

5 Trends you cannot ignore in the 2019 supply chain world

 By [Linda Reddy](#)

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When people reflect upon 2018, most will reference the volatile markets, but for Nando's, it's been exciting to unlock further value for our customers to curb the current market volatility. 2019 trends really come down to two words; efficiency and convenience.



Linda Reddy, Supply Chain Director at Nando's IMEA

If you can run a business that offers customers efficiency and convenience – then 2019 will be a good year!

The supply chain industry has the most clout when innovating for efficiency and convenience. The question is, how?

1. Local is lekker

We (South Africans) no longer work in isolation of a national economy or a global one for that matter. With the challenges we have as a nation on youth unemployment and economic growth – we must be passionate about innovation that develops economic potential, especially for the thousands we can still uplift in South Africa.

From local agriculture to clothing and metalwork's, we must encourage, guide, and insist that our local suppliers give us the best quality, service, and competitive prices. Our suppliers must also build capacity to export to other countries. We have to take more of South Africa to the world. Nando's exports sauces, spices, packaging, furniture, and clothing to over 16 countries. Thinking about the bigger picture brings me to my next point – sustainability.

2. Business for the long game

In recent years, and due to our economic challenges, there has been little progress within the food industry to ensure they are not adding to unsustainable practice – but true sustainability means investing back into the business ecosystem.

Supply chain managers need to look at people, supply, and technological requirement five years from now and start including those investments in their plans. Providing customers with true efficiency and convenience means investment into technologies that will apply forecast and demand management already integrated into the Point Of Sale.

Technology will also equip us for automated production planning and barcoding from supplier to restaurant, creating a more streamlined administration process for the buyer. The future of supply chain management starts by giving our restaurant managers the efficiency and convenience to allow them to spend more time with customers – a growing need for modern consumers.

Nando's will be looking at the new restaurants we build and consider the supply and logistics needs five years from now to start adapting pre-packed products, scheduled orders, electronic receipting, loading bay infrastructure improvement – this is an example of the business sustainability that should become commonplace thinking.

3. Focusing on the core

South Africa's manufacturing and supply legacy is one of controlling the end-to-end value chain so that the core business is adequately supported. The job is to manage the supply chain, not always own it, and we are noticing more businesses that outsource anything non-core.

If we build better supplier relationships with partners, create more jobs for the smaller companies, and build firewalls when outsourcing – this could be the single most significant trend that brings us closer to the global stage.

South Africa needs to help develop other businesses by outsourcing to developing entrepreneurs. Strong performance and measurement criteria will help guide and build these businesses whilst ensuring service delivery at the correct standard. Why would we need to own warehouses and vehicles?

4. Balancing technology with people

Leading the global landscape in supply chain management trends is Europe, China and America. These countries are about five years ahead of the SA curve, innovating in robotics, RFID barcodes, and automation that give customers the efficiency and convenience they want.

To catch-up, we need massive investment in infrastructure and technology – whilst applying some of the manual interventions. As technology increases, we need to keep diverting labour into other areas for longevity, whilst technology makes our manufacturing globally competitive.

The challenge we have in South Africa is that we are a low-cost, low-skilled labour country, and many businesses have delayed automation and technological investments. The challenge is balancing people with technological advancements – there should be a place for both.

Without the investment, we cannot position ourselves as competitive in a world that inches closer to automation, robotics and machinery.

5. Hire outliers

I deliberately look for people not necessarily from the food industry, people who challenge what we do and have a different outlook. I come from the financial services sector – and have the great opportunity to challenge the sector because I was not entrenched in it.

Supply chain managers should create teams that combine multi-industry and disciplines, our sector requires more jobs and we need people who can think big picture!

My wish list for 2019 is that we develop new ways for our managers on the ground to spend more time with customers, that we empower and grow supply partners to be competitive, and grow employment whilst balancing technology and diversify leadership in the sector.

ABOUT LINDA REDDY

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