



SUPPLY CHAIN MANAGEMENT – THE HEART OF YOUR BUSINESS

Managing suppliers and contractors – and handling all of the related operations and expenses – is an essential part of any business. Supply chain management is critical, especially for small and medium-sized enterprises (SMEs) that typically have fewer resources and must therefore use them wisely. Managing supplies and controlling costs can mean the difference between profit and loss, between success and failure.

Furthermore, any SME that wants to be competitive or become a supplier to a multinational or large domestic company will almost certainly need to demonstrate that it has sufficient control over its own supply chain, that it has the right contracts and processes in place, and that it can ensure delivery on time and with the required quality.

“Industrial value chains are becoming increasingly sophisticated and global. New business trends are emerging. The competitiveness of SMEs increasingly depends on their capacity to connect better and do business with larger enterprises, to integrate global value chains and thus become international business partners.”

“Integration of SMEs Into Global Digital Value Chains”, European Commission.



NEW COURSE ON SUPPLY CHAIN MANAGEMENT FOR SMES

To help SMEs meet this challenge, a new training programme on *Supply Chain Management (SCM) for SMEs* has been launched by the *International Trade Centre (ITC)* – a joint agency of the United Nations and of the World Trade Organization.

The benefits to you and your business:

Most enterprises spend 60 per cent or more of their earnings on buying goods and services. Considering this, it is not hard to imagine the substantial savings that you will be able to deliver, the competitive benefits that you will be able to achieve, and the increased profits that you will be able to reap for your business through improved SCM. Some enterprises participating in the MLS-SCM programme have achieved cost reductions of 50 per cent and more!

“Thanks to the (MLS-SCM) model ... our delivery service to customers has improved in terms of lead time and condition of goods on arrival. The new approach partially contributed to us winning a new business ... now this new business accounts for over 50 per cent of our total revenue per month.”

Pham Hung, Newland Logistics Co., Viet Nam

This training programme can help you to generate significant business improvements such as lower costs, increased market share and higher earnings without compromising on quality. It will also guide your business to meet the growing demand on the international marketplace for sustainability by taking account of key environmental, social and business ethics considerations.

The many skills and competencies that you will master through the course include...

- knowing how to develop the right SCM strategies – including costing – for your business
- tackling the critical issues involved in developing your business’s supply network
- applying the best negotiation techniques to each situation
- putting into practice the most suitable systems and processes for managing operations and inventory
- implementing effective methods for purchasing and supply, logistics and warehousing

The training programme for SMEs – delivered through ITC partner institutions in over 40 countries – are all concepts that will be crucial to you as you seek to take your business to a higher level. By completing the course and passing the corresponding ITC exam, you will obtain an *ITC Certificate of competence in Supply Chain Management for SMEs*.



“The days of a supplier matching prices with a few local rivals are disappearing, and many SMEs now compete with a multitude of suppliers worldwide. Increased global demand for customized products flows throughout integrated chains, requiring flexibility, responsiveness and the ability to customize.”

Surviving Supply Chain Integration: Strategies for Small Manufacturers, Committee on Supply Chain Integration, National Research Council (U.S.), National Academy Press, Washington, DC.

“One of the most satisfying aspects of applying the MLS-SCM techniques was during the phase of selecting a new courier. When I was stating the appraisal I was very confident about my skills. In the whole procedure I took guidance from the acquired procedure of ITC’s training. This helped me to identify the potential supplier with the right training, the right motivation [and] capability. We were also able to get better rates from these suppliers. This has contributed significantly towards our customer satisfaction.”

Shahid Zaman Bhatti, GMS-Global Group of Industries, Pakistan



“After learning from the MLS-SCM programme, I analysed the market supply status and fixed the purchasing strategy. Follow(ing) the strategy on an annual basis we maintain(ed) a 10 per cent decrease in costs and there has been no line shutdown caused by ... shortage over the past years. We certified about 10 competitive new suppliers, saving US\$ 2 million to US\$ 5 million for the company every year.”

Wang Hong Qiang, Sourcing Manager, Foxcomm, China

Thennakoon Mudiyansele Wasantha Chandrakumara of People's Bank (Sri Lanka) achieved cost savings of more than US\$ 300,000 over two years after creating a new procurement process vision for the firm. He did so by introducing and implementing theories learned through MLS-SCM and by better processes of gathering and analysing data to better cut costs.

“The drastic changes implied by the embedding of an SME in a supply chain network should be based on improved operational practice. Placed in the position of a supplier within a supply chain, an SME should improve its efficiency and reactivity to conform to market requirements of response time, quantity and quality. For most SMEs, reductions in costs and improvements in quality require better methods and a better technology in finance, administration, design and manufacturing.”

SMEs in Supply Chain Networks: Cooperation and Competition, Jean-Claude Hennet, Research Director, CNRS-LSIS, Université Paul Cézanne, Marseilles, France.



GETTING THE TRAINING

This short course is offered by ITC local partner institutions in more than 40 countries. The curriculum comes complete with supporting charts, graphs and exercises which serve to enhance the learning in the text.

The courses are led by local experts well experienced in SCM and trained by ITC to deliver the best possible learning experience and to tailor the course to the specific needs of participants like you. The course fees are set by ITC local partner institutions, aiming to keep participant costs affordable for SMEs.

Would you like to know more?

Ask about MLS-SCM at your local ITC partner institution. For more information on the MLS-SCM programme and a list of local partners, go to www.scm-learningnet.org.

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Supply Chain Management for SMEs

