APR Scout Shop Supply Chain
"Kaleidoscope"

Operational Proposal
V.1.0

By Finance Resources Sub-Committee
Task Force
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1. Executive Summary

Collecting Scout items from different NSO's has been one of the major attraction to all Scout, however the opportunity is only limited to international events which is not available to all Scout. As the economy in Asian countries is developing, so is the growing demand for more Scout items within the NSO as well as other NSO's.

Scout Shop in each NSO has been the exclusive supplier of Scout uniforms and related items, but focused only within their own domestic demand. In some NSO's the domestic demand can be a great cash influx as manageable financial resource, but not in those with limited resources or small Scout population.

By creating a supply chain system which consists of physical Scout Shops and the virtual Internet Portal, all APR Scout can shop Scout items in the local Scout shop or purchase on the Internet then pick up at the local shop. By NSO's working together, we can make the idea of "Shop Globally, Deliver Locally" affordable to all Scouts to fulfill their dream of international Scouting experience by establishing a network of supply and cash management.

In this proposal, we will explain the framework, management, operational process, development schedule and related issues. A small group of Scout Shops will be invited for pilot test of 6 months in the physical supply while the Internet Portal is under development. We will also plan to organize a "Kaleidoscope" during the 23rd World Jamboree in Japan, and this plan has been discussed with Scout Enterprise with positive response.

In the long run, there will be OEM production among NSO's for better quality & cost products which provide wider service to scouts and NSO's.

The APR Financial Resources Sub-Committee has formed a "Scout Supply Chain Task Force" lead by Eilif Wang, Scouts of China, with members from Hong Kong, Maldives and Sri Lanka. In this proposal, we will describe what and how to set up the frame work in establishing the supply chain system in a mutually supportive manner.
2. Purpose Statement

The purpose of the project is to make the best use of existing Scout shops in APR to expand the market for each shop by distributing Scout items chosen in local shop as well as on the internet. The supply chain system serves the following purpose:

1. Joint efforts in supporting Scout image and strengthening Scout brand.
2. Creates a distribution network among the NSO's consignment arrangement.
3. Provide internet shopping service for items not in the actual shops with secured payment system.
4. Quality products supply among NSO's.
5. Increase APR specialty items.

And finally to ensure the access on the availability of Scout Supplies to maximize members as well generating additional funds for NSOs.

3. Enter/Exit

The supply chain among NSOs' Scout shops is organized as a cooperative body with contractual membership on supply process, payment, after-sales service, internet shopping and warranty of goods. The operation is based on mutual trust of Scout brotherhood in providing better service to all Scouts in the region while increase manageable income for each NSO. Each scout shops can participate in the cooperation as the following.

3.1 Eligibility

a. All current national Scout shop (NSS) under the NSO is eligible to participate.
b. APR will organize a voluntary team (Supply Chain Management, SCM) to manage and develop the operation.
c. Participating NSS sign Supply Chain Agreement (SCA) with APR to become a Member.
d. Each Member signs Operation Agreement (OPA) with other Member which they wish to mutually provide consigned Scout items.
e. Each Member which wishes to set Internet Shop when available, will sign
Internet Shop Agreement (ISA) with APR. But ISA can only be available to NSS which has signed OPA as physical shop partner.

3.2 Termination
a. Each NSS can terminate the SCA with APR to exit from the network.
b. Each NSS can terminate OPA with other NSS separately, but this will limit its ISA operation.
c. Each NSS can terminate ISA with APR while keeps OPA with other NSS.
d. All inventory and payment receivable should be cleared before the termination become effective.

3.3 Agreement
a. All agreements will be provided in details.
b. Each NSS shall offer the Scout merchandise to member NSS on a consigned base and ensuring the mark up of not more than 10% of the production cost/ actual estimate to NSS
c. All NSS consolidate receivable and consigned stock monthly.
d. APR SCM will be the moderator of the Agreements among NSS’s.
e. All Agreement is valid for 2 years and renewed 3 months before the expiration.
f. Each NSS shall discuss OPA details with partner while SCM will act as consultant to provide necessary assistance.
g. All Member NSS’s shall provide monthly sales report to APR SCM for the operation improvement purpose.

4. Shops
The building stone of the supply chain is the actual Scout shop in each country where all Scouts purchase their Scout items, and also act as a “Window of the World Scouting”. All participating National Scout Shop (NSS) will provide items mutually and properly display in the " Kaleidoscope" area, while the Internet shop is the internet portal where each NSS can upload many more items for sale and shipped monthly to the buyer’s NSS for delivery.

4.1 Actual Shop
a. NSS provide the " Kaleidoscope" area in the shop to display items from other NSS.
b. NSS will decide the local price on all items.
c. Purchasing & Delivery of selected items by monthly or any time period mutually agreed between NSS’s.
d. Provide pick up or domestic delivery service to the items purchased via Internet shop.

4.2 Internet shop
a. Internet shop only available to the NSS which signed SCA with APR, and also signed OPA with other member NSS.

b. NSS should sign ISA with APR in order to set up internet shopping page.

c. The Portal will be developed and maintained by a professional entity to be selected by APR SCM.

d. All buyers (Scouts or non-Scout) will be required to set up an valid account as member to purchase.

e. Based on the country registered, the member can only purchase the items from the NSS which mutually sign OPA. Not all NSS’s item are available due to the delivery arrangement. Or, the member will bear the full delivery charge on his own.

5. Operation
In this section, how the supply chain system works as network of active cell to assist each other in growing the capacity to satisfy the need of the Scouts in the APR region.

5.1 Merchandise
a. All existing items from each NSS are available to other partner NSS. Each NSS shall promote its items and select items from partners.

b. NSS shall promote & provide unique merchandise supply service to others upon request for custom made item.

c. Items available at Actual Shop will be limited & decided by the receiving NSS, while at Internet shop can be any item which the NSS wishes to promote just by uploading the merchandise information.

d. Suppliers with quality and competitive value are encouraged to be shared among member through NSS.

5.2 Payment
a. Payment receivable of Actual Shop between NSS is suggested to be consolidated monthly or not longer than 3 months. Details should be stated in the OPA between the NSS’s.

b. Payment receivable of Internet shop will be charged upon purchasing through 3rd party online payment system. After reception of the merchandise, the payment will then be distributed by the 3rd party system to the selling and receiving NSS separately.
5.3 Order and Delivery

a. NSS places order of selected items at monthly base.
b. Delivery will be done on fixed day monthly.
c. Items purchased on Internet shop will be consolidated with the monthly shipping to the receiving NSS.

5.4 Service

a. All NSS’s should provide warranty on the quality of the merchandise.
b. Receiving NSS will inspect the claimed items and provide swap, then ship the claimed item along the following shipping.
c. For proven claimed item, only provide same item swap and no refund

Some examples of the transactions --
6. Timeline

6.1 2014/09
1. Review the Operational Proposal
2. Invite initial member NSO for the Actual Shop operation

6.2 2014 Q'4
1. Establish APR Supply Chain Management team, October.
2. Select Internet Service Provider for the Internet shop Portal, October.
3. Review first drafts of all related Agreement, November.
4. Review the performance & operation of Actual Shops, December.
5. Visit Scout Shop Co. in Japan to arrange "Kaleidoscope" during 23rd WSJ, December.

6.3 2015 Q'1
1. Review the Internet shop Portal design, finalize development schedule.
2. APR Workshop on Scout Shop Management organized by Scouts of China, March.
3. Participating 2nd HOC in Japan for final arrangement, March.
4. Accept application from APR NSO's and expand Actual Shops.
5. Prepare for the World Scout Jamboree APR Scout Shop operation.

6.4 2015 Q'2
1. Follow up on the progress of the Internet shop Portal design.
3. Organize an APR "Kaleidoscope" team to the 23rd WSJ, May.
4. Semi-annual review report of the operation by the SCM to APR, June.

6.5 2015 Q'3
1. Shipping of goods to the World Scout Jamboree, July.
2. The Internet shop Portal online test, August.
4. Report on the performance of the Actual Shops

6.6 2015 Q'4
1. The Internet shop Portal launch, October.
2. Semi-annual review report of the operation by the SCM to APR, November.
7. Branding

Proper use of registered Scout logos will be under better management among the NSS, and the effect of joint organizational image throughout the APR public will be strengthened as same time. It's very important for NSS's to observe the International Intellectual Property Law and protect each other from any miss use. Only by doing so, the value of Scout brand will be elevated and the awareness from the general public will be increased.

8. Internet Service Provider (ISP)

In order to provide professional internet service and operation to participating NSS's, it's important to work with Professional ISP which is willing to invest and support Scouting to provide the development, operation and maintenance. Details in cooperation shall be further discussed, but there should be Setup fee, annual maintenance fee and transaction charge. The goal is to develop a modern internet shopping portal for APR NSS's without putting any upfront cash investment. Plus, the future expense will be mostly based on the sales of the merchandise with annual membership agreement which is the minimum risk of operation in expanding sales and market to all NSS's. This part of the project shall be managed by the SCM team.

9. Conclusion

APR NSO's takes up almost 50% of the worldwide Scout population, each NSO with unique features and resources. By working together to development a proactive and manageable income is essential to all NSO's sustainable development. Social Enterprise is no longer a concept but a solution to strengthen financial resource for NGO. With the best practice in business management and creativity of Scout members, we can develop a mutually supporting and beneficial network to provide quality service all our Scout members while widen their contact with other Scouts in the region and maybe in the near future with the Scouts outside the region.

The path of development of the supply chain is crucial for a cross NSO's social business operation which will bring sustainable cash flow, better Scout involvement, stronger public image and supplier quality. But the process can be very bumpy, and the support of APR office as well as NSO's involvement will be the essence to the success of the "Kaleidoscope"