

Supply chain sustainability and technology

Back in the April 2018 issue of *Focus*, I talked about 'Fast fashion' and how successful Zara has been in delivering an extremely innovative supply chain process. There is no doubt that Zara's model and the fast fashion concept have been extremely successful. The Zara new product development/introduction process is extremely effective, responsive and, most importantly, fast. This is not by accident, it is by design. Its business and marketing model, along with its quality and pricing structure, has attracted a generation, resulting in a highly successful business model.

However, thinking, society and business focus are changing. The importance of sustainability is becoming increasingly understood and recognised as not only a global environmental issue, but also a business issue. Topics such as the war on plastic and trying to understand the causes of global warming have had a high profile in the past months and years, which is a positive move.

What, then, will be the key issues for the business future? Many people believe we are on the cusp of another technology step change. I am sure we have not yet seen the full potential of technologies such as 3D printing, drones, artificial intelligence, the cloud or autonomous vehicles. All of these technologies will certainly play their role in the development of business and the environment, but is sustainability the more pressing issue? Sustainability is not just an environmental issue, but is also a business profitability issue.

More than 10 years ago, I said that future competition will not be product vs product but supply chain vs supply chain. In other words, product convergence and consolidation will only get closer in the future; competitive advantage will not be gained from functional technology, functionality or capability, but from supply chain effectiveness and responsiveness. Some technologies will have their day in shaping the future, but for most businesses it will be the supply chain that creates the competitive advantage. The key word is speed; the supply chains that are the most responsive (not reactive) will be the supply chains that support the future successful companies. Whatever happens with Brexit, there is no doubt that the future of trade will be a global issue, and the more this is the case the more supply chain responsiveness will be critical to success and sustainability.

I believe that future supply chains will have to be very responsive, cope with mass customisation not mass production and, most of all, be sustainable. This means not only thinking about the materials we use and how and where we transport them to and from, but also designing products that are not simply thrown away at the end of their ever shorter life cycles, but can be effectively recycled and reused. This might be a challenge to the 'buy it, wear it, throw it away, buy it...' Zara market model, but it is vital for the sustainability of our planet.

Finally, it appears that the sustainability message is getting through. Programmes such as *The Blue Planet* and *Drowning in Plastic* and carbon neutral initiatives announced by Andy Burnham, Mayor of

Greater Manchester, have started to make a real difference to attitudes and culture. As always, it is only when behaviours start to change that real change is possible. The sad thing is that many of the actions required are not new concepts; just-in-time, lean and design for manufacture were all ways of reducing waste in its many forms. These concepts have been around for decades, but perhaps they will now find a new place in the sustainability era.

Technology will have its place as well. Road traffic accidents cost the UK economy £35 billion a year and 93% of them are down to driver/rider error. If the autonomous vehicle artificial intelligence technology can be developed more quickly, perhaps driver/rider error could be eliminated from this equation.

It was recently said that we are the first generation who know that we are destroying the planet and the last that can do anything about it. Sustainability is not only essential for the future of our planet, but is also fast becoming essential for our supply chains. ☹

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