

Macrotrends in Supply Chain Management

BY JENNIE S. BEV

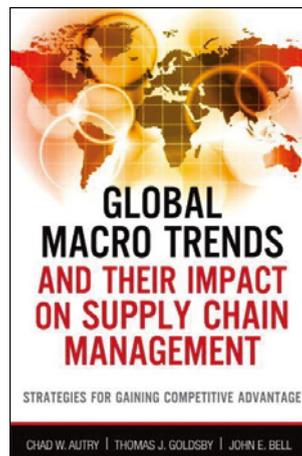


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How we do business has evolved greatly since the 1980s and 1990s. Many things have become more convenient, but others might require more efforts with a new shift of consciousness. Thus, businesses should be aware of the global macrotrends and the new challenges in supply chain management. New and disruptive macroeconomic variables include population growth and migration, rising economies and new buying power, global connectivity, increased geopolitical

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activity and environmental and climate change, according to a new book “Global Macrotrends and Their Impact on Supply Chain Management: Strategies for Gaining Competitive Advantage” by Chad Autry, Thomas Goldsby and John Bell.



We should expect to see the world population become ten billion by 2050 and the most populated regions would remain Southeast Asia and Africa. These trends require unprecedented distribution and marketing channels to reach customers, including a 24/7/365 global connectivity through real-time Internet.

These days emerging countries are looking to secure supplies of natural resources such as oil, coal and others. Developed countries have their own “stocking up” agenda, including having enough farmland (or making what they have more productive) to ensure adequate food

supplies to feed themselves. Natural resources, food and water have become harder to gather as the population expands and resources dwindle, in both size and productivity. Global warming and other ecological threats will aggravate this situation.

All these changes affect the world economy and the business supply chain. The questions need to be asked, such as what trends are likely to affect your company and how are you managing them by transforming the supply chain. While countries with one billion people like China and India or Indonesia with 240 million are tempting for expansion, they can be quite frustrating when it comes to the supply chain.

With the world getting more complex and rarely in a state of equilibrium, companies must work hard to have efficiency in channels of distribution, and inventory and labor management is required in order to reach a minimal level of inventory, which is the ultimate goal. But gridlocks are common in many countries, including in Indonesia, not merely due to poor infrastructure but also due to various other factors, such as uneven regulatory enforcement. Lastly, despite the fact that supply and demand integration is never without challenges, companies that ensure they have controllable systems at optimal performance would decrease any risk imposed by today’s changes. 