



SUPPLY CHAIN PLANNING

WHAT IS SUPPLY CHAIN MANAGEMENT ?

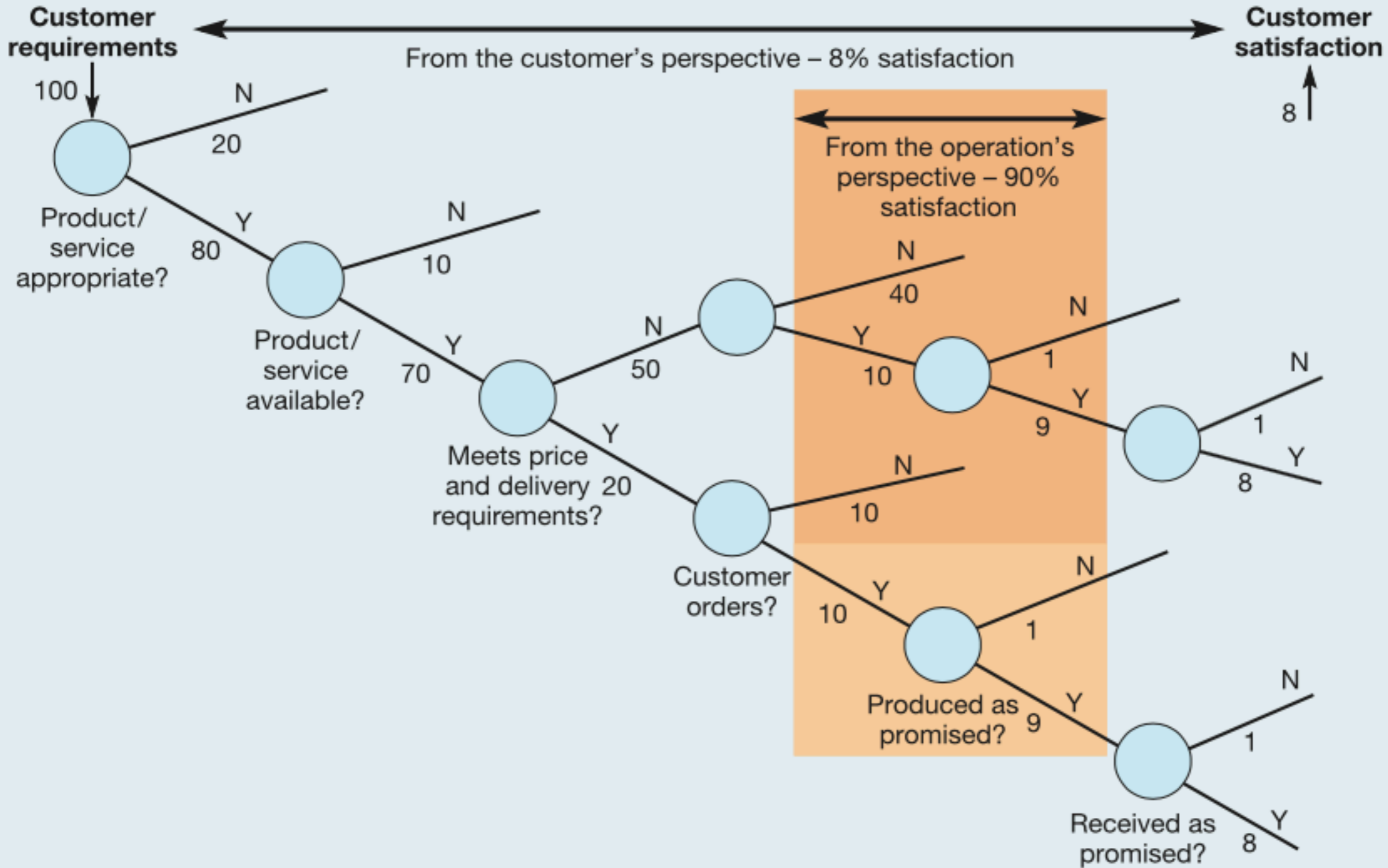
WHAT IS SUPPLY NETWORK ?

WHAT IS SUPPLY CHAIN ?



SUPPLY CHAIN MANAGEMENT OBJECTIVES

SATISFYING THE END USER



Taking a customer perspective of supply chain performance can lead to very different conclusions

SUPPLY CHAIN OBJECTIVES





QUALITY



SPEED



DEPENDABILITY

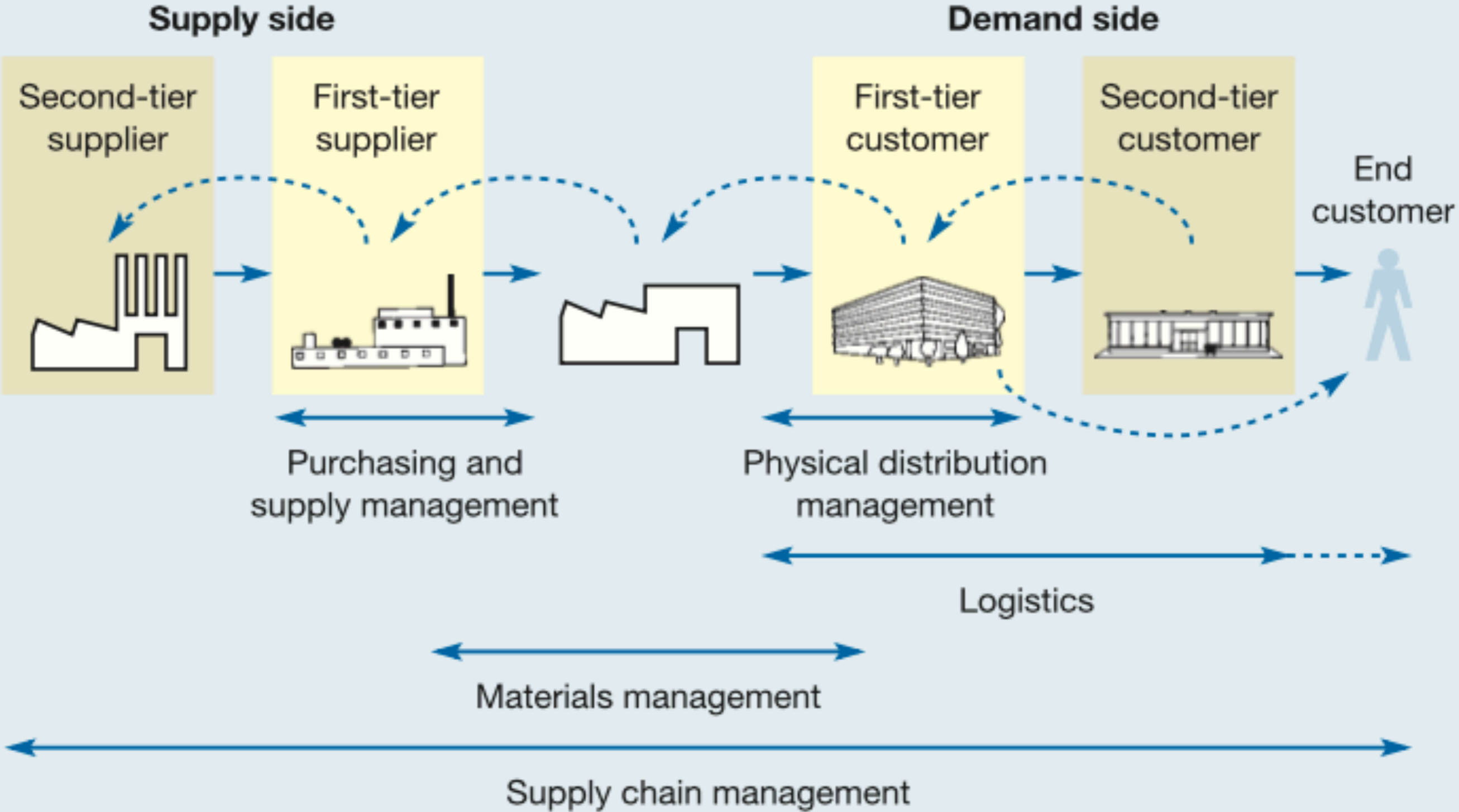
FLEXIBILITY



COST

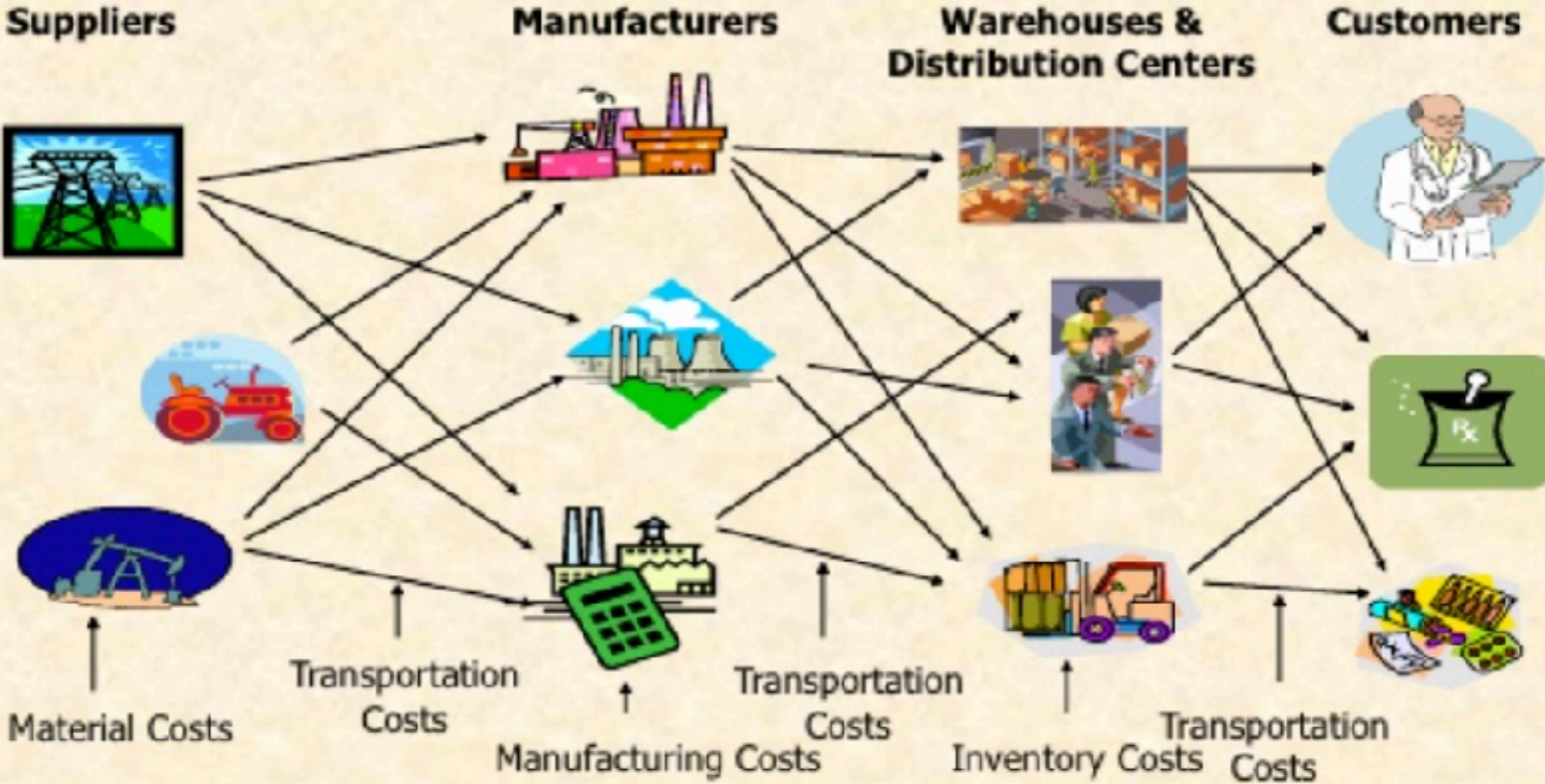
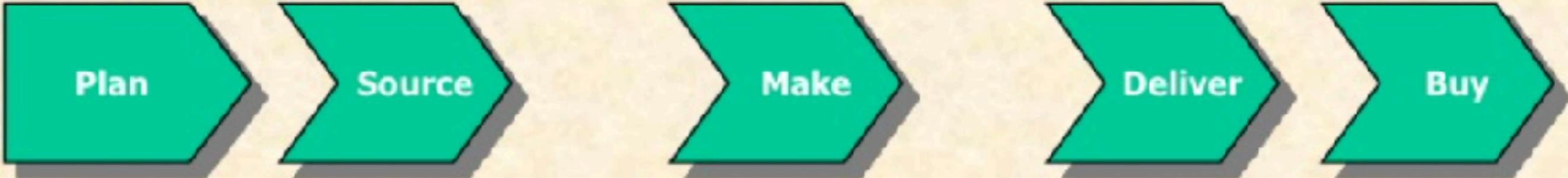


SUPPLY CHAIN ACTIVITY



- > Information flow
- > Physical flow

ANOTHER VIEW TO SUPPLY CHAIN





PURCHASING (PROCUREMENT)

SUPPLIER SELECTION

Short-term ability to supply

Long-term ability to supply

Range of products or services provided

Potential for innovation

Quality of products or services

Ease of doing business

Responsiveness

Willingness to share risk

Dependability of supply

Long-term commitment to supply

Delivery and volume flexibility

Ability to transfer knowledge as well as products and services

Total cost of being supplied

Technical capability

Ability to supply in the required quantity

Operation capability

Financial capability

Managerial capability

“PROCUREMENT IS AN OBVIOUS FIRST STEP IN E-COMMERCE. FIRST, BUYING THROUGH THE WEB IS SO SLICK AND CHEAP COMPARED TO DOING IT ALMOST ANY OTHER WAY. SECOND, IT ALLOWS YOU TO AGGREGATE, SPEND AND ASK: WHY AM I SPENDING THIS MONEY, OR SHOULDN'T I BE GETTING A BIGGER DISCOUNT? THIRD, IT ENCOURAGES NEW SERVICES LIKE CREDIT, INSURANCE AND ACCREDITATION TO BE BUILT AROUND IT”

Shell Services International

BENEFITS OF E-PROCUREMENT

- ▶ efficiency in purchasing processes.
- ▶ improved relationships with suppliers.
- ▶ reduced transaction costs.
- ▶ increased competition and competitive prices
- ▶ efficient management of supply chain



GLOBAL SOURCING

GLOBAL SOURCING FACTORS

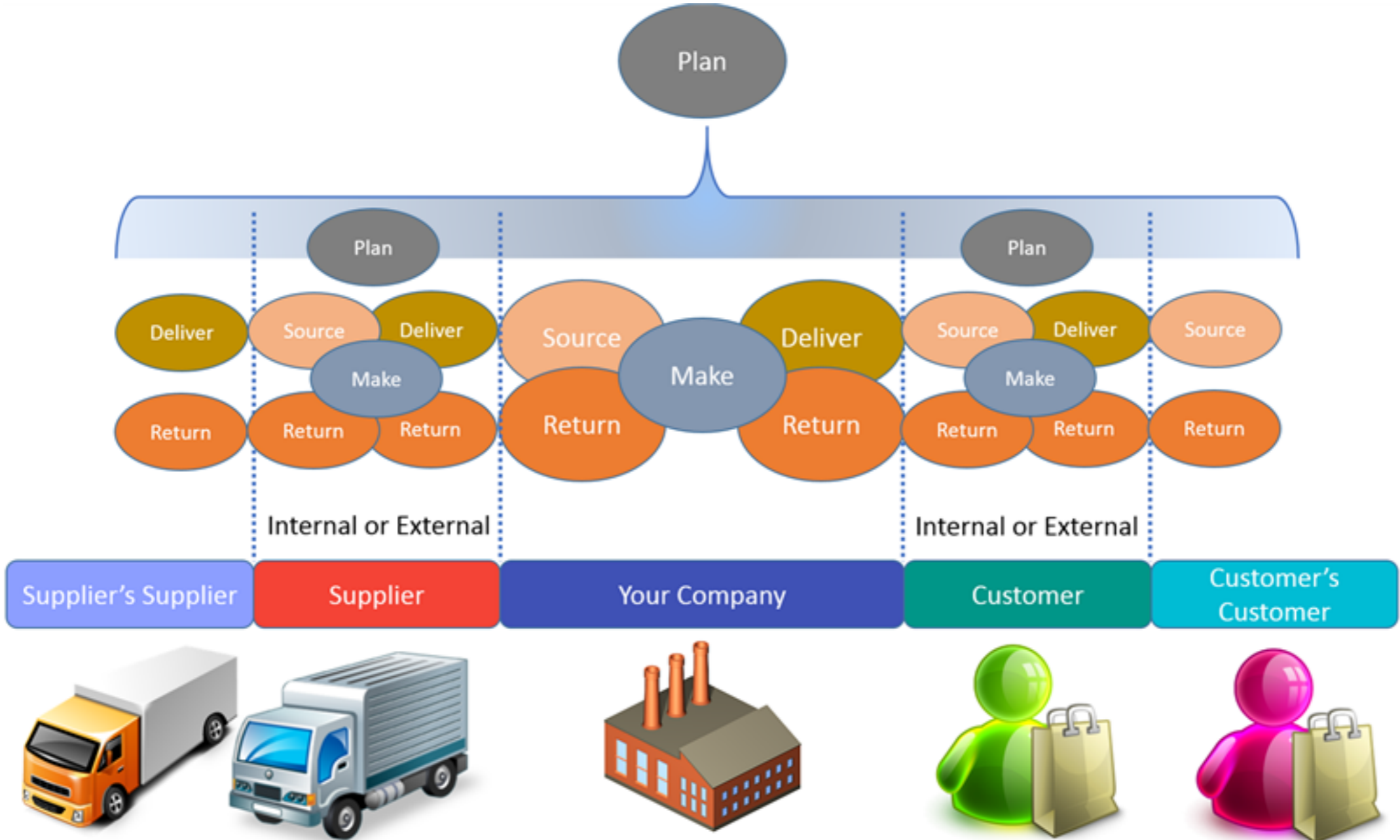
- ▶ purchase price
- ▶ transportation cost
- ▶ inventory carrying cost
- ▶ cross border taxes
- ▶ supply performance
- ▶ supply and operational risks

SUPPLY CHAIN IMPROVEMENT



THE SCOR MODEL

SCOPE OF THE SCOR MODEL



Source: www.threadpunter.com

PHASES

- ▶ Discover
- ▶ Analyse
- ▶ Material flow design
- ▶ Work and information flow design
- ▶ Implementation planning

**THANK
YOU
AND
SEE YOU
NEXT TIME**