

AID-FOR-TRADE: CASE STORY

THE INTERNATIONAL TRADE CENTRE

Modular learning system - Supply chain management

MODULAR LEARNING SYSTEM – SUPPLY CHAIN MANAGEMENT

2011 AID FOR TRADE GLOBAL REVIEW: CASE STORY



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Region: Global

Countries: Angola, Argentina, Bangladesh, Barbados, Bolivia, Botswana, Cambodia, Chile, China, Colombia, Costa Rica, Czech Republic, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, Eritrea, Ethiopia, Ghana, Greece, Guatemala, Guyana, Hungary, India, Indonesia, Jordan, Kenya, Kazakhstan, Laos, Lebanon, Malaysia, Maldives, Mexico, Mongolia, Namibia, Nepal, Nigeria, Pakistan, Panama, Peru, Philippines, Senegal, Singapore, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Switzerland, Taiwan, Tanzania, Thailand, Trinidad & Tobago, United Arab Emirates, USA, Vietnam, Yemen, Zimbabwe

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EXECUTIVE SUMMARY



Managing an enterprise in a developing country is a complicated undertaking. Businesspeople have to possess the skills to handle a host of responsibilities, often with little formal training.

ITC is filling a gap in training with its Modular Learning System in Supply Chain Management (MLS-SCM[®]). The programme consists of a series of 18 complete and up-to-date training modules on supply chain management, as well as a professional certification programme with international examinations managed by ITC.

The programme is currently offered by a network of 120 licensed partner institutions in 61 countries under the overall guidance and supervision of ITC. More than 25,000 people have been trained to date, by approximately 1,500 trainers. The MLS-SCM is currently available in English, Spanish, Chinese, French and Arabic. The revenue for the institutional network was estimated at US\$ 2.7 in 2009.

The MLS covers the key aspects for effective supply chain management and prepares enterprises to enter global supply chains by offering high quality training which is at the same time easily accessible (in terms of learning approach) and affordable. The MLS-SCM[®] is aimed specifically at staff responsible for managing purchasing and supply chain operations in enterprises. It responds to enterprises' rapidly growing need to develop skills in supply chain management, a key area for competitiveness and export performance.

The MLS-SCM[®] Programme is based on a business model where local training providers (mostly from the private sector) sign license agreements with ITC, cover all local costs from the very beginning, pay license fees, royalties and exam fees to ITC and then recover their investment and generate income by selling high quality training programme in their local markets.

ITC trains the local trainers and assist with course design, marketing of the programme and offers overall guidance. An International Advisory Board consisting of high level international subject experts oversee and validate the programme.

Managers register with one of ITC's licensed partners, study at their own pace, and, after successful completion of exams, are able to obtain professional certification.

The MLS-SCM[®] Programme was developed in the late 1990s by a core team consisting of two ITC staff and a group of external experts, some of whom were attached to the Chartered Institute of Purchasing and Supply (CIPS). After several rounds of expert meetings and pilot tests the first 12 modules were launched by ITC in 2000. Since then, eight additional modules have been developed. All are regularly updated by leading SCM experts around the world. The professional certification programme was launched in 2002 based on a request from a group of Asian countries.



ISSUES ADDRESSED

Expert knowledge in supply chain management is key for enterprise competitiveness and export performance. Research carried out at the development stage of this programme indicated that despite the significant potential value of training in SCM, such training was either non-existent, offered on a very limited scale or not of sufficient quality in the majority of the countries targeted by this programme. In addition, many enterprises were not aware of the potential value of SCM skills development.

OBJECTIVE PURSUED

The objective of the Modular Learning System in Supply Chain Management (MLS-SCM) programme is to promote enterprise competitiveness through improved purchasing and supply chain management knowledge and skills.

All network member institutions report the full details of their activities including number of course offered, number and profiles of participants trained, names of trainers used, and course evaluations to ITC on a regular basis. Yearly network performance targets are defined by ITC based on targets given by the network. This data which is entered online on the network support website is also used to showcase best performances in the network.

PROJECT DESIGN AND IMPLEMENTATION

This programme is designed for business executives at different stages of their professional career: for those new to supply chain management, the programme offers a complete course for this key business function; for others who want to refresh or reinforce their skill sets, specialist courses are available. Participants can choose from 18 modules, study at their own pace, take exams and gain internationally recognized professional certification. ITC has worked with leading external international experts in supply chain management to develop the Modular Learning System training programme in response to the need for ongoing professional development of supply chain managers in developing countries. With the ongoing support of the Swiss Secretariat for Economic Affairs (SECO), ITC manages the continuing development and deployment of ITC's Modular Learning System in Supply Chain Management.

The programme was first launched in 12 countries in South and South East Asia, in the context of a regional project financed by SECO, as well as in China. The programme was also developed in Colombia, Peru and Bolivia with the support of an ongoing ITC project financed by Spain.

As a result of the very positive programme evaluation in 2007, SECO is currently financing the global scaling up of the programme, including three full time staff in Geneva. The programme will be fully self-sustainable from 2014.

PROGRAMME STRUCTURE

The SCM training programme is built on three pillars:

HIGH QUALITY TRAINING MATERIALS

PROFESSIONAL CERTIFICATION OF PARTICIPANTS

ITC NETWORK SUPPORT
training of trainers, course design, marketing and getting ready

All training programmes provide accessible content and plenty of practical applications, checklists, cases and business games. ITC produces Supply Chain Management training packs complete with participant course books, trainer materials, and multimedia learning tools. Where possible, content is localized with relevant additional technical materials and case examples.

TRAINING MODULES

The SCM programme consists of 18 modules covering key aspects of supply chain management, including logistics, procurement, and inventory management. The institutions delivering the training decide upon the length of training for each module, with each generally lasting 18 – 30 hours.



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| ■ 1. Understanding the Corporate Environment | ■ 10. Managing Logistics in the Supply Chain |
| ■ 2. Specifying Requirements & Planning Supply | ■ 11. Managing Inventory |
| ■ 3. Analysing Supply Markets | ■ 12. Measuring and Evaluating Performance |
| ■ 4. Developing Supply Strategies | ■ 13. Environmental Procurement |
| ■ 5. Appraising & Short-listing Suppliers | ■ 14. Group Purchasing |
| ■ 6. Obtaining & Selecting Offers | ■ 15. E-procurement |
| ■ 7. Negotiating | ■ 16. Customer Relationship Management |
| ■ 8. Preparing the Contract | ■ 17. Operations Management |
| ■ 9. Managing the Contract and Supplier Relationships | ■ 18. Managing Finance along the supply chain |

After participants have successfully completed some or all of the modules, they are eligible to take certification examinations:

- The International Certificate in Supply Chain Management, awarded after successful completion of the exams for modules 1-6.
- The Advanced International Certificate in Supply Chain Management, awarded after successful completion of the exams for modules 1-12.
- The International Diploma in Supply Chain Management, awarded upon completion of either:
 - The first 12 modules plus four additional modules (choosing from modules 13-18) and successful completion of a project report, or
 - Completion of all 18 modules



ITC'S ROLE

ITC develops new materials and manages the updating and translations of the full programme including the professional certification programme.

ITC provides the training for the local trainers who will be conducting the workshops. This includes technical training on the subject matter itself as well as training in teaching techniques. ITC also assists the institutions with:

- Identifying target groups & providing inputs to needs assessments
- Designing courses for specific target groups
- Developing local complementary materials and cases
- Getting started and managing the programme
- Marketing and promotion of the programme

ITC also monitors the quality and performance of the local partners and their trainers, sets targets, manages the network reporting and other related activities.

Yearly network events are also organised for institutional representatives and lead trainers.

PROBLEMS ENCOUNTERED

Problems encountered and risks in the context of this programme include:

- Management changes at the level of local partners that may affect programme delivery
- Staff changes (eg coordinator) at the level of local partners that may affect programme delivery
- Insufficient management, coordination and marketing skills of local staff
- Political problems in a country that may affect programme delivery
- Economic problems in a country that may result in companies cutting their training budgets and thus reducing demand for training

The programme is strongly market driven and as such is vulnerable to changes in market conditions. This being said, most partners have been able to successfully deal with such situations and remain competitive even in times of crises.

The fact that licenses are not exclusive and that all licenses are renewed every three years allows ITC to move to new partner institutions in case of serious problems. In such cases, the trainers - who are mostly professionals delivering training on a part-time basis - often also move to the new host institution

A new toolkit for programme coordinators launched in 2010, and increased support to institutions and coordinators in the areas related to managing and marketing the programme aims at reinforcing the capabilities of local coordinators and staff.

FACTORS FOR SUCCESS

The following points have significantly contributed to the programme's success to date:

STRONG PRIVATE SECTOR ANCHOR: Most of the network partners are from the private sector. Current partners include leading universities and business schools, chambers of commerce, industry federations, management training institutes, specialized SCM institutes and consulting companies.

CLEAR INSTITUTIONAL SELECTION CRITERIA: Working with institutions that are already financially self-sustaining, are well managed, committed and have a good reputation increases the chances of success.

"CARROTS AND STICKS": A mix of dedicated support, concrete benefits, and showcasing of good performance, combined with clear responsibilities, targets and reporting requirements.

FLEXIBILITY: The fact that ITC does not drive the programme in a country but rather takes on a support role to the local partners requires flexibility and a good understanding of local issues and problems. At the level of programme design, the flexibility for ITC to select and, over time replace, institutions has been crucial.

A GLOBAL PROGRAMME APPROACH REDUCES COST: A regional or global approach reduces costs significantly as in-country assistance and activities can be provided to neighboring countries back-to-back.

PROGRAMME BOARD: An International Board consisting of high level international subject experts oversee and validate the programme.

RESULTS ACHIEVED

- ▶ The programme is offered by 120 licensed partner institutions in 61 countries.
- ▶ More than 25,000 people have been trained (equivalent to more than 100,000 module participants, a measurement of the total number of modules that participants have been taught) by approximately 1,500 trainers.
- ▶ The revenue for the institutional network was estimated at US\$ 2.7 million in 2009. Demonstrated benefits at the enterprise level in 2008-2010 exceeded US\$ 51 million based on quantified success stories submitted to ITC by enterprises.
- ▶ The MLS programme was singled out as a model for sustainable capacity development in the 2007 ITC programme evaluation.

TESTIMONIALS:

“ I work as a Production Planner with GlaxoSmithKline BD Ltd., and it is my great pleasure to let you know that I have successfully applied the learning (MLS-SCM) to develop the system in the total Supply Chain. Each module has shown appeal to the young learner to learn and think in quite a different way. ”
Shaffudin Ahmad Mahi (2010)

“ After long persuasion we were able to cancel some orders previously booked at a higher price compared to the point of supply time and re-negotiated with supplier for a better price (learning gained through module 7).

We closely monitor supply market for the favourable time to buy in during the time of the economic downturn that we could have best price from the market without being stuck in a higher price (in light of Module 3).

We generally place orders through competitive bid, where applicable we do negotiation/re-negotiation and the source can be changed among approved suppliers (with help from Modules 3, 6, and 7). ”

Syed Asgar Ali,

Country Procurement Manager (Head of Procurement and Spend Management) of BOC Bangladesh Limited and trainer with the MLS-SCM Programme attached to the Dhaka Chamber of Commerce & Industry.

LESSONS LEARNED

Important lessons learned that have allowed ITC to continue to develop and improve the programme include:

- ▶ **Self-sustainability is possible:** Sustainable fee-based training services in developing countries can be developed using the combination of high quality materials, international professional certification and soft support. Institutions can cover all local costs, recover their investments and also generate good profit if they get things right.
- ▶ **Ability to mobilize partners and long-term commitment:** Staff involved need to develop a close and trusting relationship with each partner and be ready to proactively mobilize and motivate partners, and get involved in problem solving.
- ▶ **Communication:** A global programme of this type involves a lot of communication and communications management, and requires consistent messages from all involved.
- ▶ **Certification:** The training programme was needed, but some partners wanted a professional acknowledgement of the participants' work. It was on the request of countries in Asia that ITC developed the professional certification programme.



CONCLUSION AND RECOMMENDATIONS

The model has proven that private sector training providers are well suited to offer training services to enterprises, and that companies are willing to pay for such services if they get good value for money. The chances of success are increased when the local implementing agencies already have a well-developed capacity to deliver training and have a solid reputation locally.

At the same time, the developing agency needs to maintain a certain level of flexibility, including managing uncertainties such as changes in staff of the implementing partner, insufficient management by the implementing partner, or the economic or political instability of the country.

The MLS can serve as a model for other training programmes in which modest inputs of technical assistance to each country are matched by significant obligations on the part of partners, resulting in extended reach of training. The partners not only help build capacity of enterprises in their countries or regions, but recover their costs and at times even make a modest profit. The participants acquire knowledge, and even certification, enabling better business decisions and professional development. The partnerships created and enhanced among ITC, the trade support institutions and the enterprises has led to an important system of sustainable capacity development.