

## CHALLENGES FACING GLOBAL SUPPLY-CHAINS IN THE 21<sup>ST</sup> CENTURY

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If the '90s have been characterized by many logisticians and engineers as the decade of "speed" to market at the front half and "globalization" at the back half, then the first decade of the 21<sup>st</sup> century may well be characterized as "customization". The reasons we must focus on customization are: (a) the retail environment is getting more competitive every day brought on by an ever-increasing cannibalization in the retail world; (b) with the world-wide web at a new height of activity and awareness, the consumer is constantly seeking new levels of satisfaction or they will take their money elsewhere; (c) vendors are realizing that with less people frequenting the malls, the ones who do are doing a heightened amount comparative shopping; and (d) the end user is prepared to walk into a store not to find the finished product on the

shelf, but have it assembled and match other purchases - on the spot or within 24 to 48 hours. To be successful we must try new and old solutions because the marketplace is working in new and old ways.

In facing the challenges of the 21<sup>st</sup> Century, our creative and entrepreneurial skills will be tested. In addition to answering "what-if" questions about which processes will be owned versus which will be partnered, there must be a real discussion of "why" when "partnership" or "shared services" may have become overused phrases and some of the results sought may not have been achieved because expectations were not set properly in the first place.

We will explore a case study through Joint Application Development (JAD) processes how the "as-is" works for the client and customer who are, for the first time, establishing a relationship. The partnership is about supplying competitively priced and simulation-tested distribution services in a hoped for "future state" for the consumer. We need processes, people, and software systems flexible enough to manage our business in such a way that a consumer can track and trace his/her product, adjust their order, cancel their order, customize their order, provide input on the quality of the product and service, and do it with or without vendor-based intervention.

If the end-user of the 80's and 90's were saying: *right product, right place, right time*, then the ones in the 21<sup>st</sup> Century will want it the *right way*. Let us therefore, simulate and redesign the supply-chain process with numerous opportunities for options and scenarios which are customer/consumer and price/value driven.

### AUTHOR BIOGRAPHY

**MATT HENNESSEE** is the Director of Global Operations at Nike Equipment Division at Beaverton, OR. He has been part of the NIKE team since October 1990 as a marketer of NIKE's Electronic Data Interchange service package in the Customer Service Division. He moved on to integrate EDI processes with NIKE's Strategic Service Plan which connected EDI with customer friendly

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packaging as a matter of strategic importance to NIKE's major customers.

In 1991, Hennessee became the General Manager of Customer Service, focusing on Consumer Services, Strategic and Specialty Accounts, Regional Customer Service, Distribution, Marketing and Sales support, Engineering, Human Resource and Financial Management. In 1995, he became Director of Global Operations for NIKE's Sports & Fitness Equipment Division. He manages the product process from its production source to the retail floor. He manages that process for all new products in the United States, Asia, Europe, and Latin America. This is a start-up business with forecasts of \$300 million in US product sales by 1999.

Hennessee was educated in the public schools of Columbus, Ohio, received his B.A. from Oberlin College in Oberlin, Ohio, attended the University of Mexico in Mexico City and Hebrew University in Jerusalem, Israel. The Associate Pastor of St. Paul Missionary Baptist Church in Portland since 1989, he has been a member of a number of local and national boards and commissions and had the distinction of being named among the top 100 business leaders by the *Oregon Business Magazine* in June 1993.