

**INAUGURAL LECTURE
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PROF IM AMBE

**BORN TO CHANGE: SUPPLY CHAIN MANAGEMENT IS A JOURNEY AND NOT A
DESTINATION**

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- Professor Raphael Mpofu, the Deputy Executive Dean, College of Economics and Management Sciences;
- Colleagues from the College of Economics & Management Sciences, broader Unisa community and other institutions;
- Friends, associates and family members;
- Distinguished guests; ladies and gentlemen.

In the name of the Almighty Lord, I wish to salute and welcome you all to this inaugural lecture. Please accept my heartfelt appreciation for your profound choice to come and grace this occasion which marks my formal acceptance to the professorial rank.

1 INTRODUCTION TO THE LECTURE AND ACADEMIC CAREER

I am overjoyed to stand before you all today to give an account of my stewardship up to the present moment. The title of my lecture is **“Born to change: supply chain management is about the journey and not the destination”**. Ladies and gentlemen, my career in research, although relatively short, has been interesting; taking me on many different paths, often smooth, sometimes tedious, seldom tiring and once in a while frustrating. I hope you can share in my excitement because this is an occasion that comes but once in a lifetime. While it would have pleased me to acknowledge all the people who played a role in my development from my birth to this point in my career, time considerations and the prioritised business of this day restrict me to mention only a few. Allow me to first acknowledge the special role played by the following people:

- Firstly, I wish to acknowledge my parents (the late Mr Joseph Ambe and Ma Bibiana Didi Ambe);
- My wife, Florence Ambe, and my children, Didi Queen McFlore Ambe, Azah Hanni Ambe, and Intaher Bethel Ambe);
- My brothers and sister, especially Prof Cosmas Ambe and Mr Cletus Ambe;
- Mr Lovelace Godji (Former HOD, NWU-Mafikeng Campus); and
- Prof Badenhorst-Weiss; for their unconditional support and encouragement.

For approximately the last 10 years, I have been focusing on the concept of supply chain management. This lecture draws from my experiences in supply chain management over these years. The field of supply chain management caught my interest thanks to my brother, Prof Cosmas Ambe, who was involved in the development of learning materials for the municipal financial management skills programme for local government sponsored by GTZ in 2005. Ladies and gentlemen, during the period 2008 up to today, under the employ of Unisa, I have been able to publish 26 articles in accredited journals, write two chapters in academic textbooks, as well as co-author two books in the area of supply chain management, both in the public and private sectors. My publications are within the automotive industry and the public sector (Government supply chain management).

The key question posed in this lecture can be stated as: Is supply chain management a journey or a destination?

This lecture discusses supply chain management as a born-to-change philosophy and argues that supply chain management is not a destination, but should rather be seen as a journey with which organisations strive to achieve competitive advantage in their organisations by minimising cost and optimising customer satisfaction. The remainder of the lecture will be presented as follows:

- The Supply chain management journey, and
- The South African government Supply chain management journey

2 THE SUPPLY CHAIN MANAGEMENT JOURNEY

2.1 When was supply chain management born?

Supply chain management (SCM) was born to change. We have often heard the word “supply chain or supply chain management” on the radio, television, in newspapers, and other media. Some of these times, supply chain management was portrayed in a positive light, while at other times it was not. The term ‘Supply chain management’, especially in the South African public sector, has been associated with corruption and irregularities. Some of us might not even have had an opportunity to find out what exactly ‘supply chain management’ is. In this lecture, I will begin by telling you the supply chain management story (the birth of supply chain management).

Traditionally, in organisations, the marketing, distribution, planning, manufacturing, and purchasing functions, along with the supply chain, operate independently. Each of these functional areas had their own, often conflicting objectives. Marketing's objectives of high customer service and maximum sales dollars conflicted with the manufacturing and distribution goals. Many manufacturing operations were designed to maximise throughput and lower costs with little consideration for the impact on inventory levels and distribution

capabilities. Purchasing contracts were often negotiated with very little information beyond historical buying patterns. The result of these factors was that there was not a single, integrated plan for an organisation (Houlihan 1985). Hence, the need arose for a mechanism through which all these different functions could be integrated.

The term “supply chain management” (SCM) was first introduced in written form by Keith Oliver, as reported in the Financial Times in 1982 (Laseter and Oliver, 2003) to describe connecting logistics with other functions, and by Houlihan (1985, 1988) to describe the connections between logistics and internal functions and external organisations. It was primarily written by consultants, although published in academic journals, such as the International Journal of Physical Distribution and Materials Management (Ellram and Cooper, 2014:9). Since then, thousands of articles and books have been published on the topic. Today, as we speak, SCM has become a “strategic function” with respect to implementing national and international business strategies. Table 1 presents key activities associated with the birth of SCM.

Table 1: Key activities associated with the birth of SCM

Year	Key supply chain activities
1950s & 1960s	Manufacturers focused on cost reduction and productivity improvement strategies.
1960s-1970s	Introduction of new computer technology lead to the development of Materials Requirements Planning (MRP) to coordinate inventory management.
1980s & 1990s	Intense global competition led manufacturers to adopt Supply Chain Management along with Just-In-Time (JIT), Total Quality Management (TQM), and Business Process Reengineering (BPR) practices
2000s and beyond	Industrial buyers will rely more on <i>third-party service providers</i> to improve purchasing and supply management. Wholesalers/retailers will focus on transportation and logistics more & refer to these as <i>quick response, service response logistics, and integrated logistics</i>

2.2 Some terminologies associated with supply chain management

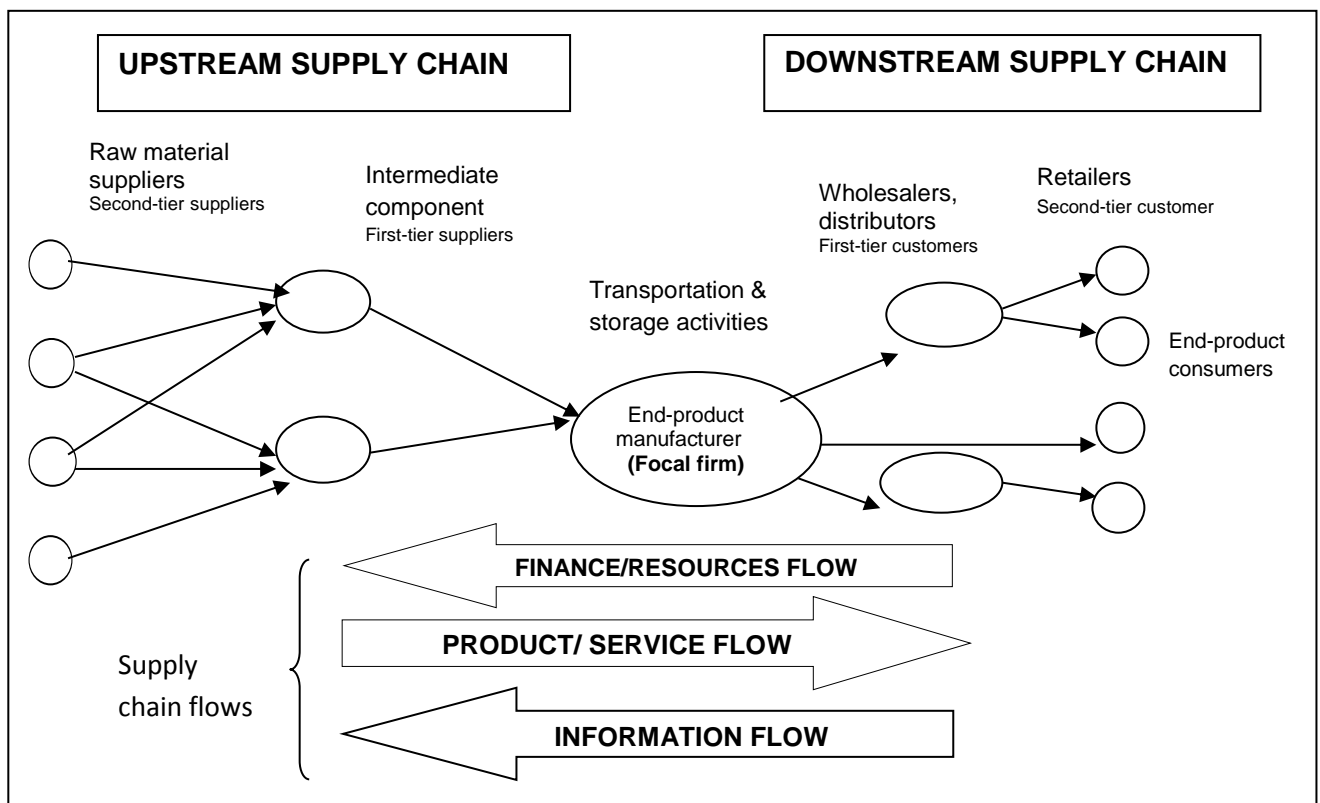
Following the birth of SCM, different parties/practitioners embraced the concept as they felt the need for an integrated system that would minimise cost, satisfy their end customers, and at the same time, be profitable in their ventures. For the purpose of this lecture, the following definitions are provided. I consider these terms to be important components of SCM.

- **Purchasing management:** The process of planning, organising, leading and control of all the activities relating to the purchase of materials and services from an external source. Purchasing is a subset of procurement (Sanches-Roudriquez, 2009).
- **Logistics management:** A supply chain management component that is used to meet customer demands through the planning, control and implementation of the effective movement and storage of related information, goods and services from origin to destination (Waters, 2003).
- **Operations management:** The administration of business practices to create the highest level of efficiency possible within an organisation. Operations management is concerned with converting materials and labour into goods and services as efficiently as possible to maximise the profit of an organisation (Chase, Jacobs and Acquilano, 2006).
- **Marketing management:** The process of overseeing and planning new product development, advertising, promotions and sales (Kotler and Armstrong, 2010).

2.3 Supply chain management fundamentals

One blessed Saturday morning, just as I was about to read a chapter of one of my Master's student, my wife walked up to me and said, "Dadi, you always talk about supply chain, I don't even understand properly what this supply chain or supply chain management is all about." Just there I decided to accompany her that morning when she went shopping at the supermarket. While we were at the supermarket, I asked her, "Babes, do you know where these vegetables and other grocery items you want to purchase come from? You are not buying from the farm or producers, rather from the retailers. Those retailers have to purchase from the wholesalers, who in their turn collected the products from the producers/farmers, who got the materials/equipments from suppliers. And so the chain continues. I don't need to tell you with how much admiration my wife looked at me after this explanation". Generally, the definitions of the term 'supply chain' have been accepted by the SCM fraternity. Defined as "A supply chain is a set of three or more organisations linked directly by one or more of the upstream or downstream flow of products, services, finances and information from a source to a customer" (Fawcet, Ellram and Ogden, 2007; Monczka, Giunipero and Patterson, 2009:10; Wisner, Tan & Leong, 20012). The supply chain includes manufacturer, suppliers, transporters, warehouses, wholesalers, retailers, other intermediaries and even customers themselves. A sample illustration of a supply chain is shown in Figure 1 which represents a generic supply chain framework.

Figure 1: Framework for a generic supply chain



Source: Wisner, Tan & Leong (20128)

Colleagues, ladies and gentlemen, 33 years (1982 – 2015) after the emergence of the SCM concept, there is still no consensus regarding its definition, as well as no overarching and unifying theory of SCM. It means many different things to different people, and numerous, overlapping definitions exist. Yet, we have over 82 periodicals globally that publish SCM articles and case studies, including our South African lone SCM Journal (Journal of Transport and Supply Chain Management hosted by the University of Johannesburg). SCM Researchers and professional organisations have put forth varying definitions that they regard as viable. This can be attributed to their background and how they perceive SCM. In order to illustrate how challenging it is to consolidate the viewpoints, I took a snap shot of the varying definitions of SCM that are supplied in various textbook I have used. This is summarised in Table 2 that shows the definitions of the various authors classified according to their disciplines.

Table 2: Selected definitions based on supply chain management textbook

Authors	Definition	Background
Baily, Farmer, Crocker, Jessop & Jones (2008).	“Concerned with the coordinated flow of funds, information, materials and services from origin through suppliers into and through the organisation and ultimately to the consumer, in such a manner that value added is maximised and cost is minimised.”	Purchasing

Christopher (2005)	"The management of upstream and downstream relationships with suppliers and customers to deliver superior customer value at less cost to the supply chain as a whole."	Logistics
Swink, Melnk, Cooper & Hartley (2010)	"The design and execution of relationships and flows that connect the parties and processes across a supply chain."	Operations
Kotler & Armstrong (2010)	"Managing upstream and downstream value-added flows of materials, final goods and related information among suppliers, the company resellers, and final customers."	Marketing

From the table, it is evident that there is definitional bias influenced by the unique perspective of the authors. In addition, functions such as Management Information Systems, Finance, Economics, and Accounting are being seen by researchers as relevant to SCM. The result has been a lack of clarity regarding the definition and scope of SCM. Although, there is commonality, each function has defined and conceptualised SCM slightly differently and there is a lack of definitional consensus.

Table 3 provides evidence of the lack of consensus regarding the definition of SCM from a professional organisation perspective. These professional bodies play a critical role in the advancement of SCM theories and are also represented in South Africa. The professional bodies reflected here are the Council of Supply Chain Management Professionals (CSCMP), the Chartered Institute of Procurement and Supply (CIPS), and the South African Production and Inventory Control Society (SAPICS). These professional bodies emanated from individuals with different functional backgrounds on SCM such as Operations, Logistics, Purchasing (Supply Management) and Marketing management. Table 3 presents selected definitions of Supply Chain Management by Organisations Represented in South Africa.

Table 3: Selected definitions of Supply Chain Management by organisations represented in South Africa

Organisation	Definition	Background
Council of Supply Chain Management Professionals (CSCMP, 2015)	"the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third party service providers, and customers."	Purchasing, Logistics & Operations
Chartered Institute of Purchasing and Supply (CIPS, 2015)	SCM as: "... supply chain conceptually covers the entire physical process from obtaining the raw materials through all process steps until the finished product reaches the end consumer. Most supply chains consist of many separate companies, each linked by virtue of their part in satisfying the specific need of the end consumer."	Purchasing

SAPICS/APICS (2015)	"design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally."	Operations
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The definitions of SCM are all comprehensive and as inclusive as possible, elaborating the downstream and upstream management of networks or organisations and processes, with a focus on the end customer. Inherent in the definitions, however, is the notion that SCM is closely related to activities traditionally considered aspects of operations, logistics, supply management and marketing. Each of the functional disciplines applies their own specific approaches, methodologies, and priorities to SCM. Therefore, SCM represents and reflects a holistic approach to the operation of an organisation and it is a melting pot of various disciplines. While there are differences, there are also similarities. Each definition relies on terms such as coordination and integration and emphasises the harmonisation of operations among supply chain members. A further commonality is their focus on cross-functional business processes with the objective of providing value for the entire supply chain. It can be viewed from three different angles as:

- A management philosophy;
- The implementation of the SCM as a management philosophy; and
- A set of management processes

Colleagues, ladies and gentlemen, Is SCM is a journey or destination?

Currently, there is no consensus on the definition of SCM. Every supply chain actor has implemented SCM as they see fit and as it is beneficial to their organisations. When parties do not like the way that they see others using or interpreting the term supply chain management, they have created their own terms to describe what they see as supply chain management. This is probably part of the reason why there are so many names associated with supply chain management today such as **supply networks, demand chain management, value chain management, seamless demand pipeline.**

2.4 The impact of the supply chain management journey

The lack of consensus on what SCM really is, coupled with the changing business conditions, has shaped the way SCM is implemented in various organisations. In addition, there is great variation in what it is called; its practices and strategies, as well as the challenges faced by each organisation are different.

2.4.1 Renaming of SCM functional areas

The different conceptual views on SCM triggered dialogue among practitioners and academics on the definition and scope of SCM in relation to the functional discipline. From the respective academic forums, conferences, and seminars, it became evident that the

move to embrace the SCM terminology was reflected in what these professional bodies called themselves. As portrayed in Table 4 professional bodies started renaming their organisations (Ellram and Cooper, 2014). Most of these professional associations are represented in South Africa.

Table 4: Selected professional organisations that have been renamed

Previous Name	New SCM Related Name
Council of Logistics Management	Council of Supply Chain Management Professionals (CSCMP)
National Association of Purchasing Management	Institute for Supply Management (ISM)
American Production and Inventory Control Society	The Association for Operations Management (APICS)
Chartered Institute of Purchasing and Supply (CIPS)	Chartered Institute of Procurement and Supply (CIPS)
Institute of Purchasing and Supply South Africa (IPSA)	In 2008, it disappeared!!

Academics and researchers did not lag behind as many are part of the professional bodies. Colleagues, ladies and gentlemen, they also made changes to the SCM courses at their universities and colleges by renaming their departments, degrees and courses as reflected in Table 5.

Table 5: Selected Universities with renamed SCM departments/degrees

University	Previous department/degree	New
Arizona State University, USA	Department: Purchasing and Logistics Management	Department of Supply Chain Management
Michigan State University, USA	Department: Combined Marketing, Purchasing, Logistics, and Operations Management Faculties	Department of Supply Chain Management
University of Johannesburg, SA	Department: Transport	Department: Transport and supply chain management
University of Pretoria, SA	Degree: Logistics	BCom Option: Supply Chain Management
University of South Africa, SA	Degree: Strategic Supply Management	Degree: Operations and supply chain management
Copenhagen Business School, Denmark	Degree: Operation	Degree: Operations & Supply Chain Management

These changes illustrate and reinforce the cross-functional nature of SCM.

Despite all of these exciting changes, burning issues kept emerging in the academic world on what SCM really is. Frameworks continued to be developed under the assumption that, “Without a clear understanding of SCM, we cannot expect wide application of SCM in practice or research” (Ellram and Cooper, 2014; Zacharia et al., 2014). Yet companies kept implementing SCM practices as they saw fit, despite the academic conundrum surrounding SCM.

2.4.2 Diverse supply chain practices

As SCM research evolved, the goals of the research expanded. Two of the most developed and influential process frameworks in SCM are the Global Supply Chain Forum’s (GSCF) model and the Supply Chain Operations Reference (SCOR) model.

The Global Supply Chain Forum, a partnership between researchers and executives, established a goal of building theory and, “Developing a normative model those executives can use to capture the full potential of successful SCM” (Cooper, Lambert, & Pagh, 1997, p. 1). On the other hand, a practitioner initiative, the Supply Chain Operations Reference (SCOR) model, was also developed in the late 1990s as a guideline (Supply Chain Council, 2013). The SCOR model separates supply chain operations into five process categories which include plan, source, make, deliver and return, and has three components which include business process re-engineering, benchmarking and best practice analysis. These two frameworks represent the alternatives available and provide sufficient detail to assist the management of organisations in the implementation of SCM processes. Each model takes a

distinctly different approach to SCM and they are diverse in terms of their centric focus, supply chain strategy, scope of organisational activities, value creation in a supply chain and collaboration in a global partnership (Kuik *et al.*, 2011:988).

This led to new practices in SCM being developed and implemented as researchers and organisations saw fit, and if it made a contribution to their bottom line (Kamal and Ferdousi, 2009:76). Currently, there are no defined best practices. Whilst the need to develop strategic practices for managing the supply chain is commonly accepted, most organisations still find it difficult to effectively implement SCM practices and are unaware of best practices as reflected in Table 6.

SCM best practices have been defined as a set of activities undertaken in an organisation to promote effective management of its supply chain (Tang & Qian, 2008:291).

Table 6: Selected views on what constitutes supply chain best practices

Author	Description of supply chain practices
Donlon (1996),	Forming supplier partnerships, outsourcing, cycle time compression, continuous process flow, and information technology sharing.
Tan <i>et al.</i> (2002)	Purchasing, quality and customer relations, supply chain integration, information sharing, supply chain characteristics, customer service management; geographical proximity and JIT capability.
Chen and Paulraj (2004)	Supplier base reduction, long-term relationships, communication, cross-functional teams and supplier involvement to measure buyer-supplier relationships.
Min and Mentzer (2004)	Agreed vision and goals, information sharing, risk and award sharing, cooperation, process integration, long-term relationships and agreed supply chain leadership.
Li <i>et al.</i> (2006)	Supplier partnership, customer relationship and information sharing.
Litke (2015)	Supply chain system should be aligned with overall company strategy; Ensure you have a strong supply chain group with the “right” skill set; Understand the importance of supplier relationship management; Focus on Total Cost of Ownership (TCO); and Reduce inventory – run a “lean” organization.

Thus, there are diverse views on SCM best practices from a variety of different perspectives with the common goal of ultimately improving organisational performance.

2.4.3 From lean to leagile supply chains

Colleagues, ladies and gentlemen, the effect of globalisation, technology, and outsourcing, among others, have also contributed to the course of the SCM journey. The global

marketplace today demands a much more agile response from the organisations and their partners in the supply chain. The period during which production was moved overseas to enable business to take advantage of cheap labour, has come to an end because fast fashion starts competing not only on price but also on time. Customer behaviour has changed and nowadays buyers frequently want to see new styles (Bruce and Dali, 2006). For example, clothes are not used anymore to only protect the body from the cold, but also to accompany a personal style and to portray personality in the appearance. All these facts play a key role in the new relationship between manufacturers, retailers, suppliers and consumers.

Today, organisations do not compete among one another; rather competition is between supply chains. One size does not fit all and there is no right supply chain strategy. **The right supply chain strategy is dependent on the nature of the product or service.** Scholars have recognised that supply chains require more than a homogenous strategy for their successful operation. These strategies may vary according to the characteristics of the competitive environment in which they operate. Fisher (1997) suggests that supply chains can be categorised according to the nature of the supply chain (efficient or responsive) and the type of products that they produce (functional or innovative). With the real-time access to the Internet and search engines like Google, and with the increased global competition, customers have more power than ever before. They demand innovative product features, greater speed, more product variety, dependable performance and quality at a best in class and at a competitive price. Colleagues, ladies and gentlemen, strategies in the supply chain have evolved from mass production (Henry Ford) following the “Lean production philosophy” to agile and a combination of lean + agile (leagile supply chain).

Definitions relating to supply chain strategies are:

- **Supply chain strategy:** A supply chain strategy is part of the overall business strategy, designed around a well-defined basis of competition (innovation, low cost, service, quality). It is integrated with the marketing strategy; customers’ needs; the product strategy; and power position (Hines 2006).
- **Lean supply:** “Lean” is a supply chain term defined as the “enhancement of value by the elimination of waste”. Lean philosophy is applicable when market demand is predictable and buyers’ decisions are highly dependent on the lowest price criterion. (Rahiminia & Moghadasian 2010).
- **Agile supply chain:** Agility in the context of supply chain management focuses on “responsiveness”. It is the ability of the supply chain as a whole and its members to rapidly align the network and its operations to dynamic and turbulent requirements of the customers (Christopher and Towill, 2000).
- **Leagile supply chain:** Leagility is the combination of lean and agile paradigms within a total supply chain strategy by positioning the decoupling point so as to best suit the need for responding to a volatile demand downstream, yet providing level schedule upstream from the decoupling point (Hull 2005:230).

Organisations have moved away from single strategies such as production, facilities, inventory, pricing, and technology to a holistic perspective. Rather, these are all drivers for determining supply chain strategies. Strategies in the supply chain have been tailored to match the specific demand characteristics of a product, product family or market (Christopher, Peck and Towill, 2006). It is not enough to employ a traditional “one-size-fits-all” supply chain strategy. Instead, today it has become increasingly necessary to employ several supply chain solutions concurrently. A study I conducted in the South African automotive industry among light vehicle manufacturers reveals that the lean supply chain strategy is still dominant among light vehicle manufacturers in South Africa. All light vehicle manufacturers employ a lean strategy for their inbound supply chain and a number of manufacturers had a lean supply chain strategy for their outbound supply chain. A number of the manufacturers also had an agile supply chain strategy in the outbound supply chain which suggests a leagile supply chain strategy. Mismatches occurred in their practices. Mismatches are the root cause of the problems plaguing many supply chains and, therefore, supply chain strategies that are based on a one-size-fits-all strategy will fail. An effective supply chain strategy must be aligned with a company’s business strategy, since a mismatch generally leads to significant problems in business operations.

2.4.4 The supply chain journey has come with challenges

As the supply chain has evolved, it has been exposed to challenges. The effect of increasing globalisation has opened the door for incredible opportunities, as well as increased risks to the supply chain. Supply chain managers face intricate and complex situations which are sometimes difficult to overcome. In recent years, the automotive industry, for example, has experienced strong competition on a global scale in highly competitive markets. It has been challenged by strong pressures for price and delivery-time reductions, quality and overall customer service improvements, and for environmentally friendly products (Pires and Cardoza, 2007). Constrained, inflexible production and assembly capacities and long delivery lead times also contribute to high dealer inventory levels in the form of safety stock (Schwarz 2008:2). However, this is not only a South African problem, as shown in Table 7 the SCM journey has been faced with global challenges.

Table 7: Typical supply chain challenges in South Africa

Category of challenge	Description
Technological challenges	Inadequate information systems
	Inefficient planning and forecasting tool
	High cost when replacing obsolete assembly/manufacturing tools
Infrastructural challenges	Unsustainable infrastructure
	Rail transport is unreliable
	Rail capacity problems
	Increased road freight volumes
	Challenged by delays at ports
Cost challenges	High fuel costs
	High operating costs
	High cost at South African ports
	High prices of materials/components resulting in high operating costs
Market/service challenges	Difficulty finding new markets
	Sometimes customers cancel their order
	Challenges to improving service levels
Relationships challenges	Difficult to verify BEE status (scorecards) of strategic suppliers
	Difficult to collaborate with strategic suppliers
	Difficult to collaborate with strategic customers
	Operate with a low level of collaboration
Skills challenges	Unreliable production schedules
	Challenged by a lack of capacity
	Challenged by lack of skills
	Challenged by labour problems

3 THE SOUTH AFRICAN GOVERNMENT SUPPLY CHAIN MANAGEMENT JOURNEY

SCM is not only applicable to the private sector but to all organisational types including governments.

The South African private sector, although possibly lagging behind international developments and trends, has embraced the concept of SCM. In the public sector, there are many supply chain issues. The South African public sector supply chain has undergone transformation through the introduction of procurement reforms. These procurement reforms started in 1995 and were directed at two broad focus areas, namely the promotion of principles of good governance and the introduction of a preference system to address

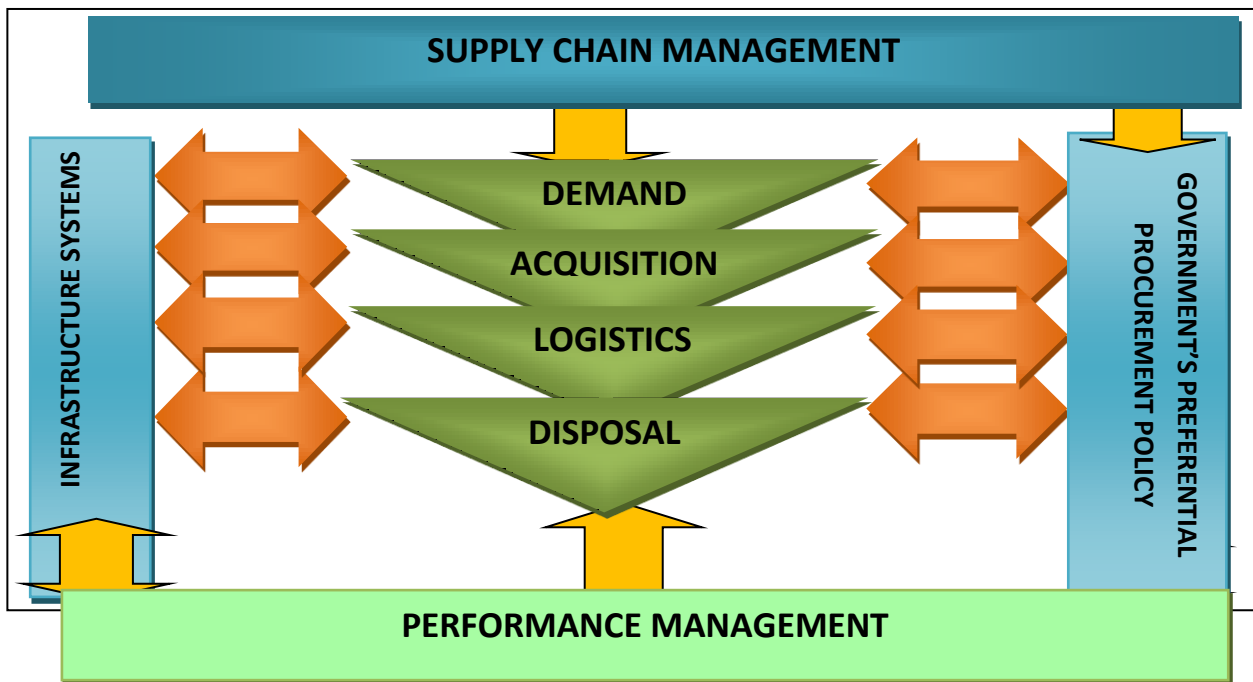
socio-economic objectives. The procurement reform processes were embedded in Section 112 of the Municipal Financial Management Act (Act No 56 of 2003) (MFMA) and Section 76(4) (C) of the Public Finance Management Act (PFMA) and the Preferential Procurement Policy Framework Act (Act No 5 of 2000) (PPPFA). In 2001, the Supply chain management unit at the National Treasury completed a joint procurement assessment review (CPAR), with the World Bank to assess procurement practices throughout the public sector. The CPAR identified certain deficiencies in the current practices relating to governance, interpretation and implementation of PPPFA and its associated regulations.

In 2003, there was the adoption of a supply chain management document “policy to guide uniformity in procurement reform processes in government” in conjunction with provincial treasuries to replace the outdated procurement and provisional practices. The “Supply chain management: a guide for accounting officers (for national departments, municipalities and entities)”, was developed to give guidance to the adoption of the integrated SCM function and its related managerial responsibilities assigned to accounting officers in terms of Sections 62 and 95 of the Municipal Finance Management Act (MFMA) and Section 76 (4) of the Public Finance Management Act of 1999 (PFMA). According to National Treasury (2004), SCM is defined as follows:

SCM in the public sector can be defined as an integral part of Financial Management which intends to introduce internationally accepted best practice. It seeks to bridge the gap between traditional methods of procuring goods and services and the balance of the supply chain and at the same time addressing procurement related matters that are of strategic importance. (National Treasury, 2004)

The function includes demand management, acquisition management, logistics and disposal. Although the perceived focus is still on the procurement function, the principle of what was introduced is laudable as reflected in Figure 2. However, the implementation of SCM is permeated with corruption and fraud in many of the government institutions. Lack of SCM skills is also a serious concern, while use of the latest methods and methodologies is lacking. Many SCM implementations in the public sector leave a lot to be desired, while the uptake of new developments is very slow. In terms of providing strategic direction through policies and regulatory frameworks, implementation is sadly lacking.

Figure 2: South African government supply chain management model



Source: National Treasury (2004)

While some spheres of government, South African Revenue Services (SARS), Transnet, and the City of Cape Town have done the country proud with the implementation of SCM, others are lagging behind. For example, according to Auditor General reports for the years 2011, 2012 and 2013, only 5%; 5% and 9% of municipalities, respectively, had clean audit outcomes. Supply chain management plays a greater role in preventing poor audit outcomes through aspects such as irregular expenditure, lack of basic controls, and lack of supply chain skills (Ambe, 2015). Some of the factors inhibiting SCM transformation in the South African public sector are:

- Strategic importance of SCM
- Lack of organisational structures and systems in place
- Lack of compliance and accountability
- Lack of clarity of roles and responsibility
- Lack of skills, knowledge and capacity
- Policies and regulations overlap, confusing and cumbersome
- Lack of supplier management relationships
- Ethical and professionalism

As recently as 2014, SCM was given strategic status in the public sector with the appointment of the Chief Procurement Officer (CPO). However, since its inception in 2003/2004, SCM continues to evolve being guided by policies and regulations such as:

- National Treasury continuously releases practice notes and circulars
- In 2011, new Preferential/targeted procurement regulations were developed

- BEE points are no longer calculated but done by Broad-Based Black Economic Empowerment (B-BBEE) verification agencies
- System moving towards an electronic Tax clearance certificate
- Designated sectors and local content production threshold have been established
- Centralised supplier database has been established to ease burden on suppliers
- Contract centralisation of certain government services
- Establishment of the Office of the Chief Procurement Officer

4 CONCLUSION

Colleagues, ladies and gentlemen, the key question posed for this lecture was: **Is SCM a journey or a destination?**

This lecture has presented SCM as a born-to-change philosophy and has provided evidence that SCM is a journey and not a destination. Since it was first introduced by consultants in 1982, SCM has made significant strides to become a force of competitive performance for organisations. Some of my observations regarding the SCM journey include:

- Different functional areas of business, such as operations, logistics and transport, purchasing (supply management), and marketing contributed to the evolutionary development of SCM.
- There is generally a high level of agreement on the overall concept of the definition of a supply chain and no consensus on supply chain management. SCM runs the risk of fragmentation as different functional areas still exist in silos.
- Supply chain actors in varying industries and sectors have implemented SCM as they see fit.
- Academics have restructured their departments, degrees and courses in line with the SCM journey.
- Competition today is not within organisations, rather among supply chains.
- One size does not fit all and there is no standard strategy for a supply chain, rather for a product.
- Strategies in the supply chain have moved from lean to agile and to hybrid (leagile supply chain)
- In doing research, researchers have often studied part of the supply chain but classify their study and findings under the name SCM.
- The South African Government has implemented SCM based on its own philosophy guided by policies and regulations.

I think it is imperative that a holistic perspective of SCM be developed. Without that, there is a risk of fragmentation. With regards to the way forward on my academic journey from this point, I feel we need to advocate more for SCM as an umbrella rather than the functional areas. I wish once again to thank Unisa for the wonderful opportunities afforded to me and I remain at your service. Colleagues, ladies and gentlemen, I wish to thank you

once more for affording the time to be here and I look forward to your continuous support as I continue my supply chain journey. The next step in my journey is to be a rated researcher which I have started. Thank you and may God Almighty bless you all abundantly.

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