



## The Five Keys to High Performance Global Commerce Management

*By Ned Blinick, Vice President  
Blinco Systems*

Global Commerce Management (GCM) manages both Asset and Non-Asset based manufacturing and distribution across international boundaries to meet the demand and financial requirements of the organization.

GCM requires the ability to manage complex supply chain networks across multiple geographies, multiple locations and multiple manufacturing, distribution and logistics moves.

Effective GCM requires that organizations support people, process, and constraints - imposed by disparate supplier companies, cultural barriers, time zones, extended physical locations, customs and security concerns, currencies, modes of transportation - in a highly integrated and synchronized information environment. Mismanaging any of the processes or constraints impairs the organization's financial objectives and its returns to its stakeholders.

**GCM solutions increase global supply chain predictability to virtual certainty.** It is predictability that events will take place as planned that allows for the dramatic removal of raw material, work in process, and finished products from the entire supply chain. At every stage of a global supply chain there is the opportunity of removing up to 50% of inventory from the chain. This is a bold claim but one that is possible with the right design of human resources, business processes and technology enablers.

GCM is about commanding and controlling all participants and activities across the supply chain to insure that there is reliable predictability of action against defined events. It is continuous supply chain monitoring, event management and workflow support that ensures proactive management of the entire supply chain.

GCM is a new paradigm for managing the complex global product environment. To win in the global environment requires an understanding of and appreciation for the inherent complexities that exist and how all the links in the supply chain fit together. What makes GCM so complex is the number of supply networks, nodes and modes of transportation that must be managed to bring a product from concept to market. Compounding the management of physical networks is the myriad number of regulatory compliance issues that must be managed along with the supporting documentation that must be submitted to customs and banks on both sides of the logistics supply chain. Without the proper people and processes in place technology enablers while helpful will be under utilized and sub-optimize the entire global supply chain.

Effective GCM requires the empowerment of suppliers, service providers and employees responsible for seemingly separate and siloed activities to execute their responsibilities in a planned, cohesive, seamless and predictable manner. This means that the right information must be available to the right people at the right time.

The world of global commerce is inherently many times more complex than domestic business. The ability to create an effective and efficient corporate global commerce capability is the blending of the "right" people, processes and information enablers in support of the synchronization of activities at every level of the supply network.

During a recent Global Supply Chain conference run by Supply Chain Management Review, I was asked the following question: Do you have any basic tips or recommendations on how companies can go about managing all that complexity in global commerce?

There are basically 5 fundamental elements that must be in place to truly capitalize on Global Commerce Management.

1. **Knowledgeable and experienced people.** At the recently held Council of Logistics Management conference in Philadelphia, professor Karl Manrodt of Georgia Southern University indicated that one of the greatest problems that companies are going to face is a shortage of knowledgeable and experienced people with an understanding for and appreciation of global commerce.

Without skilled professionals who have the experience across the broad spectrum of global trade creating an appropriate GCM strategy is highly problematic. Indeed, people are the most critical element in building an effective GCM program.

2. **Integration and synchronization of people and processes.** Integration has been a mantra among solution providers from the beginning of the technology revolution. Its importance in supporting a Global Commerce initiative cannot be over emphasized. However, with all the recognition of the importance of integration it is still the most difficult to achieve and once achieved the most difficult to maintain.

People and departments most often work in functional silos. Information control often mirrors the functional work silos. Even with most ERP systems it has been virtually impossible to break down these silos and insure that the right information is integrated across silos enabling people to execute their work efficiently. This is particularly true in the global supply chain space.

3. **Absolute visibility of all activities across the global supply chain.** The need for 360<sup>o</sup> supply chain visibility extends not only to the internal organization but must be extended to external partners wherever they reside geographically. Visibility begins at product development and is required until the product is delivered to the right place – at the right time, in the right condition, at the right terms and price.

Perfect order fulfillment is virtually impossible to achieve without total visibility across the entire life cycle of a product. Effective supply chain fulfillment is enabled when all supply chain partners have visibility to support their work efforts.

4. **Workflow enablers at all levels of the supply chain.** Workflow tools provide the basic monitors and alerts of the critical events required to insure that everything is affected according to plan. Without the proper workflow integrated into the process in support of functional work activities GCM will be sub-optimized.

GCM work enablers include not only track and trace capabilities at the logistics level but also at the product development, request for quotation, purchase order execution, customs clearance and delivery level. However, track and trace with its associated alerting capability are only a part of the enablers. Other critical GCM enablers are total landed cost (estimate and actual),

compliance management, harmonized tariff control, security monitoring of suppliers and service providers, supply chain risk assessment, and carrier contract management.

**5. Reporting and Analytical tools are essential to provide the metrics that allow for vendor and service provide compliance and improvement.**

While it could be argued that these five elements are required by every business in order to succeed, the ability to execute effective and efficient global commerce without them is virtually impossible.

With globalization a reality, companies must have a comprehensive global sourcing and distribution strategy in order to stay competitive. Finding the people skills, creating the right processes and supporting them with the right technologies are imperatives that can lead to great competitive advantage. The benefits in terms of cost of goods, customer/consumer loyalty, increased gross margin, inventory management and productivity are enormous. Companies that optimize their supply chains with the right blend of domestic manufacturing and sourcing and GCM before their competition stand to win big. Failure to do so places the organization at perilous long-term risk.

### **About Blinco Systems Inc. -**

Blinco Systems Inc. (BSI) is a leading developer of 3rdwave enterprise solutions for organizations that source globally and manage non-asset based manufacturing operations.

From its inception, BSI has focused on enabling companies that source and manufacture globally to deliver orders that meet or exceed customer expectations.

BSI provides solutions that synchronize control over the entire supply chain - from your suppliers' suppliers to your customers' customers - through totally integrated execution, compliance, costing, visibility and financial tools.

Understanding that successful solutions cannot be cobbled together and maintained from disparate point applications, BSI continues to focus on successfully developing, delivering and implementing fully-integrated solutions that allow its clients to totally manage their supply chain and focus on their core competencies.

To learn more about Blinco Systems, visit [www.blinco.com](http://www.blinco.com).