

Q&A: Supply Chain Executive Insight



“Even the biggest and most successful players in the supply chain industry face constant battles to perfect and optimise their often overly complex and costly supply chains. In light of this, I have taken the opportunity to speak with a couple of supply chain professionals in the industry about their supply chain strategies for 2015 and beyond.” **Sophie Farrow**, Research Director, **eft**

Interviewees



Jaro Caban, CPN Supply Chain, Cargill Animal Nutrition

Jaro is an experienced Vice President Supply Chain currently working for a world leader manufacturer of animal nutrition and service provider of related know-how. Formerly developed or managed global supply chains within Wet and Dry Pet Food Manufacturing, Metal Products and Construction/Engineering Solutions, Packaging and Solutions Manufacturing Industry, with a dual education degree in MBA and MSc. in Engineering. Jaro has developed substantial expertise in supply chain strategy, operational management and planning, customer service and solutions, logistics and production management. This expertise has been acquired both in hands on supply chain and production roles, assignments as well as consulting to many large process, engineering and consumer goods manufacturing corporations. During more than 26 business years Jaro has lived and worked in several countries of Europe, the US and Asia and worked for or served also large multinational companies with a turnover ranging from US\$ 2 to 20+ billion.

Dr Andreas Knierim, Vice President Demand Planning and Logistics Latin America, Robert Bosch



Andreas is currently logistics Customer Service & Consultancy for Original Equipment Manufacturers and their Service divisions in Latin America. He is responsible for the Automotive Aftermarket division of Robert Bosch in Latin America , in which he heads up:

Strategic design & controlling,
Corporate planning and disposition,
Operation of distribution centers
Transportation management

Rodolfo Giotto, Head of Transport Latam, Pirelli



Rodolfo is responsible for Pirelli's transport department in Latin America. His main activities in this role include the contracting, management and control of all transport modes (air, sea, road and other). He is in charge of the distribution, delivery and return of finished products, partially manufactured goods and raw materials.

Jeferson Fernandes, VP Supply Chain LATAM, Coty



Jeferson heads up supply chain for Coty (a 4.2 billion dollar cosmetic company). He has experience in planning, innovation, inventory, import/export, compliance etc.





What are your 3 supply chain predictions for 2015?

More anticipations than reactivity, more driving leadership than supporting managers, more collaboration with external business partners.

What is your supply chain strategy for the next 12 months? What will you be prioritizing in 2015/2016 and why?

Moving our local business/P&L areas from Reactive or Anticipative stages to Collaborative stage internally as well as externally with our critical vendors and key customers. Our local leadership teams are key in integrating their business planning processes with demand and supply balancing.

What are the 3 key factors in creating a successful relationship with your 3PLs?

Trust and mutual respect, performance visibility and service reliability.

Which supply chain risk areas are the biggest concern to your company and why?

No or low local alignment of the entire supply chain management process with our commercial go-to-market strategy.

What would be your one piece of advice to companies looking to do business in Brazil or Latin America?

Find good talented people or already experienced supply chain leads to drive business alignment and your profitable growth.

What do you see as the most effective measures for cutting supply chain costs and why? (e.g. investing in technologies/improved forecasting/more outsourced manufacturing etc)

The supply chain footprint adjustment, installing right people/talents at the right place, implementation of integrated business planning / S&OP and technology enablement.

Finally, on a lighter-hearted note, what is it about your job that you love?

The end-to-end Supply Chain management scope, the people in it and fun with making various sorts of structured and unstructured improvements which lead to recognition of the involved teams.



Rodolfo Giotto, Head of Transport Latam, Pirelli



What are your 3 supply chain predictions for 2015?

- 1 - Latin America market should keep more mild and restrained in terms of investments
- 2 - Industry and 3PLs will try to be more productive, eliminating part of hidden costs
- 3 - Especially in Brazil, companies without robust cash flow will go bankrupt

What is your supply chain strategy for the next 12 months? What will you be prioritizing in 2015/2016 and why?

The strategy is prioritizing projects to be more productive in all supply chain.

What are the 3 key factors in creating a successful relationship with your logistics partners?

We keep with our logistics partners: long-term relations, efficient routes and operations, short communication.

What would be your one piece of advice to companies looking to do business in Brazil or Latin America?

First of all, I recommend understanding the rules and the bureaucracy in Brazil and Latin America: these procedures are not common in different parts of the world. Then, try to look for the right place to invest, regarding the strategy and the product, due to the geographic different conditions.

What do you see as the most effective measures for cutting supply chain costs and why? (e.g. investing in technologies/improved forecasting/more outsourced manufacturing etc)

There is a logical thought process behind cutting supply chain costs: first it is crucial to determine the right service levels in the chain, right up to the customer. Then, improved forecasting combined with investments in technologies avoids waste and unnecessary activities; outsourced activities represents scale gains and differential in the chain; last: appropriated modal transport reduces relevant costs and damages, improving service level (or not) where it is of significant importance.

Finally, on a lighter-hearted note, what is it about your job that you love?

I love delivering the best product to the customers in the best conditions to work for my employees.





Dr Andreas Knierim, Vice President Demand Planning and Logistics Latin America, **Robert Bosch**

What are your supply chain predictions for 2015?

1. Supply Chain in Brazil Will be even more challenging with respect to price increase in transportation and quality of service (due to strikes)
2. We can expect possibilities to new logistics locations as new logistics warehouses are constructed in the states of SP and RJ
3. Further need to think about the northeast of Brazil
4. Santos will remain a terrible bottleneck for logistics in Brazil

What is your supply chain strategy for the next 12 months? What will you be prioritizing in 2015/2016 and why?

1. We will review the distribution network strategy for Latin America in order to identify whether we have potential to improve delivery service and costs
2. Loss prevention (Fraud by Brazilian Mafia Organisations)

What are the 3 key factors in creating a successful relationship with your 3PLs?

1. Transparency
2. Keep your promise and achieve the agreed performance
3. Provide a professional continuous improvement of our business in your responsibility and share the advantage

Which supply chain risk areas are the biggest concern to your company and why?

1. Costs
2. Service level

What would be your one piece of advice to companies looking to do business in Brazil or Latin America?

1. Check thoroughly the capabilities of your service provider
2. Don't look only to costs and price commitments
3. Require full transparency





Dr Andreas Knierim, Vice President Demand Planning and Logistics Latin America, Robert Bosch

Cont...

What do you see as the most effective measures for cutting supply chain costs and why? (e.g. investing in technologies/improved forecasting/more outsourced manufacturing etc)

1. A professional continuous improvement process
2. Forecasting and transparency on both sides

Finally, on a lighter-hearted note, what is it about your job that you love?

1. The possibility to work with very motivated people here in Brazil
2. The ability to create success (w/o logistics no business will be sustainably successful)
3. Ad cont. improvement



What are your 3 supply chain predictions for 2015?

- For Brazil – tough market due to growth reduction, inflation, exchange rate devaluation and higher interest rates. Therefore, supply chain will be the only leverage to keep companies competitive through cost optimization, faster innovation launches and better service to new customers
- Globally – US and Mexico industrial structure will get back and strong to play and less Asia importance to Americas

What is your supply chain strategy for the next 12 months? What will you be prioritizing in 2015/2016 and why?

- Further development on S&OP “clusterization”
- Made it locally for Brazil and LATAM – devaluation on local currencies vs. US Dollar impacts COGS of finished goods imported and local production with imported material
- Portfolio and inventory optimization in order to release cash, as well as payment terms review

What are the 3 key factors in creating a successful relationship with your 3PLs?

Being connected daily, create trust to look for root causes and answers and a leverage global relationships.

Which supply chain risk areas are the biggest concern to your company and why?

Customer service measure at customers POV, cash due to inventory control and quality.

What would be your one piece of advice to companies looking to do business in Brazil or Latin America?

Be bold and aim for long term strategy. Brazil is not for amateurs.

What do you see as the most effective measures for cutting supply chain costs and why? (e.g. investing in technologies/improved forecasting/more outsourced manufacturing etc)

Looking for alternative sourcing, eliminating imported components, reducing inventory through a better S&OP, eliminating non-value SKU and business.

Finally, on a lighter-hearted note, what is it about your job that you love?

I love the dynamic and multi-tasking on top of the feeling of power to transform situations. COTY also allows me to feel empowered to do things faster than any other company I know... and it makes me feel like an entrepreneur taking the risk with my own money.

3PL Summit Brazil & Latin America

11-12th August, 2015 | São Paulo, Brazil



Want to meet the interviewees in person and learn more?

The 3PL Summit & Chief Supply Chain Officer Forum is Brazil & Latin America's most high-level meeting of 3PL Providers and senior supply chain executives, featuring the biggest industry thought leaders and hard-hitting sessions exploring new opportunities, technologies and markets in supply chain and logistics.

3PL Summit & Chief Supply Chain Officer Forum—Brazil & Latin America

August 11-12th 2015

Grand Mercure Hotel Parque do Ibirapuera, São Paulo

Join this year's event to get crucial insight on the best supply chain strategies to drive growth in your Latin American business. Top industry case studies will be exploring talent development, the potential of e-commerce, the challenges surrounding 3PL-customer relationships and how you can drive your business forward in Latin America.

Top Speakers for 2015 Include:

- Jeferson Fernandes, VP Supply Chain LATAM, **Coty**
- Fred Roldan, Supply Chain & Logistics Director South America, **General Motors**
- Nadir Moreno, CEO, **UPS Brazil**
- Andreas Knieram, VP Demand Planning & Logistics, **Robert Bosch**
- Fabiano Fração, Director Operations and IT, **TNT Brasil**
- Rodrigo Z Schmidt, Sr Manager SC, **Terex**
- Cleber Genero, Supply Corporate Director, **Tigre**

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For more information on the 3PL Summit & CSCO Forum—Brazil & Latin America, taking place on August 11-12 in São Paulo please go on the event website www.cscocforum.com/latam or contact the event director:

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