

# Li-Ning: Make The Change

**Stages of Supply Chain Management**

- Fundamentals
- Core business items
- Integrated enterprise
- Extended supply chain
- Supply chain connectivity

## Implementing a Global Supply Chain

**Why implement integrated Supply Chain Management (SCM)?**

- Risk reduction in supply chain
- Cost reduction in supply chain
- Customer service improvement
- Operational efficiency
- Inventory reduction
- Working capital reduction
- Environmental impact reduction
- Regulatory compliance



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## Li-Ning: Make The Change

### Global Supply Chains

**Why are global supply chains important?**

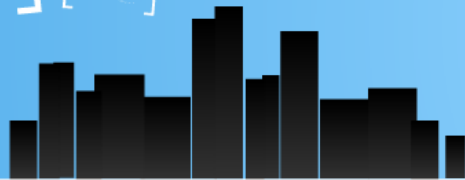
- Global supply chains are important because they allow companies to reach a wider market and reduce costs.
- Global supply chains are also important because they allow companies to access a wider range of raw materials and components.
- Global supply chains are also important because they allow companies to improve their operational efficiency and reduce their environmental impact.

### Evolution of the Global Supply Chain

**TECHNOLOGY**

- Cloud computing
- Big data
- Artificial intelligence
- Internet of things
- Blockchain
- 3D printing
- Virtual reality
- Augmented reality
- Robotics
- Drones
- Autonomous vehicles

### Managing Costs of Global Supply Chains



### Supply Chain Metrics



### The Tools

### Compliance & Ethical Issues

### Careers



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# Supply Chains

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A supply chain is a network that connects the end user to the original supplier.



Them?

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The 5 Elements



YouTube

A supply chain  
connects to  
supplier.

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# Why Do We Need Them?

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1. Serve as a tool to handle globalization
  - The world is one big supply chain
  - Assist the building of strategic partnerships
  - Influence gas prices
  - Raise issues on environmental concerns

## 2. Provide competitive advantages

Customer service Advantage

- Ensure the right product assortment and

## Thecasesolution The 5 Elements

### 1. Production

- In this element, the focus is what customer wants and the market demands.
- Answers the questions, how many products to produce, and what, if any, parts or components should be produced at which plants or outsourced to capable suppliers.
- These strategic decisions regarding production must also focus on capacity, quality and volume of goods, keeping in mind that customer demand and satisfaction must be met.
- Operational decisions focus on scheduling workloads, maintenance of equipment and meeting immediate client/market demands.

### 2. Inventory

- Quantity of product in-hand
- A delicate balance exists between inventory, which can cost 20 percent and 40 percent of their value in inventory to meet market demands.
- Optimal levels of stock are needed to ensure customer satisfaction as market demands fluctuate.
- Control policies must be implemented to ensure correct levels of supplier inventory points.

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# Why Do We Need

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#### Customer service Advantage

- Ensure the right product assortment and quantity are delivered in a timely manner to

## 2. Provide competitive advantages

### Customer service Advantage

- Ensure the right product assortment and quantity are delivered in a timely manner to the right place
- Supply chains include after-sale customer service

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#### Improve bottom line

- Expedited deliveries can lead to a healthy increase in cash flow

## 3. Can help level the playing field for smaller businesses

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## Improve bottom line

- Expedited deliveries can lead to a healthy increase in cash flow

## 3. Can help level the playing field for smaller businesses

- The internet allows all to bring their products to the market

## 4. Creative business designs

- iTunes music delivery

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# Them?



## Thecasesolutions.com The 5 Elements

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### 2. Inventory

- Quantity of product in-house.
- A delicate balance exists between too much inventory, which can cost anywhere between 20 and 40 percent of their value, and not enough inventory to meet market demands.
- Optimal levels of stock at each location to ensure customer satisfaction as the market demands fluctuate.
- Control policies must be looked at to determine correct levels of supplies at order and reorder points.

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### 3. Location

- Strategic decisions must focus on the placement of production plants, distribution and stocking facilities, and placing them in prime locations to the market served.
- Once customer markets are determined, long-term commitment must be made to locate production and stocking facilities as close to the consumer as is practical.
- In industries where components are lightweight and market driven, facilities should be located close to the end-user.
- In heavier industries, careful consideration must be made to determine where plants should be located so as to be close to the raw material source.
- Decisions concerning location should also take into consideration tax and tariff issues, especially in inter-state and worldwide distribution.

### 4. Transportation

Strategic transportation decisions are closely

### 5. Information

Effective supply chain management requires



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