

# Supply Chain Strategy

**Webcast**

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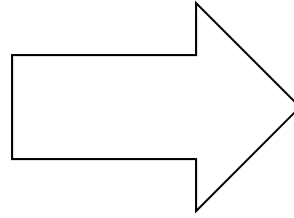
Global growth. Guaranteed.

# Agenda

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- Background: why supply chain?
- Definitions
- Strategy vs. management
- Supply chain strategies
- Choosing a strategy
- Organizing for supply chain management
- Measuring supply chain success
- After supply chain

# Background: why supply chain?



# Definitions

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- Supply management
- Supply chain
- Supply chain management
- Demand chain management
- Operations management
- Logistics

# Strategy vs. management

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## Strategy

- Intention
- Competitive advantage
- High level
- Results focus
- Harder to quantify
- Often unstructured
- Abstract

## Management

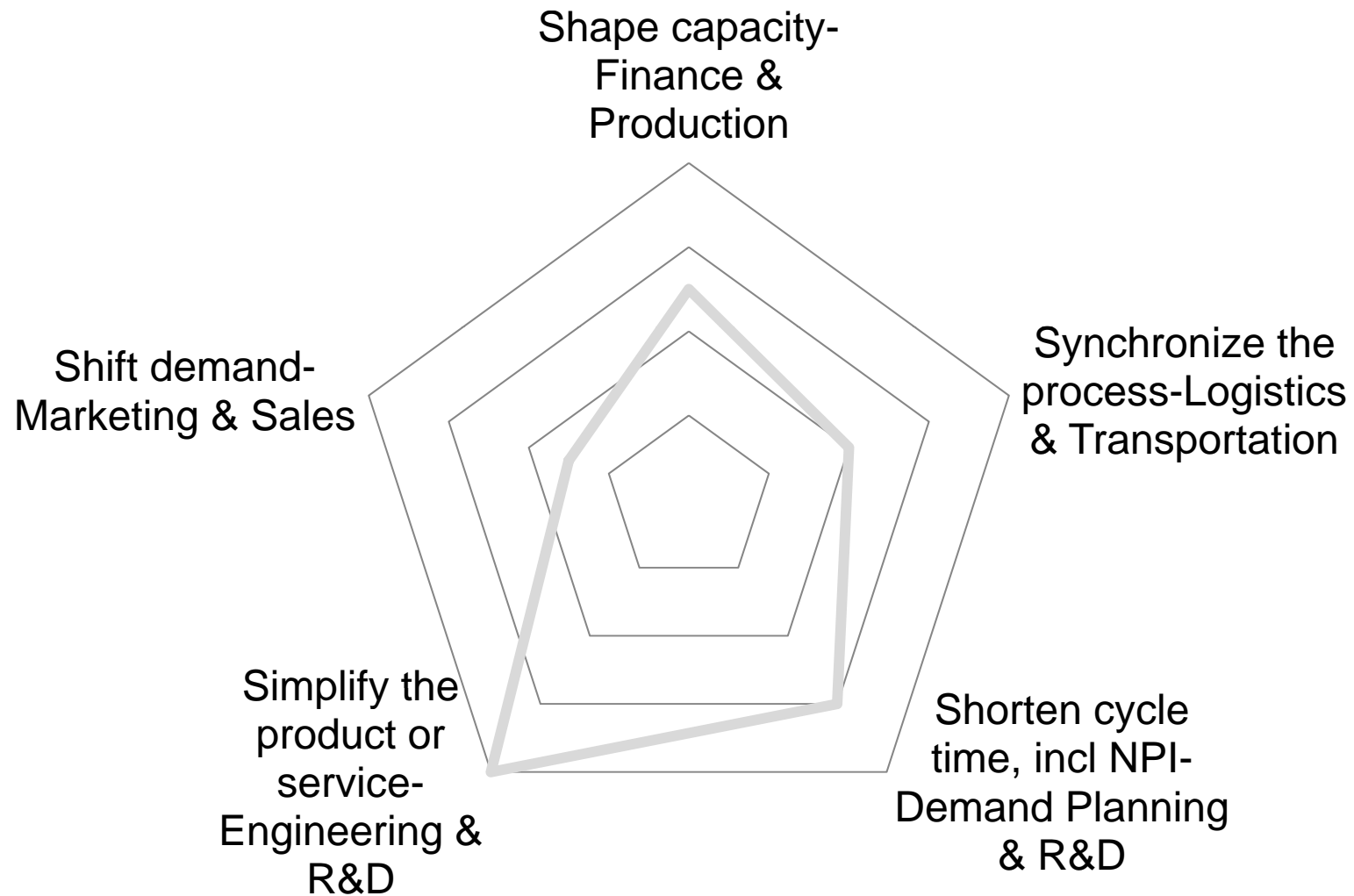
- Actual situation
- Internal improvement
- Low level
- Process focus
- Easier to quantify
- Usually highly structured
- Concrete

# Supply chain strategies

<b>Overriding Financial Objective</b>	<b>Supply Chain Strategy</b>	<b>Key Functions</b>
Increase asset utilization	Shape capacity	<ul style="list-style-type: none"> <li>•Finance</li> <li>•Production</li> </ul>
Reduce Working Capital	Synchronize the process	<ul style="list-style-type: none"> <li>•Logistics</li> <li>•Transportation</li> </ul>
Increase Revenue	Shorten cycle time, including NPI	<ul style="list-style-type: none"> <li>•Demand Planning</li> <li>•R&amp;D</li> </ul>
Reduce Operating Cost	Simplify the product or service	<ul style="list-style-type: none"> <li>•Engineering</li> <li>•R&amp;D</li> </ul>
Increase Margin	Shift demand	<ul style="list-style-type: none"> <li>•Marketing</li> <li>•Sales</li> </ul>

# Supply chain strategies (continued)

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# Choosing a supply chain strategy

Supply Chain Strategy	Extraction	Process Mfrs	Value-Added Service Providers (like tollers)	Discrete Mfrs	Value added Distributors and Resellers
Shape capacity					
Synchronize the process					
Shorten cycle time, including NPI					
Simplify the product or service					
Shift demand					

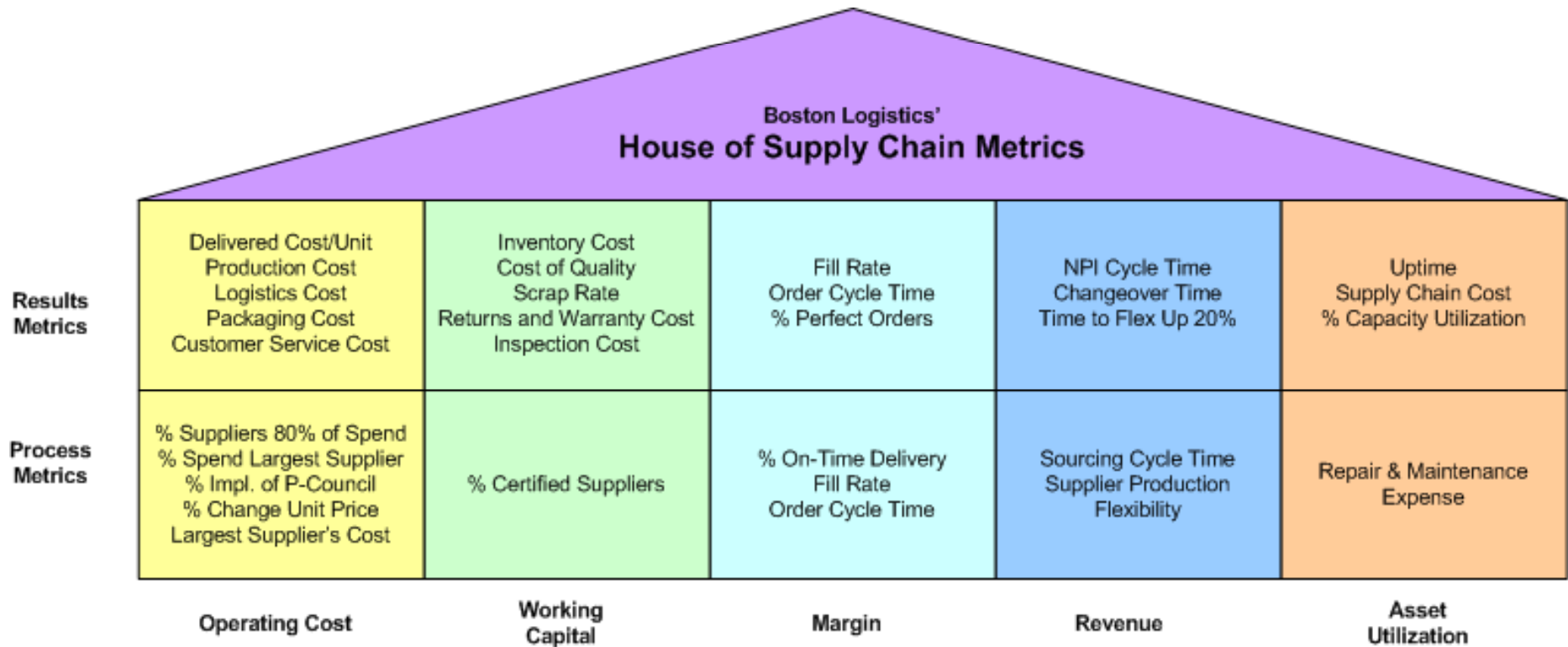
# Organizing for supply chain management

- Culture
  - Trust
  - Partnering
- Training
  - CPM, CPIM, CIRM
  - CSCP, CPSM, CSCA
- Organizational structure
  - Logistics
  - S&OP
  - Inventory management
  - Game theory
  - Transportation, Routing
  - Forecasting
  - Ops management
  - Production

Typical Owner (Function or Department)	Process or Activity
Customer Service	• Returns, repairs, recycling, mx
Demand Planning	• S&OP • Sales forecasts and customer orders
Engineering	• DfX • Early supplier involvement • PLM • Standardization • Value engineering
Finance	• Cost analysis • Hedging • TCO
IT	• EDI • e-Collaboration portals
Logistics	• Collaborative inventory management • DRP • Postponement • VMI
Marketing	• Channel design • Value analysis • Yield management
Materials mgmt	• TQM
Procurement	• Auctions/events • Compliance mgmt. • Gainsharing • Global sourcing • Outsourcing • Supplier collaboration and administration • Supplier consolidation • Supplier development
Product Development	• NPI
Production Control	• Constraints management • Six sigma • Lean • -CPFR
Sales	• Personalization • Pull (ECR, JIT, etc.)
Transportation	• Cross-docking



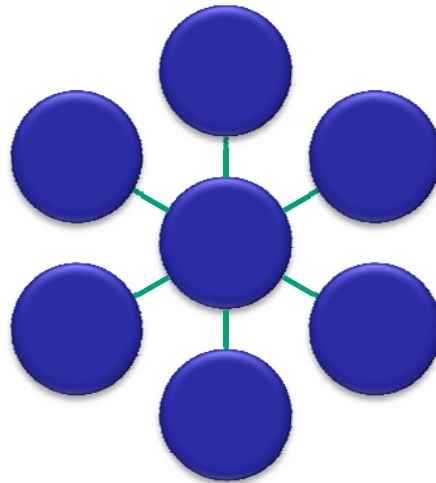
# Measuring supply chain success



# Beyond the linear supply chain

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- Global supply chains
- Service supply chains
- Green supply chains
- Para-supply chains
- Supply networks

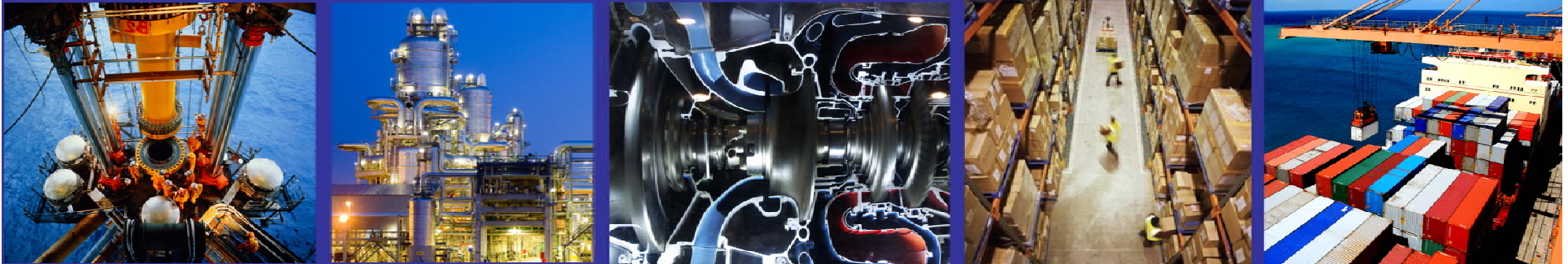


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**Boston Strategies International** is a global management consulting firm that helps market leaders achieve competitive advantage through supply chain management through:

- **Supply Market Analysis** that helps identify emerging issues that affect their supply chains
- **Supplier Enablement** that facilitates global growth and local content requirements
- **Supply Chain Optimization** that reduces project and life cycle costs



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