

# Strengthen the links

Supply chain trends are reshaping the way goods are imported and delivered to end users **Interviewed by Kristen Hampshire**

**A**s the supply chain evolves in today's demand-driven environment, where end users "want it yesterday," all players in the chain must collaborate to meet customer expectations. Businesses must foster relationships to thrive by listening to what customers value, understanding common goals and designing mutually agreed-upon expectations.

The lesson that all companies can learn from today's changing supply chain is that despite technology, nothing beats knowing the customer, says Robert S. Olszewski, director-in-charge of the distribution industry group at Kreisler Miller, a certified public accounting firm located in Horsham, Pa.

"There is an art to supply chain management; painting a picture that connects a network of interrelated businesses to provide products or services required by the customer," says Olszewski. "Customers need to know that the suppliers of their products or services have their best interests at heart; that's a tremendous value to end users. A successful business must have personal relationships to garner an understanding of its customers."

*Smart Business* spoke with Olszewski about supply chain trends and how these changes will affect manufacturers, suppliers, distributors and end users.

## What are the key trends in supply chain management?

Overall, supply chains have become more agile in response to the risks associated with lengthy and slow-moving logistics pipelines. Businesses are forced to continually review how their supply chains are structured and managed. Several factors within the United States have caused companies to seek alternatives as a result of pressures to squeeze additional costs out of operations. Businesses are looking beyond U.S. borders to find more cost-efficient opportunities to manufacture or obtain products.

Second, significant changes in communication are driving change in the supply chain and will continue to do so as technology advances. No one can predict where communications technology will lead the supply chain in the future; we only know that it will continue to make the supply chain operate faster and more efficiently.



**Robert S. Olszewski**  
Director-in-charge  
Distribution industry group  
Kreisler Miller

Third, there is an emphasis on diversification in the supply chain given recent natural disasters and political turmoil that have had a serious impact on the way products get from a manufacturer to a distributor and, finally, to the end user. Similar to the concept of diversifying investment options, we are seeing an emphasis on 'source' diversification.

Finally, collaboration is increasingly important as businesses work to source products from manufacturers and deliver them to customers in the most efficient, cost-effective manner.

## How is globalization changing the way products travel from their source to U.S. companies?

Businesses in the supply chain recognize that order fulfillment and delivery times are essential. To that end, businesses that import products are looking beyond traditionally busy international ports, such as those in California, and exploring other alternatives.

Understanding the options may provide some security in unforeseen circumstances and provide more flexibility in accessing imported goods faster. Of course, this

can come at a cost, but the ability to get products faster in today's dynamic supply chain is a priority for some companies.

## How are distributors in the supply chain differentiating themselves in a market that is driven by cost-savings and squeezing out the middle-man?

Distributors play a critical role in the supply chain as the coordinator of logistics. They are the ones who comprehend customer demands and ensure that efficiencies are realized, schedules are met and cost savings are gained. In markets where goods are becoming commoditized, distributors recognize that they must do more. They often play a valuable role in our dynamic supply chain as educators, industry experts and consumer advocates.

The concept of providing value and being more than just another link in the supply chain to customers applies to all industries and markets.

Successful businesses realize that it's not necessarily about the products and services they sell; it's how they service and partner with their customer base.

## What obstacles and opportunities does the supply chain face?

The challenge for distributors in the supply chain comes with customers looking to purchase direct from the manufacturer. Over the years, drop shipments have become more prevalent to meet customers' expectations for fast delivery. While it would seem that drop shipment cuts out the distributor, this is not the case. In fact, the distributor still serves as the logistics coordinator without having the cost burden of carrying inventory and storing it. Today, distributors are fine-tuning their operations to expedite orders as efficiently as possible to meet demands.

As the supply chain becomes increasingly complex with globalization, technology and customer demands, successful businesses are acutely aware of the need to adapt and evolve with the times to meet customers' needs in more ways than ever before. <<

**ROBERT S. OLSZEWSKI** is director-in-charge of the distribution industry group, at Kreisler Miller in Horsham, Pa. Reach him at (215) 441-4600 or [rolszewski@kmco.com](mailto:rolszewski@kmco.com).