

Telecoms | Sponsored by European Logistics Association

Winner: Thomson Telecom

SHORTLISTED

- ▶ British Telecom
- ▶ Samsung Electronics UK
- ▶ Thomson Telecom
- ▶ Vodafone Group Services
- ▶ Vodafone Logistics/UTL

AN INNOVATION THIS YEAR HAS BEEN THE SEPARATION OF telecommunication company entries into a separate industry category – the reasoning being that we have found in previous years that this important sector falls uneasily between hi-tech manufacturing, utilities, and something close to pure retail.

Our decision was rewarded with five strong entries making it onto the final shortlist. Three of these were marked very closely together (and indeed two of them, both interestingly related to Vodafone, who pulled off a similar coup last year, will be described in more detail in the functional Awards categories).

We should mention the other two worthy and impressive entries – Samsung Electronics UK with NYK Logistics offered a broad-spectrum outsourced logistics solution (only 11 logistics staff in-house at Samsung) moving products as diverse as mobile phones and fridge-freezers. Perhaps because of this

set-top boxes, from manufacturing sites in Asia, and the focus has been on increasing business through ever better on-time delivery, combined with a Customisation to Order model. In the process, four different businesses and sets of processes have been merged into one; an integrated SAP implementation has, since mid-year, covered 40 per cent of the business, and is about to be rolled out worldwide; there is an impressive emphasis on extending best practices (identified initially through benchmarking but developing well beyond that) across the division; cost reduction through establishing long term partnerships in warehousing and outbound logistics; and an overall manufacturing and logistics strategy aiming to improve customer delivery and the chain of supply through direct shipment and/or by subcontracting logistics to 3PLs. (Interestingly, although initial benchmarking was carried out with PRM, Thomson hasn't formally adopted the SCOR model, preferring to develop its own structured process model).

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customers and suppliers is 'quite like Cisco', which is praise indeed in this sector, and the assessors like the very clear accountabilities, and the use of a standard set of metrics to drive (not just report on) the business. Thomson claims to have driven supply chain operation costs down to eight per cent of turnover – which many would say is about as good as you can get without losing something important.

Welcoming the Award, Thierry Lescuyer-Chavasse, worldwide logistics manager for Thomson's TPS division, commented: 'We've been working a lot on our supply chain for some years and it is still a big ongoing project. This Award is for the whole team in Europe, and it will be a big boost to us as we roll it out further as a world-wide project; the recognition will help them to continue the work we are doing.'

This was a good time for us to participate in the Awards. We've implemented our SAP-integrated supply chain in Europe, and we are now going into the US – every week or month we are adding to the team that is rewriting all our supply chain processes, so that we will have just one supply chain, not European and US versions. Everyone is learning to work together and starting to realise that nobody has one single set of 'right' solutions. This Award will have a very positive impact as we go forward'.



▶ Jan Szymankiwicz (left), board member, European Logistics Association, presents the award for the Telecoms sector to François Gauthier (centre), general manager, Thomson Telecom

very diversity, the entry was let down in the assessors' view by a lack of quantifiable performance data.

British Telecom's entry focused on their Supply Chain Partners programme which is essentially about centralising the movement of network spares out to field engineers, and also supplying parts for customer premises equipment. Some impressive figures are already available (a 27 per cent reduction in operating cost is not to be sniffed at) but we felt that in many ways BT is just beginning at the strategic level – we would love to see this re-enter the Awards in a year or two.

The winner, in a tight contest, was therefore Thomson Telecom, of France. They too are a work in progress, but the progress so far has been very significant.

Thomson supplies both large telecoms companies, and the retail market, with a variety of consumer electronics including