



Quick Brief

A news update from the NBI on its programmes, business leadership and issues on sustainable development.

6 March 2018

Transforming the Supply Chain Roundtable Insights

The NBI recently hosted a roundtable to discuss transforming the supply chain. The objectives of the roundtable were to:

- **Share experiences in managing supply chains;**
- **Discuss successes, issues and challenges in transforming supply chains; and**
- **Prioritise themes and focus areas for collective action.**

The focus on supply chains forms part of an overarching transformation programme that the NBI is currently rolling out to our member companies. The programme serves to facilitate the re-commitment of business to the principles of equality and change in South Africa. A re-commitment that is fueled by fresh energy, innovative approaches, and measureable and impactful outcomes.

The investment in the growth of supply chains offers an important contribution to the economy by developing small and medium businesses that encourage broader participation and the creation of jobs. Of course, this is easier said than done. There are many challenges that hinder the successful development and sustained support of these small and medium-sized black and women-owned businesses. For suppliers these include: access to finance and market, meeting requirements and standards, diversifying clients and business sustainability. Companies' challenges include; identifying suppliers with the capacity to meet company needs and standards, the investment of time, managing increased numbers of smaller suppliers and availability of resources to build up and support small suppliers.

While these issues are well-known and shared across companies, the discussion at the roundtable took on a different tone, addressing the broader systemic issues that slow progress in transforming the supply chain and generally within companies.

Participants agreed that a genuine commitment and intent for transformation requires a fundamental paradigm shift that permeates every aspect of an organization. Companies need to move away from "business as usual" and managing

transformation as add-on that is retrofitted into rigid and entrenched structures, and instead rethink, reinvent and innovate to drive real and inclusive change.

It was agreed that the following interlinked elements are key for delivering on transformation objectives:

- **Leadership buy-in and engagement:**

Leadership is responsible for setting the right tone for the organization, which empowers managers and employees to deliver in their roles. It was felt that if a company sees transformation as a strategic and important aspect of the business, all aspects of transformation should form part of business strategy, and performance should be measured and linked to executive KPAs.

- **Culture and values:**

Participants agreed that a culture that allows for different and innovative approaches to affecting change is key to achieving transformation. Managers need the space and time to invest in the development of small suppliers and the allowance to make mistakes in addressing the challenges that the change presents.

- **Integration:**

Participants discussed the need for better integration across related business functions to enhance and improve the impact of transformation approaches. As an example, the relationship between finance, enterprise and supplier development and procurement should be aligned and enhanced.

- **Collaboration:**

Participants identified the imperative for collaboration within sectors and in general, as a means of learning from other companies' experiences, and also to identify opportunities to collectively invest in the development of suppliers.

The issues highlighted in this discussion are expected when implementing change that requires a mindset and paradigm shift within organisations. And, while transformation is not a new focus for companies, the slow-pace of change suggests that our participants are spot on when they call for rethinking, reinventing and innovating to fundamentally change our society.

We'd like to hear your feedback so please send your thoughts and comments to GuguM@nbi.org.za.

Business Action for Sustainable Growth

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