College of Business

Re-positioning Supply Chain & Logistics within the College of Business

June 2009
1 Introduction

RMIT has delivered undergraduate, postgraduate coursework and research degrees in Supply Chain and Logistics for approximately 20 years, and its programs have been delivered under a range of titles: Transport Economics; Transport and Logistics Management; Logistics & Supply Chain Management and Logistics Management (Postgraduate).

The repositioning of supply chain and logistics within the College of Business to create a stronger, and more concentrated, presence has been the focus of discussions over the last few months. This paper summarises these discussions and the recommendations and next steps recently agreed by the College’s Executive Group. In essence, the relocation of these disciplines will deliver a greater concentration of College strengths in teaching and research for two of the College’s schools. The changes will support the development of a stronger RMIT leadership role across the supply chain and logistics disciplines and improve our positioning in the marketplace.

RMIT is a member of the Global University Consortium (GU8), whose vision for the future, particularly with a focus on the next several years, is based on the member universities common location on the world’s coastlines and a common commitment to issues relating to the world’s oceans. Along with Marine Affairs, Advanced Technology, and Business Administration, Global Logistics and Supply Chain Management are areas of great importance to the growing world marketplace and areas of strength for the member institutions.

2 College Context

Consultants\(^1\) were commissioned by the PVC (Business) in early January 2009 to conduct a situational analysis of the Business TAFE School (BTS), and to recommend operational and organizational changes required to effectively position the BTS for Skills Reform and other significant new government policy regimes, and ensure its alignment with RMIT’s strategic plan.

One of the recommendations made by the team of consultants was the creation of two new dual sector schools within the College of Business. One of these, combining the disciplines of Information Management, Information Systems and Logistics, was put forward against the following rationale:

“Logistics is an important field of study for RMIT and the proposed organisational changes will position RMIT to better develop its strengths in this area. At present, logistics expertise is spread across three schools in Business, and a number of schools in SET. There have been many attempts to link these strengths, for example, through the proposed creation of a research or expertise-focused centre. Within the College of Business, logistics is spread across the School of Management, the Business TAFE School (BTS) and the School of Business Information Technology (BIT). The School of Management has the largest collection of teaching and research staff in Australia, the BTS has recently won a highly prestigious Skills Council Government grant to deliver skills training to TNT, and the Head of School (BIT) is driving the creation of a research concentration in logistics within the University. The proposed changes will reposition logistics within the College of Business to create a much stronger, and more concentrated, presence for the business-related logistics disciplines. It is recommended that the logistics expertise and programs within the current BTS be relocated to the School of BIT. If this occurred together with the relocation of logistics experts in Higher Education in the School of Management, then the College of Business would be in an excellent position to create a new School which was able to combine the strengths in information technology with very strong logistics research and expertise.”\(^2\)

In late January 2009, the Vice-Chancellor approved the recommendations of the consultants’ report.

\(^{1}\) Consultancy Team - Margaret Taylor (Leading Edges Australia P/L), Stephen Auburn (Realise Performance P/L), Chris Kane (Jo Fisher Executive) and Rob Sheehan (Sharp Words)

During 2009 the Deputy PVC (Research) will continue to explore the possible establishment of a centre or concentration in this area, delivering recognition of logistics and supply chain management as a significant research strength in the College and, potentially, across the University. These opportunities will also be explored in the context of the cross-school Management Research Centre.

3 Summary of Program Performance

1. The Higher Education onshore undergraduate and Masters programs are both viable (the undergraduate program returning a 10% contribution and the Masters program returning a 29% contribution in 2007 after overheads were deducted).
2. There is a general upward trend in the level of teaching quality (as measured by the CEQ and CES).
3. All programs admitting students through the VTAC system have slowly rising “clearly-in” ENTER scores.
4. New VET qualifications in the discipline have been introduced in 2009.
5. Aggregated offshore results demonstrate a sustained increase in CEQ Good Teaching and Overall Satisfaction.
6. The B Bus (L&SCM) achieves high levels of full time employment (93%); almost equalling the School average (94%), and exceeding the College (87%), University (86%) and FOE benchmark (82%).

Additional information may be found in the Quality, Viability and Profile Pack reports. These reports, along with full details of the College’s teaching and research activities undertaken across this discipline group, may be obtained by contacting Suzy Ballantyne in the Office of the PVC (Business).

4 College Executive Determination

At its 18 June 2009 meeting, the Business College Executive agreed that:

- the School of Business IT be reformed to include the Higher Education logistics programs currently housed in the School of Management. This change in program location will take effect from Semester 1, 2010.
- a new name for the School of Business Information Technology be developed, with appropriate consultation.
- the School of Management be restructured to remove logistics and enable the school to focus on organisational, human and strategic aspects of management. The School of Management will not change its name.
- the TAFE logistics programs within the Business TAFE School will not be moved. The College will explore alternative ways of strengthening the academic interface between TAFE and the Higher Education schools. Arrangements are already being made to offer TAFE ‘skills electives” in programs offered by the existing School of BIT.

5 Key Outcomes Envisaged

Restructuring the School of Business Information Technology to add logistics to its information systems and information management expertise will:

- enhance research outcomes and focus
- strengthen and broaden course composition and graduate capabilities to more effectively respond to industry and the needs of the profession
- support the development of a stronger RMIT leadership role across the supply chain and logistics disciplines and improve our positioning in the marketplace
- improve industry engagement through organisations like GS-1
- improve and strengthen contacts with the GU8, especially at the University of Hull where the disciplines are collective
improve and strengthen Business as the key player in the Logistics strategies for the university and make access to RIs stronger
increase the long term viability of SBIT as all staff will be able to cross teach and make better use of their time
lead to reconsideration of space and fiscal arrangements for the School of BIT
improve prospects to further enhance teaching quality and manage offshore teaching
improve the WIL component of the SCM and Logistics programs through expanding and strengthening the already successful WIL group in SBIT.

Restructuring the School of Management via the removal of logistics will enable the School to focus on the social, organisational, human and strategic aspects of management.

Although the relocation of the TAFE programs in the Business TAFE School will not take place, the College will work to strengthen the formal and informal academic links between the separate TAFE and Higher Education Schools.

6 Next Steps

Over the next six months there will be extensive discussions involving the staff of both schools, and other external stakeholders, to explore and resolve staff movements, resourcing, adjustments to school name and all associated matters. An Implementation Support Group involving the Heads of both Schools and other stakeholders will be convened to work through all relevant matters.

In summary:

- the Director, Planning and Resources will shortly convene an Implementation Support Group comprising the two Heads of Schools (Management and BIT), a representative from People and Culture and the Human Resources Consultant within the Office of the PVC (Business).
- impacted staff (and associated resources) will be identified
- a new school name will be determined in consultation with staff
- organisational timelines in relation to system recordings (AMS, SAP, Library, OUA, etc) will be met

As the matter progresses, all staff across the impacted schools will be informed. Further meetings to seek staff input to the planning will be held and staff will be encouraged to share further their ideas with the Head of School and the Implementation Support Group.

7 School Information

School of Management

The School's Logistics and Supply Chain Management (L&SCM) discipline group currently employs eleven academic staff.

The School is anticipating employing two more academic staff by the end of 2009. These new staff, both within the mainstream of Supply Chain Management, are highly desirable at this time. If the two new appointments are made, and are subsequently transferred across to the School of BIT, then the Management School would require further discussions on the broader resource implications as the impact of such action would be more widely felt than simply within the L&SCM discipline cluster.

Two administrative staff manage the program administration for the Bachelor of Business (LSCM) and the Master of Business (Logistics Management) in Melbourne and at the Shanghai Institute of Foreign Trade. All other offerings of these Programs will finish in 2009. These two positions should be transferred.

In 2009, 22 LSCM students have been placed in Co-op. The current School of BIT has an existing WIL team and it should be feasible with these numbers to integrate the LSCM students into this existing structure.
Within the School of Management, the International Business students undertaking Co-op and the Management WIL students in Melbourne and Singapore will continue to be supported by the Work Integrated Learning Coordinator.

The table below outlines the percentage of 2009 income generated by the LSCM discipline. A transfer will result in a 17% loss of income equalling $5,315,429.00 to the School of Management. Note that OUA offerings are additional ($268k in 2008).

**Table 2: Students and Income of L&SCM in Each Fee Category**

<table>
<thead>
<tr>
<th></th>
<th>L&amp;SCM</th>
<th>Total School</th>
<th>%</th>
<th>2009 Income</th>
<th>Budgeted Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EFTSL</td>
<td></td>
<td></td>
<td></td>
<td>L &amp; SCM</td>
</tr>
<tr>
<td>COG</td>
<td>155.625</td>
<td>932.125</td>
<td>16.70</td>
<td>$1,147,368.00</td>
<td></td>
</tr>
<tr>
<td>AFPENT</td>
<td>30.375</td>
<td>122.375</td>
<td>24.82</td>
<td>$559,506.00</td>
<td></td>
</tr>
<tr>
<td>INTON</td>
<td>167.000</td>
<td>481.625</td>
<td>34.67</td>
<td>$3,338,086.00</td>
<td></td>
</tr>
<tr>
<td>INTOFF</td>
<td>51.625</td>
<td>2772.750</td>
<td>1.86</td>
<td>$270,469.00</td>
<td></td>
</tr>
<tr>
<td>VIETNAM</td>
<td>0</td>
<td>2872.285</td>
<td>0</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>L&amp;SCM Total</strong></td>
<td><strong>404.625</strong></td>
<td><strong>7181.16</strong></td>
<td></td>
<td><strong>$5,315,429.00</strong></td>
<td></td>
</tr>
<tr>
<td><strong>School Total</strong></td>
<td><strong>EFTSL</strong></td>
<td><strong>%</strong></td>
<td></td>
<td><strong>$31,871,275.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

In addition, the Bachelor of Business (L&SCM) is delivered through OUA and, in 2008, earned the School of Management $267,923 through the provision of courses to 523 students.

All onshore Programs and the Bachelor of Business (Management) are viable, so the loss of L&SCM will not decrease the viability of the School of Management.

**School of Business Information Technology**

The School of Business IT was formed about 14 years ago bringing together staff from IT at Coburg, Business Information Systems staff from RMIT and the Librarianship discipline staff from RMIT. Originally the school included the IT staff now in the BTS. Business IT was chosen as a name as it seemed to provide a generic name for these disciplines. Gradually, and certainly over the past 4 years, the school has operated in a collaborative way with staff doing joint research, co-supervision of PhD and masters students and in the way it is managed. The School operates its teaching and learning, research, international and Industry engagement independently of the disciplines with all staff equally able to attend and work on the four committees which make decisions in each of these areas. Logistics and SCM would strengthen this and add a further richness to the outcomes of the school. The culture in the school is strong and cohesive, supported by an excellent administrative team.

SBIT is currently in the band of 4 schools within RMIT which achieves the highest CES and GTS scores. On a recent benchmarking exercise SBIT now outperforms an equivalent UNSW school on all KPIs in research and has made that advance over the last 3 years. This result is enhanced by a community of more than 60 PhD students, a regular research seminar series and a set of regular research training seminars. The culture of the school is now one that each staff member is expected to and does teach well and produces significant research outcomes. The professoriate in the school works with all staff to support them in achieving these outcomes. Personal and academic development of all staff is a key focus of the school’s planning and operations and staff wellness is the major goal for the school as a whole.

The School teaches two undergraduate degrees in Business Information Systems and Information and Knowledge Management, the latter being withdrawn from 2010. The school has a strong Masters program in Business IT (MBIT) and a long-standing and strong Grad Dip in Information Management converting to a MIM in 2010. These programs are accredited by their relevant Professional Associations. The ACM/IEEE contains IM and the Australian professional body (ACS) supports strategies for blended degrees and internationalisation of accreditation. Logistics will support our internal strategies towards meeting changed external benchmarks through the broadening opportunities for blended degrees and specialist streams a
priority for the accrediting body. There are subjects on Logistics, Systems Dynamics and Modelling, and Eprocurement taught in these programs. Bringing SCM and Logistics into the school will bring additional strength to the MBIT in particular and enable cross teaching of staff from both disciplines into a more comprehensive selection of Masters level subjects. The strengths in the IM area in terms of information and knowledge organisation and management will assist in the enhancement of understanding management in supply chains.

Innovation in what and how staff teach and in research projects is a key feature of the way the school operates. However the current school is limited by its size. Adding in staff and research students from SCM and Logistics would encourage new innovations benefitting all groups of staff. Strategic developments in the university recognise one of the School’s areas of focus and development, the multidisciplinary services science area, and the links with IBM in developing services solutions in all industries including supply chains, is important for the directions the school seeks to follow.

The new school will have added strength through collaboration to deliver solutions and applied research for the proposed Business Systems research cluster (ERA). E-Business is the IT context of SCM and Logistics.

Bringing Logistics and SCM to be an integrated partner in the existing school would strengthen the capacity of both the Information Systems staff and the SCM and Logistics staff in the development of business applications and management solutions. It would also strengthen the capacity of the IM staff as knowledge and information management and sharing are key skills shared with SCM and Logistics and each area would be strengthened. Some SBIT staff are already working on system dynamics solutions and Operations Research applications using IT for supply chain and logistics problems in horticulture, health, food production and resilience and poverty management in developing countries. The expertise and strengths of the SCM and Logistics academics would enhance and further strengthen this work. The use of ICT for integrated supply chain management has been becoming an increasing important issue in the real world. The proposed move would help RMIT Business provide effective solutions to managing supply chains from an innovative perspective. Currently RMIT has a few SCM and Logistics PhD graduates and current students with their focus on Saudi Arabia. The amalgamation would reinforce our research commitment to SCM and technology related work.

Consolidating IS, IM and SCM and L staff into the one area will enable a more strategic relationship with the GU8 and especially with GS-1 who has partnerships with each existing group but which are independent. GS-1 is also a key partner with existing SBIT partnership schools like Brunel (UK) and Linkoping (Sweden) where these disciplines are already in the one school. Richard Wilding from Cranfield indicated that one of the key strengths Cranfield has for his work in SCM is that the IS people are co-located in the same school. The significant interest that is developing with Hull in the GU8 will also be strengthened as their IS and SCM and L are in the one group and location.

Benefits will also arise from the green Logistics research being coupled with the strong team working on Green IT. This is important in the RMIT context, as Sustainability is a key focus in RMIT research through the Global Cities Research Institute.

**Proposed Change to School Name:**

The school, as it is, is the most successful IT school in Victoria and possibly Australia in attracting students. That strength, and its associated brand, has to be maintained. The College’s Marketing Division will be engaged to assist with this work.

The merger of the three disciplines (IS, IM and SCM&L) and their relative size will need to be reflected in a change to a new School name. Examples might be but are not limited to:

- School of Business IT and Supply Chain Management and Logistics
- School of Business IT, Supply Chain Management and Information Sciences
- School of Business Systems and Logistics
- School of Business Systems
- School of Business IT
- School of Business Information Technology and Systems
- School of Business IT and Logistics
- School of Business Systems
- School of Business Systems and Technology
School of Business Systems and Technologies
School of Information Systems and Management and Supply Chain Management and Logistics
School of Information, Services and Systems
School of Information Services
School of Information Services, Management, Systems and Logistics
School of Information Services, Management, Systems

Business TAFE School

The Business TAFE School was established in January 2004, as an amalgam of all the VET programs previously housed in the Business Portfolio (College) in dual sector Schools. The intention of that restructure was to provide specialised support for the operations and activities of TAFE programs and staff, and to improve the scope and quality of TAFE training and education in Business.

The School has 72.5 FTE teaching staff and 22 FTE general staff. It will deliver in excess of 1.6 million SCH in 2009. As a result of the January 2009 review and recommendations, and informed by a series of reviews in 2008, its seven departments (including administration) are being transitioned into a new industry-focussed structure. The TAFE staff will be led by three Industry Group Managers. Three specialist coordinators in Learning and Assessment, International and Business Development will support the Managers and staff in providing high level nationally accredited training and education, both onshore and offshore, and TAFE specific practice in training, assessing and consulting for industry and community sectors. A second related review into administrative process efficiency is currently underway, and is expected to result in further restructure of administrative arrangements in the School.

Policy Environment – contestability, fee increases, increased accountability

A primary focus for BTS and all TAFE at RMIT at present is the impact of Skills Reform, and responses to the new contestable environment. This is placing unusual pressure on the School and its programs, requiring careful strategic planning to take advantage of future opportunities for extending market share in some areas, and to position operations to meet new challenges including aggressive competition from other providers and including private RTO’s as well as other TAFEs. We would note in particular the strong competition from Victoria University in VET provision in Logistics and Supply Chain Management: http://ilscm.vu.edu.au/education/cid/1/parent/1/t/education.

From 1 July this year, the TAFE sector will face the doubling of government supported TAFE fees for enrolling Level 5 and 6 students, and full fees for non-eligible students, which will affect current students moving from Cert IV to Diploma, or Diploma to Advanced Diploma. Analysis of the possible impact of fee increases is currently being undertaken at School and University level, as is the complex requirements for new criteria for funding, and the complexity of processes and procedures that will be required under the new funding arrangements, such as:

- Monthly attendance and outcomes reporting to trigger funding
- Monthly government funding
- Census dates to coincide with the completion of at least 20% of each competency
- Withdrawal of funding to coincide with student withdrawals and non-attendance, and
- Assessment as to the eligibility of enrolling students for VET Fee-Help.

Skills Reform has the potential to lead to a decline in both enrolments and income, or growth if TAFE Schools position their training offerings well, maintain rigorous compliance, improve module load completion rates and continue to cultivate effective and relevant industry and community partnerships. Meeting the demands of Skills Reform must be the primary focus of VET program management in the short term, and may be more successfully achieved in a specialist VET environment.

The Cutler and Bradley Reviews recommend a future convergence between HE and high level VET training and education. It is clear that to achieve Government targets for HE qualifications by the year 2025, some integration between TAFE and HE will be required. Such measures may include, for instance, wider use of articulation and pathways, dual qualifications, and skills electives. Both sectors will need to work together to maximise their distinct contributions to the achievement of tertiary qualifications. On the one hand this may suggest a merging of VET and HE programs and teaching teams, but there is a strong case for maintaining an effective and distinct set of VET operations, which deliver complementary programs, services and training, into the wider HE sector while at the same time delivering uniquely VET programs and
services to the market. The TAFE sector remains distinct in its drivers, funding, policy environment, systems, employment conditions, constraints, government compliance and pedagogy and this does not present an easy “fit” with HE.

Although within several years, it is likely that the Commonwealth will coordinate a more cohesive form of governance for both sectors, the essential consideration at present is what structural models can best maintain viable, competitive and distinctive VET operations and support a move towards greater convergence between the sectors. If dual sector advantage is to be achieved by the University and the College, innovative models and appropriate support mechanisms need to be built.

Current Program Offerings:

The Business TAFE School (BTS) programs related to Logistics are located in the Advertising, International Trade and Marketing Department, and delivered by 3.5 specialist teachers, and five teachers ‘servicing’ from other departments. BTS offers one specific TAFE qualification in Logistics, Diploma of Logistics (C5211).

Students transition into the Logistics program from the Cert IV in Business (International Trade) (C4222LOG), which is co-delivered with the Cert IV in International Business (C4222). The Cert IV in International Business leads into the Diploma of International Business (C5219) and the Advanced Diploma of International Business (C6075).

In summary, the qualifications which contain some component of Logistics are:

- Cert IV in International Business/Cert IV in Business (International Trade)
- Diploma of Logistics
- Diploma of International Business
- Advanced Diploma of International Business

These programs were developed and implemented in 2008/9 from a new national training package, and a Victorian accredited qualification, to replace the following qualifications which are currently being phased out:

- Dip Business (International Trade)
- Adv Dip Business (International Trade)

An alternative means of dealing with the TAFE/HE mix would be to establish a set of formal and informal links to bring the groups together in a constructive and meaningful way. One way would be to investigate a formal teaching arrangement where some of the skills and competencies taught in TAFE are combined into a Course and then taught into the undergraduate BBus (SCM and L) using the model now in place in Social Work at RMIT. This could then be used to create a set of informal links based around Industry Projects, training and research opportunities. This would result in clear dual sector operations in the College and could form the basis of other cross sector teaching in areas like IT.

APPENDIX 1 – BB (L&SCM) Program Guide
APPENDIX 2 – MB (LM) Program Guide
APPENDIX 3 – Dip (L) Program Guide