take a longer while to clear the backlogs created.

The Ever Given was successfully dislodged from the banks of the Suez Canal for business on the Suez Canal to begin as usual.

Changing Consumer Attitudes

During these days of the COVID - 19 pandemic coupled with the scare of Monkey pox and the Marburg Virus, Consumer behavioral attitudes have changed extremely fast and extraordinarily.

This has reduced the threshold for delivery times drastically and consequently, it has also increased the requirements for a better positive customer/ consumer experience.

Organizations must now be flexible enough to create very Agile Supply Chain systems and structures to easily take advantage of the power of Internet of Things (IoT), Artificial Intelligence (AI), robots, drones and inventory management software (Technology) to help them become resilient, more efficient and more cost effective in order to meet their customers needs and expectations.

Question:

How can the supply chain disruptions affect the outcome of our projects?

Answer:

Projects remain projects and successful projects remain successful due to some very important factors. Two of those important factors are Time and Value.

Supply Chain disruptions across the world have caused uncontrolled Logistic delays in the transportation sector and these have affected the schedules of so many on-going critical projects. As a result, consumers and customers have been hit negatively with disappointments on late project deliveries. When there are late project delivery schedules, the result may be a near failed project or a failed project. This also implies that, the VALUE from such critical projects may either dwindle (decrease) or be lost completely (making such critical projects a useless venture and a total loss of funds/ money).

Supply Chain disruptions may also affect Project Managers who may tend to keep their staff members on site doing nothing but awaiting the delivery of some critical project components/equipment for use on their projects. The result becomes Over-budgets (from staff salaries, penalties from logistic delays) due to delays caused by Supply Chain disruptions.



North America John Choate



Question:

What are the Major Challenges in Supply Chain Management Today? How Can You Overcome Them?

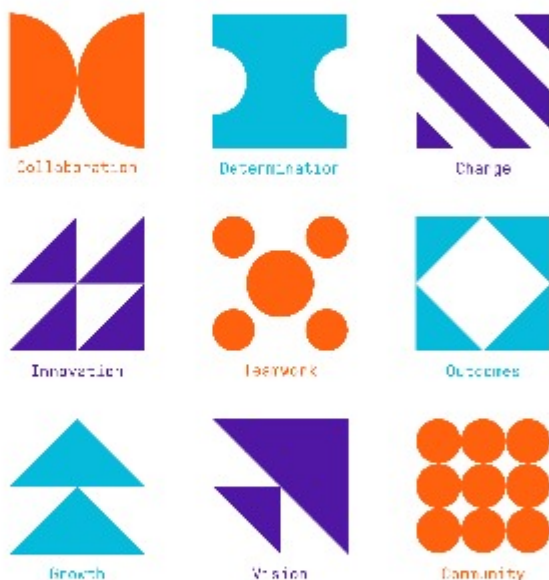
Answer:

Major Challenges in Today's Supply Chain are:

1. Material scarcity,
2. Increasing freight costs,
3. Difficulty in Demand forecasting,
4. Port Congestion,
5. Changing Customer attitudes,
6. Digital Transformation,
7. Organization Restructuring, and
8. Inflation.

To overcome this, the organization need to:

- Keep liquidity in your business
- Diversity Sourcing
- Work with a freight forwarder (3PL vs 4PL vs 5PL)
- Identify alternate shipping ports and sources of transportation
- Improve Demand Forecasting
- Stay Resilient



Question:

How can the supply chain disruptions affect the outcome of our projects?

Answer:

Use the PMI PMBOK as a guide to think thru the areas of a project(s). ALL generally will be affected.

- Project Integration Management – Where are cross functional gaps internally and externally greatest – how close?
- Project Scope Management – How will it need to be changed to address current/future situations,
- Project Time Management (Lengthen = How much = overall Impact by task!),
- Project Cost Management (Inflation = Higher Costs!),
- Project Quality Management (Product & Workers),
- Project Human Resource Management (Labor Shortages & Hybrid Work Model impact),
- Project Communications Management (Internal and to outside Suppliers to keep continually aligned),
- Project Risk Management (How minimize & prioritize),
- Project Procurement Management (Increased Unit Costs and Increased Lead times to get material), and;
- Project Stakeholder Management (Insure constant alignment at "ALL levels"; core team to Exec Mgmt. on status & potential outcomes).

As a SCM PM, Supply chain disruption management is about preparing for disruption and ensuring you can still supply and sell your products. Some top strategies to consider are:

- Create a contingency plan for supply chain emergencies unique to your industry/or project(s)
- Audit your supply chain's vulnerability
- Identifying backup suppliers and diversify your supply base
- Build up your inventory in critical areas - VMI
- Improve the transparency of the supply chain thru Technology (Hyper automation, Digital, VR-MR-AR, Edge ecosystems, Security, ESG, Embedded AI & Analytics, and Data Intelligence)



Europe Aneta Wereszczak



Question:

What are the Major Challenges in Supply Chain Management Today? How Can You Overcome Them?

Answer:

Global supply chain management involves administering and directing many different entities to source materials, manufacture products, and distribute them to customers. It is not easy and organizations must find ways to overcome many complex challenges. In my opinion the major challenges are:

- Data management - there are multiple data points to take into account in SCM. To manage the global supply chain effectively, businesses must use and customise a suitable data management solution.
- Language barriers and time zones - conducting day-to-day operations in a different language and in different time zones makes communication difficult and challenging. The solution that some companies implemented is to set up small outposts of company representatives to manage things locally in each region of the global supply chain.

- Delays - in SCM many things can go wrong due to long lead times, too many steps in the global supply chain and large distances for goods to travel. The solution might be following Amazon's lead and setting up a small network of warehouses close to the target market's locations to storing inventory so that companies can deliver the goods to buyers faster.

Question:

How can the supply chain disruptions affect the outcome of our projects?

Answer:

Supply chain management is a complex process with many stakeholders and even more moving parts. The last 2 years revealed important risks. Pandemic showed companies where their supply chain dependencies are and forced them to review their supply chains. I think that one area where there is a real potential to improve supply chains is in applying technology, particularly digital technology. This is overall a very complex challenge, and the best way to confront it is with flexibility and better communication within the entire organization.

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T H A N K S

OUR PARTICIPANTS FOR A SUCCESSFUL EVENT

PROJECT MANAGEMENT FOR SUPPLY CHAIN MANAGEMENT

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JULY 15, 2022

P M I C H A P T E R X C H A N G E



Latin America Jose Rosales

Question:

What are the Major Challenges in Supply Chain Management Today? How Can You Overcome Them?

Answer:

I believe that risk management takes on greater relevance in these times. The speed of changes, that is, negative impacts, is very high compared to the speed with which we can manage these problems. Some of them can be managed because they are on our risk map, but others cannot.

From my point of view, we must have the ability to update our schedules based on changes in the supply chain. We must stop working with average times, or worse, optimistic expectations. We must put ourselves in a scenario that adjusts to the real supply times. In my experience, incorporating current or real lead times allows us to visualize additional risks and mitigate them in a timely manner.

On the other hand, we must have flexible scopes and I am referring to having a range of target costs, a range of delivery times, a range of permissiveness for product specifications; and a range of budgets, that is, safety factor negotiated with the client for each variable.

Last but not least, to enhance some skills: communication, resilience, understanding of the new environment in which the projects are developed; as well as the capacity to prepare and negotiate proposals to mitigate risks, or resolve contingencies, which we will continue to have.

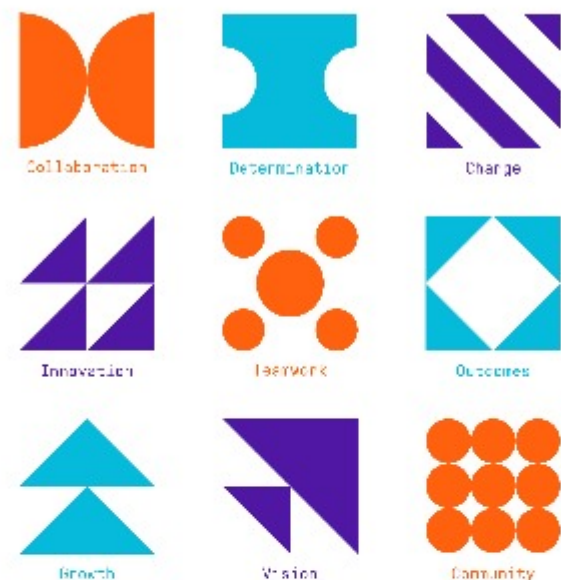
Question:

How can the supply chain disruptions can affect the outcome of our projects?

Answer:

Disruptions in the supply chain affect the time variable first. Our supply chains have become global, and today we source from different latitudes. In other words, and I am referring to the reality in Latin America, we traded an increase in lead time for access to technology and lower costs.

Today, as you well know, most chains are affected by shortages of supplies, transportation restrictions, price variations, and more. The second affected variable is Cost. If we go out of budget, we may negotiate a change in scope, either in delivery date; but, in the product; for example the design or change in some specifications. However, we can find ourselves very close to the failure of a project.





Asia
Erlangga Arfan



Question:

What are the Major Challenges in Supply Chain Management Today? How Can You Overcome Them?

Answer:

There are some major challenges in supply chain management today such as logistic capacity disruption, production supply delay and the increasing of technology investment and I want to focus on the increasing of technology investment.

As we can see, the Covid-19 condition has driven many companies to transform how they are running their businesses by making massive investments in the field of information technology. For example, in a service industry, jobs that used to be usually done face-to-face are now mostly done online so that the interaction between customers and companies is unlimited.

In addition, massive transformations are also carried out to speed up service to customers by updating the systems by introducing artificial intelligence to replace manual processes with automation processes so that processes such as data analysis and checking can be done faster automatically.

The two examples are transformations that occurred on the outbound side in a flow process supply chain in a company in providing services to customers and of course the challenges are the transformation on the inbound side should not be forgotten so that it can support changes that occur on the outbound side.

In answering these challenges, comprehensive and integrated planning is needed from the inbound side and the outbound side of the company to avoid unpreparedness on the inbound side such as human readiness, business process readiness and infrastructure technology readiness so that the transformation on the outbound side can run and be managed properly.

Question:

How can the supply chain disruptions affect the outcome of our projects?

Answer:

A project can be easily affected by supply chain disruptions and for example the disruption of production supply delay for a project having dependency with a third party supplying technology infrastructure for the project.

An example of such disruption in current condition is a project owned by a bank in Indonesia that has the aim of providing banking transaction services 24 hours and 7 days to customers has the potential to not be completed on time because the procurement of hardware infrastructure to support the transaction service system cannot be delivered on time as planned.

The causes of occurrence can vary, such as misplanning of the project procurement, for example procurement lead time is too aggressive. Secondly, there could also be a high increase in demand for these hardware devices but it is not supported from the supply side of the hardware components and as a consequence there is a queue of orders which potentially cannot be delivered on time to the buyer.

A temporary solution for this case is to ask the hardware devices company for a commitment to deliver some of hardware devices that must be required for the going live activity, for example Testing, Production, Non-Functional Test and DR environments and sending the rest such as Dev, SIT, UAT and Staging environments later as agreed so that the commitment to go live can still be achieved.

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