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

Some might think that humanitarian and commercial logistics are virtually the same, but this just isn’t the case.

To begin with, commercial logistics focus on products whereas humanitarian supply chains focus on people and supplies. Aside from this, there are a number of differences between the two, such as:

**Demand pattern**

Commercial logistics have a demand pattern that is mostly stable with locations that are fixed and in quantities that tend not to change.

With humanitarian logistics, the demand is much more unpredictable. Certainly in an emergency situation, the need comes from events that can’t be planned; their size and timing can vary wildly.

The demand has to be decided once events and disasters occur and even then this is based on estimation.

**Inventory control**

Humanitarian supply chains can struggle with managing their inventory due to their fluctuating demands.

They’ll have more stock in times of need but this could quickly run down after a disaster. Commercial supply chains are usually very well organised and can plan ahead for peak times when more products will be consumed.

**Goals**

Ultimately, the aims of both humanitarian and commercial logistics are very different, which affects their processes.

Humanitarian services always aim to save lives and stop suffering, meaning if their disorganisation results in a higher cost-to-serve, it doesn’t matter.

However, commercial logistics are all about maximising profits and keeping the customer happy, so products need to be shipped in a consistent, efficient manner to allow for cost-effectiveness and productivity to come together.

Over 90% of the respondents indicated that they felt training was directly linked to performance on the job and that standardized training would be useful in the field.

However, only 73% had access to any logistics training while 27% had no such access. For those with access, training was most often provided by co-workers on the job or by in-house training staff.

However, respondents noted that job training within organizations tended to be non-standardized, with the content largely dependent on the trainer.

The respondents indicated frustration with lack of consistency in training, lack of ways to measure the effectiveness of training, lack of funding for training, and lack of specific training in humanitarian logistics.

**Inadequate Use of Technology:**

Our survey of logisticians that participated in the Tsunami relief operations showed that only 26% of the respondents had access to any tracking and tracing software.

The remainder used Excel spread sheets or manual processes for updates and tracking of the goods arriving in the field. Despite this, 58% stated that they received accurate and timely information of what was in the pipeline!

In the private sector, supply chain technology has enabled the transformation of the logistics function from a peripheral to a strategic one.

By accumulating data about the supply chain, decision makers have new ways to create efficiencies.

Historical data also allows greater effectiveness through the racking of supplier performance, cycle times, inventory levels and turns, etc. In the humanitarian sec-tor however, logistics and supply chain management is still largely manual.

The inability of IT staff at headquarters to understand the imperatives of the field, the primacy of financial managers in decisions about software used in organizations, and the need to keep networks secure are the main reasons that humanitarian logisticians cite as the cause of the slow evolution of IT.

**Lack of Institutional Learning:**

The intensity of relief efforts, high turnover and the crisis-oriented nature of disaster response creates an environment in which there is a lack of institutional learning. Once a crisis is dealt with, aid workers are immediately assigned to the next mission, rather than taking the time needed to reflect and improve.

Or they leave. Input from the organizations we interviewed suggested that turnover of field logistics personnel was as high as 80% annually.

Thus, while logisticians have a remarkable track record for getting the job done under the most adverse and extreme circumstances, the lessons learned from one disaster to the next are often lost. The experience of the occasional veteran logistician is largely tacit and difficult to communicate to the next generation, nor is it transferred from one field context to another.

**Limited Collaboration**:

With the emerging competition for funding among major relief organizations, the heads of logistics tend to each fight their own battles with little collaboration.

Although many of them face the same challenges and know each other, or of each other, they do not often meet or talk to one another except during an actual disaster response operation.

For example, we found that several of them were thinking of deploying a regional warehouse structure for faster response.

Coincidentally, three were actually talking with warehouse providers in the same city. Similarly, two others had commissioned expensive analyses to select a fleet management system and three were wrestling with the idea of a training program for field logisticians.

None knew that their counterparts had the same objectives and, therefore, there was little collaboration or resource sharing. Similarly, in the Tsunami relief operations we found that just over half the logisticians (56%) reported working with other agencies in setting up their supply chains.

Today's underdeveloped state of logistics in the humanitarian sector is much like corporate logistics was 20 years ago. At that time, corporate logistics suffered from underinvestment, a lack of recognition, and the absence of a fulfilling, professional career path for people performing the logistics function.

Over the last 20 years, corporate logistics has found its voice with top management.

Under the rubric of supply chain management, it has established itself as a core discipline whose best practices are taught and researched at top business schools and promulgated by leading consulting firms.

In our conversations and convening we ask logisticians from global, national and regional organizations about their aspirations for themselves and their function.

It is not surprising that their most significant priority is a knowledge-based field with a clear career track, collaboration with peers across organizations and the ability to demonstrate the value of logistics with unambiguous measures and metrics that tie with organizational strategy.

The way for logistics to strengthen its power and be recognized is by showing results and systemic improvement by clearly demonstrating over time how it is contributing to the aid agency and responding to external pressures.

The Five Strategies

We recommend for moving forward to improve humanitarian logistics. For each strategy we detail ways in which humanitarian logisticians can learn from each other, but also where they can draw upon the increasing interest in humanitarian logistics by academics and the corporate sector.

Creating a professional logistics community will enable humanitarian logisticians to share knowledge and experience on common issues and to create a consistent, powerful voice with all the stake-holders in the sector.

Investing in standardized training and certification will help build a pool of logistics professionals that share common processes and vocabulary, promoting professionalism and collaboration.

Focusing on metrics and performance measurementwill empower logisticians to demonstrate andimprove the effectiveness of the humanitarian supply chains. Communicating the strategic importance of logistics will enable logisticians to create awareness ofthe contribution that logistics makes and to obtain needed funding and resources.

Developingflexible technology solutionswill improve responsiveness by creating visibility of thematerials pipeline and increasing the effectiveness of people and processes.

Furthermore, advancedinformation systems will create the infrastructure for knowledge management, performance measurement and learning.

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**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 has always been part of the supply chain. It’s a reality inside and outside the four walls of any organization.

It’s no surprise then that as [Enterprise Risk Management (ERM)](https://www.scmr.com/topic/tag/Risk) programs proliferate, they have naturally begun to address anticipated and unanticipated events occurring both upstream and downstream in the supply chain.

Upstream of an organization are the suppliers who create goods and services used in a company’s own operations.

These include raw components or materials that flow into direct manufacturing as raw materials. There are also indirect products and services that facilitate the company’s actual operations.

The downstream supply chain efficiently distributes a company’s products or services to its customers. All contracted suppliers, both upstream and downstream, must be proactively managed to minimize financial, confidentiality, operational, reputational and legal risks.

You don’t have to look any further than recent headlines to see potential fallout here. Did [Equifax](https://www.supplychain247.com/article/top_5_myths_about_cybersecurity_uncovered/frontier_business) have proper data liability insurance coverage in place before 143 million accounts were hacked? And even if they did have coverage, how much was their reputation and customer account credibility damaged? This is still playing out, so not even Equifax management yet knows the impact of the risks taken.

Ideally, if risk is properly managed, nothing occurs that has a negative impact on operations or profitability such as what happened to Equifax, Samsung, Chipotle or any of the other companies that have seen their share price fall and their value erode following an untoward event.

But, after all, shouldn’t the point of an ERM program be to eliminate all supply chain and legal risk for our employers? The answer is an emphatic “no.”

The only way to truly eliminate risk would be to never conduct any procurement or contractual activities using third-party suppliers. What private or public sector organization could operate that way? Not a one.

Instead, a rational objective for procurement and supply chain leaders should be to create a secure but high-performing supply chain. This is one in which risk can be minimized while value-added business relationships can flourish. Think of it as “intelligent risk management.”

I learned this lesson in one of my early corporate positions directing sourcing and contracting management activities for one of the world’s largest companies. My boss included an interesting objective in my job description.

He insisted that I develop a willingness/ability to take “intelligent risks” and then included it in my annual evaluation.

You see, he realized that an overly aggressive approach to contracting management for our enterprise with 195,000 employees and 110 subsidiary companies worldwide could shut down our ability to be fast and nimble.

Along with his mentoring, I learned ways to execute well-researched business plans while properly managing risk, which made a huge difference in my career.

My success was measured by balancing well-researched supply management saving initiatives with carefully thought out fall-back plans.

I knew my performance evaluations would suffer if I did not consistently push the limit of what could succeed in the supply chain arena if I didn’t take intelligent risks.

My boss often reminded me of something that professional hockey star Wayne Gretzky once said: “You’ll always miss 100% of the shots you don’t take.”

During my last two years in that corporate role, my team was very successful in deploying this balanced approach, saving shareholders a quarter of a billion dollars and reducing external legal support expenses by nearly a million dollars annually, while not experiencing a single supplier lawsuit with a portfolio of several thousand sourced supplier relationships.

Now, on the surface, this all sounds good. Unfortunately, ERM is too often used as a weapon against procurement executives.

They can be beaten down by their firm’s own silted ERM or legal groups and forced to develop and use cumbersome processes.

Such precautions may give the appearance of diligence but in reality they actually reduce the company’s ability to truly manage supply chain performance in a risk-averse manner.

**Worse yet, this can create a culture with an outsized fear of failure. As a result, people:**

* delay or avoid making difficult decisions;
* push responsibility onto others;
* fail to acknowledge/confront problems; or
* try and eliminate every conceivable chance of failure.

**From a procurement and supplier relationship management perspective, examples of overly risk-averse procurement behaviours include:**

* cumbersome or overly-restrictive approval processes;
* unwillingness to identify or “try” new suppliers, no matter how well-qualified;
* unwillingness to source from low cost country sources;
* an inclination to select established and bloated supplier organizations rather than investigating and qualifying best practice supplier firms that lead their sectors (ignoring billionaire Warren Buffet’s comment about industry evolution that, “first come the innovators, then come the imitators, and then come the idiots.”);
* failure to empower user departments with user-friendly methods of ordering products and services;
* insistence upon excessive procurement involvement in low-value transactions;
* acceptance of excessive inventory levels for safety reasons; and
* failure to secure best pricing due to unwillingness to make long-term volume commitments.

It is now many years later and I’m privileged to work in the consulting realm with many world-class procurement organizations. The senior supply chain leaders I find most impressive are those who demonstrate a willingness to move forward with key supply chain improvement opportunities. These are people who are willing to take intelligent risks in order to generate profits for the bottom line.

So, what are key ways that procurement professionals can contribute to their organization’s overall enterprise risk management strategy?

**I suggest five supplier risk management techniques that make a significant contribution to ERM security. These are:**

* innovation and efficiency in contracting management;
* strategic requirements for supplier insurance, indemnification and limitations of liability;
* provider optimization and redundancy;
* supplier financial stability visibility; and
* proper diligence in operational supplier assessment reviews.

All five are of equal importance to making intelligent risk work. They are even effective at dealing with so-called “black swan” events that cannot be predicted using normal methods of statistical analysis.

For instance, did Apple know that an earthquake and tsunami would shut down critical component supplier manufacturing facilities in Japan during 2011? Probably not. But accounts of their prescient negotiation of protective Force Majeure language in key supplier contracts apparently guaranteed Apple first right of resumption, mitigating the effects of that black swan event.

Make these five techniques part of your process and your company can be in a similar risk management position across the supply chain.

**Technique 1: Innovation and efficiency in contracting management**

How a procurement group approaches contracting management sets the stage for managing risk intelligently.

As an example, the firm I work for often assists leading companies 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.

Procurement contract portfolios are a great example of how legal risk can outweigh business balance, extending the contracting cycle time and procurement efficiency.

Instead, many legal and procurement groups find that it is better to rely on concise and well-balanced contract documents that result in easier acceptance by suppliers.

Optimized processes and technology tools used in Contracting Lifecycle Management (CLM) also fit here.

My team frequently performs reviews of how large enterprises manage their contracting processes and portfolios.

They also sometimes find stunning gaps in the approaches that have evolved over time within company cultures.

One corporate example involved master agreements put in place by one company group. Then, another company group executed separate Statements of Work (SOW).

But as our research showed, many of the SOWs expanded the list of services beyond those ever addressed by the master agreement, and thus lacked proper protection from the governing terms.

In one of these findings, the original master agreement only covered traditional delivery by ground trucking services.

But a new SOW called for the use of a helicopter for the delivery and installation of capital equipment. The lack of aircraft liability insurance in the master agreement exposed the company to very significant risk.

During another engagement with one of the globe’s ten largest privately owned enterprises, with more than 50 subsidiary companies, our team found sizeable gaps in process that frequently exposed the firm to legal risk.

**Technique 2: 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.

Suppliers should carry insurance for two reasons. First, it protects them from legal and financial exposure that could limit their ability to support contractual commitments. Second, it provides a buffer of protection to the procurement organization against direct or indirect claims from suppliers or other third parties that may be affected by contracted suppliers’ actions or inactions.

If a contracted supplier is allowed to utilize key subcontractors in the performance of services, those firms must also be required to provide insurance coverage compliance.

All too frequently, procurement groups fail to demand a properly executed and endorsed certificate of insurance (COI) from each contracted supplier before contracted actions occur.

I’ll admit, it’s a pain to collect and properly review COIs from every contracted supplier. But studies performed by leaders in risk management groups indicate that 80% or more of initial COI submissions do not conform to the language in the customer’s contract.

An even more frequent failure point is one of timing. Quite simply, a supplier’s multiple policies of insurance will never expire on the same date as the contract itself.

Failure to proactively ensure that each policy is renewed and continues in effect through contract expiration means that buffer of protection can disappear without the procurement organization’s knowledge.

Special risk occurs if the supplier switches policy types or insurance carriers when a policy expires, and the properly-worded endorsement of an organization as an “additional insured” fails to be implemented in the new policy.

Any procurement team that is proactively managing the three-legged stool of risk protection must have resources in place to proactively collect and knowledgeably review COIs.

Fortunately, there is at least one new no-cost supplier risk mitigation resource that can do this at your supplier’s expense.

This model effectively outsources these reviews to a highly skilled team of professionals without any budgetary impact.

The use of that type of outsourced service is dramatically better than trusting internal staff groups to perform this type of task, and provides superior visibility to this important area of supply chain risk.

**Technique 3: 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.

**Technique 4: Supplier financial stability visibility**

In 2016, Han Jin Shipping, one of the seven largest maritime shipping companies in the world, announced bankruptcy and stopped operations that same day.

Thousands of containers were literally locked aboard ships anchored in harbors or tied up at docks around the world. The impact was substantial.

Han Jin processed nearly 10% of Asia-American container shipments. Furthermore, countless other shipments with other trade locations between other national trade partners were affected. The mess took months to sort out.

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.

The good news is that a new model for managing supplier financial stability has now emerged. It relies on predictive financial stability reporting that is provided by a major credit rating agency on thousands of potential suppliers.

Much like the insurance COI collection services mentioned earlier, the availability of predictive financial stability data for a firm’s entire supplier community can be outsourced without cost.

The information is available in a [Cloud](https://www.scmr.com/topic/tag/Cloud) information tool that warns procurement leadership of potential supply chain failure, providing highly positive ERM visibility to a firm’s management team for free.

**Technique 5: Proper diligence in operational supplier assessment reviews**

When you were in school, you received report cards. There were three reasons for them.

First, report cards provided students with feedback on their educational accomplishment. Second, they provided parents with visibility into their child’s performance. And third, report cards provided a useful reference tool for conversations between the teacher, parents and student about areas of potential improvement. And it worked.

I’ll be the first to say I would not personally have tried nearly as hard in school (all the way through college) if those report cards didn’t keep showing up.

Far too many companies fail to provide their suppliers with any report card feedback on how they are performing. For most 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 shouldn’t they?

Top companies are now separating their supplier portfolio companies into categories based on financial spend or assigned risk using techniques like the Pareto Principle.

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

Lia, Ragu-Nathanb, Ragu-Nathanb, and Raob performed quantitative research using data collected from 196 organizations and structural equation [modelling](https://www.omicsonline.org/scholarly/modeling-and-simulation-journals-articles-ppts-list.php) to find different methods to achieve an effective supply chain and to obtain a competitive advantage.

They found that when suppliers participate in early stages of product design, the costs are lower, and designs are more easily assessed, and products are different than those offered by competitors.

The adoption of product innovation is a critical element of SCM to offer new products or existing products with new characteristics to gain competitive advantage, and respond better to customers’ needs.

The domain of the supply chain is divided into several key areas to which a leader may have positive or negative impact.

These are: recruiting skilful supply chain employees and executives, participating in the resolution of complex cross-functional issues, providing reward initiatives for successful supply chain performances, gaining personal knowledge and new learning about the trends of supply chains, and encouraging the adoption of benchmarking practices.

Due to the difficulty in finding employees that satisfy needed talents in supply chains, and to reduce costs, companies are increasingly hiring external workers.

This can help firms respond to market demands, bring new expertise, and increase organizational [efficiency](https://www.omicsonline.org/scholarly/resource-efficiency-journals-articles-ppts-list.php).

The activities of acquiring these talents in supply chains are important means to achieve organizational goals based on needs and wants.

Integrating an external workforce into the whole organization has many considerations, mainly in terms of barriers imposed by organizational culture, limited resources, and [legal](https://www.omicsonline.org/scholarly/legal-rights--journals-articles-ppts-list.php) conditions.

Maintaining a bench of skilled employees for all departments, not just the supply chain is an important business requirement.

One approach to supply chain design is having a portfolio of designs. Olavson et al. found that world-class supply chain performance is the result of aligning agility with adaptability.

By adopting a portfolio of supply chain designs, a business will survive in the short-term and long-term.

For the short-term, responsiveness can be improved in a volatile [macroeconomic](https://www.omicsonline.org/scholarly/macro-economics-journals-articles-ppts-list.php) environment. For the long-term, a diverse portfolio can enable businesses to face fast changing conditions, and to meet new trends with updated versions of products as to keep high levels of demand.

Logistics in supply chain management is composed of all kinds of resources and knowledge spread throughout an organization in addition to diverse activities of storage, delivery, and after-sales service.

Changes are continually occurring in logistics to respond to increasing needs for flexibility, efficiency, and openness in a global boundary less competitive world.

The authors found that logistics are a main source of competitive advantage in terms of improving the activities of entering, packing, shipping and distributing physical goods.

The latest developments in [information technology](https://www.omicsonline.org/scholarly/information-technology-journals-articles-ppts-list.php) can be adopted for a supply chain. Logistics may be outsourced to benefit from decreasing costs, answer fluctuations in demand, or reduce capital used in operating a business.

Some challenges exist after outsourcing logistics like delays in service, poor quality, and product damages.

Organizational resilience is a principal characteristic to possess to cope with global challenges. It is a source of competitive advantage when managed well, and when companies can benefit from disruptions.

Sheffi and Rice studied Hitachi and its global supply chain and found resilience can be built by three key processes: increasing redundancy, building flexibility, and changing the corporate culture.

Redundancy is achieved through maintaining a high level of inventory, low capacity utilization, and increasing the number of suppliers.

This is a contradiction to the most popular practices of Toyota Production System (TPS), lean production processes, and Six Sigma that focus all on reducing resources. Redundancy is a way to reduce the capacity of being efficient.

Flexibility in a supply chain is another way to resist disruptions. It is achieved through adoption of standardized processes, using simultaneous processes, planning to postpone by keeping some products in semi-finished conditions, aligning procurement strategies with suppliers, and knowing suppliers well to better respond to fluctuations.

**SMEs in Lebanon**

Starting and growing a business in a challenging global environment requires many elements that play key roles in business activities, starting from supportive macroeconomic elements to adequate regulations, laws, [financing](http://www.imedpub.com/scholarly/health-systems-financing--journals-articles-ppts-list.php), services, and incentives on business transactions and trade.

Small to medium sized enterprises (SMEs) contribute greatly to the Lebanese economy, but they face challenges and difficulties requiring direct support on multiple levels, in many areas, including: employment, infrastructure, financial concerns, market structure, legal framework, research and [development](https://www.omicsonline.org/scholarly/development-process-journals-articles-ppts-list.php), innovation, capabilities, and capital.

SMEs have an important presence in the Lebanese economy and they play a key role, occupying 97% of the total businesses in the country; SMEs employ more than 51% of the working people in Lebanon.

They are concentrated in the retail, machines, and motor, and services sectors. In past decades, SMEs and entrepreneurs have been supported by both public and private sectors.

In the public sector, there are currently 45 initiatives supporting the development of legal infrastructures and market structure in Lebanon, focusing on all types of industries, especially the most promising ones like agriculture and information and communication technology (ICT).

In the private sector, at least 100 initiatives exist, concentrated in the development of firm capabilities and finding potential sources of capital, primarily in the ICT industry.

Efforts to support SMEs go back to the early 2000s, when many solutions started to be proposed including: incubators, coaching, networking, online support platforms, and centres of entrepreneurship on university campuses.

In Lebanon, starting in 1990, a new period of economic and political development began with the reconstruction of the infrastructure in many sectors; this led to growth and sustainable development.

Sometimes economic stabilization was initiated through increasing currency rates. The Lebanese economy was in a period of continuous fluctuation.

The aim was to obtain a balance to strengthen the Lebanese currency and increase confidence in Lebanon. These efforts were complemented by funding from Paris for the reconstruction of the country.

In Lebanon, commerce dominated, and the [agriculture](http://www.rroij.com/scholarly/industrial-agriculture-journals-articles-ppts-list.php) industry was damaged by low investment and low output. Lebanon has underdeveloped road infrastructure and an ineffectively managed natural supply of water, which increases production costs and puts pressure on firms and households.

Lebanese enterprises pursued the latest technological developments and Lebanese business people are tech savvy in general; this is an advantage for the local economy.

With stable financial and political platforms, the means of payments was developed continuously in recent years in Lebanon.

The new credit systems, at low and medium levels, are very effective in ensuring that people in real need of funds will get them for developing their businesses.

According to the Organization for Economic Co-operation and Development, barriers to entry are essential elements of markets, playing a key role in competition.

Traditionally barriers included the factors of time, and the amount of money required by a new business to start operating in a market, however, barriers to entry can be divided into two groups: the artificial barriers and the natural barriers.

The first group consists of laws and regulations that restrict a company’s entrance in given market, while the second group is the technological factors, market factors (like market share) and others obstacles that exist in the environment and influence the entry of a business.

The study of these barriers is very important, starting with the assessment of technological levels in the country, followed by the legal factors, the availability of raw materials, etc.

Securing capital in Lebanon has never been easy for SMEs. Banks in Lebanon prefer to invest in limited numbers of large businesses, instead of large number of small businesses.

The central bank is trying to resolve this issue by motivating the lending of Lebanese lira with lower interest rates covering a wide range of industries.

**Innovation**

The efforts of innovation in managerial processes can have long-term benefits for a business. A surge of competitive advantage, through innovation, may change the future of any business. Successful businesses update their processes and systems to improve speed and efficiency. Management innovation is becoming essential in every company.

The long-term advantage of management innovation is the direct result of one of the following three characteristics: the presence of new and unique business processes that challenge managers, innovation as a part of a set of procedures and methods, or it is part of a continuous program of inventing in the business.

Not all ideas and efforts are turned into breakthrough innovations, however. Usually, a successful innovation is the result of dozens of failed attempts. The more a company tries to innovate, and introduce new products, services, processes; the more it will increase the chance of presenting a new Big Thing, a great innovation.

Innovations that create value will attract other businesses to imitate them, such as the increase in new tablets following the innovation of Apple’s iPad.

Companies must think about the complementary assets, skills, products and services that will help customers to stay loyal to the new innovation.

Continuous investment in innovation is essential to maintain a powerful position in the market, and innovation must be performed in both technology, and business process.

Despite the importance of innovation, many companies fail in performing it due to the absence of correct guidance for innovation, and lack of formal procedures and rules to perform it.

It requires an effective innovation process that is characterised by five major steps, as follows: generating and mobilizing the idea, advocacy and screening of potential ideas, experimentation, [commercialization](https://www.omicsonline.org/scholarly/commercialization-of-new-techniques-journals-articles-ppts-list.php), and finally, diffusion and implementation.

A successful innovation requires the allocation of adequate resources, a well-developed marketing plan, and a supportive culture [.

To be successful, innovation should be designed as a set of procedures that will lead to an end from the start of the activities until an innovative product, service, or process is achieved. Companies need a pipeline of innovation based on evidence that promotes an environment of speed and urgency that help a business to analyse problems and prioritize, using the ideas, resources, and the technologies of the company.

Organizations today are selecting lean innovation, employing the following actions: innovation sourcing, curation, prioritization, resolution search and hypothesis examination, incubation, integration, and refactoring.

Innovation sourcing consists of listing the technologies, problems, and ideas that might be improved.

Curation means going out and discussing ideas with employees and customers. Prioritization consists of sorting the innovative ideas according to many variables. It is preferable to use McKinsey’s Three Horizons model.

The resolution search and hypothesis examination is taking the data that passed the prioritization steps and analysing them through data analysis, and hypothesis testing. Incubation is collecting more data and developing the idea.

Integration consists of entering the innovation in the business, considering the technical and organizational requirements and challenges.

Refactoring consists of fixing diverse elements to make the innovation process more stable, often by adjusting the structure of the innovation team, moving ideas and prototypes into the stage of being produced, and adhering to tight deadlines and strict budgets.

There is no preferred type of innovation; the four main types are: routine, disruptive, radical, and architectural.

Routine innovation is based on a company’s existing technology and current business model.

Intel is an example of routine innovation that periodically launches more advanced and powerful microprocessors.

Disruptive innovation occurs when a business develops a business model with a breakthrough in technology.

Google’s Android operating system for mobile devices is an example of disruptive innovation, allowing the product to penetrate by offering it free in the market whilst Apple and Microsoft failed to do the same.

Radical innovation is a pure technological breakthrough. [Genetic engineering](https://www.omicsonline.org/scholarly/genetic-engineering-in-medicine-journals-articles-ppts-list.php) and [biotechnology](http://www.rroij.com/scholarly/biotechnology-research-journals-articles-ppts-list.php) are examples of radical innovation.

Architectural innovation involves breakthrough technology and disruptive innovation at the same, and this is the most challenging and difficult type of innovation. Digital photography is an example of architectural innovation.

Business leaders face many challenges that can limit organizational innovativeness. The most important challenges are: a failure to predict how things should be changed, poor decisions about what ideas to innovate, and incapacity to apply all good ideas. These issues occur at different steps of the innovation process.

Green defines innovation as the use of technology in the development of new products, services, and processes.

It means to start something new that provides value, and to complete good ideas, transforming them into new products and services.

Failure to innovate indicates that a firm does not have the needed skills to discover, evaluate, and execute potential ideas.

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

One of the most dangerous places on the African continent, the Central African Republic remains in a [fragile state today](http://www.un.org/press/en/2017/sc12718.doc.htm). Despite often hostile working conditions, relief workers continue to provide lifesaving assistance to many Central Africans. Aid workers in CAR face five major challenges:

**CHALLENGE 1: SECURITY**

While significant improvements were made to pave the way for lasting peace, including successful elections, the Central African Republic is plagued by instability. Although violence varies by region, the security situation deteriorated again in the second half of 2016 with armed groups striking throughout the country. Today, around 14 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 2016, [more than 330 attacks were carried out against relief organisations, resulting in the death of 5 aid workers](http://www.un.org/apps/news/story.asp?NewsID=55891#.WKcmfvmLTct).

Twenty-four humanitarian workers have been killed since 2013.

Although direct threats are posed to their lives, and their facilities looted, relief workers continue to pursue their activities nationwide. More than 50 international NGOs and 65 national NGOs are currently present in CAR, conducting operations in some of the country’s most dangerous places to ensure the millions of Central Africans in need are not abandoned.

**CHALLENGE 2: SCALE OF HUMANITARIAN NEED**

The entire population has been affected by the conflict. Today, [2.2 million people](http://www.unocha.org/car/), roughly half of the population, are in need of humanitarian assistance to meet their basic needs.

The health system is almost non-existent, drinking water is scarce, 2 million people face hunger, 2 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.

The government, already weak prior to the conflict, does not have the capacity to respond to the humanitarian crisis.

Three years after the beginning of the conflict, Central Africans rely on NGOs to access basic services, leaving aid organisations with a colossal job to do. In 2016, more than 60 humanitarian organizations were focused on protection, 60 plus on food security and 37 on health.

Yet, due to ongoing violence, vulnerable people cannot always benefit from lifesaving assistance.



Photo Credit : ELENA ARANZ ARANZ, ICRC

**CHALLENGE 3: LACK OF INFRASTRUCTURE**

Another obstacle humanitarian workers face is the lack of infrastructure. Outside Bangui, many parts of the country are very difficult to access and isolated. With a territory slightly bigger than France and nearly 5 million inhabitants, CAR’s population density is low and concentrated in the west and south of the country.

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 April 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.

**CHALLENGE 4: LACK OF FINANCE**

In January, the government and the humanitarian community launched a two year plan, [requesting almost US$400 million](https://fts.unocha.org/appeals/549/summary) to finance humanitarian actions for the year 2017.

Making a substantial difference to the situation in CAR requires long-term commitments and the attention and support of the global public. With other humanitarian crises erupting throughout the world, the Central African Republic 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.

In 2016, [only 37%](https://fts.unocha.org/appeals/517/summary) of the funding requirements to meet humanitarian need was met. One of the consequences of this shortfall was shortages in humanitarian supplies. For instance, the World Food Program, instead of targeting 1 million people, was able to help only 400,000 people and had to cut its food rations by half.

**CHALLENGE 5: LACK OF INFORMATION**

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

In 2015, only 30% of the population had a subscription to a mobile phone and [4% of the population was using internet](http://hdr.undp.org/en/countries/profiles/CAF).

As a result, knowing exactly what is happening in one village takes time which can delay the potential humanitarian response in case of crisis.

Unknown to most people, despite often extreme and hostile conditions, the humanitarian actors in CAR help hold this country together.

The long-suffering people of CAR and the incredible community who support them need more of us to take notice and take action.

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