

Leadership Forum: The Architecture of Management

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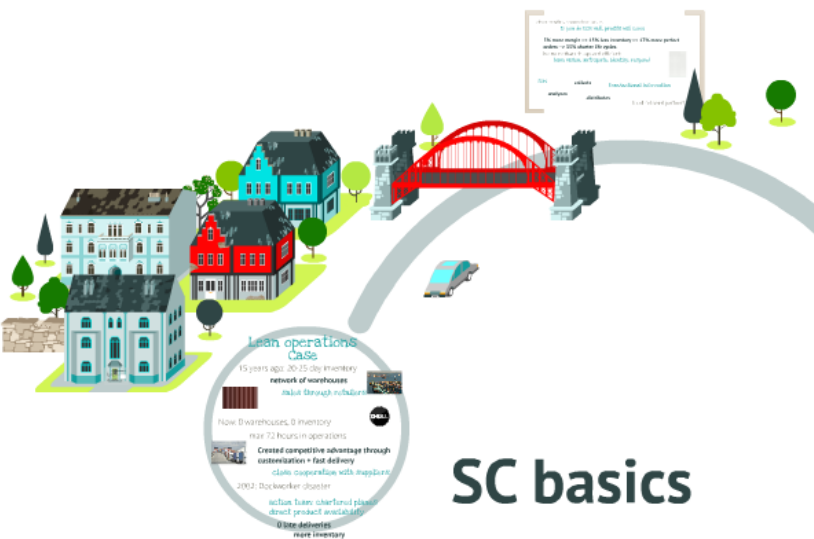


**Successful
Decisions**

7 SCM principles

- Segment customers according to needs
- Customize Logistics focused on these needs
- Listen and plan with the entire SC
- Manage sources of supply
- Differentiate near customers
- Manage decision making levels in the SC
- Evaluate performance

IT in SC



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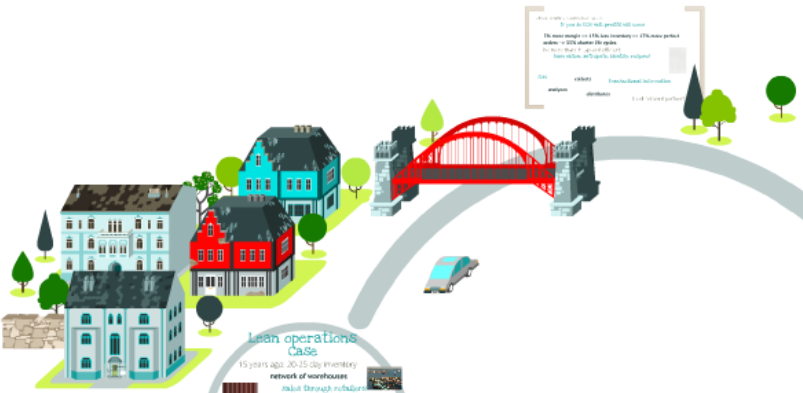


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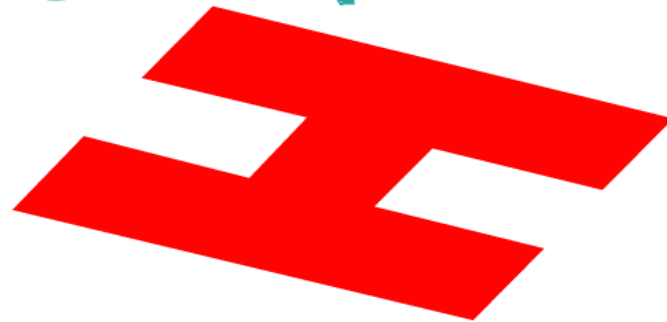
SC basics

Lean operations
Case

- 15 years ago, 30-35 day inventory
- network of warehouses
- linked through railroads
- Now: 0 warehouses, 0 inventory
- max 72 hours in operations
- Created competitive advantage through cost reduction + fast delivery
- Close cooperation with suppliers
- 2002: Dockworker disaster
- action team shared plans
- direct product availability
- 0 days inventory
- max inventory

TV, DVD, Aircon Negotiation Game

Negotiate with your SC partner to gain the highest profit you can get.



Lean operations Case

15 years ago: 20-25 day inventory

network of warehouses

sales through retailers



Now: 0 warehouses, 0 inventory

max 72 hours in operations

**Created competitive advantage through
customization + fast delivery**

close cooperation with suppliers



2002: Dockworker disaster

action team: chartered planes
direct product availability

0 late deliveries

DeLL 5 point Framework

Start with the customer

replace inventory with information

Measure and improve

Complexity slows you down

Big Goals: Big Achievements



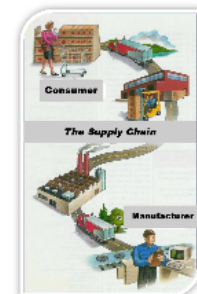
Almost everything is supply chain logistics

IF you do SCM well, profits will come

5% more margin --> 15% less inventory --> 17% more perfect orders --> 35% shorter life cycles

be more than cheap and efficient:

have vision, anticipate, identify, respond



SCM

collects

transactional information

analyzes

distributes

to all relevant partners



SC model

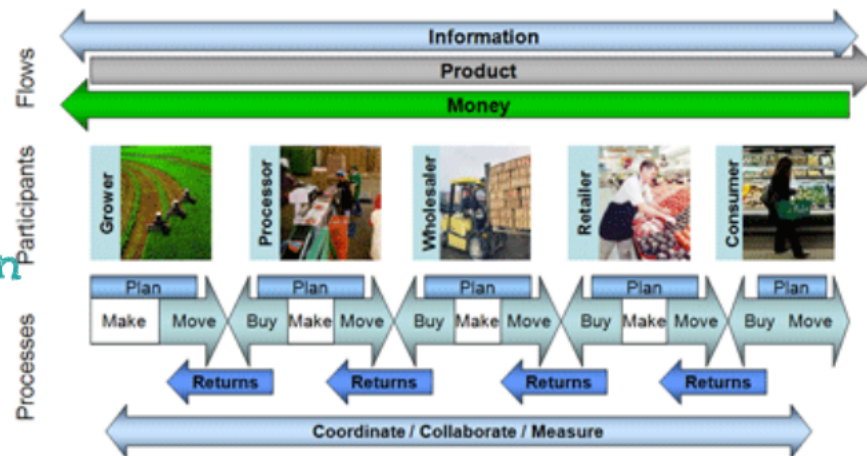
upstream

The Fresh Food Supply Chain

downstream

extended organization

suppliers involved in product design

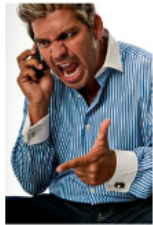


Channel members involved in MKT decisions

IF you want to produce in China, better keep a close eye on operations

Drivers of SCM & IT solutions

Consumer behavior



Demanding customers

key insight

Demand planning

Speed

accuracy, frequency, Speed

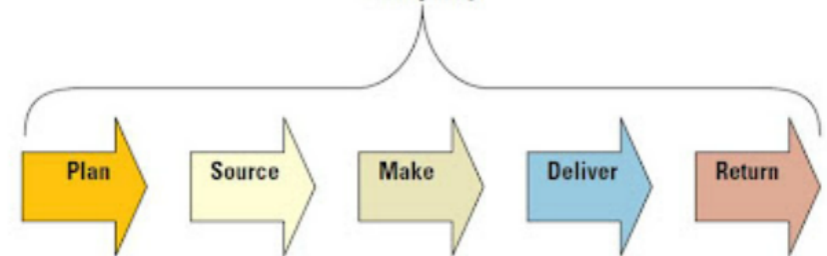


Competition

Planning and execution Software ↔ efficiency ↔ promise



Company



Visibility creation of SCA
Service
Changes