

# THE FIRST SUPPLY CHAIN INDUSTRY SURVEY LAUNCHED IN GEORGIA



The Georgian Logistics Association (GLA), with support from the USAID Georgia Economic Prosperity Initiative (EPI), has launched a national benchmarking initiative to assess supply chain management practices and capabilities within and across Georgian industries. This is the first study of its kind in Georgia, and the GLA plans to continue it as an annual exercise to promote economic growth and competitiveness for the Georgian private sector. With as many as 70 international and local companies participating, this benchmarking survey will provide objective, quantifiable insight to enable informed decision-making at a corporate, industry, and national level. Each participant will receive an analysis of their current performance across industry standard supply chain areas, relative to their industry peers, across key Georgian sectors, and, where possible, to companies in comparator markets abroad.

The GLA benchmarking survey introduces supply chain practices and metrics used by global leading manufacturers and distributors, evaluating company maturity across three areas: supply chain management processes, organization, and metrics. Processes span the five Level 1 processes of the Supply Chain Council (SCC) Supply Chain Operations Reference (SCOR) model to enhance compatibility with international markets by introducing a globally accepted industry standard for supply chain operations: Plan, Source, Make, Deliver, and Return. In addition, it considers up to 30 subprocesses based on EPI implementing partner Deloitte's proprietary supply chain maturity model, providing participating companies with "apples-to-apples" comparisons across all areas of the supply chain.

To enable industry-specific peer comparisons,

the first survey targets industries that significantly contribute to economic growth, based on contributions to gross domestic product (GDP), relevance of supply chain operations, and competitive market size. Participants include those in the food and beverage, life sciences (pharmaceutical), high technology (electronics), consumer products, and retail (hypermarkets and supermarkets) industries. This approach enables each participant to receive an assessment of their operations as compared to their relative competitors. Industry scope for future surveys may change and adjust according to market developments and trends.

The kind of effective benchmarking this survey will provide can help an organization to identify opportunities to reduce operational costs and increase service quality, gain insight into relative strengths and weaknesses compared to other organizations in the same industry, and combat organizational complacency and the perception that current performance is acceptable. For example, a global process and industrial products company was experiencing operating costs that varied by region – and were higher than competitors' costs in each location. Benchmarking helped the company identify human resource and technology solutions to bring costs in line. Relevant comparisons with industry peers enabled a leading food and beverage company to identify target areas for potential cost savings. Similarly, benchmarking results for a leading medical device company highlighted cost-saving opportunities in inventory, forecasting and planning cycles, order-to-cash, and plan-to-make operations. In the end, this exercise will catalyze the Georgian private sector to improve supply chain operations, and hence improve economic competitiveness for the country.

*The Georgian Logistics Association (GLA) is a non-profit organization for logistics, transportation and supply chain management firms. GLA promotes common interests in the regional logistics industry, supports the exchange of knowledge and ideas among members, and develops partnership links between service providers and buyers. From end of 2013 GLA is an official representative of Supply Chain Council (SCC) in Georgia. The main objective of SCC Representative in Georgia is to increase efficiency of local logistics and supply chain sector through the implementation of SCOR and conducting trainings in Georgia.*

*Supply Chain Council (SCC) is a US based non-profit global organization with more than 1000 members worldwide. SCC developed and maintains the SCOR (The Supply Chain Operations Reference) which is the world standard for supply chain management, a model that provides a unique framework for defining and linking performance metrics, processes, best practices, and people into a unified structure.*