

**Business
Transformation
Solutions**

What is Supply Chain Management?

The Role of End-to-End Supply Chain Management

**What is your Experience
of
Customer Service?**

Supply Chain Management

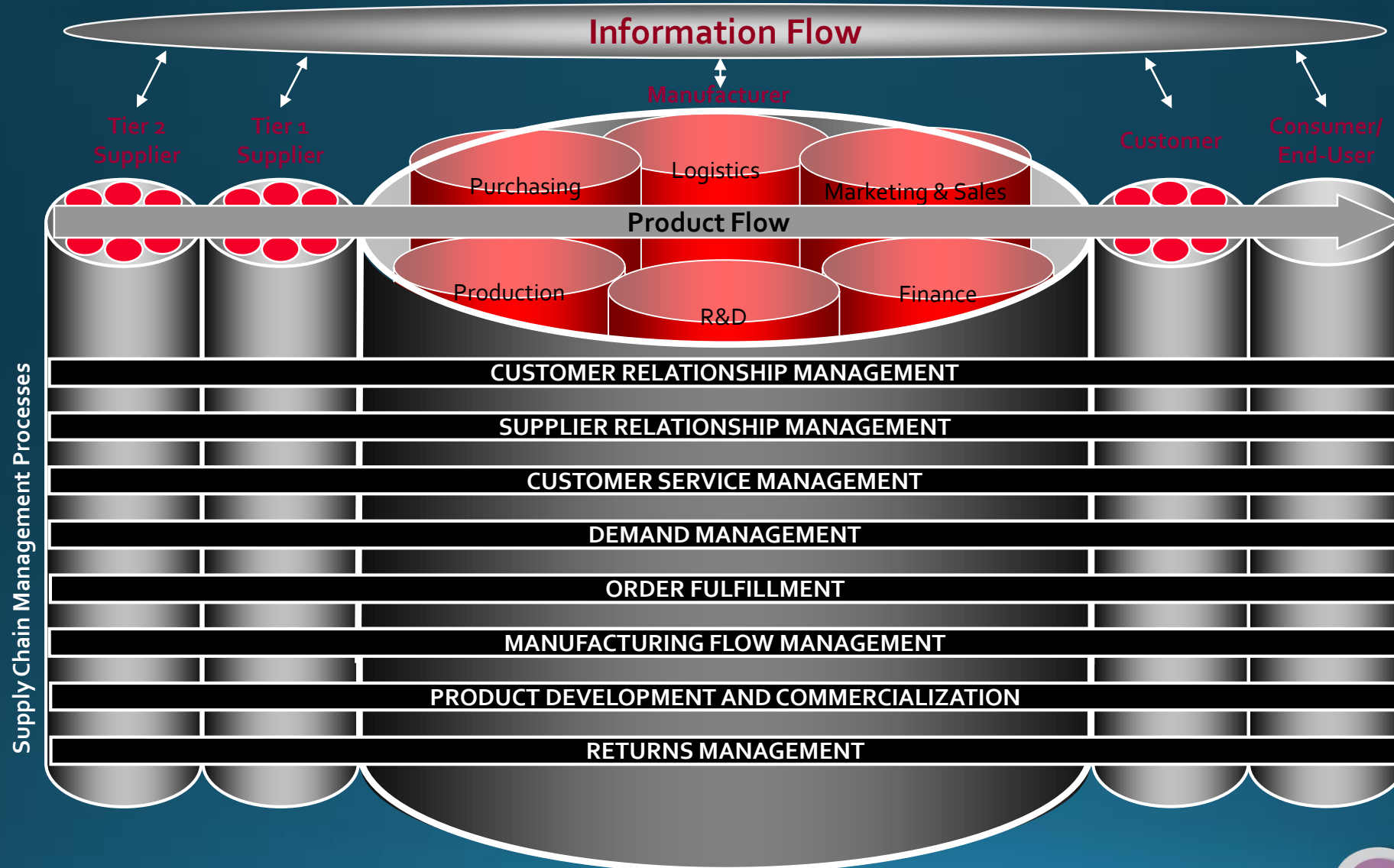
... is the integration of *key* business processes from end user through original suppliers, that provides products, services, and information that add value for customers *and other stakeholders.*

[The International Center for Competitive Excellence, 1994]

[The Global Supply Chain Forum, 1998]

Supply Chain Management

Integrating and Managing Business Processes Across the Supply Chain



The Objectives of Supply Chain Management

Supply Chain Management aims to achieve competitive advantage through:

- Enhanced Customer Service
- Optimised Costs and Investments

The Role of End-to-End Supply Chain Management

- Role of **customer service** as an order winning criterion
- Customer service excellence delivered through the supply chain (Internally and Externally)
- Supply chain **costs** often significant and need to be tightly managed downwards

The Strategic Dimension

Strategic SCM and logistics is about proactively building supply chain capability in advance of the requirement.

Characteristics of SCM Excellence

- Identification and measurement of customer service because *customer service 'sets the spec' for SC design*
- Proactive Management of Customer Relationship
- Integration of supply chain activities and information because *many supply chain NVAs are caused by fragmented supply chain configurations*
- SCM is a function and “a *philosophy of how to run a business*”
- Establishment and measurement of supply chain KPIs because *what gets measured gets done!*

How Do Irish Companies Measure Up?

- Less than 50% measure customer service formally and those have very limited measurements
- Companies score low in relation to having the latest supply chain IT and having them integrated across the supply chain
- Less than 30% have a formal logistics/SCM position at Board level
- Few companies have clearly defined SCM Key Performance Indicators (KPI's)

(Source: NITL SCM Barometer)

Some Underlying Causes

- Inefficiencies are often built into the supply chain
- Lack of Standards and Standardised Processes
- Communication structures ineffective
- Exchange of information poor
- Culture inappropriate
- Excessive and costly reliance on stockholding
- Managing problems, rather than eliminating their root causes

Some Concluding Thoughts

- Standing still = falling behind
- Innovation in all aspects is the key to survival
- Remember that most innovation is a series of small steps
- Re-engineering must focus on service delivery, integration, organisation and performance measurement
- People and learning are critical success factors

The Strategic Dimension

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