

SUPPLY CHAIN MANAGEMENT

A Vision, Strategy and Implementation Roadmap for Field Support

CONTEXT

In May 2015, the Under-Secretary-General of the Department of Field Support (DFS) signed off on a vision, strategy and implementation roadmap for supply chain management (SCM) in field support. SCM offers a proven business approach for optimizing the chain of all activities that help bring the right goods, at the right time, to the right place and at the right cost.

The SCM strategy is expected to deliver improvements in efficiency, responsiveness, effectiveness and client satisfaction along the field support supply chain. It will also help optimize resources through enhanced supply planning, global inventory management and optimized acquisition processes. Ultimately, better supply chain management will contribute to better mandate implementation for peacekeeping, special political and other field missions.

STRATEGIC VISION

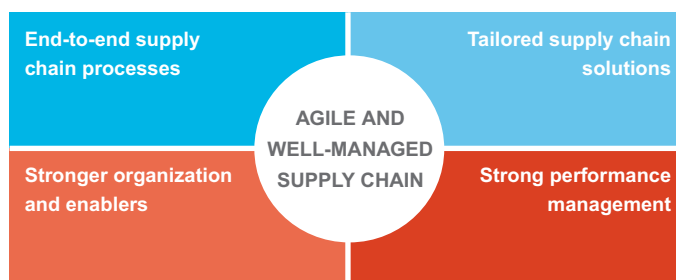
The SCM strategy is guided by a clear vision: **to implement and maintain an agile and well-managed supply chain that supports clients in field missions effectively and efficiently.**

- An **agile** supply chain is able to offer flexible, rapid and tailored solutions for different situations, customer needs and challenges. Agility is increasingly needed in less predictable environments where demand is volatile and the need for adaptability is high.
- A supply chain is **well managed** when it integrates the multiplicity of functions along the chain to deliver end-to-end solutions and establishes clear roles and responsibilities. Visibility and information management are key elements in this process.
- A supply chain is **effective** when goods and services are provided at the right time, at the right place, in the right quantities and quality to meet the requirements of customers.
- A supply chain is **efficient** when it ensures that resources are used in an optimal way and not wasted on non-value added activities.

BUILDING BLOCKS

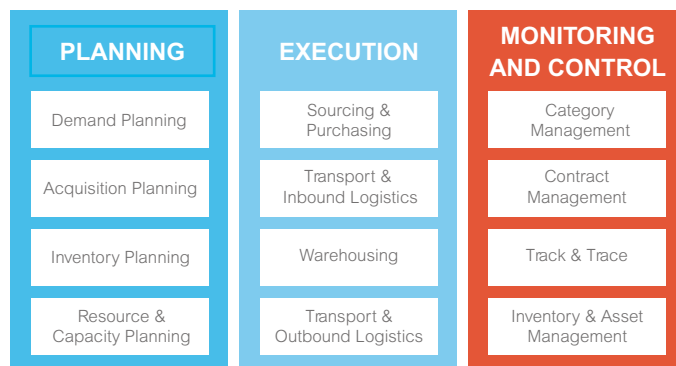
The DFS SCM strategy has four essential building blocks:

- End-to-end supply chain **processes** with clearly defined functions, roles and responsibilities;
- Tailored **solutions** for different situations, customer needs and challenges;
- Stronger **organization and enablers**, supported by appropriate infrastructure, technology, resources and personnel;
- A **performance management** framework to ensure measurement, monitoring and control of effectiveness and efficiency.



PROCESS SCOPE

The strategy will pursue improvements across the three main functions of the SCM process: planning, execution, monitoring and control. Planning and execution functions contribute to the effectiveness of the supply chain, while the monitoring and control functions drive efficiency in resource use.



MOVING FORWARD

Full implementation of the supply chain management strategy will take several years. For 2015/16, the General Assembly approved funding to support four short-term projects in support of the longer-term transformation.

FOUR SUPPLY CHAIN PROJECTS FOR 2015/16



The **acquisition planning** project will improve the acquisition planning process for the global mission portfolio. This involves defining a clear process, detailing roles and responsibilities, and developing better templates and tools.



The **INCOTERMS** project will establish policies and procedures on the choice of International Commercial Terms (INCOTERMS) used for delivery of goods to UN field missions. It will define the approach to managing inbound deliveries, including cargo consolidation, capacity management, global and regional freight contracts.



The **East Africa corridor** project will establish an improved movement flow for missions in the East Africa region, with the Port of Mombasa as the main entry-point for sea freight. Tangible benefits such as cost and lead time reduction, as well as intangible benefits in terms of process improvement and operational simplification, will result from integrating the supply chain for missions in the region.



The **centralised warehousing** project will establish an integrated and synchronized approach to warehousing work processes, functions and activities, rather than the current reliance on self-accounting units.

At DFS Headquarters, the Director of Logistics Support is establishing a project team that will be responsible for global, regional and mission-level coordination to create system-wide improvements.

MORE INFO

For more information and details on the supply chain management in field support, including the DFS Vision, Strategy and Implementation Roadmap, contact Ard Venema, Logistics Support Division, United Nations Department of Field Support, venema@un.org, or AnneMarie vandenBerg, Director, Logistics Support Division, vandenberga@un.org

INFO BOX: THE SUPPLY CHAIN

A **supply chain** is often described as 'a system of organizations, people, activities, information and resources involved in moving a good or service from the initial supplier to the final customer'.

Supply chain management is 'the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities to meet the customer's need'.¹ It also includes coordination and collaboration with channel partners, including suppliers, intermediaries, third-party service providers and customers.

SUPPLY CHAIN OVERVIEW



Client demand

Clients in different field missions request goods and services.



Monitoring, tracking and reporting

Tracking is enabled for any requisition, POs or shipment to monitor progress



Planning

Field support teams develop optimized plans for sourcing, logistics, storage, transport and distribution.



Sourcing

Field support teams evaluate and secure the best suppliers.



Inbound logistics

Field support teams organize transport from supplier to a first distribution hub.



Storage and transport

Goods are stored or prepared for transport according to an optimized schedule.



Outbound logistics

Goods and services are distributed to clients.



Delivery and receipt

Clients receive the right goods, with the right quality at the right time.

¹ Definition from the Canadian Supply Chain Sector Council (www.supplychaincanada.org)