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Review of Vivek Sehgal, The Supply chain as strategic asset, John Wiley & Sons, Inc., Hoboken, New Jersey, USA and Canada (2011)

Book
review

„The Supply chain as strategic asset” published in 2011 is a book dedicated to professionals, coming from business as well as from the academic environment. This book may seem too complicated for those who don't use economical theories in their work or too easy for those who expect a rich theoretical approach.

The author, Vivek Sehgal, is considered “a pioneering thought leader” with many years of experience regarding the supply chain. Nowadays he is known as a writer too, by disseminating his experience in other books and lots of articles. This time he is sharing his experience about the supply chain gained in practice by combining it with the theory of Porter and some others, in a way easily understood. The particularity of this book consists in the ability of the author to identify the gap of information regarding the strategy execution, understanding that there are many books concentrated on the strategy development, but only a few are connected to this subject (p 5).

In its eight chapters the book mainly describes the relationship between the three strategies - business, functional and technology – focusing on how functional capabilities can create competitive advantages. The basic premise of the book is that strategy is successful when business capabilities exist, but actually the message is a call for awareness that the supply chain is the key capability of creating competitive advantages for a company.

On a complex market, every company has to adapt to change. The business process must be seen in a holistic way to create specific capabilities and better strategies (p78). Business strategy means understanding the company's business; functional strategy means understanding the functions it has to perform (p 75). At the first glance, the business functions may seem similar to the same business context, but the competitive differences arise from individual context (p 76). Technology sustains business capabilities by affecting them to create advantages for the company in a market context (p 74). In a competition where similar businesses interact, companies achieve parity in business capabilities (p 141). In time these can be innovated developing other capabilities that will drive to differentiators. Sometimes the supply chain plays as a core differentiator (p 152) and the supply chain capabilities can be designed to drive specific advantages sustaining a certain business (p 163). In fact this is the only way to create competitive advantage. The general supply chain strategies aren't capable of creating any differentiators (p

142). The author admits that it's difficult to define the right process because it depends on specific context and there is no right answer for any of that (p 222).

The book doesn't make any difference between corporate or business level strategy (p27) and combines in a logical way the connection of theory with practice.

Every concept is explained in detail completing the information with examples and showing the right place when it will be used. The first three chapters provide knowledge about basic concepts of business strategy and what must lead to create the competitive advantage. The next three chapters are focused on functional strategy. The seventh chapter is dedicated to the role of technology and the last one is a complete perspective of the information contained into the entire book presenting the ideal nirvana supply chain as a dream of every company, but impossible to reach. Starting with the fifth chapter, the book becomes a set of questions and answers as a way for a better understanding that the supply chain is an important business function. The reader has to follow carefully the linkage of the ideas and the author recommends for improving some knowledge about supply chain based on another book wrote by him "Enterprise Supply Chain Management: Integrating Best-in-Class Processes" (p 105) inviting the reader to get a fresh perspective on the supply chain from the strategic point of view.

At the beginning of every chapter the author specifies its core idea, then explains again the concepts from the previous chapter. In this way the reader can improve old information and link it with new information. Page by page the book shows all of the situations imagined by Vivek Sehgal, but there is a moment when he confesses his limits on covering all of them since creating a functional strategy depends on factors in connection with the industry, the business strategy of the firm and its choices in the supply chain design (p 139). Sehgal identifies some patterns based on industry segments, type of products and demand (p 152), but what creates comparative advantage is the ability to innovate capabilities driven by business strategy that overcomes the commonality (p142)

Even if it is known that this book is the result of one author's work, Sehgal uses to communicate his ideas by addressing with "we" instead of "I" admitting honestly and tacitly a team work.

Porter's strategy theory is the landmark for Sehgal's book, but there are other authors completing the theoretical landscape like David J. Collins and Cynthia A. Montgomery, Kenneth Andrews, Charles W. L. Hill and Gareth R. Jones, John Kotter and James Heskett (p 51), Hau Lee of Stanford (p 107), Martin Christopher, Hellen Peck and Denis A. Towill (p 108). These references are correctly quoted and sometimes the theory is fulfilled with the author's arguments and examples providing a complete perspective of the matter. At the end of the book there is a long list of references that aren't mentioned in the text; therefore it is difficult for the reader to understand what comes directly from Sehgal and what comes from the others.

At a certain moment Sehgal admits his own concept called "organically grown functional capabilities" (p 88) which means that in a company individual projects bring individual value added, but not every time they contribute to the evolution of the core competences; when it's found a way for such an evolution the concept meets its definition as the author wanted to.

As research methods, the book is rich in bringing information from the existing literature about strategy and value chain. The theory is combined with many case studies brought to fulfil the value of the concepts and their projection into reality. Then every chapter concentrates the ideas in some figures and pictures helping to create a visual synthesis. Another particularity that completes the picture is the way of using some analogies for a better understanding.

This book tries to show that building superior supply chain capabilities is the right tool to be competitive. It's an invitation to an analysis, to align the goals of the company to the business context. Without this it will always be a conflict between them, and never turn into a strategic asset.

The experience gained by VivekSehgal made him understand what companies miss in their way of doing business. By his work he shows a new way of thinking about supply chain as a core process to create competitive advantage. The supply chain in an ideal world should be stable but in a real world can be developed only in interaction with the system landscape where many companies develop businesses as parts of an integrated system and every change of the system can affect the entire system.

Therefore a dynamic, innovative and vigorous supply chain can meet every situation and be sustained by relevant action.