Duality of Leagility and Governance: A New Normal Demand Network Management Paradigm under Pandemic

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Abstract: The prevalence of emerging technologies disrupts various industries as well as consumer behavior. Data collection has been in the fingertip and inherited through enabled Internet-of-things (IOT) devices. Big data analytics (BDA) becomes possible and allows real-time demand network management (DNM) through leagile supply chain. To enhance further on its resilience and predictability, governance is going to be examined to promote supply chain transparency and trust in an efficient manner. Leagility combines lean thinking and agile techniques in supply chain management. It aims at reducing costs and waste, as well as maintaining responsiveness to any volatile consumer demand by means of adjusting the decoupling point where the product flow changes from push to pull. Leagility would only be successful when collaborative planning, forecasting, and replenishment (CPFR) process or alike is in place throughout the supply chain business entities. Governance and procurement of the supply chain, however, is crucial and challenging for the execution of CPFR as every entity has to walk-the-talk generously for the sake of overall benefits of supply chain performance, not to mention the complexity of exercising the polices at both of within across various supply chain business entities on account of organizational behavior and mutual trust. Empirical survey results showed that the effective timespan on demand forecasting had been drastically shortening in the magnitude of months to weeks planning horizon, thus agility shall come first and preferably following by lean approach in a timely manner.

Keywords: governance, leagility, procure-to-pay, source-to-contract

Conference Title: ICSCL 2021: International Conference on Supply Chain and Logistics

Conference Location : Paris, France **Conference Dates :** July 19-20, 2021