

The social supply chain: 5 key lessons from a 'real-world' social supply chain deployment.

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*"Social supply chain management seeks to incorporate the social network, social interactions and social data to enhance relationship management with all stakeholders in order to maximise value in the final market place at less cost to the supply chain as a whole."* Richard Wilding 2014

Social networks are being increasingly utilised within supply chain management in order to enhance productivity, innovation and collaboration. It is increasingly recognised that for many supply chain environments, management by email is increasingly ineffective, with its linear chronological nature meaning that important issues can easily be lost.

Recent research published in the Financial Times identified that companies adopting social collaboration tools obtain a 15% boost in productivity. Yammer (an enterprise company social network) reports users achieving 76% more visibility between departments or locations than when using traditional approaches, while 37% of businesses experience increased project collaboration and 93% of business leaders agree that social tools stimulate innovation.

New breeds of supply chain information systems are already connecting to social media, automatically posting updates and creating tweets. The integration of real time tracking into social media streams is already being utilised within the Business-to-Consumer environment, and now a new generation of supply chain professionals is exploring its deployment and utilisation within the Business and Business-to-Business environments.

This article explores the deployment of a 'real world' social supply chain, and highlights some of the benefits experienced and lessons learned from changing the way that a supply

chain function communicates.

### **Social Supply Chain Deployment at Travis Perkins Group.**

Travis Perkins is a FTSE 100-listed builders' merchant and home improvement retailer, with brands that include Travis Perkins, Wickes, Toolstation, City Plumbing Supplies, and Keyline. In all, the company's UK and Eire operations amount to some 1,900 outlets and over 24,000 employees.

In January 2014, an internal Wickes store managers' conference highlighted the opportunities on offer if it were possible to improve the level of coordination between Wickes' 200+ retail outlets and the various Wickes central support centre functions responsible for stocking and replenishing those outlets.

Separately, a Travis Perkins corporate initiative had already been underway to explore the potential of 'virtual communities' using the Google Applications desktop productivity and collaboration suite upon which the company had earlier standardised. Similar to Microsoft Office in terms of its e-mail, calendaring, word processing and spreadsheet applications, Google Applications also contains within it an application called Google+ Communities, which is a virtual community collaboration tool.

Travis Perkins makes extensive use of Cranfield School of Management's executive development programmes in the area of supply chain management, and three senior Travis Perkins executives closely associated with these programmes—Robin Proctor, Duncan Kendal and Chris Ives—quickly realised that an opportunity existed to leverage the Google+ Communities tool in order to improve on-shelf availability.

Specifically, it was possible to bring together in a single virtual community geographically-dispersed store-based personnel together with relevant Wickes support

centre personnel, drawn from functions such as inventory control, marketing, distribution and logistics, purchasing, quality, and merchandising. In doing so, realised the three Travis Perkins executives, they would be bringing supply chain management within Travis Perkins closer to a view of what many would argue supply chain management should always have at its core: agility, short chains of command, collaboration, instant feedback, and shared visibility.

Once the decision was taken, development was rapid. Supply chain graduate Mohamed Osman was tasked with refining, developing and deploying the virtual community, which was to be called Availability+.

Initial deployment—Phase I—took six weeks, after which the new community was ready for rollout. A second phase—Phase II—has leveraged Google Drive in order to create 'library' tools that might be useful to the new community. These included the Cranfield Knowledge Centre, which contains various Cranfield School of Management courses to which Travis Perkins subscribes, together with Travis Perkins' own relevant internal documents. Cranfield School of Management academic staff monitored and guided the development and rollout of the Availability+ community, but the work of constructing it, together with all key decisions, was down to Travis Perkins and the team of Robin Proctor, Duncan Kendal, and Mohamed Osman.

Rollout took place in March 2014, with adoption growing steadily ever since. So what impact has the new virtual community had, and how effective has the so-called social supply chain been within Travis Perkins' Wickes store estate? Five key lessons have emerged.

### **1) Properly implemented, the social supply chain is more effective than other communication channels**

Consumer-facing businesses strive constantly to keep their central headquarters teams close to consumer activity, and to what is going on in outlets. Yet this is easier said than done, with the momentum coming from initiatives such as 'get to know you' branch-based conferences quickly dissipating.

Moreover, Travis Perkins' prior experience of such tactics as opening up communication channels such as call centres and support centres for branches to raise queries and problems has been that these lack both immediacy and direct contact. They rely on queries being logged and then routed to (hopefully) the right person, with the onus of resolution being placed upon that person, who may or may not communicate with the branch to effect the resolution in question.

Availability+ changes that paradigm completely. Issues are raised in a public forum, providing a platform for other branches to flag that a specific issue affects them as well. Within the Wickes support centre, the person responsible for any resolution can use the forum to ask any questions that they need answering about the issue, as well as directly communicate back to the branch that a solution has been identified and implemented.

As a result, the timescale for problem resolution has been transformed. With a call centre-based approach, a typical resolution time was three days. With Availability+, it's not unusual for problems to be resolved within an hour.

What's more, as with Facebook and Twitter, the ability to quickly upload images adds richness to the dialogue. These days, nearly everyone has a mobile phone capable of taking photographs, and it is the work of seconds to include these images within individual posts—something that is not possible with the call centre approach.

As an example, a branch might post a message about poor packaging in goods delivered from a supplier, adding a photograph. Other branches can chime in if affected by the same

issue. At which point, someone in the commercial team has all the information they need—including photographic evidence—to raise the issue with the supplier, there and then, communicating back the result within hours.

## **2) For the social supply chain to be effective, content, scale and culture are key**

Using Availability+ is not mandatory. The simple fact of the matter is that people use it—at branch-level, and within support centre functions—because it allows them to perform their jobs better.

As a result, it is important not to be too directive about how people use the forum. This inevitably involves ceding an element of control, and empowering people with the freedom to make decisions, raise problems, and provide solutions in the manner that they think best.

So forum content is key: communication has to be two-way, with questions asked, and answers provided. It has to 'feel' like a conversation, and not like a noticeboard. And again this involves acknowledging that the forum will develop a direction and a culture of its own, which might be endangered if management were too prescriptive, and acted like forum 'policemen'. That said, some gentle forum moderation helps to keep communication on track, deleting irrelevant postings, or intervening to help resolve particular issues.

Scale, too, is important. Availability+ now has over 1,000 members, with more joining as they see others benefit from their own membership. Take-up is encouraged through ease of access: members can view Availability+ in 'website mode', as with Facebook, or alternatively in 'individual message' mode through e-mail, as with Twitter. Again, as with tools such as Facebook and Twitter, filters and 'tags' allow people to focus in on topics that they are interested in, and tune out topics not immediately relevant to their role.

As an example, a support centre manager with responsibility for sales and marketing would not be interested in issues to do with transport and logistics. They would, however, be keen to see posts dealing with promotions, advertising, and special offers.

### **3) The social supply chain's 'many-to-many' communication transcends the traditional vertical approach**

Traditional communication approaches are vertical in direction. From the support centre, information cascades down from the centre to the branches, with each support centre function communicating from the perspective of its own 'silo'. And from the branch, questions and issues are raised upwards through regional management and call centres.

Within Wickes today, Availability+ provides a counterpoint to this vertical communication—'horizontal', many-to-many communication.

So support centre people can more easily see what is happening within other support centre functions, as it relates to issues affecting the branch network. Similarly, branches can easily add their voices to concerns and issues raised by other branches, interacting with other branches in ways not possible before.

Usefully, this branch-to-branch communication can result in market insights and best practices being shared much faster than was previously possible—in those instances where it was actually possible before. Not surprisingly, there has been a significant increase in branch-to-branch communications.

As an example, Availability+ has helped branches to quickly publicise approaches that they have found to be particularly effective in increasing sales. Recently, a branch made innovative use of a pallet, recycling it as a promotional stand for drums of external wood stain. Within three days, the uploaded photograph had been viewed over 500 times, and

widely emulated at branch level.

#### **4) The social supply chain is public, with no place to hide**

As with Facebook and Twitter, Availability+ is public—at least within Wickes and the broader Travis Perkins network, although not to the wider world. Issues are raised in a corporate public forum, open for all to see, with the speed and effectiveness of any resulting resolution also open for all to see.

As in any physical person-to-person context, this encourages people to respond fully and effectively to any questions and issues raised, knowing that their peers—and their superiors—may also be viewing their on-line actions.

As would be expected in a forum with product availability at its heart, this predisposes people to react in a 'solution' mode, not a 'discussion' mode. When problems are raised, the usual response is a solution, not a reply to the effect that there will be an off-line discussion of the problem at some indeterminate point in the future.

As an example, a recent post by a branch manager reported the non-arrival of a display stand for an important product promotion. The usual assumption would have been that the problem was down to faulty ordering: someone, somewhere, had failed to order a stand. In fact, the stand *had* been ordered, but it had been accidentally left on the dock. Realising this, the distribution manager was able to send it by van, with it arriving in-branch a short time later.

#### **5) Social supply chain communication is two-way, not just one-way**

It's no secret that the traditional one-way cascade-style 'command and control' approach to branch communications leaves much to be desired. A key learning from Availability+ has

been the extent of pent-up two-way communication waiting to take place, needing only an appropriate conduit.

More often than not, people within the branches haven't always known who to communicate with within the support centre structure, and haven't had a relationship with them.

Now, they are much more likely to be aware of the appropriate people to resolve their issues, or communicate opportunities or market intelligence to. More than that, though, they don't actually *need* to know this: they can simply post a message, and someone will respond. In other words, they are getting to the right person, *automatically*.

This has become a hugely powerful aspect of Availability+. Because communication is so straightforward, and replies so rapid, the result is that branches are much more likely to initiate communications, or participate in on-line discussions. Quite simply, they see it as an effective use of their time, knowing that they are communicating with people who they have never met—and most likely never *will* meet—but who are precisely the right people with whom to be having a particular exchange.

As an example, it has been possible to get near real-time feedback on how a given promotion is working, in terms of identifying the best-selling items, any errors, and any opportunities to fine-tune and improve it. And if something is clearly working exceptionally well in a particular location, it is possible to distribute it as best practice, all within a matter of hours.

## **Conclusion**

In the eyes of many of its users, e-mail has passed its sell-by date. Most people who use e-mail are swamped by the volume of it, younger people entering industry organise their lives using tools far removed from e-mail—typically, social media such as Facebook,



Twitter, WhatsApp and their ilk. Their logic: with social media, the important stuff comes to the top, together with rich supporting content such as images, video, and sound. With e-mail, the important stuff is buried—and the links to rich supporting content are often clutzy and lacking in immediacy.

Social media tools provide businesses with a way to sidestep e-mail's inadequacies, providing users with a tool that works. It is no surprise to learn that the world's enterprise application vendors are hard at work trying to apply the lessons of social media to their own products, many of which rely on workflows reliant on e-mail, with all its limitations.

At their core, as we have said, supply chains are supposed to be about agility, short chains of command, collaboration, instant feedback, and shared visibility. With social media, as we have seen at Travis Perkins, that vision is becoming a reality.

# Social Supply Chain: Five Lessons from a real world deployment

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