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## Science of Business Goldratt Implementation Group US

### First Thoughts

By Dan Gilmore - Editor-in-Chief

## SupplyChainDigest™

October 25 , 2007

### CSCMP 2007 Full Conference Review and Highlights

#### Gilmore Says:

“But I quibble, just because that’s my role. It was a good conference, and a good time.”

What do you say? [Send us your comments here](#)

I am just back from Philadelphia and the CSCMP 2007 conference. Below are my thoughts on an overall excellent experience, the second under CSCMP CEO **Rick Blasgen**.

Literally thousands of you have watched some or all of our daily video updates earlier this week, in which I was joined by SCDigest colleague **Gene Tyndall**. The feedback has been great – take a look here if you'd like to see any of the video commentary ([Day 1](#), [Day 2](#), [Day 3](#)).

Philadelphia isn't San Antonio (2006), but you have to spread it around, and the Phillie Convention Center works for a show of this size, with attendance somewhere in the neighborhood of 3000, roughly on par with last year.

There were a number of new tracks added this year, and as a result the total number of sessions and choices were really almost overwhelming. As Gene noted, it also in general means that many/most sessions have a relatively small crowd, which just doesn't feel as good when you are attending or especially presenting. On the other hand, it's hard to argue with many of the new tracks: sustainability (of course); Supply Chain for small and medium business (they should be represented); labor issues (a very good choice actually, dealing with demographics, strategies for labor and other interesting topics); leadership and executive development (the execs need something for them).

I am not as sure we needed, given the bounty, a whole track dedicated to using SCOR, or business process outsourcing, but that's just me. I am sure many enjoyed sessions in these tracks. I also think that many of the sessions wind up dealing with similar issues specifically regarding global supply chain. While this is obviously a huge topic, I think too many, across tracks, covered basically very similar material.

It was also interesting, with all the advanced topical choices, that the most packed session I attended was a panel discussion on transportation procurement, featuring the always interesting **Joe Lombardo** of Nestle. Other sessions that were heavily attended were the ones releasing various trend studies, such as the annual 3PL study led by **Dr. John Langley** of Georgia Tech, and the Trends in Logistics and Transportation report led by **Dr. Mary Holcomb** (University of Tennessee) and **Dr. Karl Manrodt** (Georgia Southern). We'll have details on these and other studies released at CSCMP over the coming weeks.

I'd like to see a few more sessions that have practioner presentations without the seemingly obligatory technology/3PL/consulting

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partner. There is just something different about a presentation that is all practioner(s). I realize often it's the partner that gets their customer to participate, and how hard it can be to get companies to do these things, but I am confident the audience would appreciate a few fewer vendor performances, even when they aren't all that commercial, which most weren't.

Relatedly, maybe it's always been this way, but this year I think 6 out of 7 Supply Chain Innovation awards finalists were listed as the main company plus one or more partners. I was rooting for Motorola to win (it didn't) just due to the fact it was nominated by itself.

But I quibble, just because that's my role. It was a good conference, and a good time. I went to a ton of sessions. Below are some highlights. We will be covering all these and more in detail, starting with next Tuesday's Supply Chain Digest **On-Target** edition.

- **Dr. Evelyn Tomchick** of Penn State presented a total landed cost (TLC) model that included six components: price, transportation, customs, inventory, overhead and risk/compliance. Surprisingly, of the six companies (including some large ones) participating in the study that was the basis for the model, not one was calculating total landed costs using all six areas. There was also very limited activity in these companies in terms of really going back and looking hard at TLC estimates versus actuals.
- I ran a simply fabulous panel on supply chain collaboration that had some of the best commentators on this I have seen. That included Hershey's **Greg Kaiser**, Campbell Soup's **Mike Slattery**, Adtran's **Tom Dadmun**, and Fonterra's (New Zealand – world's largest dairy exporter) **Nigel Jones**. The key points: you really have to pick your collaboration partners carefully, based on willingness, capability, and win-win economics; you can use coercion with suppliers, but some carrot with the stick works a whole lot better; in consumer goods-to-retail, few retailers outside of Wal-Mart have yet really embraced CPFR.
- **Scott Edwards** of Intel did an outstanding presentation on how the chip giant used the Theory of Constraints (TOC) to redesign pick and ship processes in its DCs. To be honest, it was in part a little hard to understand, but that is because it came from a different paradigm, as Edwards noted. Meaning, rather than the traditional focus on "efficiency," and the need to keep everyone busy, Intel focused on flow, and applying TOC's Drum-Buffer-Rope principles to a bottleneck (packing). The result: a 75% decrease in cycle time and a similar decrease in variability with no capital investment – and a willingness to sometimes let associates in front of the constraint take a break.
- Nestle's Lombardo said they made some mistakes in trying to get too fancy with transportation sourcing. A 2002 "auction" approach led to too much churn in the carrier base, and some subsequent havoc. A more controlled 2006 bid process, with a goal of less than 10% churn, has proved to be better – but Nestle has always been good. Less advanced companies might benefit from greater turnover. I will also note that panelists **Kevin McCarthy** of CH Robinson (very knowledgeable), and **Mark Calcagni** (JB Hunt), plus moderator **Gary Girotti** of Chainalytics gave some excellent "no spin" insights into how to buy transportation services right.

More details on these and other session/studies coming soon.

As a final note, Blasgen promised in a letter to SCDigest last year after daily shortages of Diet Coke or Diet Pepsi in San Antonio that there would be no such "supply chain glitches" this year. He was right. There was one within easy reach all week, which kept me going. Great!

I'll be in Denver for CSCMP 2008.

**Let us know your thoughts at the feedback link below.**

*Dan Gilmore*

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