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RUSCA & SUPPLY CHAIN

What is RUSCA?
PG.1

*Shrimp, Slavery, and
the Supply Chain*
PG.2

*Big Data Plays a
Positive Role on
Supply Chain
Management*
PG.3

*From Humble
Beginnings: The
Sudden Spike in
Supply Chain
Management*
PG.4

RUSCA Events
PG.6

Rutgers University Supply Chain Association

RUSCA

Rutgers University Supply Chain Association



Shaping the world's future Supply Chain leaders

What is RUSCA?

RUSCA or the Rutgers University Supply Chain Association is the main Supply Chain Management organization at Rutgers. The organization was founded six years ago and is entirely student-run with the counsel and mentorship of Professor Eugene Spiegle. RUSCA hosts information sessions, site visits, and case competitions with companies. Just this year, RUSCA has added to its vast schedule some fundraising events, a mentorship program, and last but not least, our newsletter.

FOR RUSCA SPECIFIC EVENTS, SEE PAGE 6

Shrimp, Slavery, and the Supply Chain

By: Jamie Kim (RU Class of 2016) and Sophia Zhou (RU Class of 2018)

“Where is this source of labor coming from? Thailand”

Source: Hodal, Kate, and Kelly Chris. "Slavery: Modern-day Slavery in Focus." *The Guardian*. 10 Jan. 2014. Web. 24 Sept. 2015. <<http://www.theguardian.com/global-development/2014/jun/10/sp-migrant-workers-new-life-enslaved-thai-fishing>>.

The big catch

How slaves are integral to producing the prawns on your plate

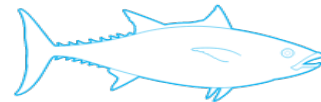
A SLAVERY

- Thousands of migrants flock to Thailand each year, the **vast majority from Burma and Cambodia**. Many pay brokers to help them find work and passage
- Trafficked migrants pass through ports like **Mahachai, Songkhla, Samae San, Ranong, Rayong, Kantang, Pattani, Pak Nam and Samut Prakan**. Boat captains purchase workers for as little as £250 and keep them on fishing vessels sometimes for years at a time
- “Slave vessels” ply international waters around the Gulf of Thailand, for tuna and other fish, **scooping up vast amounts of ‘trash fish’ in the process**



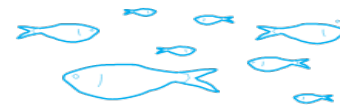
B THE CATCH

Tuna



Trash fish

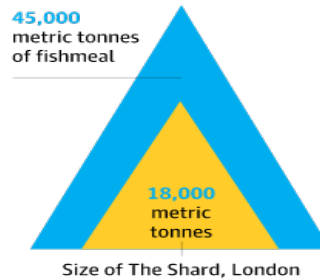
Small or inedible fish, used for livestock and fish feeds



- Boat captains **sell their trash fish indirectly to CP Foods**, a Thai conglomerate with annual revenue of more than \$30bn

- CP Foods buys **fishmeal from 38 factories to mix into prawn feed** at its mills

In 2013, CPF bought **45,000 metric tonnes of fishmeal** for its shrimp-feed production ...



C EXPORT

- CP Foods exports shrimp to Europe and America. **It accounts for 10% of the 500,000 tonnes of shrimp that Thailand exports every year**



Some product is imported to the **UK via Felixstowe ...**



... then packed in **Soham ...**



... before **onward shipment** to UK retailers



SOURCE: GUARDIAN RESEARCH

Defamation of a company is inevitable if it fails to directly confront erroneous business decisions. Costco is facing this problem with a controversial lawsuit concerning the degradation of human rights involving its second-tier supplier. A few weeks ago, three law firms in California filed a class action lawsuit against the bulk superstore for the involvement of slavery in its shrimp supply chain. Where is the source of this slave labor coming from? Thailand.

Valued at \$6.9 billion, this Southeast Asian country's fishing industry drives its economy with exports of \$2.5 billion to the United States and Europe. Within this industry, the fishmeal for farmed fish products, made with "trash fish," is produced using the labor of immigrants within Thailand, who come to the country in search of better job opportunities. Approximately 80% of the 145,000 documented workers originate from Cambodia, Myanmar, and Laos, with 200,000 unregistered workers. These immigrants are

deceived into human trafficking through what were marketed as decent, legal jobs or lured and drugged into the industry by prostitutes. Workers are forced to work 20 hours a day, suffer severe physical consequences for the smallest matters, and live in uninhabitable conditions with lack of food and sleep. They are the epitome of modern day slaves.

Thailand's fish industry heavily relies on forced labor and trafficking as a result of poor management. By failing to monitor and control daily activities, the industry overfished its resources with unreported and unregulated (IUU) fishing. This leads to the depletion of the fish population along the shores of Thailand, forcing vessels to travel for extensive periods of time further out at sea. As a result, there is a need for more workers and an escalated burden to reduce costs. All these factors led to a desperate search for a larger and cheaper labor force, and human trafficking became the "solution."

This is the story behind the shrimp sold at Costco stores across the world. Costco's shrimp supplier is CP Foods, a Thai company that happens to be the world's largest shrimp farmer. The supplier of CP Foods' shrimp fishmeal is the arm of the supply chain that uses slave labor. CP Foods supplies large international food manufacturers and retailers, including Walmart, Carrefour, and Aldi.

The lawsuit demands the labeling of Costco shrimps as a product of slavery with allegations that the company was aware of the source of labor from their second-tier supplier. Though the relationship between Costco and slavery is indirect, the power of Costco as a multinational corporation can potentially be used to change the system in Thailand, especially since United Nations officials and organizations have limited influence as a third party participant of the issue. Large corporations have a great social responsibility, and the plaintiffs are leveraging that power to potentially make a difference.

In an interview with the Guardian, **Lisa Rende Taylor** of *Anti-Slavery International* said, "Global brands and retailers can do so much good without bringing too much risk upon themselves by simply enforcing their supplier standards, which typically prohibit forced labor and child labor. And if local businesses realize that non-compliance results in loss of business, it has the potential to bring about huge positive change in the lives of migrant workers and trafficking victims." By putting pressure on their suppliers to adhere to certain standards in labor source, in addition to quality and inventory management, large corporations can influence these critical decisions.

Big Data Plays a Positive Role on Supply Chain Management

By: Kriti Sinha (*RU Class of 2019*)

"ERP is no longer able to sustain or endure the hardships Supply Chains face today"

According to the article, *Ten Ways Big Data is Revolutionizing Supply Chain Management* by Louis Columbus, Big Data is revolutionizing Supply Chain Management as it is giving supplier networks the chance to deal with "greater data accuracy, clarity and insights." Manufacturers want to implement the use of Big Data, a programming language, and Cloud Based Technologies on the entire Supply Chain Management process so that they do not need to limit themselves to just Enterprise Resource Planning (ERP) systems. ERP helps in the process of combining different functions that are important when running a business, such as inventory, accounting and human resources, and implements them into one system, which processes information throughout the entire organization. However, Manufacturers believe that ERP is no longer able to sustain or endure the hardships Supply Chains face today, which is why they are incorporating Big Data with Supply Chain.

In the article, Columbus mentions a few main reasons as to why Big Data should be included in a Supply Chain's operations. First, the amount of data used in the Supply

Chain management process is accelerating day by day. Analysts are looking forward to using big data within the Supply Chain operations process as it can foster new room for collaboration. Second, incorporating big data within the operation process can help with knowledge-sharing networks which is quite significant in Supply Chain management in order to break down silos. Third, the use of big data and business analytics helps with “demand forecasting, integrated business planning and supplier collaboration & risk analytics” at a quick rate. Using technologies such as big data and business analytics can greatly enhance the process of Supply Chain Management with both technology and business processes.

Results companies have achieved using big data analytics



Source: Columbus, Louis. "Ten Ways Big Data Is Revolutionizing Supply Chain Management." *Forbes*. *Forbes Magazine*, 13 July 2015. Web. 24 Sept. 2015.
<http://www.forbes.com/sites/louiscolombus/2015/07/13/ten-ways-big-data-is-revolutionizing-supply-chain-management/>.

This article depicts that with the help of Big Data, the entire world of Supply Chain management can change in the sense of being more predictive of future conditions and in overseeing the flow of goods and services. According to the article, *Ten Ways Big Data is Revolutionizing Supply Chain* by Louis Columbus, from a performance standpoint, utilizing Big Data technology “leads to a 4.25x improvement in order-to-cycle delivery times, and a 2.6x improvement in Supply Chain efficiency of 10% or greater.” Essentially, this demonstrates that implementation of Big Data equates to more potential efficiency within any given operation’s capacity.

From Humble Beginnings: The Sudden Spike in Supply Chain Management

By: Brandon Daley (RU Class of 2019)

The Supply Chain Management program at Rutgers University continues to rise. According to Gartner’s recent rankings, the school places within the Top 15 and Top 10 for both the best graduate and undergraduate programs respectively within the entire nation. It is no surprise that the job outlook post-graduation is increasing as the quality of the program strengthens and as more competitors engage into the trendy new major. Fortune.com predicts that by 2018, over 1.4 million new openings will be filled by college students, including those studying at our very own State University of

New Jersey. However, this was not always the case. Over a decade ago, Supply Chain Management was a relatively nascent field of study. However, over the years there have been several key players who have contributed to pushing SCM forward. Those people include Mr. Alok Baveja, a professor of SCM at the university and Mr. William McLaury, an associate professor on the topic, among others.

In order to answer the question of how Rutgers's Supply Chain Management Department got to where it is today, it is important to first construct a general definition of the term. Supply Chain Management is the oversight of materials, information and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer (TechTarget). The fact that your local Wawa has milk stocked in their fridges is an indicator of an effective supply chain, by having the product on time when you need it, defect-free for immediate use, and in adequate supply for the general demand. The raw milk originates in the cow, is milked by the laborers (farmers), bottled and packaged by factories, stored and treated at distribution centers, sold and shipped to stores, and lastly ends up on the shelf where the consumer ultimately purchases it. This has always constituted a basic supply chain and has not changed. However, what has changed is the level of complexity given the globalization, technological, economic, and competitive forces that now come into play. In addition, the mentality of integration and breaking down the organizational silos that previously existed in most traditional companies led to the rise of competing supply chains within and across the business.

Last spring, under the leadership of Dr. Weiwei Chen, Rutgers's SCM Team won the case competition amongst other top schools in the nation. In addition to success at the competition, Professors Arash Azadegan, Rudolf Leuschner and Mark Sutterly recently launched an innovative Masters of SCM online, allowing students to gain knowledge of the field from anywhere.

Since being introduced in 2008 by Dr. Lei, Supply Chain Management has swelled to 800 students currently enrolled at the Rutgers Business School. Subsequently, we are one of the largest SCM programs in the nation. As for the future of SCM, Professor Dobrzykowski believes it is unbelievably bright. Over the past seven years, SCM students at the MBA level have had a 100% placement rate in getting summer internships, largely due to the outstanding leadership of Rutgers Professor Gene Spiegle. Over 100 major SCM companies are trying to pursue these students.

On the whole, SCM is anticipated to outpace many of the more common business fields. At a 22% job outlook rate as of 2012 and a current \$72,780 median salary, SCM has become the newest luring and lucrative pursuit.

“At a 22% job outlook rate as of 2012 and a current \$72,780 median salary, SCM has become the newest luring and lucrative pursuit”

RUSCA EVENTS

What has RUSCA been up to this past month? The following are events RUSCA has held during this past month of September, as well as those we will intend to host for the upcoming October. Each information session highlighted the company's internal structure, culture, strategy, philosophy, and last but not least, employment opportunities for our fellow RBS students. Each event concluded with the chance to network with the respective recruiters and representatives.



September Events listed as follows:

9/8/2015	Involvement Fair
9/9/2015	J&J Information Session
9/15/2015	Diageo Information Session
9/16/2015	SCM Expo
9/18/2015	Amazon Information Session
9/22/2015	JP Morgan Chase Information Session
9/23/2015	Target Information Session

Upcoming Events for October:

10/2/2015	Blood Drive
10/6/2015	Meet the SCM Professors
10/7/2015	AT&T Info Session
10/12/2015	Mentor / Mentee Kickoff Meeting
10/14/2015	Mars Information Session
10/20/2015	Club Partner Event
10/28/2015	Church & Dwight Information Session

RUSCA's Mission Statement:

To inspire our RBS students into learning more about Supply Chain Management and its opportunities, as well as to serve as an intermediary organization on behalf of the RBS student and support the student in the pursuit of a successful internship, co-op, or full-time offer, most especially for our Supply Chain majors.

Want to know more and stay up to date with RUSCA events?

E-mail: rusca.rbs@gmail.com

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