

CPG QUARTERLY NEWSLETTER



Editor: Jesse Alterman
Operations & Insights



CAN ERP SOFTWARE REPLACE MY CHINA SOURCING TEAM?

By Laura Dow
Business Director

ERP software is an excellent tool to enhance supply chain efficiency and data accuracy. However, it cannot replace the critical role played by human expertise in sourcing and supply chain management, especially in the international arena, such as when purchasing from China.

The optimal approach is to combine ERP software with on-the-ground human experts who add their own understanding of the local environment, bridge cultural gaps, and build trust with effective communication.

Integrating ERP software and human insights provides a strategic advantage in global sourcing, empowering companies to navigate the complexities of modern supply chains, tackle unforeseen international challenges, and maintain a competitive edge in the dynamic global business landscape.

A WORD FROM OUR CEO

By Michael De Clercq
CPG CEO

Welcome to 2024!

By now, most of us have taken a long hard look at 2023, identified the opportunities of 2024, and started to implement our vision for the new year.

It will be a turbulent year. We have elections, geopolitical friction, and brewing wars, and we will continue to deal with climate change, the rise of AI, and demographic challenges. How we navigate all this to grow our business is our January preoccupation.

Our readers have a geopolitical perspective because they source globally. In this issue, Laura addresses ERP software, and Chris is thoughtful about business vision. We also touch on freight costs and shortcuts. Lisa describes how conflict is affecting the Suez Canal and, in the meantime, dropping water levels threaten the Panama Canal.

Enter the Dragon. On February 10, we will start the year of the Dragon that will deliver vigor, strength, and power. Add to that the Wood element bringing growth, adaptability, and harmony. Feng Shui is great when it aligns with your own positive mindset.

CASE STUDY: LEADERSHIP AND STRUCTURE IN SOURCING A NEW PRODUCT



DID YOU KNOW?

Bruce Lee, Salvador Dali, John Lennon, Keanu Reeves, and Sandra Bullock were all born in the Year of the Dragon?

According to the Chinese zodiac, people born in the year of the dragon are believed to be individuals with charisma, intelligence, and a natural talent for leadership.



DOES YOUR SUPPLY CHAIN ADD VALUE TO YOUR VISION?

By Chris Volz
Client Success Manager

As global supply chains evolve in complexity in our highly volatile world, simply acting upon your short-term goals is insufficient. You must execute your business vision seamlessly throughout your supply chain.

You want dynamic and exciting results, requiring thoughtful preparations. As an integral part of the equation, you should harness the knowledge and skills of your supply chain partners to enhance your ability to deliver.

- Encourage active contributions from your China sourcing office
- Seek input from your service providers
- Listen to new ideas from your trusted manufacturers

They could help identify better sources, raw materials, and production techniques; improve your product and brand; and reduce costs to increase your market edge.

Supply chain partners are an overlooked resource. Tap into their vision and find ways to integrate their knowledge into your own.

AN IMPORTER'S GUIDE TO SURVIVING CHINESE NEW YEAR (CNY):

CNY holiday officially lasts 8 days from Feb 10 to Feb 17, but the impact on business operations can extend much longer as most plant workers take longer holidays (3 to 4 weeks). Here's a checklist to ensure you're prepared:

1. Confirm closure dates with suppliers
2. Discuss production and delivery timelines to avoid misunderstandings
3. Order extra inventory if necessary
4. Adjust logistics plans to account for delays
5. Stay informed and monitor developments to mitigate potential disruptions



SEA FREIGHT FORECAST FOR 2024

By Lisa Zhang
Sourcing Team Leader

Sea freight is overall in a weak state due to insufficient transport demand and excess transport capacity compared with sea freight in 2022. The Hussein armed attack in the Red Sea forced shipping companies to divert around the Cape of Good Hope. Because the sailing distance has increased by more than 3,000 nautical miles, shipping surcharges have increased accordingly.

American route: due to the Panama Canal's water shortage, ships will also face a circumnavigation of the Cape of Good Hope, and the sailing cost and sailing time will be greatly increased.

For example, the sea rate of one 40GP container from Tianjin to Rotterdam has increased by 3 times from 1400USD/in the week of Dec 18 to 4100USD in early Jan.

Alternative route for shipping while Suez Canal blocked

Using Suez Canal	Around Cape of Good Hope
10,000 nautical miles (18,520km)	13,500 nautical miles (25,002km)
25.5 days*	34 days*

*Based on ship's average speed of 16.43 knots



Source: Vessels Value

BBC

EMPLOYEE SPOTLIGHT: CHRISTINA ZHAO

Position:

Sourcing Team Leader

How long have you been at CPG?

More than 7 years

Fun Fact: I like to read detective fiction in my spare time, as it is pretty fun to solve the puzzle after rigorous reasoning and comprehensive judgment.

What do you love most about your job?

Communicate with people and get rich of ideas, add value to clients

What are some notable achievements during your time at CPG:

Client's satisfaction when they obtained the better supplier resources from us

