



Muthaiga Shopping Center,
P.o.Box 58182-200, Nairobi Kenya.
Tel: +254 723305358

E-mail: info@onlinelearningcentre.org

<https://www.onlinelearningcentre.org>

Student Name:	<u>PITIA MORRIS</u>
Registration Number:	ACPM PGD/161/2019
Course:	PGD- PSCM
Course ID:	PGD008
Module:	<u>NINE</u>
Lecturer:	
Assignment Number:	<u>09</u>
Due Date:	<u>31/1/2020</u>
Assignment Brief:	<u>COURSE WORK</u>

1. Discuss the Similarities and differences between commercial and humanitarian relief chains.

Most of the time, crisis have negative impacts on the infrastructure of the affected region. Based on the infrastructural issues, chaotic circumstances arise. Furthermore, high cooperative efforts as well as sudden and instable demands keep logisticians busy. Due to these and many other characteristics, the main purpose of humanitarian logistics differs from its commercial counterpart.

Determining the purpose of humanitarian logistics and commercial logistics and defining the main purpose of both kinds of logistics leads to an understanding for the difference between humanitarian logistics and commercial logistics. However, the following are the differences between commercial and humanitarian supply chain.

Commercial supply chain's ranges from supplier's supplier to customer's customer while for Humanitarian supply chain, it's supply chain ranges is from donors and suppliers to beneficiaries. With humanitarian supply chain, it involves contracted agencies to deliver the various services while for commercial supply chain, it the owners of the business who are responsible for their shipments and coordination.

On commercial user, the customer identification is that an end user is equal to the buyer while on commercial supply chain, the identification of the customer is through end user's professional to donor. For instance, with the humanitarian logistics, the humanitarian actors are responsible for reporting to the donors like world bank, DFID, USAID, among others while on commercial they only deal with their profits or loss recordings.

Foremost, in commercial supply chain, self-life is realized in some years but tend to shorten while on humanitarian supply chain, the self-life is realized in some weeks to some months in total, mounting and dismantling included such as project oriented. For example, a humanitarian response to a host community through delivering food and non-food items.

Information flow in commercial supply chain is well structured unlike the humanitarian supply chain where high importance of the media; means of communication often reduced especially where there is not internet accessibility.

In commercial supply chain, the financial flows bilaterally and known while in humanitarian supply chain, the financial flows unilaterally from donor to the beneficiaries and uncertain.

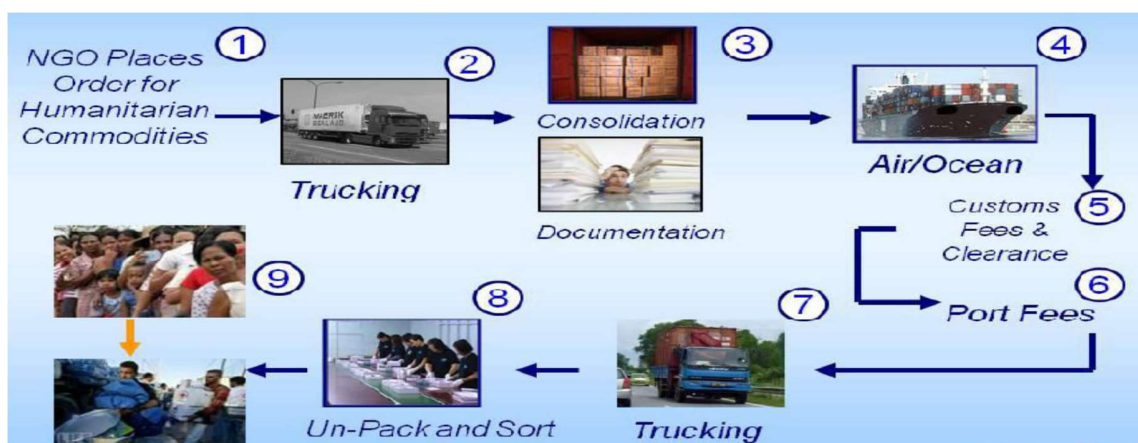
In commercial supply chain, the actors are well known with aligned incentives while in humanitarian supply chain, its multiplicity in nature but scarcity in numbers plus misaligned incentives.

In commercial supply chain, the suppliers are generally known in advance unlike in humanitarian supply chain where suppliers or donors are uncertain.

in commercial supply chain the environment is more volatile while in humanitarian logistics, the environment is highly volatile and unstable.

Langley and Rutner (2000) mentioned in their work about commercial logistics that the value of logistics lies in “the contribution to profitability through focusing on cost reduction while the main purpose for logisticians in the humanitarian context is to ensure aid for people located in crisis regions. For example; Reacting as quickly as possible to a disaster often requires the use of airplanes but aerial transportation causes high costs. Thus, cost reduction plays a subordinated role in the phase of immediate response. (Baumgartner & Blome, 2014).

The figure 1 below shows the humanitarian supply chain processes.



A Graphic of a Humanitarian Supply Chain

Source: Emergency Relief Logistics (ERL), A.-J. Morrison, B. Forbes, and R. McPherson.

2. Risk management in Humanitarian Logistics is one of the major hiccups faced by many organizations. Explain five strategies of dealing with the risk in humanitarian supply chain.

Risk management is the identification, evaluation, and prioritization of risks (defined in ISO 31000 as the effect of uncertainty on objectives) followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities.

Risks can come from various sources including uncertainty in financial markets, threats from project failures (at any phase in design, development, production, or sustaining of life-cycles), legal liabilities, credit risk, accidents, natural causes and disasters, deliberate attack from an adversary, or events of uncertain or unpredictable root-cause. However, the following are the strategies of dealing with risk in humanitarian supply chain.

Innovation and efficiency in contracting management. How a procurement group approaches contracting management sets the stage for managing risk intelligently. As an example, an organization that often assists leading agencies in revising or creating strategic portfolios of pro-forma contract templates. Contract streamlining is an emerging trend and is the outcome of better understanding the significant cost of creating and negotiating old-style “legalese” contracts. Many of these are unnecessarily onerous written in legal prose, lengthy, difficult to understand, one-sided protections and the like. But newer styles of contract design and wording enable procurement teams to have a dramatically higher success rate of executing well-drafted agreements.

Strategic requirements for supplier insurance and limitations of liability. Use of any external supplier of products or services, either upstream or downstream, requires an evaluation of potential liability exposure. Every contract must address the three legged stool of protections: limitation of liability, indemnification and supplier insurance. The last requires special administrative attention, but is frequently under-managed.

Provider optimization and redundancy. As part of initial strategic sourcing and supplier selection, ERM principles should be employed to ensure that excessive consolidation of the supplier community does not occur. Too often, aggressive sourcing groups will push to award a contract to a single-source award contractor. That works fine until a disaster occurs, such as financial failure of the supplier or a plant shutdown. Proper strategic sourcing works much better with a balanced

supplier portfolio with either of two requirements. One is multiple plant or data centre redundancy by the provider. This enables the provider to manufacture or perform services in multiple locations. The other approach is to segment the provider relationship across multiple suppliers in a primary and secondary contractual manner. This ensures sustainable supply chain operations even in the event of a failure in one production location.

Supplier financial stability visibility. Most companies fail to have adequate visibility into the financial stability of their entire supplier community much less their key suppliers. Some companies do acquire financial reports from a leading provider on a case-by-case basis. However, the largest provider of these reports relies on data voluntarily submitted by the supplier company themselves, calling into question the accuracy of the data. They also charge a fee for their services, which is often beyond the budgets of most procurement teams.

Proper diligence in operational supplier assessment reviews. Far too many organizations fail to provide their suppliers with any report card feedback on how they are performing. For most organizations and companies, the exceptional few suppliers that do receive any scorecard are a small fraction of those that don't. That is a problem. Any supplier that does not receive frequent feedback will probably assume that their performance is just fine even if it's not. And why Using these five Supplier Risk Management Techniques is a solid starting point for building a supplier supply chain that can greatly contribute to your organization's overall ERM strategy.

3. Discuss the impact of supply chain management practices on Supply Chain performance in your organization.

Due to the number of rival organizations expanding both locally and globally, organizations not only have to re-establish themselves in responding to some developmental and humanitarian projects emergency. Organizations are facing different kinds of challenges in their efforts of competing in today's dynamic global markets.

However, to remain competitive, organizations must recognize the importance of supply chain practices that improve not only their own organizational performance, but also coordinate with their supply chain partners to improve their joint performance.

Yet, despite the significant advances in research and practices, many organizations continue to struggle to understand the complex issues associated with the coordinated planning and supply activities amongst the members of their supply networks (Lori *et al.*, 2011).

Supply chain management is, "a set of three or more entities (organizational or individuals) directly involved in the upstream and downstream flow of products, services, finances, and/or information from source to customer" (Mentzer *et al.*, 2001). SCM practices have been defined as the set of activities undertaken in an organization to promote effective management of its supply chain (Li *et al.*, 2006). The best supply chain practices are the initiatives that influence the whole supply chain, its parts or key processes (Cuthbertson and Piotrowicz, 2008). These practices are influenced by contextual factors such as type of industry, firm size, its position in the supply chain, type and length of supply chain (Li *et al.*, 2006).

A clear definition of organization performance is required in clarifying the multidimensional relationship between SCM practices and organization performance. The notion of organization performance has many aspects, and each aspect has been operationalized in various ways in previous supply chain management studies. For example, Flynn *et al.* (2010) reveal that operational performance and business performance are the two most utilized measures of firm performance. (cited 10 January 2020). Following these studies, this research considered operational performance and business performance as two key aspects of organization performance.

According to Sabry (2015), material warehousing affects the nature and performance of the supply chain and supply chain management. In management of the materials requirements, managers aim at ensuring efficiency in filling of orders, reducing back logs and ineffective inventory levels and reducing the time need to market. A research highlighted in this article indicated that the indicators of inventory levels, that is, raw materials, final output and the volume of storage, and the time required for inventory turnover and filling of orders have a positive association with the supply chain management practices within an organization. Findings highlighted in the article by Diab et al. (2015) suggest that implementation of the green supply management results in improvement of environmental performance and improvement of an organization's economic and operational performance. The pertinent elements of supply chain management practices must be adhered to in order to realize positive performance in the supply chain.

Supply chain management has certainly become an important component for the profitability of any organization. It is important to highlight that there has been recent development in the supply chain management. Karimi and Rafiee (2014) identified that the most recent developments in supply chain management incorporate sharing of information technology, outsourcing practices, supplier partnership and continuous process flow. The SCM practices revolve around purchasing, customer relations and production of quality products to improve organizations core competencies.

Additionally, the use of systems such as the EDIs, which are basically interorganization systems, has become a prevalent practice about SCM as well as the tendency to eliminate excess inventory levels by delaying customization towards the end of the supply chain.

Core aspects of supply chain management can be identified through factor analysis which entails the characteristics of the supply chain, supply chain integration, management of customer service, capabilities of just in time inventory systems and sharing of information. The relationship between the supplier and the buyer is measured using cross functional teams, levels of communication, the length of the relationship and the involvement of the supplier in the supply chain. Some other features evident within the supply chain such as cooperation, process integration, sharing of risks and returns and concurring on the supply chain leadership depict the supply chain management practices as being geared towards achieving an organization's goals and improving the overall organization performance.

Supply chain management practices cover multiple sides of the supply chain. Strategic partnerships with suppliers covers the upstream and customer relations cover the downstream. The aspect of flow of information throughout the supply chain aims at identifying the extent and the quality of the shared information while the internal supply chain process focusses on postponement in the supply chain. It is important to note that these components of the supply chain cannot be regarded as conclusive given the dynamic nature of the supply chains and evolving business practices.

Lee et al. (2007) explored the relationship between supply chain linkages and supply chain performance in terms of supplier, internal, and customer linkages perspective. Performance of the participating firms (from a wide range of industries) was measured in terms of cost containment and performance reliability. However, according to the findings in European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.9, No.15, 2017 152, their study indicate that internal linkage is a primary determinant of cost containment performance.

Supplier linkage is a key indicator of performance reliability as well as overall performance. They further identified that E-ordering system, reliable delivery system, and access to inventory information are primary determinants in the cost-containment model. Fast and easy ordering system, reliable delivery system, and user-friendly access to inventory system are primary factors, which determine performance reliability.

These findings provide management with strategically important insights that e-ordering and a fast and easy ordering system in customer linkage is primary factors for enhancing SCM cost-containment and reliability performance, and reliable delivery in supplier linkage and user-friendly access to inventory information in internal linkage is key success factors for enhancing SCM performance.

4. Explain the major challenges faced by many humanitarian organizations. You can give examples from your organization.

One of the youngest nation on the African continent, the Republic of South Sudan remains in a fragile state today. Despite often hostile working conditions, relief workers continue to provide lifesaving assistance to many South Sudanese as the country remains in a serious humanitarian crisis due to the cumulative effects of years of conflict which has destroyed people's livelihoods and forced about 4.2 million people to flee their homes. Nearly two million inside and nearly 2.2 million outside the country. Extreme levels of acute food insecurity persist across the country and number of people who require humanitarian assistance in 2019 remains at seven million (more than half of the population) and women and children continue to be the most affected retrieved on <https://data2.unhcr.org/en/situations/southsudan?id=229>

South Sudan continues to under invest in sectors that would have the largest knock-on effect on poverty reduction and building resilience, with expenditures skewed toward defense and security. Consequently, poverty levels are expected to remain extremely high on the back of severe food insecurity and limited access to basic services across the country. By ensuring sustainability of peace and security in the country, Aid workers in RoSS continued to face the following challenges:

Security. While significant improvements were made to pave the way for lasting peace, including successful elections, the Republic of Southern Sudan is plagued by instability. Although violence varies by region, the security situation deteriorated again in the mid of 2016 with armed groups striking between SPLA-IO faction to Dr. Riek Machar and SPLM faction to Salva Kiir throughout the country. Today, around five armed groups operate nationwide and fight over the control of resources.

Despite their humanitarian nature, NGOs have not been spared by armed groups' and have been targeted since the beginning of the conflict in December 2013 where several attacks were carried out against relief organizations resulting in the death of 115 aid workers in the country.

Scaling of Humanitarian need. In South Sudan, the entire population has been affected by the conflict that arise in December 2013 and renewed conflict in July 2016. According to UNHCR, today about

1.26 million population of South Sudanese are refugees in the neighboring countries such as Uganda, Kenya, Ethiopia, Sudan, Congo and CAR seeking safety and about 2 million displaced and are in dire need of humanitarian assistance to meet their basic needs.

The health system is almost non-existent, drinking water is scarce, about million people face hunger, one million people need protection from armed groups' violence and living conditions in refugees or displaced persons' camps are deplorable. Malaria, which is treatable, is currently the leading cause of death. Sexual and gender-based violence is widespread affecting thousands of women and girls.

Lack of infrastructure. Another obstacle humanitarian workers face is the lack of infrastructure. Many parts of the country are very difficult to access and isolated. Transportation infrastructure is poorly-maintained. Most roads are not paved, many bridges are unusable and networks between cities are underdeveloped. The country has no railroads, internal flights are rare and depend on the security situation. Traveling from one city to another is time-consuming. The rainy season, from May to October, further renders traveling difficult, if not impossible in some areas.

Also, due to the presence of armed groups and road bandits, humanitarian workers have to travel in convoys. This situation affects both the operation of NGOs' deployment throughout the country and responsiveness when new hotspots emerge.

Lack of finance. Making a substantial difference to the situation in RoSS requires long-term commitments and the attention and support of the global public. With other humanitarian crises erupting throughout the world, the republic of South Sudan is at risk of fading from the international agenda, as so often before. This would impact the funding of humanitarian organizations and have disastrous consequences for the population despite some have flee the country as refugees to Uganda seeking safety.

Lack of information. Last but not least, gathering real-time information is extremely difficult. Outside Juba and other large city centers, cell-phone and internet networks are almost non-existent

due either busters are destroyed or lacking powering generator and fuel to run the system. As a result, knowing exactly what is happening in one village takes time which can delay the potential humanitarian response in case of crisis.

However, unknown to most people, despite often extreme and hostile conditions, the humanitarian actors in RoSS help hold this country together. The long suffering people of RoSS and the incredible community who support them need more of us to take notice and take action.

Infrastructure. In general, disaster relief operations of humanitarian agencies follow the same procedure. At the beginning the focus is on establishing and optimizing the delivery process for the first urgent emergency care. Subsequently, rebuilding the destroyed infrastructure to guarantee a sustainable supply becomes more important within the disaster affected region, aid agencies need to be prepared for the worst: Bridges and air fields are potentially destroyed and hinder an adequate supply. Furthermore, a possibly damaged electricity network would have a negative impact on the communication infrastructure. (Kovacs & Spens, 2009)

If the communication infrastructure does not allow a permanent transfer of information, route planning becomes very challenging for logisticians. (Kovacs & Spens, 2009) In extreme situations, supplying goods by land is not possible. As a last resort, humanitarian aid agencies can make use of aircrafts to airdrop supplies. (Kovács & Spens, 2007)

In addition, logisticians have to deal with various critical elements that complicate the measurement of performance in humanitarian supply chains. Among others, humanitarian aid agencies operate in a chaotic environment with a limited information technology capacity and infrastructure. Therefore, reliable data collection is problematic.

Conclusively, regarding performance measurement, development potential is given. Humanitarian organizations need to increase their research efforts in this respect to ensure continuous performance-improvement in disaster relief operations.

REFERENCES

1. A. Nagurney and Q. Qiang, 2009. *Fragile Networks: Identifying Vulnerabilities and Synergies in an Uncertain World*, John Wiley & Sons, Hoboken, New Jersey.
2. A. S. Thomas and L. R. Kopczak, 2005. *From logistics to supply chain management: The path forward in the humanitarian sector*, Fritz Institute.
3. A. Thomas, 2003. *Humanitarian logistics: Enabling disaster response*, Fritz Institute.
4. B. M. Beamon, 2004. Humanitarian relief chains, issues and challenges, *Proceedings of the 34th International Conference on Computers & Industrial Engineering*, pp. 77-82.
5. Gyöngyi. K, Karen. S, Ira. H (2016). *Supply Chain Management for Humanitarians: Tools for Practice*; Kogan Page, ISBN-10: 0749474688; ISBN-13: 978-0749474683.
6. Peter. T, Martin. C (2018). *Humanitarian Logistics: Meeting the Challenge of Preparing for and Responding To Disasters*. 3rd Edition; Kogan Page; ISBN-10: 9780749481445; ISBN-13: 978-0749481445.
7. Paul Myerson (2012). *Lean Supply Chain and Logistics Management* 1st ed, McGraw-Hill Education; NY, United States., ISBN-13: 978-0071766265; ISBN-10: 007176626X
8. Paul A. Myerson (2015). *Supply Chain and Logistics Management Made Easy: Methods and Applications for Planning, Operations, Integration, Control and Improvement, and Network Design.*, 1st Ed., Pearson Press, New Jersey, USA.
9. Sabry, Assrar. (2015). The Impact of Supply-Chain Management Capabilities on Business Performance in Egyptian Industrial Sector. *International Journal of Business and Management*. 10. 10.5539/ijbm.v10n6p251. Retrieved at https://www.researchgate.net/publication/277945228_The_Impact_of_Supply-Chain_Management_Capabilities_on_Business_Performance_in_Egyptian_Industrial_Sector/citation/download
10. Stephen M. Rutner, C. John Langley, Jr, (2000), "Logistics Value: Definition, Process and Measurement", *The International Journal of Logistics Management*, Vol. 11 Iss: 2 pp. 73 – 82 Retrieved on <https://www.majortests.com/essay/Logistics-Publishing-And-c-John-Langley-535977.html>
11. [www.https://reliefweb.int/sites/reliefweb.int/files/resources/South_Sudan_2019_Humanitarian_Needs_Overview.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/South_Sudan_2019_Humanitarian_Needs_Overview.pdf)

12. www.<https://data2.unhcr.org/en/situations/southsudan?id=3093>
13. www.<https://data2.unhcr.org/en/situations/southsudan?id=229>
14. www.<https://reliefweb.int/report/uganda/uganda-situation-report-south-sudanese-refugees-1-january-7-february-2016>. Retrieved 16/01/2020.
15. www.<http://www.iosrjournals.org/iosr-jbm/papers/Vol16-issue4/Version-3/I016436264.pdf>
16. https://www.scmr.com/article/five_techniques_to_manage_supply_chain_risk
17. <https://www.worldbank.org/en/country/southsudan/overview>
18. <https://www.unocha.org/south-sudan/about-ocha>
- 19.
- 20.