

RELIABILITY & INTEGRITY OF THE SUPPLY-CHAIN - A CUSTOMERS PERSPECTIVE

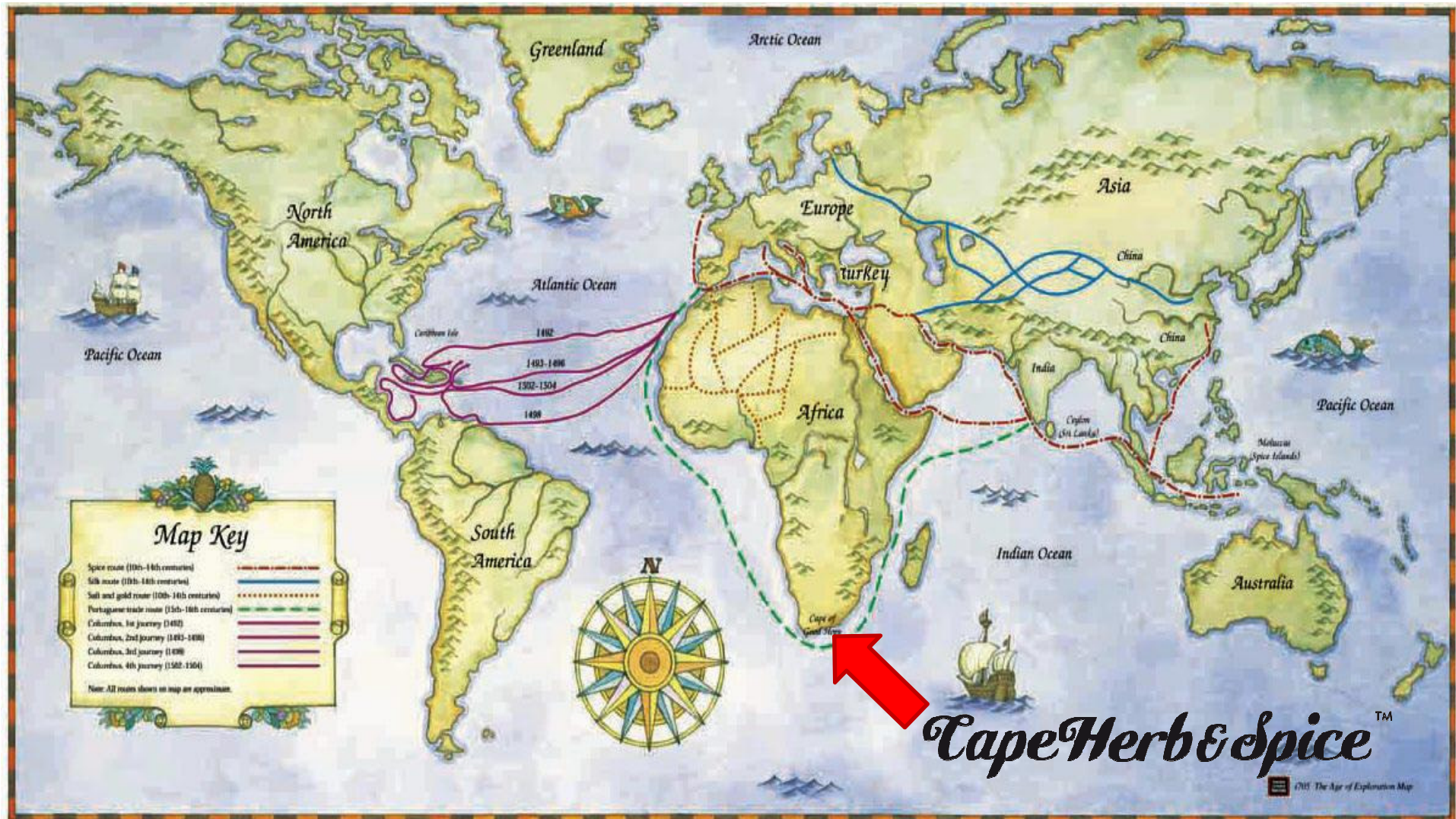


WILMÉ NEL
STRATEGIC SOURCING & BUSINESS
DEVELOPMENT EXECUTIVE

*CapeHerb & Spice*TM

HELLO FLAVOUR...
www.capeherb.co.za

A VIBRANT BLEND OF CULTURES & FLAVOURS AT THE TIP OF AFRICA



A CONTEMPORARY, CULINARY SPICE BRAND



Cape Herb & Spice procures, blends, treats & packages a wide range of innovatively packaged herbs, spices, seasonings, rubs, pastes & teas as private label & branded products to international & local retailers.

Cape Herb & Spice™

FROM THE TIP OF AFRICA TO THE REST OF THE WORLD



Cape Herb & Spice™

LIBSTAR

Innovative Value Creation

BRANDED PRODUCTS

Own Brands



CapeHerbSpice™

Slimsby LIME



LANCEWOOD



DENNY



EASTERN



Agency Brands

Donne Maman.



DiNapoli



zanelli



“INTEGRITY HAS NO NEED OF RULES”

- ALBERT CAMUS



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HOW DO WE CULTIVATE RELIABILITY & INTEGRITY?

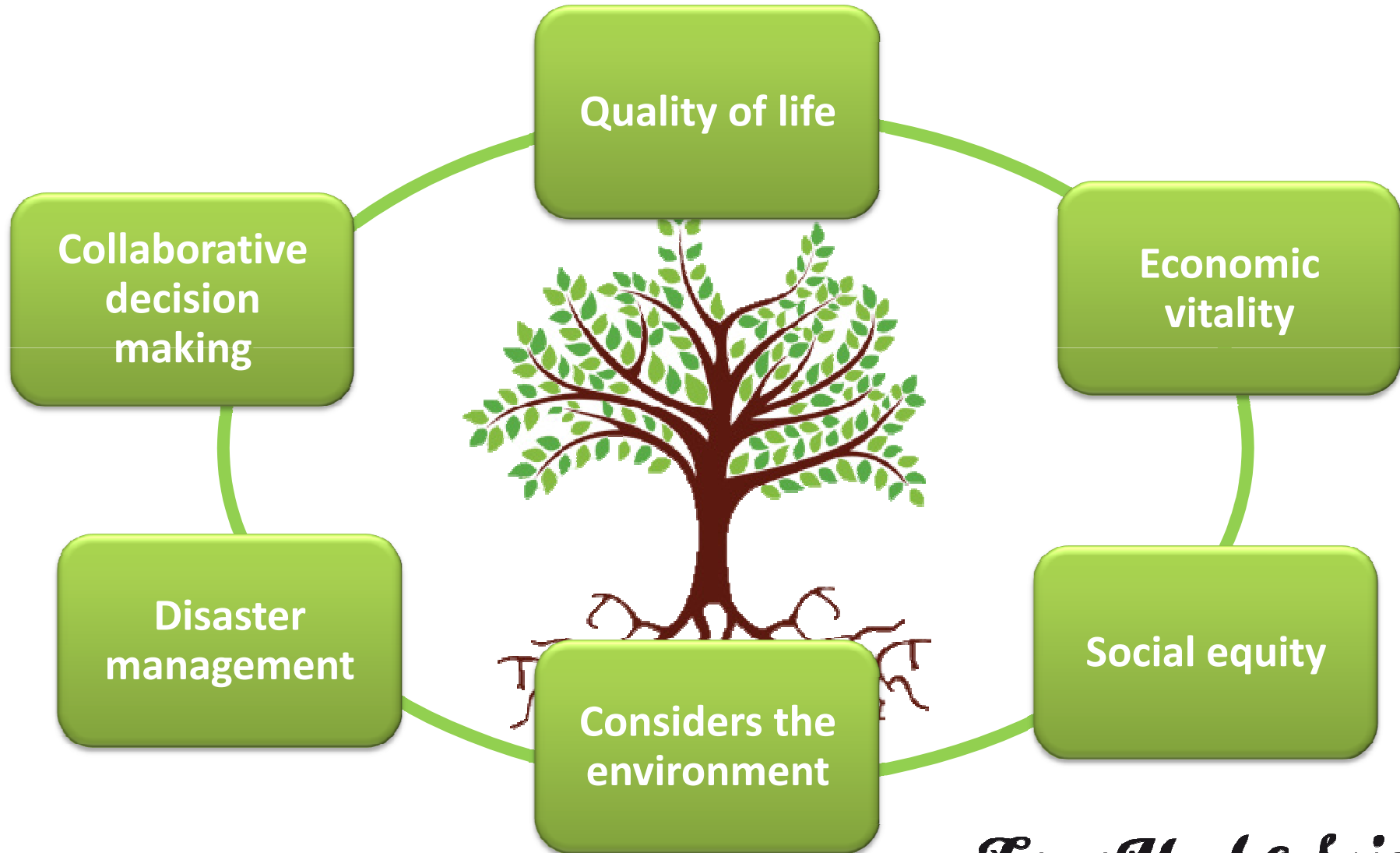


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DEVELOPING LONG TERM COLLABORATIVE PARTNERSHIPS

- Consider what a fully sustainable supply-chain looks like;
- Avoid costly disruptions that destroy profitability;
- A practical approach to operational & reputational supply-chain integrity;
- Explore ways to measure reliability & integrity when selecting suppliers;
- Find a balance between responsible procurement and commercial viability;
- Foster commitment with trustworthy partnerships.

THE HARMONY OF A FULLY SUSTAINABLE SUPPLY CHAIN



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SUPPLY CHAIN DISRUPTIONS ARE COSTLY & DESTROY PROFITABILITY

- Production interference & interruptions
- Cost cutting that creates broken links
- Raw material shortages
- Delayed shipments
- Sudden industry changes
- Slow response to changing regulations
- Economic disruptions
- Political instability
- Environmental disasters

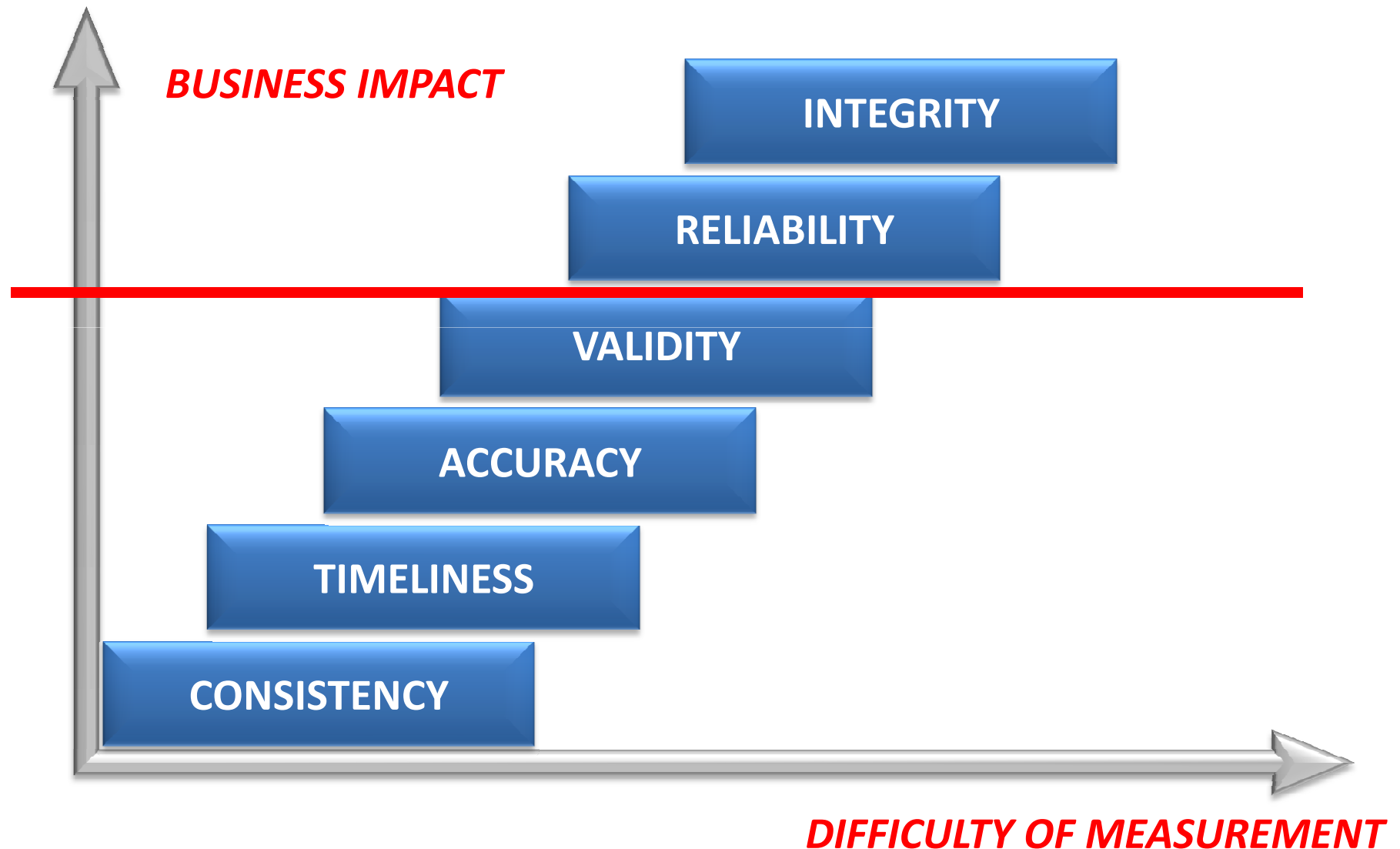
***IT IS BOTH THE SUPPLIER & CUSTOMERS RESPONSIBILITY TO
CONTINUE TO STRIVE TOWARDS A SUPPLY CHAIN THAT'S
FREE OF INTERRUPTION & DISORDER***

*CapeHerb&Spice*TM

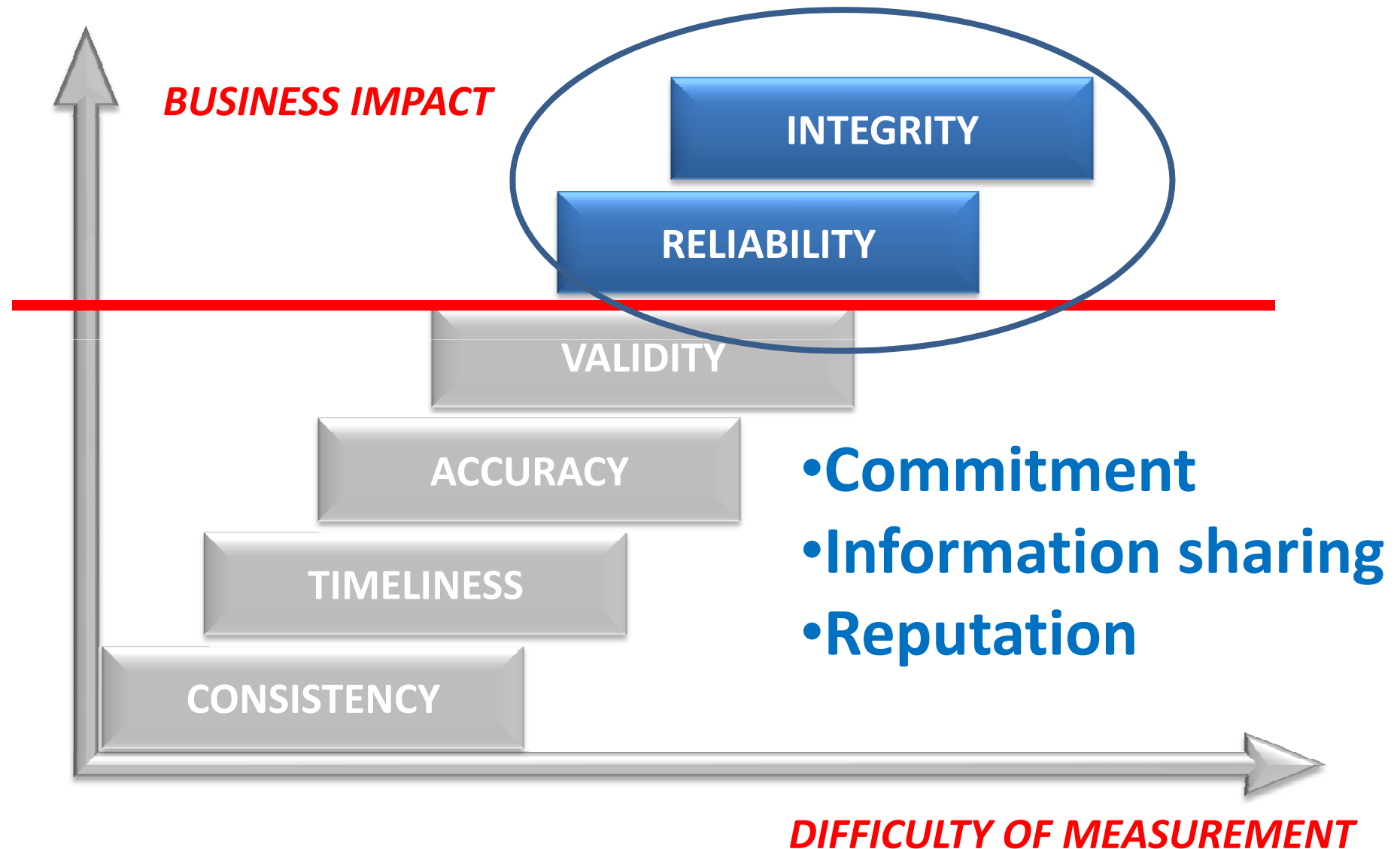
SUPPLIER SELECTION CHECKS

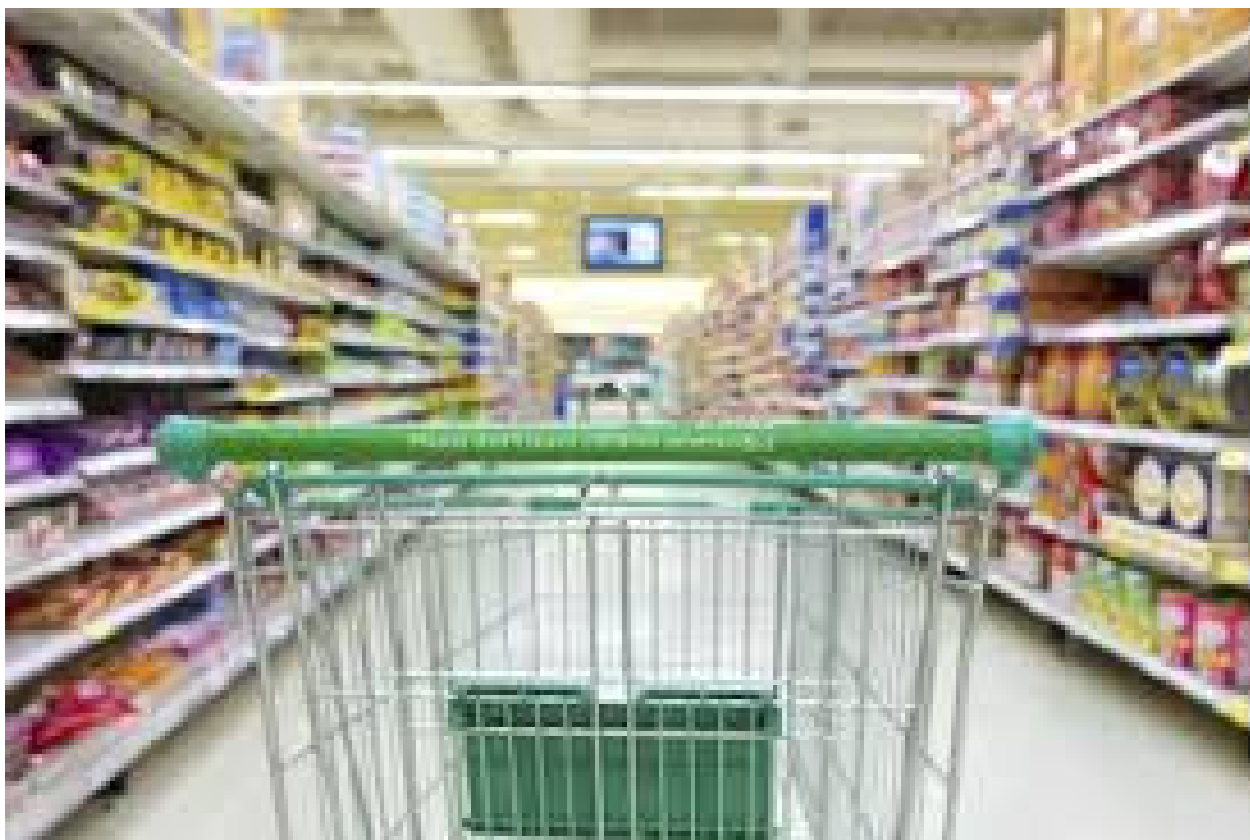
- COUNTRY REGULATION & LEGISLATION ✓
- CONTAMINATION, ADULTERATION ✓
- DETECTION LEVELS ✓
- SECURE SUPPLY, LEAD TIMES & AVAILABILITY ✓
- PRODUCT SAFETY & ALLERGENS ✓
- TRACEABILITY, ORIGIN & GEOGRAPHIC IDENTITY ✓
- VALIDATIONS & VERIFICATIONS OF PROCESSES ✓
- ACCREDITATIONS & CERTIFICATIONS ✓
- COUNTERPARTY RISK ✓
- GREEN SUPPLY CHAIN MANAGEMENT ✓

THE MOST IMPORTANT DIMENSIONS ARE THE HARDEST TO MEASURE



THE MOST IMPORTANT DIMENSIONS ARE THE HARDEST TO MEASURE





**RESPONSIBLE PROCUREMENT &
COMMERCIAL VIABILITY ARE NO
LONGER MUTUALLY EXCLUSIVE**

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HOW DO WE SOLVE THIS PREDICAMENT?



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IN ORDER TO BE FLEXIBLE AND AGILE ORGANIZATIONS NEED BE ABLE TO TRUST THEIR SUPPLIERS

- Need support & buy in from supplier.
- Presence of trust can significantly reduce costs for customer & supplier.
- Lack of trust – **TRANSACTION COSTS RISE**
 - **OVER-VERIFICATION**
 - **INSPECTIONS**
 - **CERTIFICATIONS**
- **Committed & collaborative approach avoids unnecessary costs.**



TRUST IS A CRITICAL FACTOR FOSTERING COMMITMENT AMONG PARTNERS

- Main components of trust: honesty, loyalty, fairness, competence and openness.



- **Customers pre-determine the value of a relationship before over-investing in developing trust to avoid wasting resources needed in other areas of the supply chain.**

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PARTNERSHIP SOURCING TO CONTROL RISK & MAINTAIN SECURITY OF SUPPLY

- Cultural compatibility;
- Mutual understanding of what good looks like;
- Relevant expertise & competence in resources and complementary areas;
- Clear joint objectives around continuous investment & improvement;
- A total quality management philosophy;
- A high degree of systems integration;
- High level of trust, knowledge sharing & openness.

MANY BENEFITS TO SUPPLIER

INFORMATION SHARING

- IMPROVED SERVICE, LEARNING & DEVELOPMENT;

COLLABORATIVE PLANNING

- IMPROVES CAPACITY PLANNING & EFFICIENCY;

COST SAVINGS

- FROM IMPROVED EFFICIENCY & COST REDUCTION EXERCISES;

ACCESS TO TECHNOLOGY

- MARKET INFORMATION & EXPERTISE;

GREATER STABILITY

- ENABLING LONG TERM INVESTMENT IN DEVELOPMENT.

DEVELOP LONG TERM, COLLABORATIVE RELATIONSHIPS WITH A FEW TRUSTED, HIGH CAPABILITY PARTNERS

- Model the behaviours you expect;
- Keep & exceed commitments;
- Proactively develop trust;
- Disclose information;
- Cultivate reciprocal respect;



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THANK YOU



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