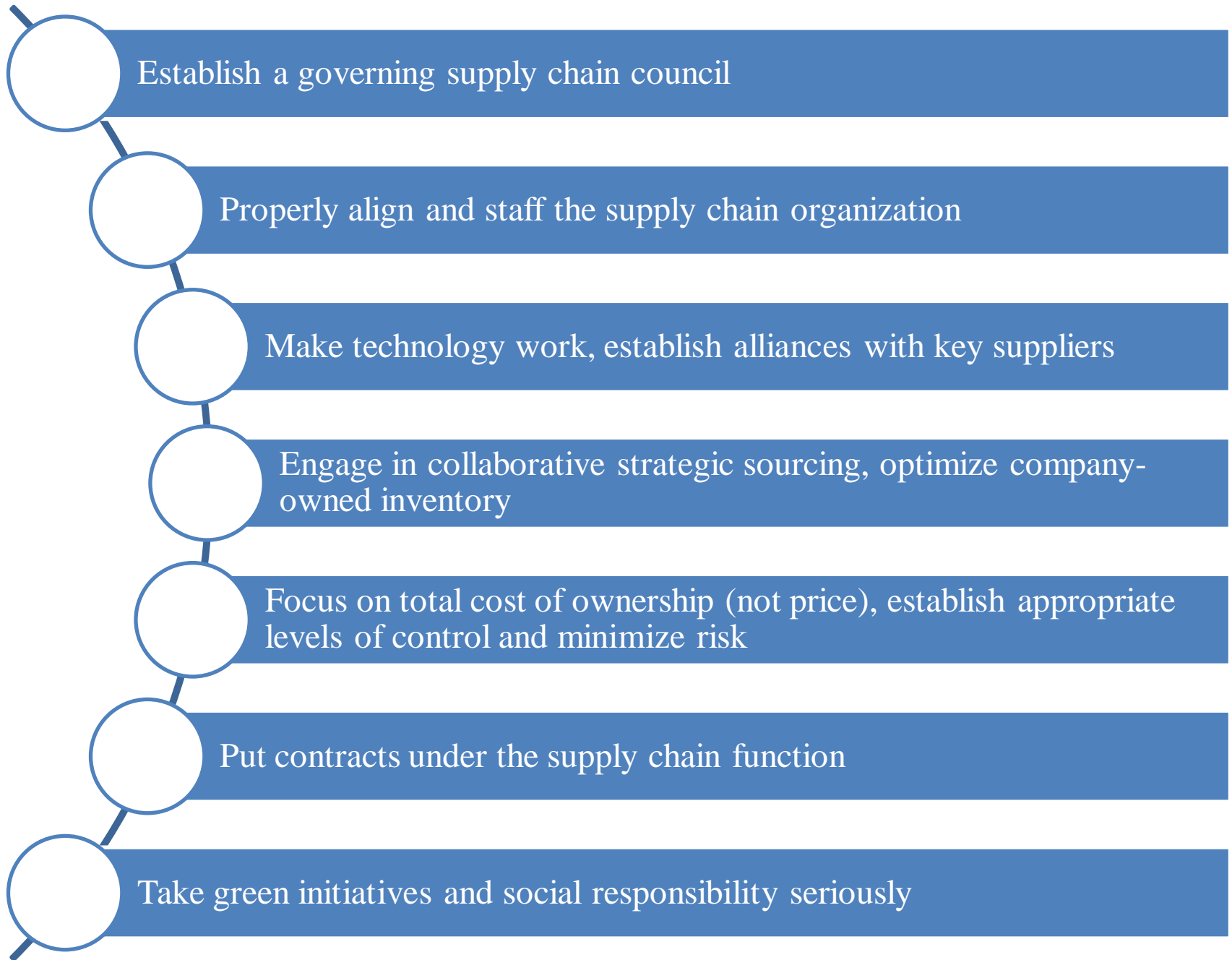


SUPPLY CHAIN MANAGEMENT

**SUPPLY CHAIN
ORGANIZATION
MANAGEMENT**

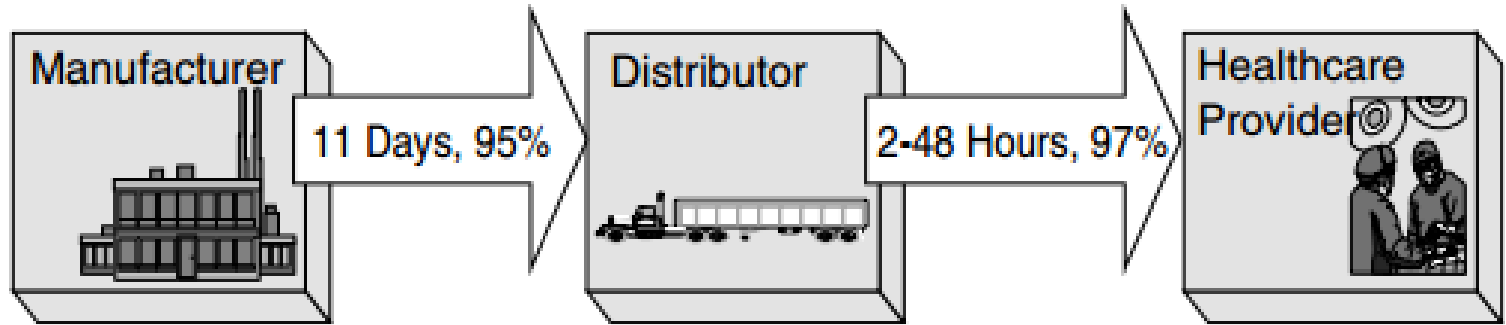




Supply chain scoreboard framework

	↕	▽	↕	△	↕	□	↕	⊖	↕	⊕	↑	Σ
	Inbound to Supplier	Supplier	Supplier to Manufacturer	Manufacturer	Manufacturer to Wholesaler	Wholesaler	Wholesaler to Retailer	Retailer	Retailer to Consumer	Consumer	Reverse Logistics	Total Supply Chain
Finance												
Productivity												
Quality												
Cycle Time												
		Total Supply Performance		Total Manufacturing Performance		Total Wholesaling Performance		Total Retailing Performance		Total Consumer Satisfaction		Total Supply Chain Performance

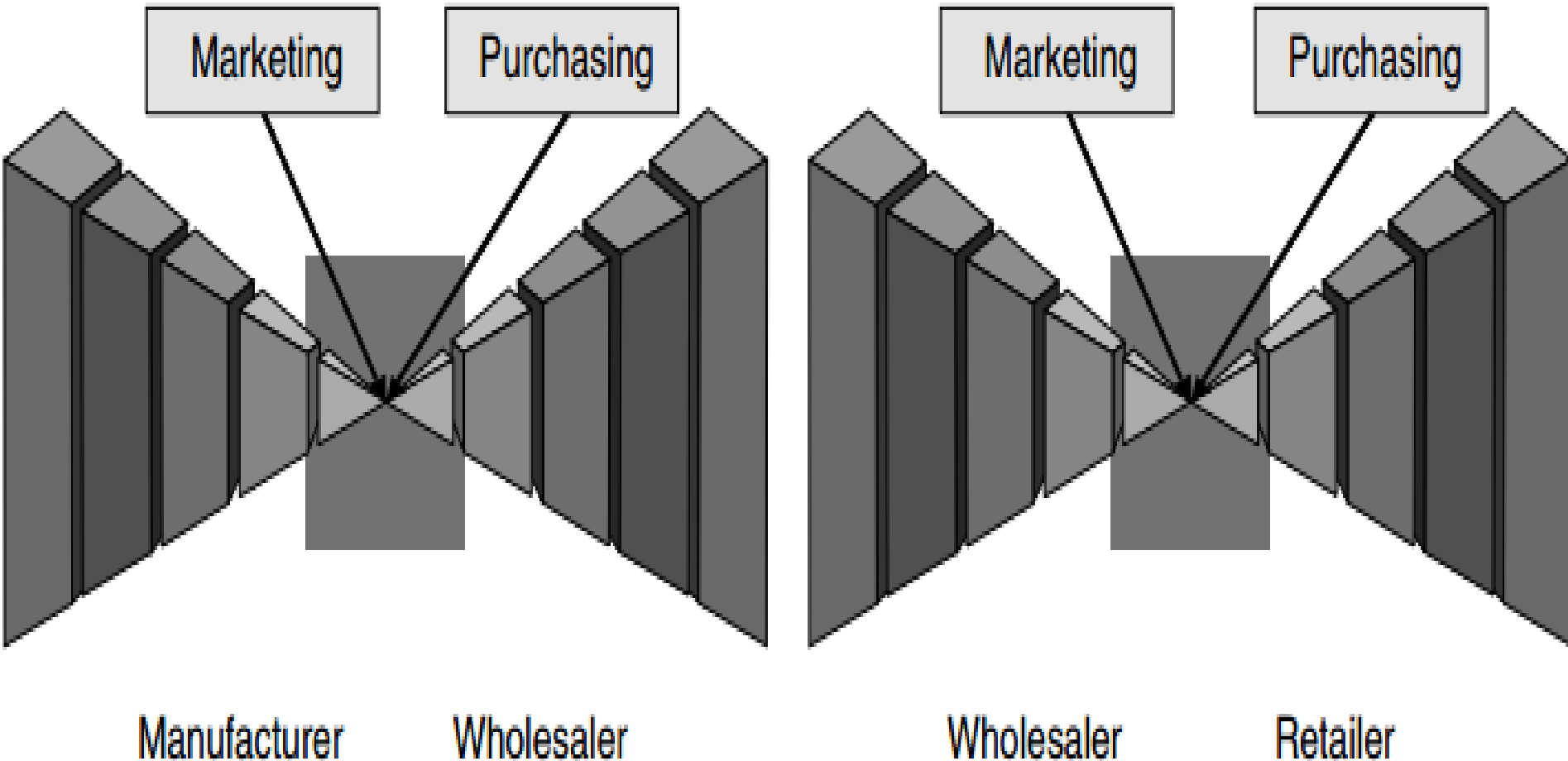
Healthcare supply chain scoreboard



	Manufacturer	Distributor	Healthcare Provider
Inventory Levels	5-10 weeks	4-6 weeks	4-8 weeks
	\$100,000,000	\$300,000,000	\$4,000,000
Carrying Cost @ 20%	\$20,000,000/year	\$60,000,000/year	\$800,000/year
Inventory Reduction Savings @ 50%	\$10,000,000/year per manufacturer	\$30,000,000/year per distributor	\$400,000/year per hospital

Collaborative Planning, Forecasting, and Replenishment (CPFR)

Typical point-to-point supply chain communications



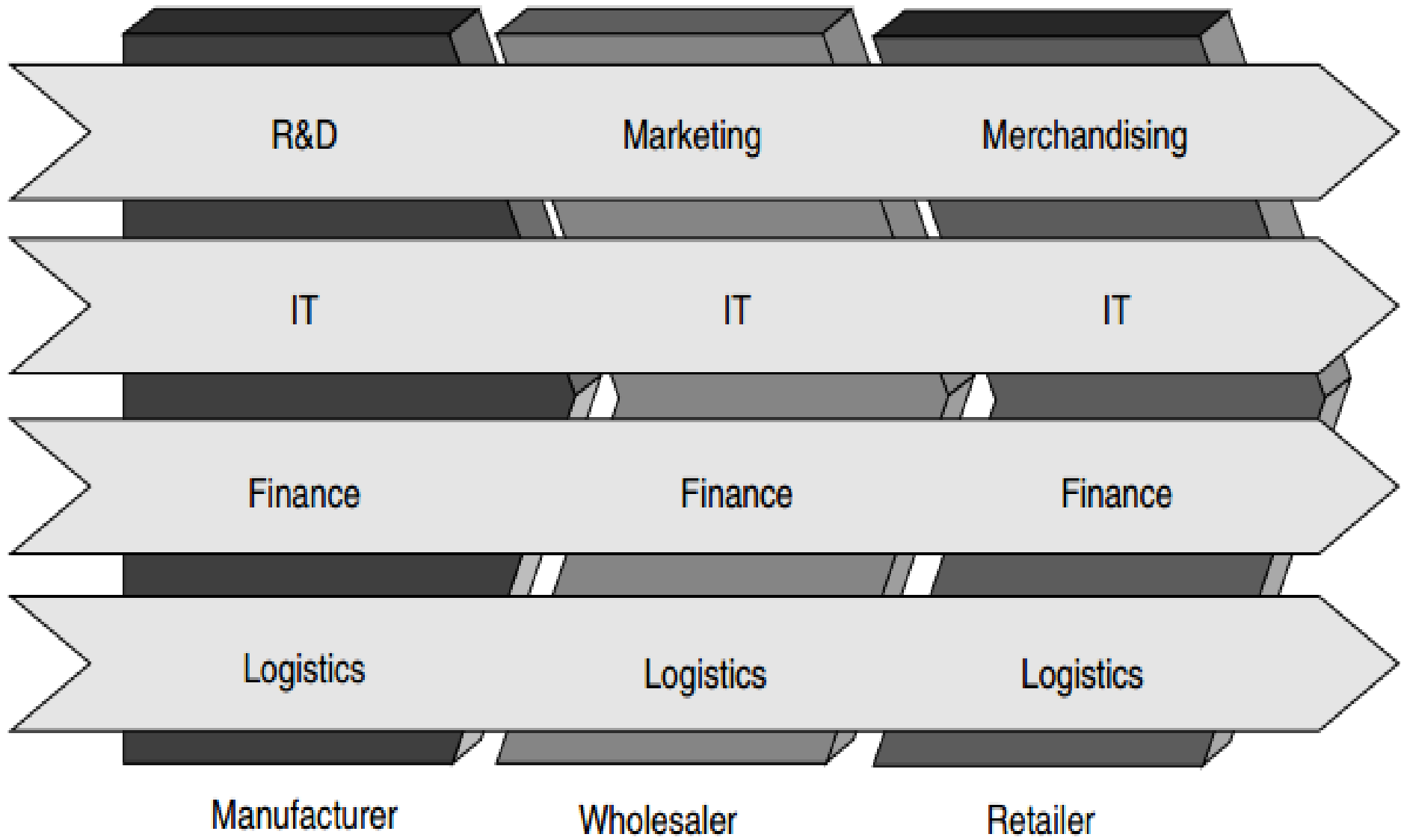
Manufacturer

Wholesaler

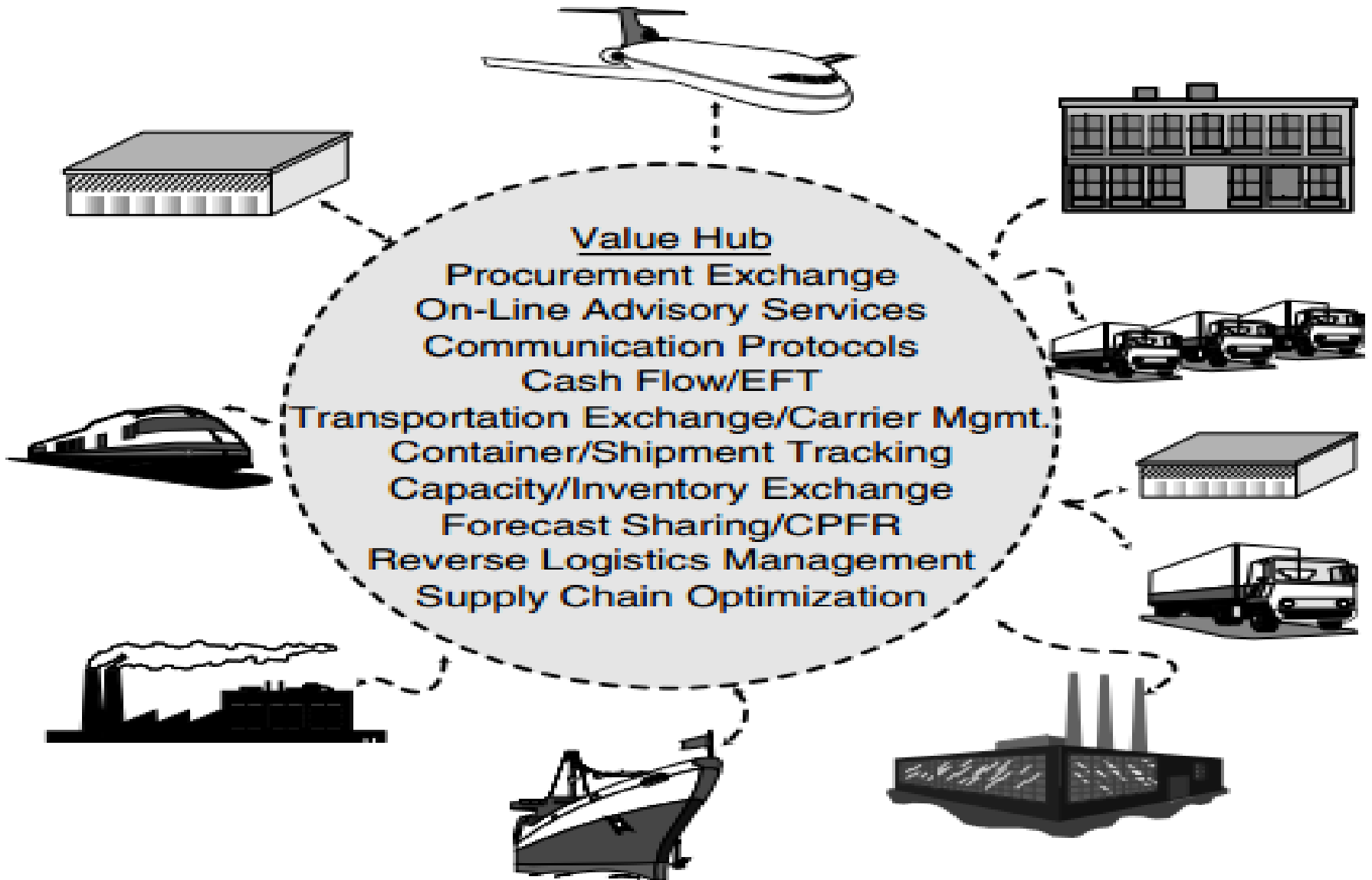
Wholesaler

Retailer

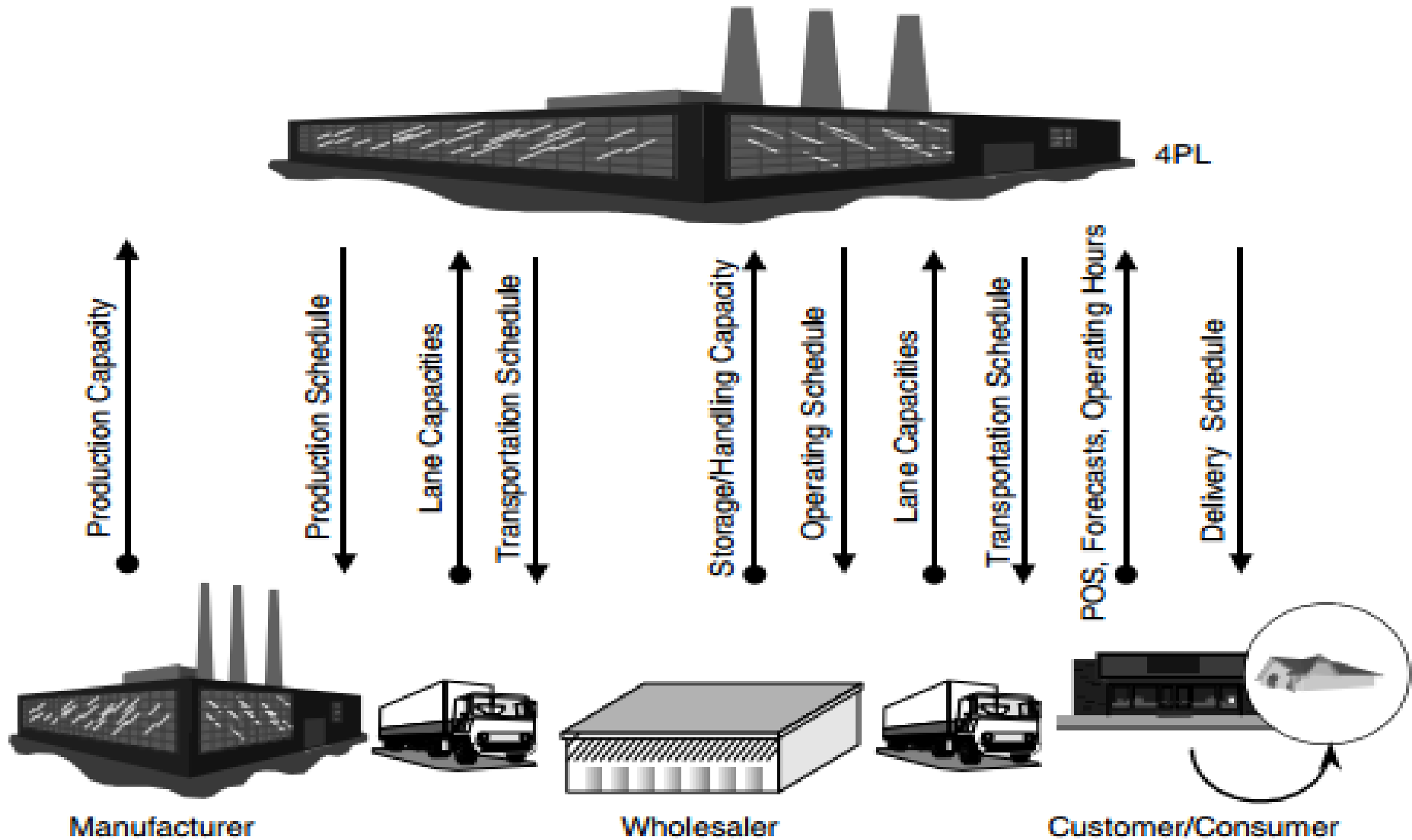
Horizontal supply chain management organization structure



Value hub concept



Supply chain optimization concept



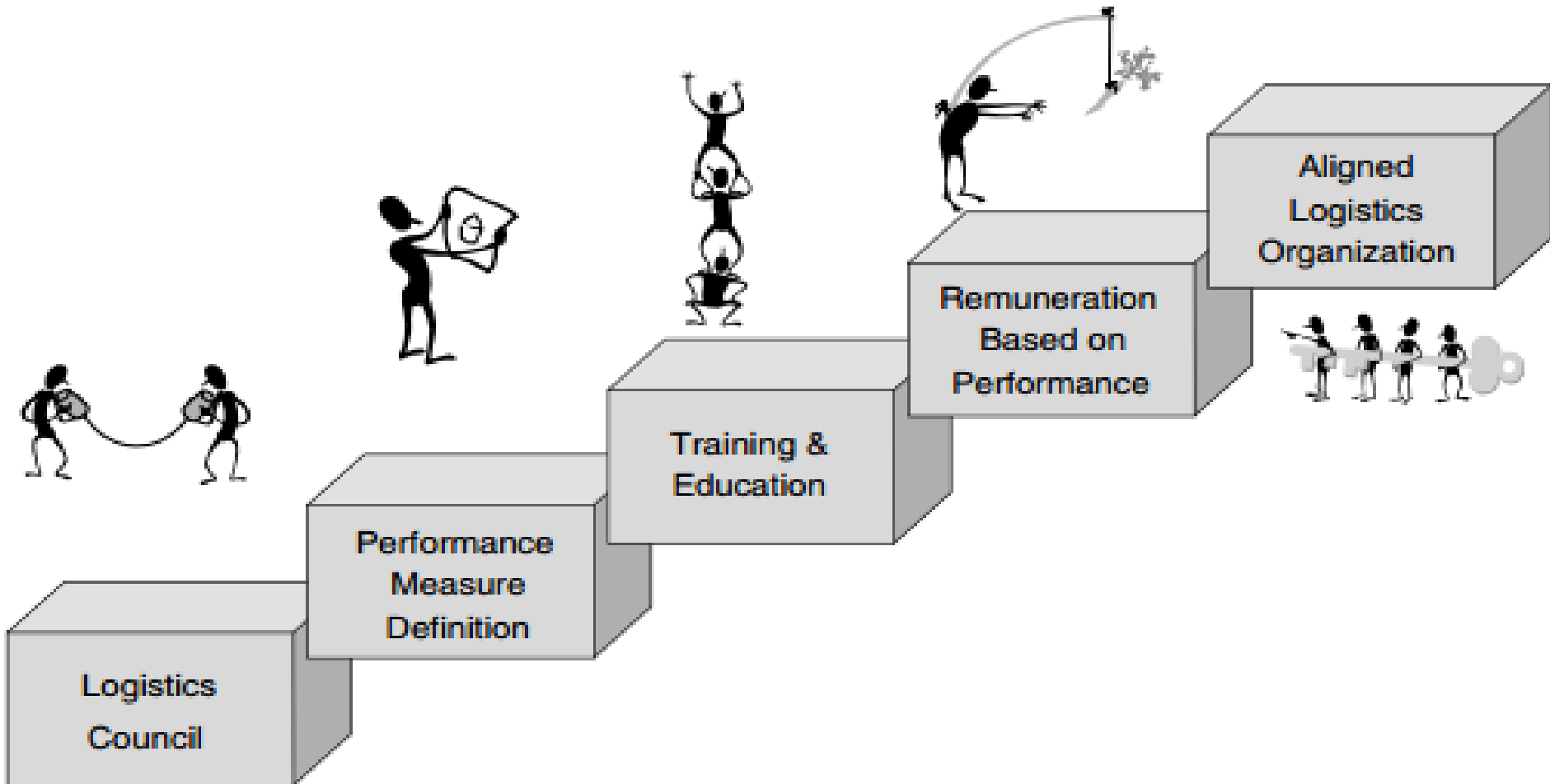
Collaborative Purchasing





CORPORATE LOGISTICS ORGANIZATION ALIGNMENT

Evolutionary steps to an aligned logistics organization





Performance Measure Alignment

	Planning	Buying	Inbound Transportation	Warehousing	Delivery	Store Operations	LOGISTICS
	➔	➔	➔	➔	➔	➔	
Finance	<ul style="list-style-type: none"> Property Turns % time Above Inventory Maximums AGM=GM-TLC GMROI 		<ul style="list-style-type: none"> Freight Cost per Unit 	<ul style="list-style-type: none"> Warehousing cost per Unit (\$/unit) 	<ul style="list-style-type: none"> Delivered Cost per Unit (\$/unit) 	<ul style="list-style-type: none"> Store Turns AGM=GM - ICC 	<ul style="list-style-type: none"> Total Logistics Cost TLC/ Sales, Order, SKU, Unit LGM=GM-TLC
Productivity	<ul style="list-style-type: none"> SKUs per Full-Time Equivalent \$s per Full-Time Equivalent 		<ul style="list-style-type: none"> Inbound Container Utilization 	<ul style="list-style-type: none"> Warehousing Units per Person-Hour 	<ul style="list-style-type: none"> Delivered Units per Person-Hour Delivered Units per Operating Hour Delivery Vehicle Utilization 	<ul style="list-style-type: none"> Units per Person Hour 	<ul style="list-style-type: none"> Units per Logistics Person-Hour Sales per Logistics FTE Perfect Orders per Logistics Person-Hour
Quality	<ul style="list-style-type: none"> Vendor Fill Rate % Time Below Inventory Minimum 		<ul style="list-style-type: none"> In-Transit Damage % On-Time Arrival % 	<ul style="list-style-type: none"> Shipping Accuracy Inventory Accuracy 	<ul style="list-style-type: none"> % In-Transit Damage 	<ul style="list-style-type: none"> Time In-Store Above Presentation Inventory 	<ul style="list-style-type: none"> Perfect Order Percentage
Cycle Time	<ul style="list-style-type: none"> Receiving to Shipping Weeks Ratio Purchase Order Preparation Time 		<ul style="list-style-type: none"> Domestic In-Transit Time Import In-Transit Time 	<ul style="list-style-type: none"> Dock-to-Stock Time Warehouse Order Cycle time 	<ul style="list-style-type: none"> % On-Time Arrival 	<ul style="list-style-type: none"> Stocking Cycle Time 	<ul style="list-style-type: none"> Total Logistics Cycle Time

LOGISTICS ORGANIZATION MODELS

The model alternatives include:

- Functional organization
- Process organization
- Matrix organization
- Integrated logistics organization
- Global logistics organization
- Business unit logistics organization
- Distributed logistics organization
- Hybrid model

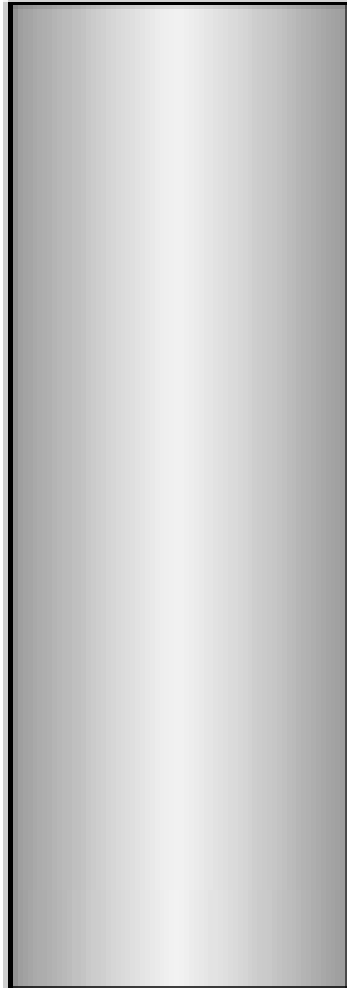
Functional Organization Model

Functional organization model for retail operations

Buying



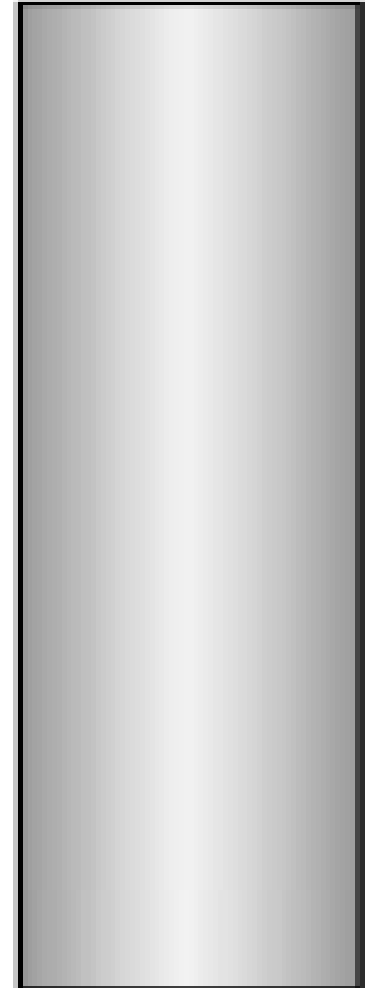
Sourcing



Logistics

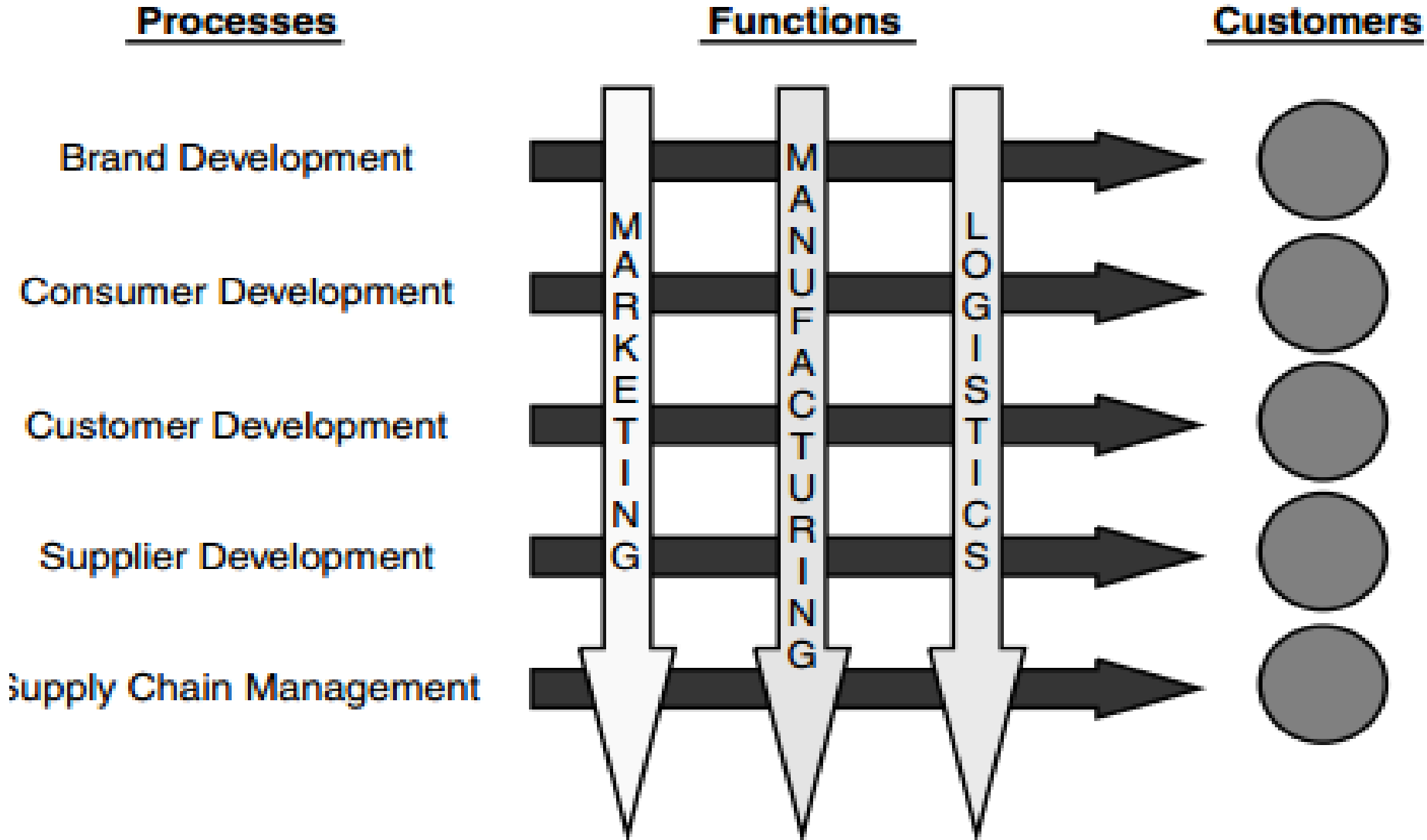


Finance

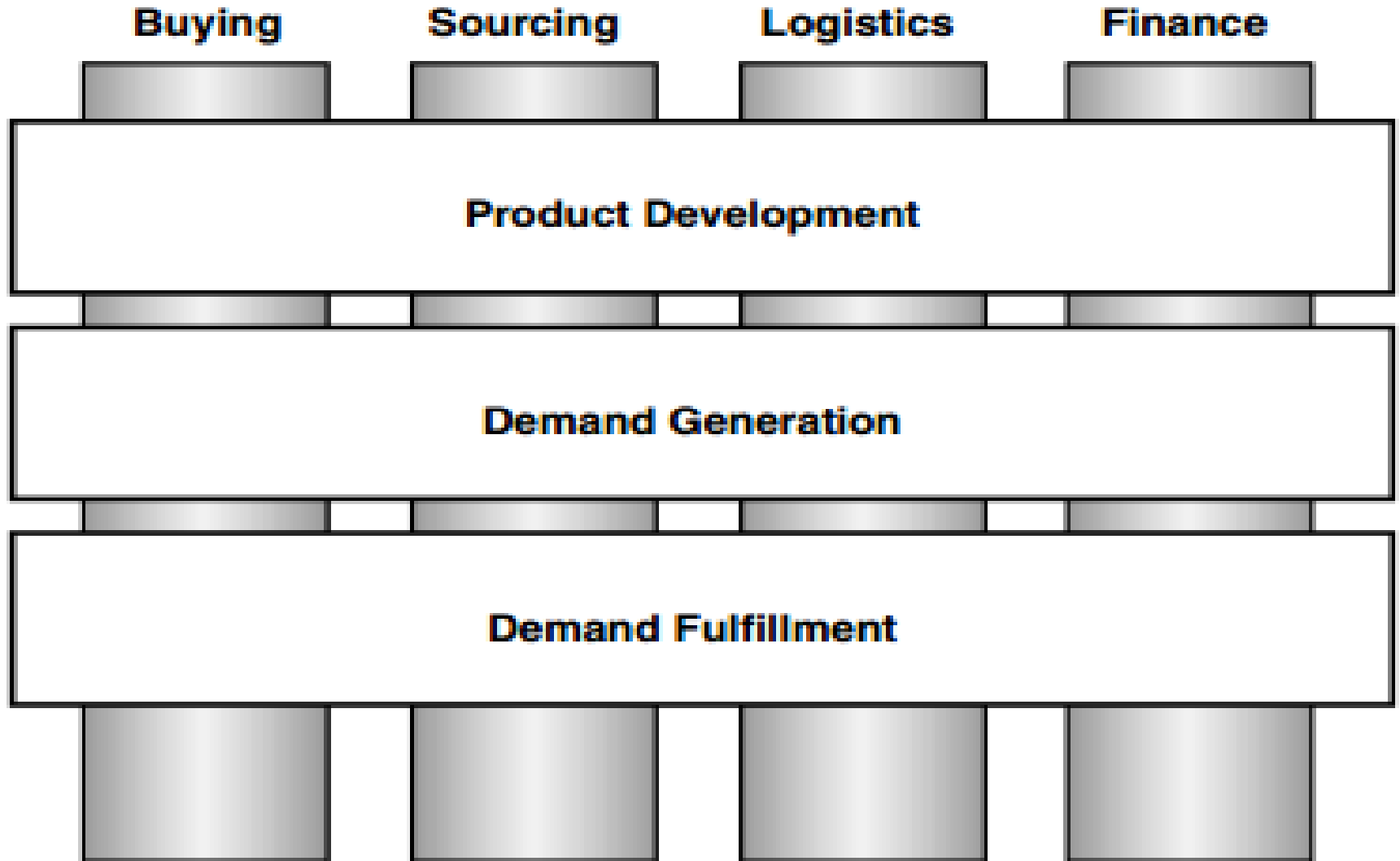


Process Organization Model

Kraft Food's process organizational model

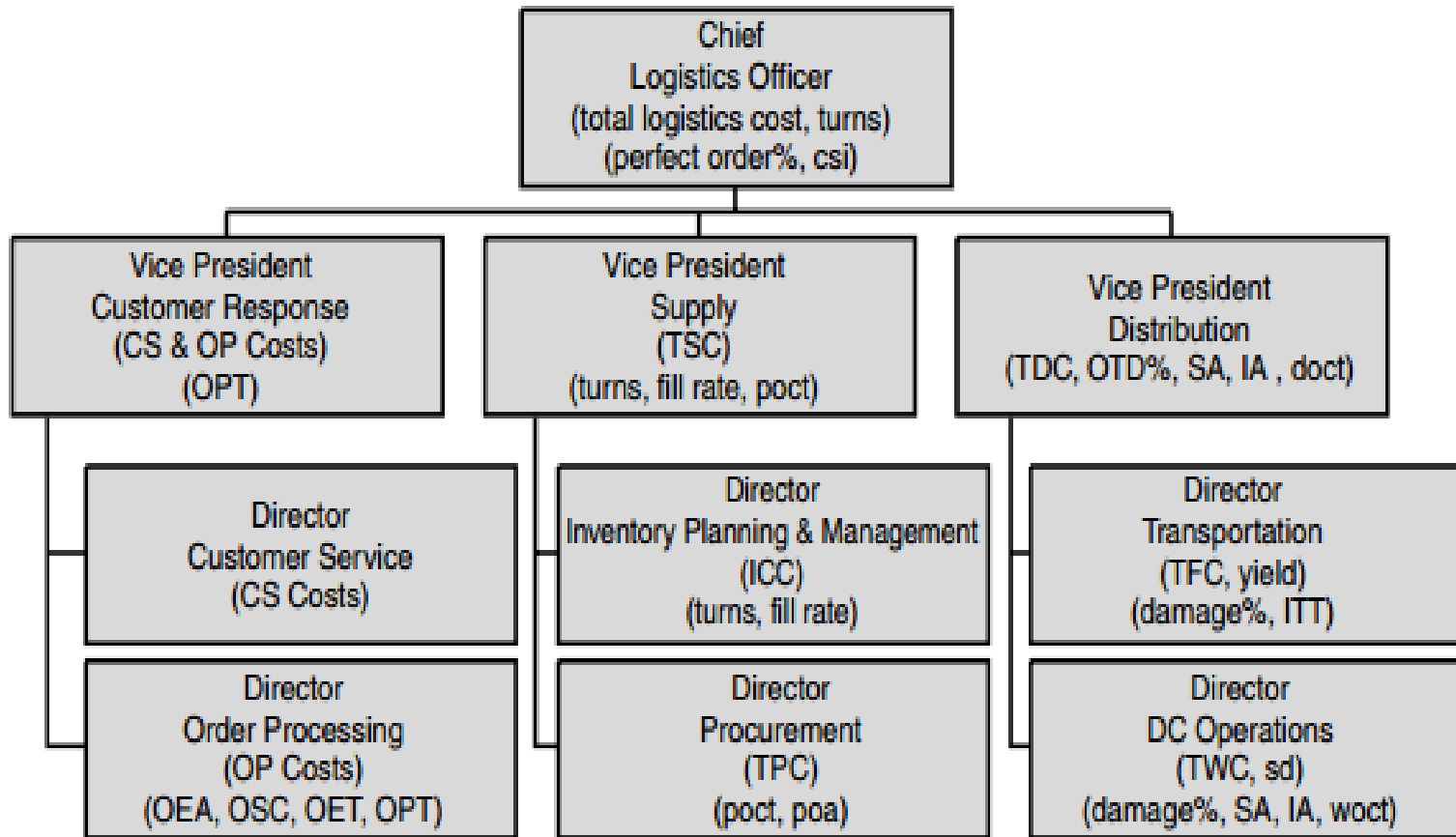


Matrix organization structure

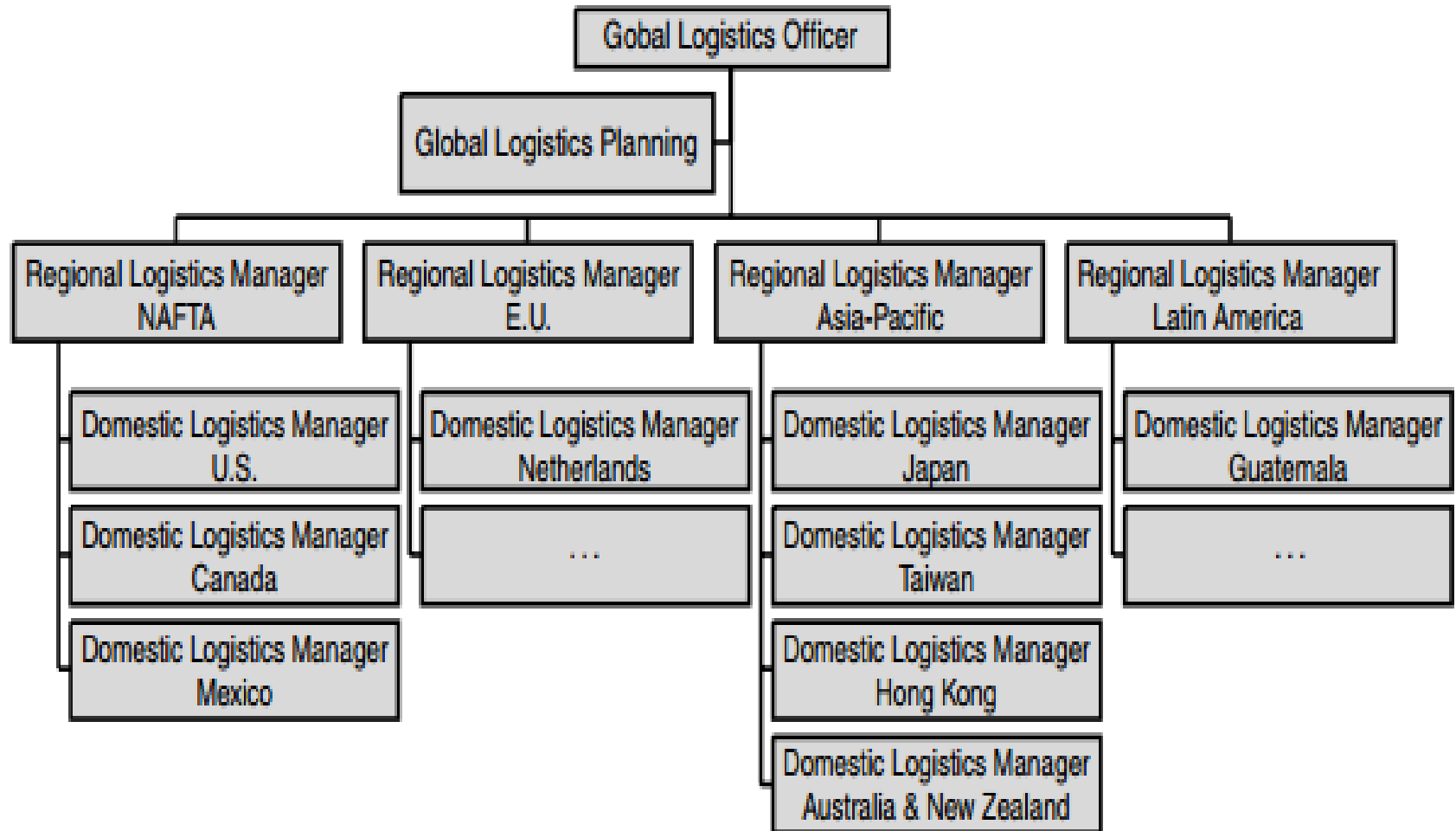


Integrated Logistics Organizational Model

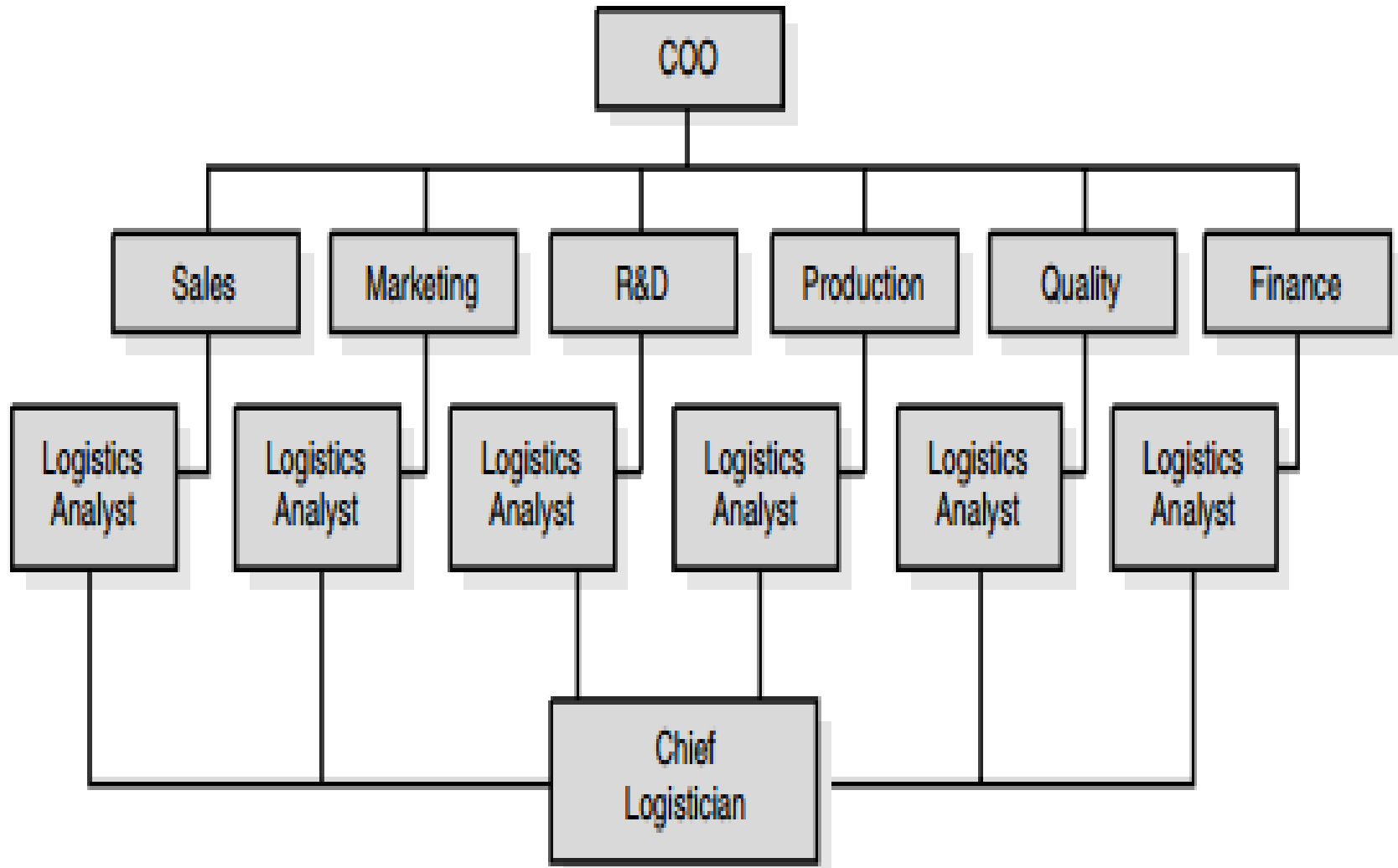
Integrated logistics organization model with Chief Logistics Officer



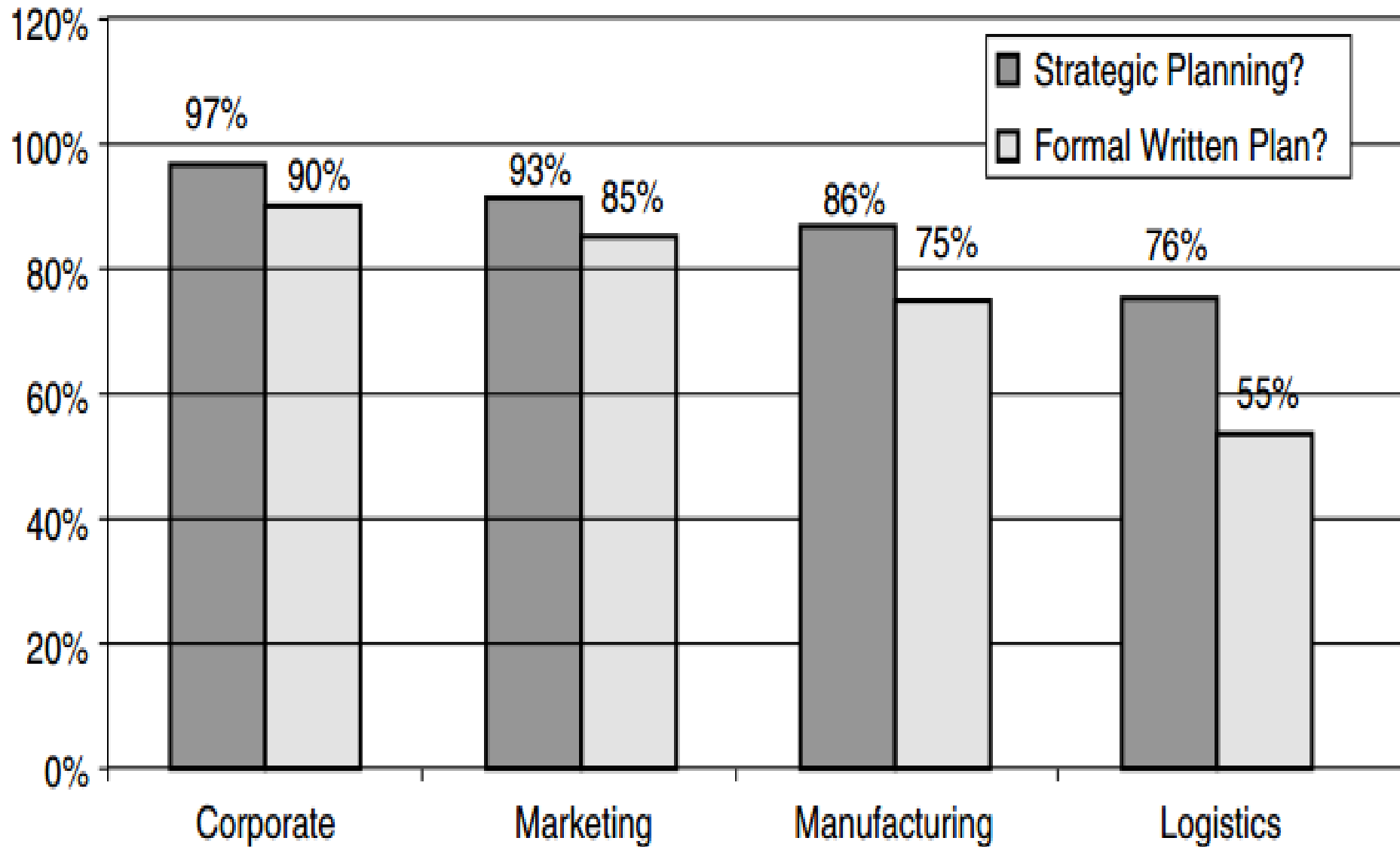
Global logistics organization model



Distributed Logistics Organizational Model

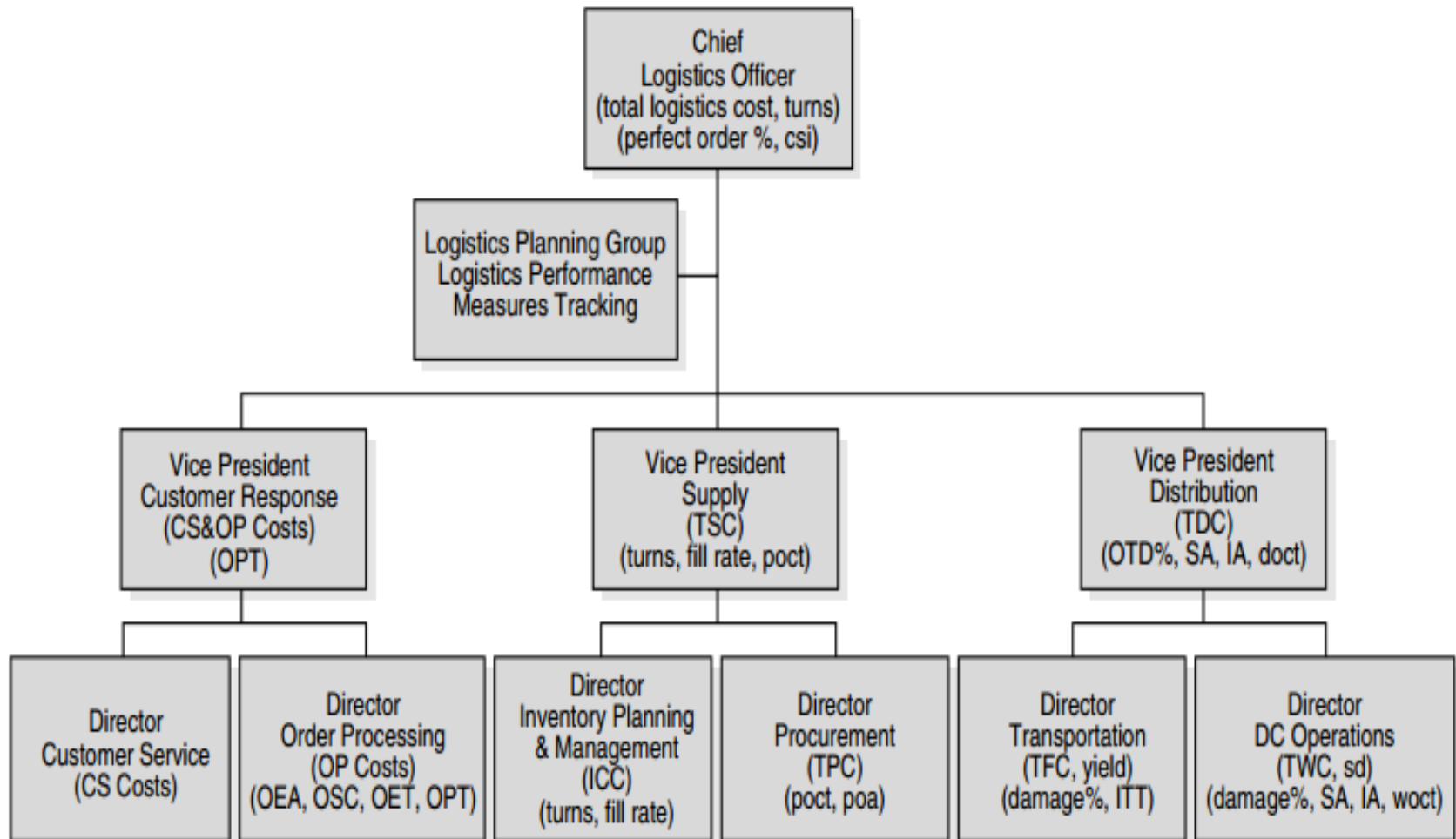


LOGISTICS STRATEGIC PLANNING AND PROJECT MANAGEMENT



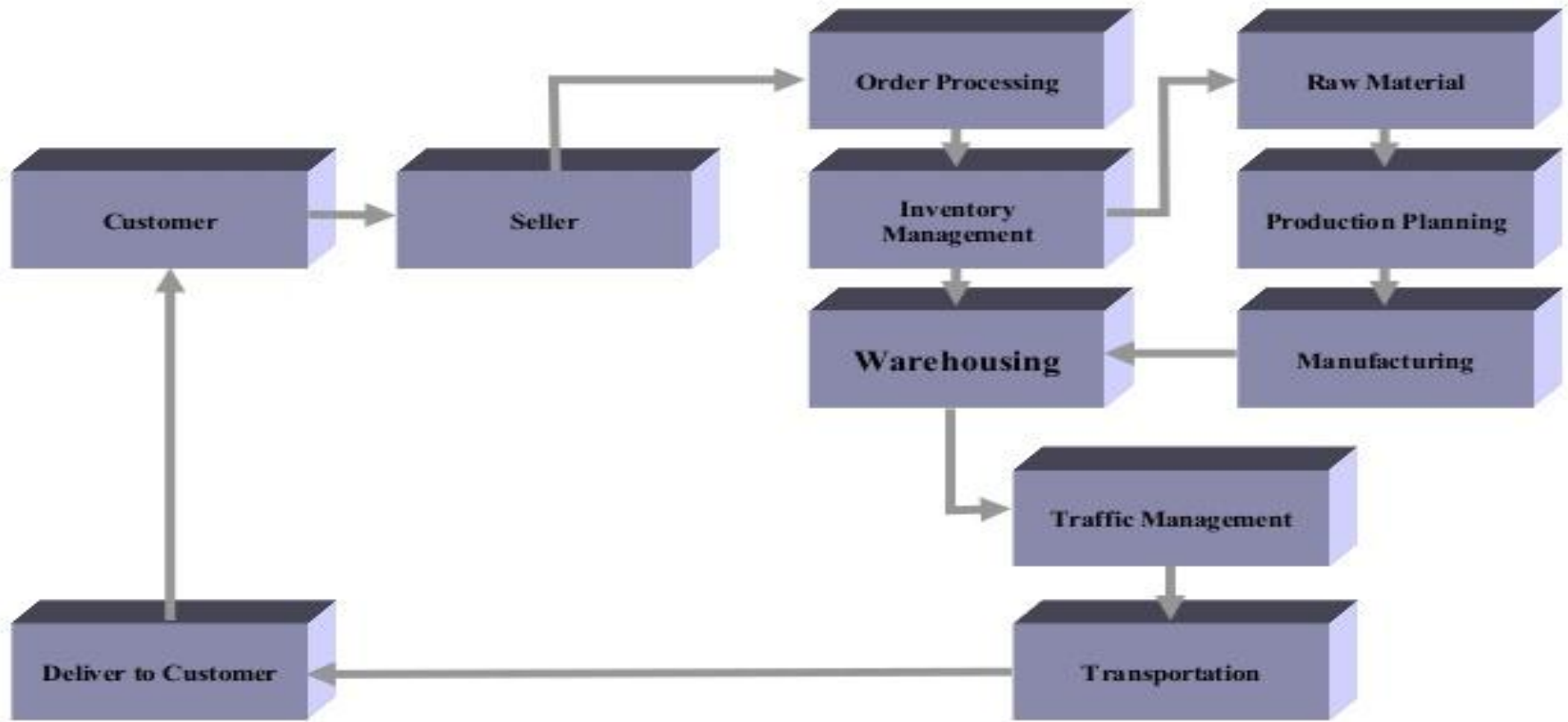
Dedicated Planning Resources and Programs

Logistics organization with logistics planning team

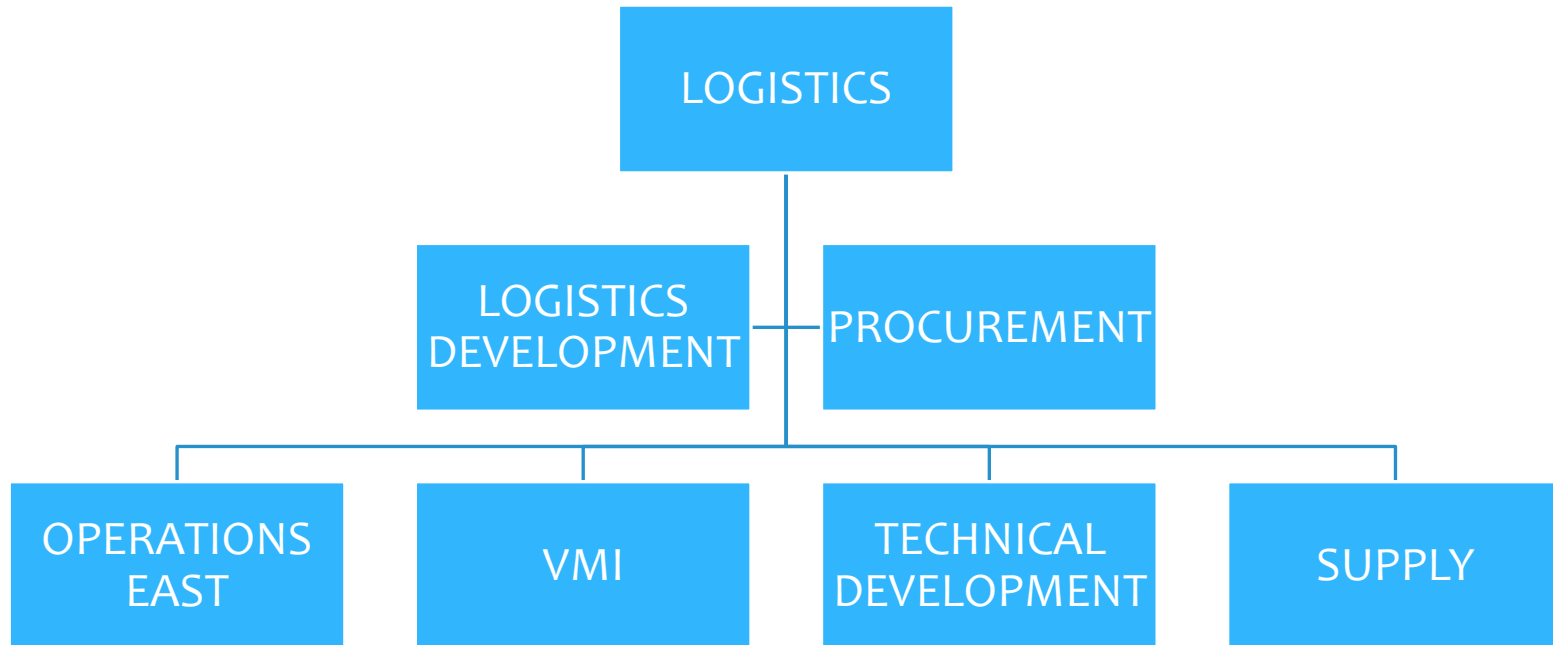


LOGISTICS PROCESS AND ACTIVITY MANAGEMENT

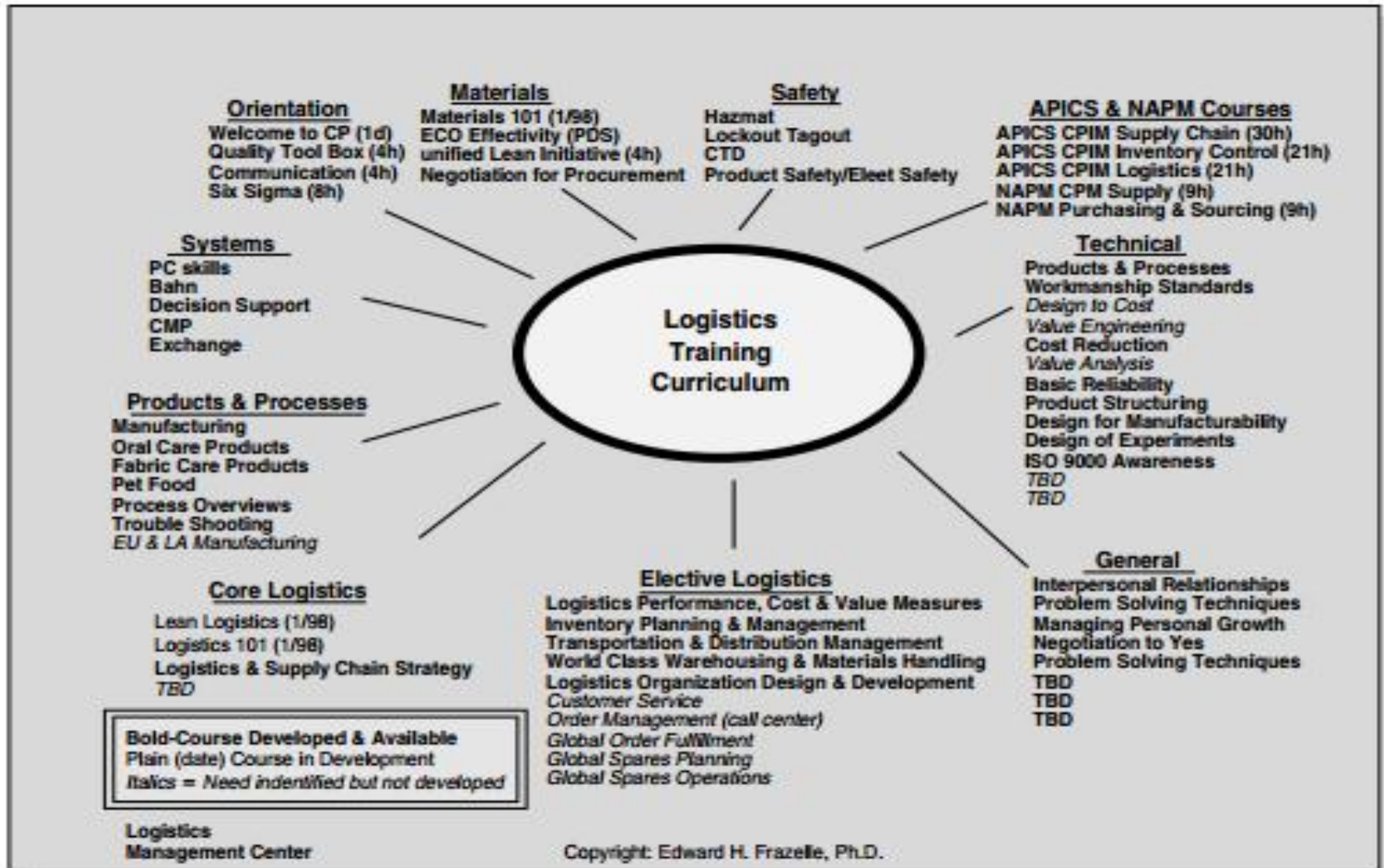
The Logistics Process



LOGISTICS PROFESSIONAL DEVELOPMENT



Internal logistics professional development program



THE END

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