

**Practitioners Perspectives on Contemporary
Supply Chain Management Issues**

The Danish Supply Chain Panel 2012-2016

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The Danish Supply Chain Panel
2012-2016



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Danish Purchasing and Logistics Forum – DILF – is the largest member association in Denmark for people working with procurement and logistics. In total these people comprise a professional network of about 2000 members. Founded in 1962 DILF make a point of being an unpolitical, not-for-profit based association with nation-wide coverage. The aim is to help improve the professional standard in purchasing and logistics in the private and public sector.

To my wife Mona Stentoft

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Preface

This book focuses on a supply chain management (SCM) institution, *The Danish Supply Chain Panel* founded in 2011, in collaboration with a group of researchers from University of Southern Denmark and Danish Purchasing and Logistics Forum (DILF).

The panel conducts four to five surveys a year that are designed to take the industrial pulse in selected areas: Disruptive Technologies in Supply Chains, Business Process Outsourcing, Time-To-Market, etc. Based on the data collected, SDU researchers write a popular science article that both disseminates research and builds a bridge between the practical and academic worlds.

More specifically, the book comprises 22 articles from the period 2012-2016. These articles cover a wide spectrum of SCM-related issues and subjects. The hope is that the authors maintain this relevance and cadence, so that we can look forward to a 2021 edition.

The book's positioning in the academic ranking- A, B, C, D, E - is unclear. However, based on the readability of the publication and its relevance, the book probably falls into the second half of Piercy's classification schema (Piercy, 2002). This makes it a relevant book, and worth reading because each article has significant content and is well-structured; making it easy to navigate. It is also well written and highly accessible - despite the fact that it is in English.

This is probably not the type of book to be read from end to end, but rather it is an inspirational read to be used to highlight certain topics that a reader might be interested in. Such an approach is likely to whet a reader's 'appetite' for further information on a topic.

The book is based on a great idea, contributes towards filling a gap in the SCM literature, and therefore can only be welcomed.

John Johansen, Professor, Aalborg University

Introduction

The idea to establish *The Danish Supply Chain Panel* came on our journey home from an international field study trip with M.Sc. students from University of Southern Denmark to Rio de Janeiro in Brazil in November 2010. During a stopover in Sao Paulo, I had a conversation with a former colleague about the need to continuously being close with industry since we both had practical industrial experience after our Ph.D. studies. After a period where the idea matured more, a contact was established to Danish Purchasing and Logistics Forum (DILF). A meeting was held in the spring 2011 with CEO Søren Vammen, DILF and Marketing and Communication Manager Mie Holm Christensen, DILF about the idea and we agreed to start up such a panel from the calendar year 2012.

The core idea

Companies' supply chains account for an ever growing source of competitive advantages both through customer-oriented service and cost reduction initiatives. Leading companies have recognized that the supply chain must have the same strategic attention as product development and sales/marketing. The globalization of supply chains contribute to increased complexity and dynamics. This requires still increased skills to ensure change readiness in order to deal with conflicting objectives such as service levels and net working capital. There are no simple answers to the challenges that supply chain executives are facing. However, we can bring such challenges in the light, exchange ideas and viewpoints as a basis for own learning and improved decision making within this area. This is basically the idea with *The Danish Supply Chain Panel*.

The participants in *The Danish Supply Chain Panel* do receive annually four to five mini-surveys, each focusing on a specific practical and academic problem. Each survey consists of 10 to 15 questions. As a novelty in 2015, the mini-surveys started to be conducted in English to accommo-

date a request from the panel. This helped in recognizing the importance of international colleagues and partners and in turn it did lead to a larger audience.

The need for more practical relevant research

Universities all over the world have not evaded an increased output oriented performance management of the research efforts. This takes place through acknowledged ranked peer-reviewed academic journals leading to a still intensified debate concerning the pros and cons of such ranking systems and the metrics such as different types of rankings are being applied (Adler and Harzing, 2009; Lambert and Enz, 2015). Performance measures are important instruments for deans in evaluating their staffs for carrier advancement and to assess their performance in relation to other research institutions. Thus, people follow the incentives with more publications, but relevance does not automatically increase (Arlbjørn et al., 2008).

The ranking environment has both positive and negative effects however with a direction and strengths being much depended on the eyes that view. Among positive elements, the ranking might stimulate what is good quality and increase competition among journals, universities and business schools. On the contrary, this ranking culture has also created challenges for academic environments i.e. coerciveness to site journals (Wilhite and Fong, 2012); development of citation cartels among researchers (Franck, 1999), standardization of research regarding questions and methods (Arlbjørn et al., 2008); higher emphasis on quantity at the expense of quality (Davis, 2014) and the practical relevancy is downplayed to tailor themes, methods as well as theoretical perspectives to fulfill the needs through the academic journals gatekeepers (Bennis and O'Toole, 2005).

Alvesson and Gabriel (2013) summarize the positive side-effects of this development as:

- clearer procedures and rules
- standardization of work
- efficiency in the labor process
- smooth and predictable evaluation processes
- limited anxiety and worries associated with too much ambiguity and surprises.

Alvesson and Gabriel (2013) also point out some challenges to this development:

- limited imagination and creativity
- predictable and, at best, moderately interesting texts written in an impersonal, committee like style
- strong sub-specialization and exploitation of a narrow “core competence,”
- evaluation based on ticking off different boxes
- limited chances of unexpected, challenging, and surprising results and texts, as researchers feel constrained by different rules and standards for doing research.

Finally, Alvesson and Gabriel (2013) argue that articles in leading journals often score high on rigor while making incremental contribution; in other words, the articles fail to say something very novel or make a strong social impact.

Bennis and O’Toole (2005) state: “Nevertheless, a management professor who publishes rigorously executed studies in the highly quantitative *Administrative Science Quarterly* is considered a star, while an academic whose articles appear in the accessible pages of a professional review, which is much more likely to influence business practices, risks being denied tenure.” Piercy (2002) has made an alternative and ironic explanation of the ranking system as:

- A-journal: **A**lmost no-one reads this, and even fewer understand it. This must be one of the best journals in the world! We spy world-class irrelevance and must reward it!
- B-journal: **B**ut, a few people might read this and understand it. This cannot be quite as good.
- C-journal: **C**rowds of people read this regularly. So, it cannot be very prestigious then, national performance only at best!
- D-journal: **D**ozens of people read this. Well that cannot rate very highly in academic terms at all.
- E-journal: **E**verybody reads this. Oh, how very unpleasant – writing things that other people read, yuk! We must denigrate this as fast as possible, and penalize those who produce such things.

Schacht (2016) has covered this problem area in an article in the weekly magazine *Mandag Morgen* [Monday Morning] in August 2016 from which the following quotations are included to illustrate the problem area:

“Our Head of Department is not rewarded based on whether we do something that is practical relevant. She is measured on whether we can attract external funding and publish something that can yield more money. However, we should reward researchers to conduct international recognized research as well as reward their abilities to translate the results of the theoretical research into practice”, Professor Per Vagn Freytag, University of Southern Denmark in Schacht (2016). [Translated from Danish to English].

“The current performance measures pull uneven. If I should publish much of the industry works in a research journal then I will consider the most prestigious research, it will be rejected since it is too practical and applicable. We are not against the ranking that exists today. However, there must be a balance. Right now it is tipped toward advantages for theoretical rather than practice relevant research. There is so much useful knowledge at the universities that never come out to the practical world (practice) because they are not rewarded to anchor research in practice” Professor Jan Stentoft, University of Southern Denmark in Schacht (2016). [Translated from Danish to English].

“I do agree that the focus is on publishing where you earn the highest points. It controls the way one plan his or her research and the dissemination. And these highest points will never increase the probability of research being read by the industry (practitioners), because it often is irrelevant for practice. However, one can publish upon it. What is worse is that we need to educate candidates about the industry, but when researchers and teachers have an obsession towards theory, then basic and common problem areas become theoretical topics that talented practitioners already know how to solve. This is not the right way to educate engineers who later will work in the industry.” Professor John Johansen, Aalborg University in Schacht (2016). [Translated from Danish to English].

As discussed by Stentoft and Rajkumar (2017) using the work by Van de Ven and Johnson (2006), practical relevance in SCM research must be related to both relevance in the research questions (a problem of knowledge production) and relevance in communication with practice (a problem of knowledge transfer). In order to fulfill such objectives one must interact

with practice. Otherwise we run the risk of losing the taste of practice sitting in ivory towers eating candy with wrapping! Still it is important to remember that researchers should not become practitioners, but are ought to have capabilities that make them capable to communicate with practitioners. The central issue here is that, it is difficult to communicate the alternatives of implementing research if you do not know the outset of practicability! (Arlbjørn et al., 2008).

Recently researchers within SCM and operations Management have begun discussion about the need for more practical relevant research and concrete solutions to create more relevancy (Lambert and Enz, 2015; Tang, 2016; Toffel, 2016). *The Danish Supply Chain Panel* can be seen as a supplement to existing approaches to secure relevancy in knowledge production and knowledge transfer.

Evaluation of The Danish Supply Chain Panel

In January 2017, members of *The Danish Supply Chain Panel* were asked to evaluate their participation in the panel. The main purpose of this evaluation was to get insights into their motivations for attending the panel and to learn what works and can be improved. As a result, 50 useable respondents came of this survey. 90% of the respondents reported seniorities with the practice of purchasing, logistics or SCM and of more than 10 years. Then, 80% of the respondents are working in companies with more than 100 employees, 62% are working in manufacturing companies, 16% in retail and few respondents are from transport and consultant companies.

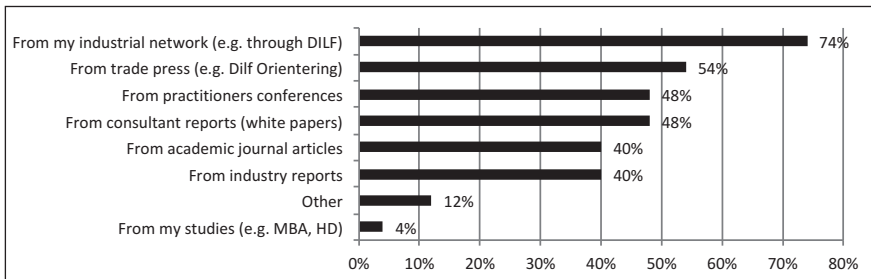
Some examples of comments the respondents provided in an open question about their motives for being part of *The Danish Supply Chain Panel*.

- Contribute to shared knowledge of status and needs for the industry
- Share my knowledge and experience
- Get inspiration
- To be part of the survey and thereby both contribute AND follow how things move
- General interest in most of the topics chosen
- Because I hope that it will provide some insight
- Is it relevant to get an update on the supply chain focus in Denmark
- I was invited, and I think the panel is interesting, as well as I would like to support the network

- Feel an obligation to share knowledge in a business area of my concern, for the benefit of my company and other companies in general
- To see general topics from companies
- The future is about development and I can through my participation in *The Danish Supply Chain Panel* get business updates
- Enjoy to contribute and also read the survey results
- Through the panel it is possible to fuel/participate in dialog on specific SCM topics and also gain insights
- I do think it is very important to keep and expand a direct Integrated link between the operative industries and University of Southern Denmark
- The topics covered are relevant, and so are the analysis produced
- To share data which can be used to develop and share supply chain challenges among DILF members.
- To contribute with data for research and case studies on how supply chains are operating in Denmark, and how it can be improved to strengthen the Danish competitiveness.
- Working with a leading company within our industry I find it interesting to contribute with information to the studies of the challenges that Danish companies have concerning supply chain.
- To give something back to an organization [DILF] which I regard as the number 1 organization within Procurement in DK.

The respondents were also asked through which sources they gain new knowledge in this area. As evident from Figure 2, the topmost source for knowledge is through industrial networks (38%), followed by trade press

Figure 1: The panel members use of various sources of SCM knowledge



Source: Stentoft and Rajkumar (2017)

articles (27%), practitioner conferences (24%), consultant reports (24%), academic journals articles (20%), industry reports (20%), and so on.

The respondents have been asked to evaluate what they would like to have more of in the mini-surveys. In general, they are satisfied with comments like “they are appropriate as they are; they are fine and most of them are good and meaningful”. Some have also raised good points as:

- More specific questions and surveys
- Learning about other companies
- More in depth analysis with supporting text
- Green logistics, ERP systems, digital logistics
- Innovation and use of planning tools
- Commercial aspects with impact on supply chain
- Warehousing and a focus on B2B
- Supply chain combined with APP’s , internet applications, webpages
- Something about leading a procurement organization and develop successful ways of implementing some of the trends in the organization over time
- Within the field of Supplier Relationship Management and which tools are used, why and how within the area of
- Procurement and Category Management.
- Transport and production – potentially try and develop KPI for us to refer to – like % of turnover spend on logistic services etc.

In general the respondents are satisfied with the surveys, but they have also provided some inputs on what they find beneficial to have lesser of in the mini-surveys:

- Less broader topics where the generalization is a risk
- Graphs that are superficial
- Try not to get too theoretical
- Some of the surveys seem to be very “tool” oriented or “buzz-word” oriented and it is hard (for me) to decode
- The real value of the result
- Too broad or “week” questions, so interpretations can be wide
- Abstract topics, but again this is hard to define before you see the answers...
- Make shorter
- I would like to have few options in each question

A common pattern among the mini-surveys from 2012 til 2016

Looking across all mini-surveys conducted between 2012 and 2016 reveals a common type of result in the surveys. Whatever the topic we have investigated, the respondents, in general, have answered that the importance of the specific topic are being evaluated with higher scores of importance than their scores for their actual work on it. This can both indicate a humble view of their own practice but also reveal the backlogs of developments of their supply chains. Another common finding among the mini-surveys is that the respondents in general have been asked about various barriers for working with a specific topic in focus. Here, the barrier “lack of time – too much focus on operation at the expense of development” appears every time among the top three listed barriers. One way to conclude, the companies need to be better in balancing operation and development tasks. Another reason for an imbalance between operation and development would be an excuse for escaping from their failures instead of sticking to the problems, outlining plans for improvements and then demonstrating execution skill.

The articles in this book

This book contains 22 articles that have been published between the year 2012 and 2016. The articles cover a variety of SCM issues that still exists and offer relevant messages. However, for some of the mini-surveys, practitioners might have moved their practice, nevertheless; the core challenge within each topic is believed still being relevant. Thus, while reading the articles, please bear in mind about the time when the data was collected and do also try to evaluate how well your company’s practice is within the areas.

Thank you

Being able to run *The Danish Supply Chain Panel* would never have been possible without the great administrative work completed by DILF staff. The division of roles is that the researchers are developing the questions for the mini-surveys, DILF maintain the member list, set-up the questionnaire in SurveyXact, manage the data collection process and distribute the

results to the researchers who then analyze the data and write practitioner-oriented articles based on the findings. DILF again is responsible for doing the layout of the articles and get them published. Furthermore, thanks to all current and past panel members. Without your answers to all the mini-surveys, we would not have had the raw material to make the various articles as presented in this book. From an academic perspective many “interest hours” have been spend to run this panel both from DILF and the researchers. Then, thanks to all the co-contributors of articles presented here: Ole Stegmann Mikkelsen, Thomas Johnsen, Morten Munkgaard Møller, Jesper Kronborg Jensen, Morten Brinch and Antony Paulraj. A special thank is given to Christopher Rajkumar who has managed to language proof this entire manuscript. The book is published with financial support from the Department of Entrepreneurship and Relationship at University of Southern Denmark, which I also owe a great thank you for this contribution. As a department with strong emphasis on applied science I truly acknowledge that there is a continued focus on practical relevance both in terms of knowledge production and knowledge transfer.

Happy reading!

Kolding, June 2017

Jan Stentoft

Professor in Supply Chain Management

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