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SUPPLY CHAIN MANAGEMENT

Team-based approach to supply chain management pays off for Winnipeg firm



In less than 10 years, supply chain management at Winnipeg's Price Industries has evolved into a function that touches many other parts of the firm. PRICE INDUSTRIES

Winnipeg-based Price Industries prides itself on being able to supply commercial air distribution products to North America

ABOUT



With nearly 7,500 members working across the private and public sectors, the Supply Chain Management Association (SCMA) is Canada's leading association for supply chain management professionals. It is the national voice for advancing and promoting the profession, and sets the standard of excellence for professional skills, knowledge and integrity. SCMA was the first supply chain association in the world to require that all members adhere to a code of ethics.

SCMA was formed in 2013 through the amalgamation of the Purchasing Management Association of Canada and Supply Chain and Logistics Association of Canada. It is the principal source of supply chain training, education and professional development in Canada. Through its 10 provincial and territorial institutes, the association grants the Supply Chain Management Professional (SCMP) designation, the highest achievement in the field and the mark of strategic supply chain leadership.

and beyond.

And that's not all. While standard delivery time is three weeks, the 70-year-old privately held company offers a premium service that guarantees shipment of urgently needed products within two days across North America.

"That makes the supply chain – my job – very challenging because I can't stock 100 per cent of everything that any customer might order," says Kelly Singleton, Price's purchasing manager.

"We have many variations of products and offerings to suit each of our customer's unique requirements. The goal is always to deliver the perfect order while providing exceptional customer service."

That pride and confidence reflects how far supply chain management has progressed at Price. In less than a decade, it has evolved from a narrow purchasing function to one that touches many other parts of the company, such as receiving, shipping and inventory control.

"We began working as a cohesive team," she says. "We had conversations that we'd never had before."

Ms. Singleton recalls that when the company hired its first supply chain manager, she came in and said that Price's BHAG (big hairy audacious goal) would be cost savings of \$2.5-million over a two-year period.

"We all looked at her and thought: 'You're crazy! That's never going to happen.'"

As things turned out, the target was reached well before the second year was over and was far exceeded by the end of that period.

Price had previously done most of its business with a limited pool of preferred suppliers. The new supply

chain manager introduced competitive requests for proposals (RFPs), requiring its suppliers to improve their overall value proposition.

The company also began inviting suppliers on plant tours, resulting in many more ideas for improvement. One pointed out that Price was ordering boxes of filters stacked two high, while other customers packaged them three high.

"The freight savings on that alone were phenomenal, because we were no longer shipping air," Ms. Singleton notes.



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Kelly Singleton is Price Industries' purchasing manager

Another valuable innovation has been supplier reviews, including key performance indicators.

"We're now checking their performance and holding them accountable, something we'd never done before," she adds.

The review process has the extra advantage of bringing together experts from various parts of the company, such as engineering, accounting, inventory control and production. The teams discuss issues ranging from suppliers' technical support and capacity for growth, to the adequacy of their shipping documents.

Such initiatives have raised the profile of supply management within the company. The team reports to the vice president of operations, Paul Remillard, and has added a director of strategic partnerships who has a direct line to Price's president, Joe Cyr.

Ms. Singleton has two words of advice for other companies seeking to expand their supply-management expertise:

- Invest in training and education: "You're not going to get staff to be innovative, forward-thinking and strategic if they don't have the education."
- Hire the right people: "Once you find them, you better hang on to them because they can make or break your supply chain."

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ABOUT THIS SERIES

Supply chain management: Canadian success stories

Once upon a time, supply chain management professionals were scattered around organizations, told to focus on keeping costs down and ensuring everything ran smoothly. This remains the foundation of the supply chain function, but there has been a striking evolution of the role in recent years as organizations of all types recognize how important suppliers are to their own success.

The networks of suppliers around any given organization are now far more complex than ever before and are often spread around the world. The



strength, performance and actions of those suppliers can have a major impact on the organization they supply. According to PwC, companies that operate best in class supply chains have 50 per cent higher sales growth and are 20 per cent more profitable. In the public sector too, there is over \$150-billion of spending in Canada, which not only has to be spent well, but often has goals attached such as boosting environmental performance or driving innovation.

To manage this growing complexity, there has been a rapid growth in the use of technology and the skills required by supply chain management professionals. This is why we are showcasing a series of supply chain success stories from across Canada.

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