

# High tech & Electronics Supply Chain/Logistics Summit

Thursday, October 26, 2006

Mike Lee

- **SCLG** is a not for profit body operating with the legal backing of Dubai Chamber Of Commerce and Industry
- **SCLG** brings all organisations / individuals influencing Supply Chain under one umbrella to benefit business community in a variety of ways.
- **SCLG** has gained a reputation for being a successful not for profit organisation working under the umbrella of Dubai Chamber of Commerce & Industry.

# Mission Statement

To provide an accessible, dynamic, professional networking environment;

That facilitates the achievement of professional, educational, and personal goals by members of SCLG community,

In an atmosphere that encourages professional development, diversity, and innovation in Logistics and Supply Chain Management.

## SCLG Activities

- SCLG organises “Networking Evenings” and “Educational Events” to benefit the Community
- SCLG has endorsed many Supply Chain and Logistics related events world-wide
- SCLG works in close co-operation with CSCMP, Council of Supply Chain Management Professionals which is an international body based in USA.
- This year we collaborated with CSCMP, to bring a world class Supply Chain Global Conference to Dubai in February 2006.

# Membership Sectors

- Retailers
- Distributors
- Manufacturers
- Traders
- Forwarder / Shipping Agents
- Transporters and Integrators (Airlines, Ocean Liners, Truckers)
- Facilities Providers (Ports, Airports, Real Estate Providers etc.)
- Other Service Providers (Information Technology, Insurance, Banking etc.)

# Link Magazine

- The official bi-monthly Magazine of SCLG
- Already published 12 issues till now...
- Expected to be Monthly early 2007 and onwards
- “Link” is the first in the region for the Supply Chain & Logistics community in view of its content, articles and case studies
- Through E-Newsletter, SCLG is reaching 60,000 Supply Chain and Logistics Professionals world-wide.

**SCLG website : [www.sclgme.org](http://www.sclgme.org)**



The new dynamic portal will soon replace the present site with the following new features:

1. Recruitment Module
2. Content Management
3. Newsletter Management
4. E-Commerce
5. News Module
6. Events Module
7. Picture Gallery
8. Market Research Module

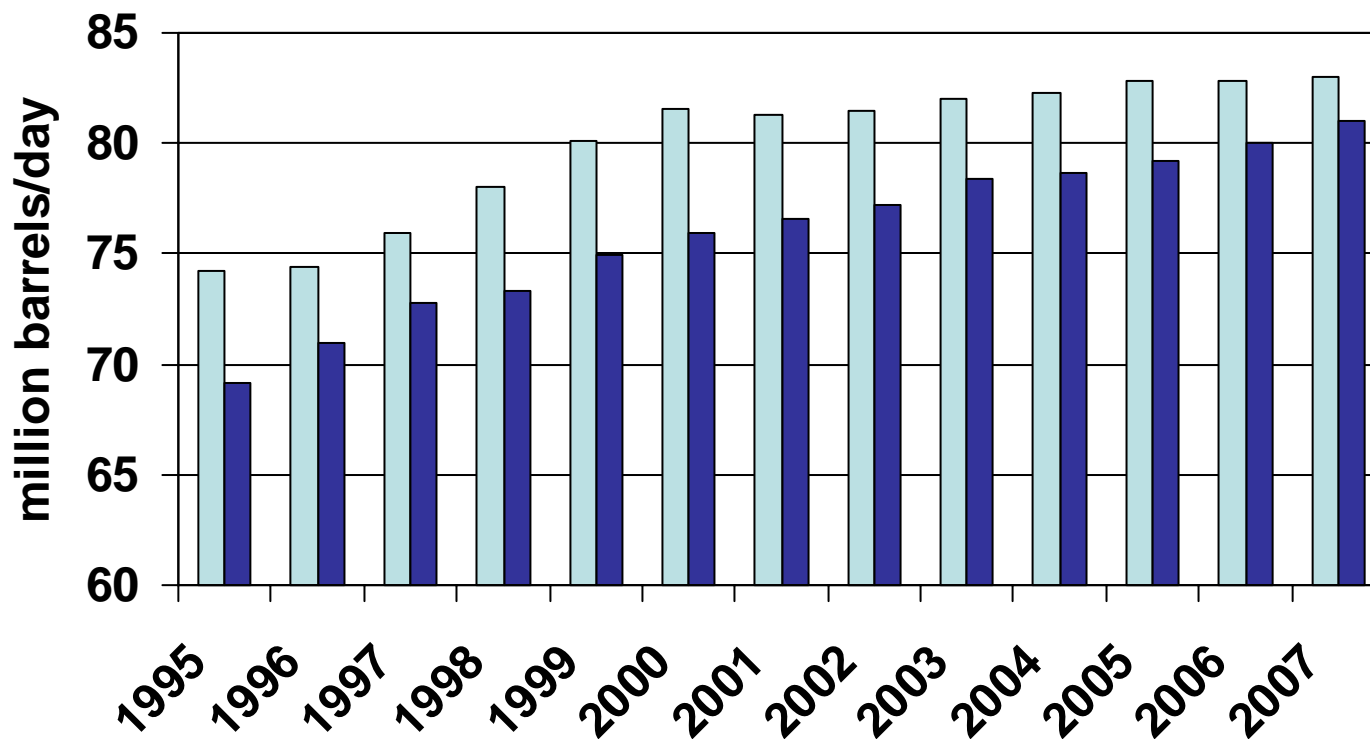
# Middle East Drivers

- Oil and gas
- Investing within the region
- Controlling investment outside the home base
- Market reforms – more to be done  
Democracy, Islamist trends and security



# Refinery Capacity will remain tight

■ World crude oil distillation capacity  
■ World refined product demand

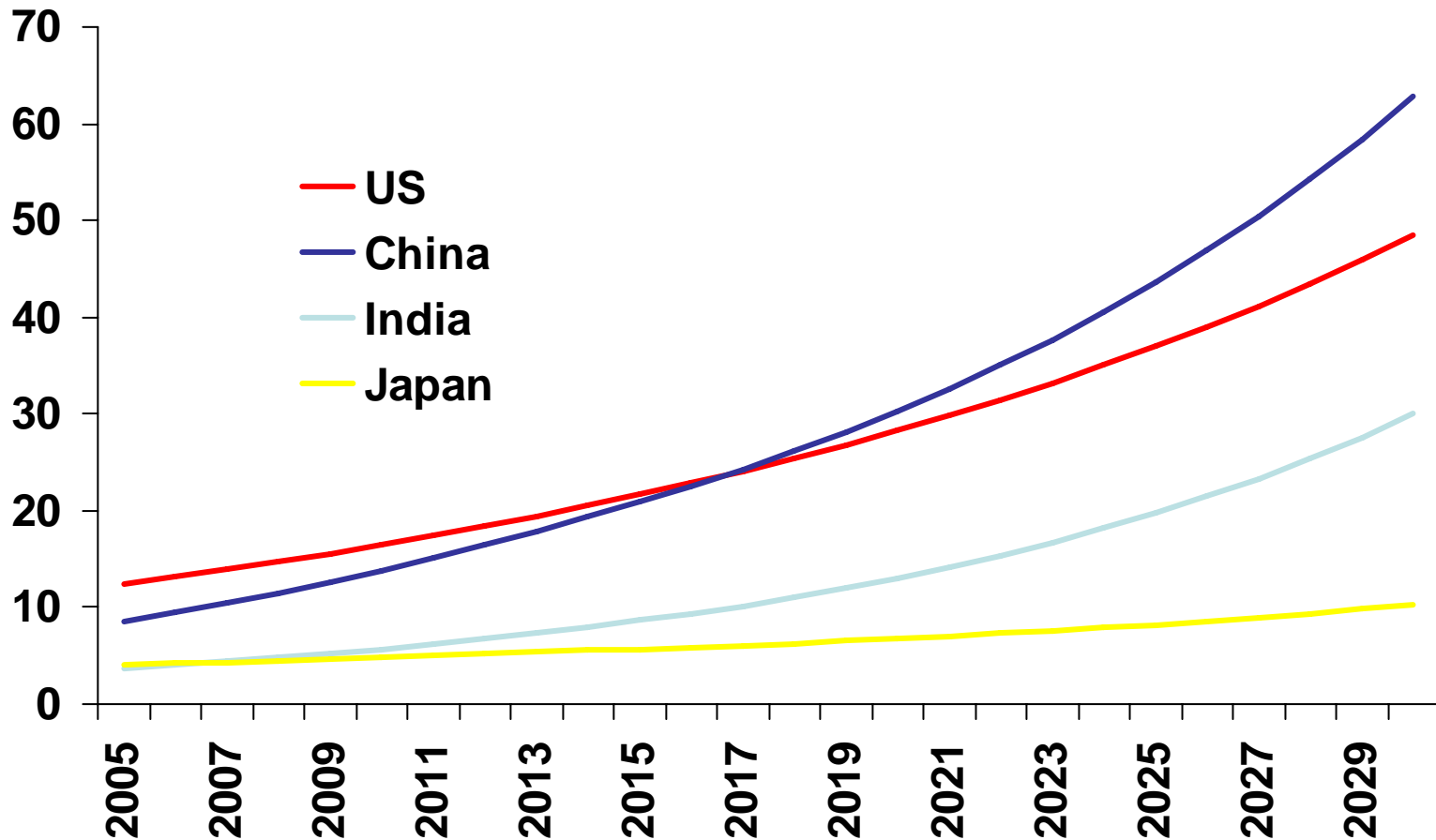


# Real GDP Growth Rates (%)

	2005	2006	2007	2008	2009	2010
World	3.4	3.1	3.0	3.1	3.1	3.2
US	3.6	2.8	2.6	3.0	3.1	3.1
EU 25	1.6	2.1	2.2	2.2	2.2	2.2
China	9.3	8.0	7.3	7.0	7.1	6.9
MENA	5.1	5.1	4.8	4.5	4.6	4.5
US 3-month interest rates (%)	3.5	5.1	4.9	4.8	4.8	4.8

# Will emerging economies catch up?

## US\$ trn at PPP

















# Dubai Economy



The Middle East's consumer base is growing 3% annually and will generate \$500 billion in retail sales by 2010, according to market analysts AC Nielsen.

A company study shows that private label sales in the region are growing at double the rate of branded counterparts and now account for 17% of goods sold.

Gulf News, September 05, 2006

# Dubai Property & Developments



Dubai Waterfront, a subsidiary of Nakheel awarded the contract for grading at the world's largest waterfront development to Dubai-based Ghantoot Gulf Contracting (GGC) for more than \$100 million (AED 367m).

Emirates Today, September 19, 2006

# Dubai Property & Developments



Dubai is investing a total of Dh300 billion in numerous aviation infrastructure projects.

Dubai International Airport is Dh19 billion. Second phase to be completed end – 2007 is worth Dh15 billion, this will increase airport capacity from 22 million passengers now to 70 million annually.

Gulf News, September 17, 2006

# Dubai Travel & Hospitality



Dubai aims to attract 15 million tourists a year. In 2005, 6.2 million tourists stayed in the city's 409 hotels. As tourist numbers rise, hospitality sector grows in the economy. Personnel training will grow in sophistication as well.

DTCM begun a new initiative to supervise and regulate training fro staff in hotels and tour companies

Gulf News, September 07, 2006

# Dubai Trade & Investment



**Trade between the UAE and Singapore touched \$6.4 billion (AED 23.48bn) in 2005, an increase of 58% over last year, according to a senior Singapore Government official.**

**“The two countries enjoy healthy trade ties, exports from my country to the UAE stood at \$3.6bn (AED 13.21 bn) and UAE exports are at \$2.8 bn (AED10.27bn) I believe this will increase further,” said Dileep Nair, Consul General of Singapore in UAE.**

Gulf News, September 05, 2006

# Dubai Travel & Hospitality



The UAE and China are to sign an agreement that will help attract more Chinese visitors to the country.

Approved Destination Status (ADS) is a tourism deal between Beijing and a foreign country, which allows Chinese citizens to take holidays to that destination.

Gulf News, September 08, 2006

# Dubai Travel & Hospitality



Dubai hospitality sector workforce could triple in 4 years as the emirate aims to have 80,000 hotel rooms by 2010 compared with the current 39,000.

The tourism sector currently employs about 30,000 people. "There will be close to 100,000 people employed in the tourism industry by 2010," Department of Tourism and Commerce Marketing (DTCM) human resource manager Ebrahim Yaqoot said.

Gulf News, September 07, 2006



According to DELL, the Supply Chain is 'The biggest leverage point we have.'

Global Clothing Manufacturer / retailer Zara argues, "the supply chain is the business model."

International trading company Li & Fung suggests "customer value lies in our ability to architect and operate supply chains."



# 10 Absolute Musts

1. Execute at Retail. Scrutinize process, fix problems.
2. Talk Aisles not just Categories. Category Management is evolving into Aisle Management. Rebalancing space and improving adjacencies is big impact.
3. Have a Trip Strategy. You're competing more for trips than customers. Know which trips you're losing, and work to get them back.
4. Elevate Financial Discussions. Know how and where stores make money. Cash Flow, True Profit, and ROI must be in your annual business reviews.



## 10 Absolute Musts

5. Make End-Caps More Productive. Beware conditioning shoppers to buy only on sale.
6. De-commoditize Center Store. Most profit comes from here, but a third of center store delivers no value. Differentiate this space via new merchandising techniques.
7. Aim Before Shooting. Before running price optimization programs, have a pricing strategy for aisles and categories that is consistent with total store strategy.
8. Seek Understanding. Demand that your vendors understand your business beyond just their own categories.



# 10 Absolute Musts

**SCLG**  
A DCCI business group

9. Act on Channel Dynamics. Be aware of who's winning and who's losing, and why; then act!
  10. Appreciate Base Grocery Power. For vendors, traditional supermarkets still provide economies of scale, full line distribution and test market opportunities. Keep this in mind as new formats grow.
- *Source: Willard Bishop Consulting. RFF Retailer 2006-10-23*

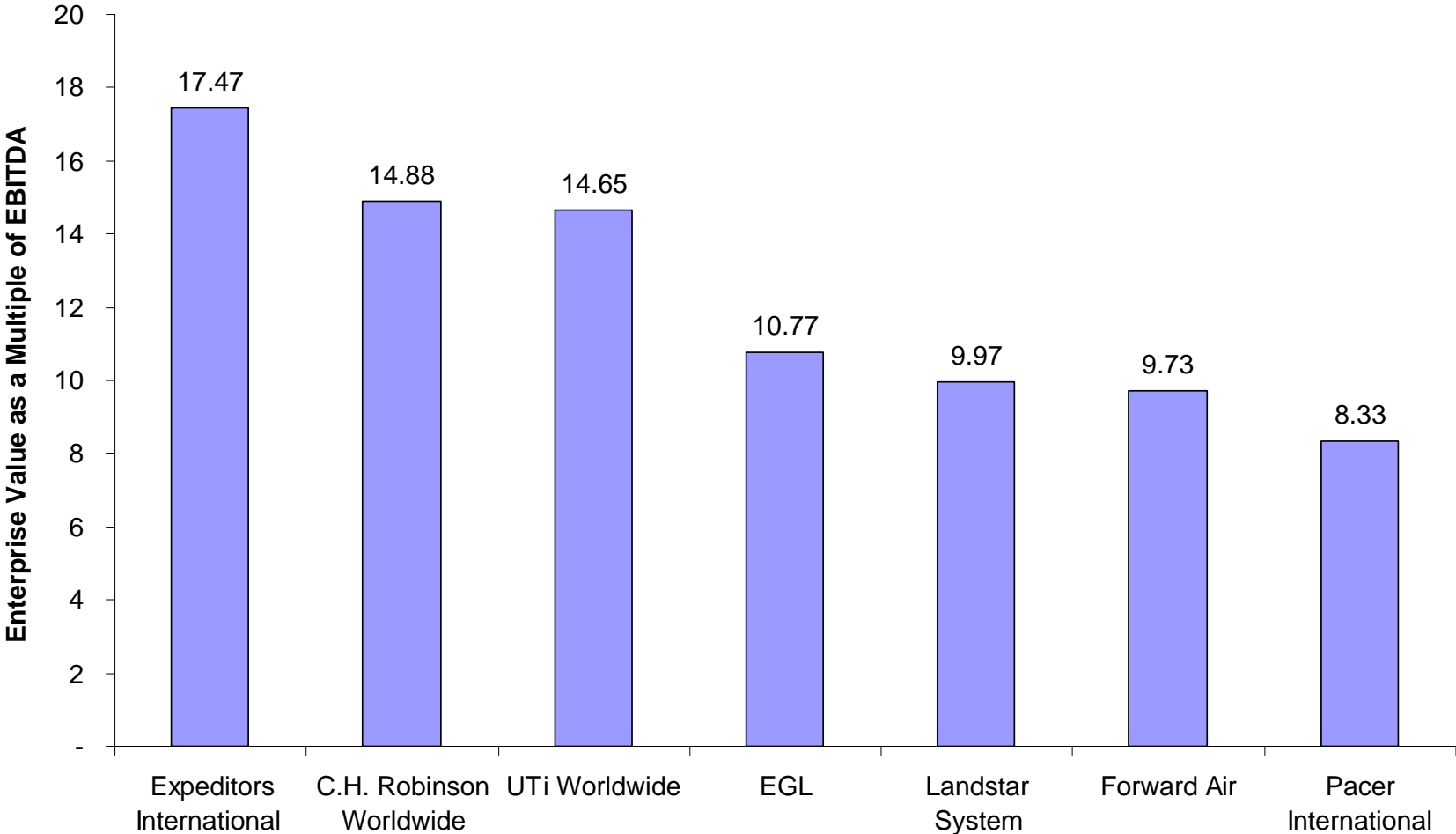
*China's frozen food market will reach \$7.5 billion this year, according to Shanghai-based research firm Access Asia. By comparison, in 2000, the market was worth \$4.8 billion.*

— Maria Trombly is China Bureau Chief for SourceMedia & freelance writer

## Campbell Soup Company

“Best in Supply Chain / Distribution” (Retail Systems Alert Group) using Norwalk, CT-Based Terra Technologies’s Real Time Forecasting Solution

# EBITDA Multiples



## **Hot Skills – Cold Skills** (Computer World Careers – 17/7/06)

**Hot Business Domain:** Enterprise Architecture  
Project Leadership  
Business Process Reengineering  
3P Provider Managers

**Tech Infrastructure** Systems Analysis  
Systems / Network Designs

**Security** IT Security Planning & Management

**Business Intelligence** Data Mining & Warehousing

- Competitively advantaged Supply Chain Strategies are at the core of most Winning Business Strategies
- Rethinking Supply Chain Relationships and Integrating Technology can result in Next-Generation Gains.
- Leading Supply chain Companies Generally Excel in the Deployment of Partnering and Outsourcing Strategies



## Aberdeen Group – PACE Key

Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities and enablers **(PACE)** that indicate corporate behavior in specific business processes.

These terms are defined as: -

- **Pressures** :- External forces that impact and organizations market position, competitiveness or business operations
- **Actions**:- The strategic approaches that an organization takes in response to industry pressures
- **Capabilities**:-The business process competencies required to execute corporate strategy
- **Enablers**:- The key functionality of technology solutions required to support the organization's enabling business practices

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