

SUPPLY CHAIN MANAGEMENT

FUNDAMENTALS OF SUPPLY CHAIN MANAGEMENT



Raw materials



Transport



Bottler



Transport



Distribution center



Utility fleets



Merchant



Consumers

A supply chain is a network of manufactures and service providers that work together to convert and move goods from the raw materials stage through to the end user.



Reverse product flow



Supplier



Producer



Customer



Primary product flow



Primary product flow



Primary cash flow



PHYSICAL AND FINANCIAL FLOWS

Flow of Goods (Physical Supply Chain)

Logistics Providers



Supplier



Manufacturer



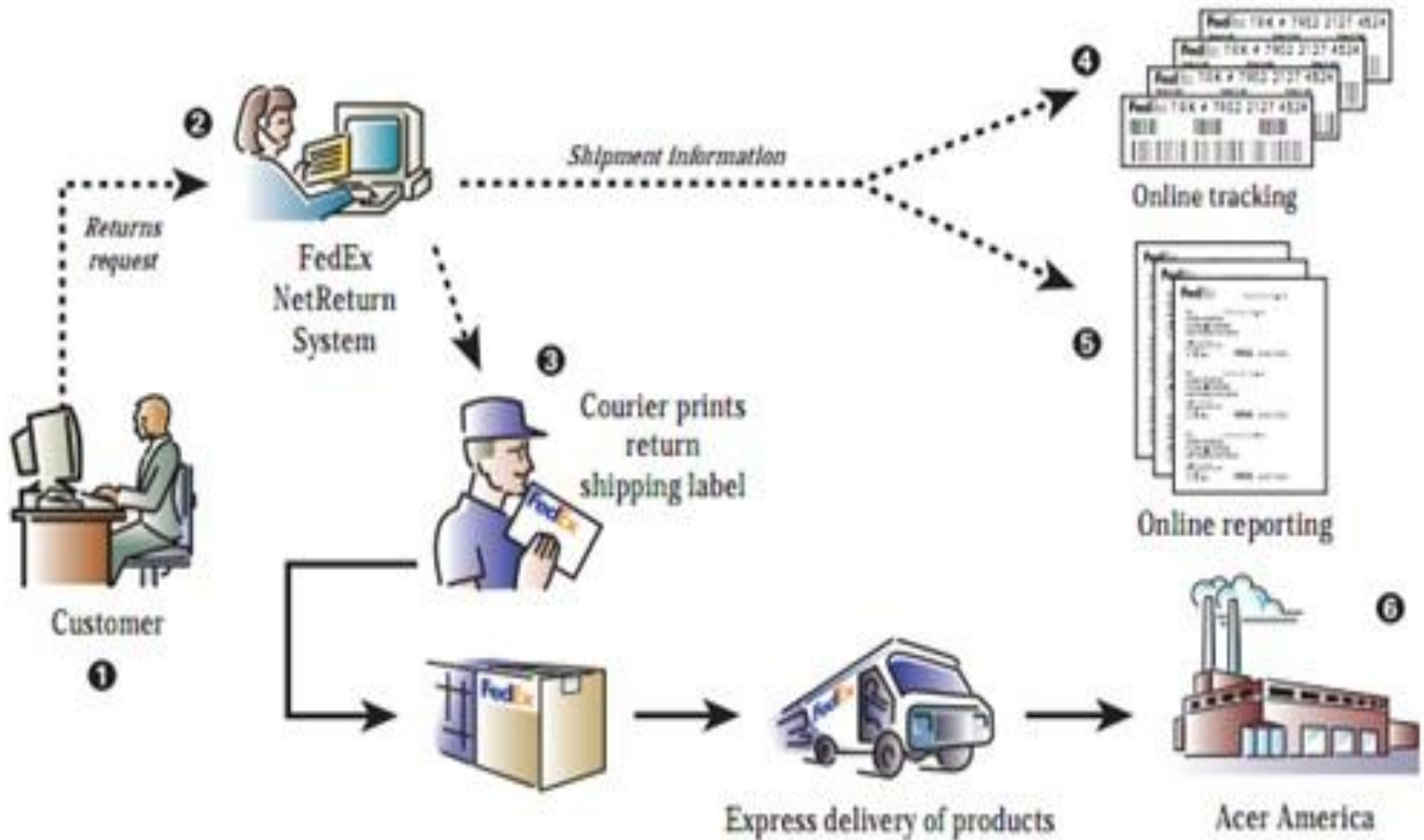
Retailer / Distributor



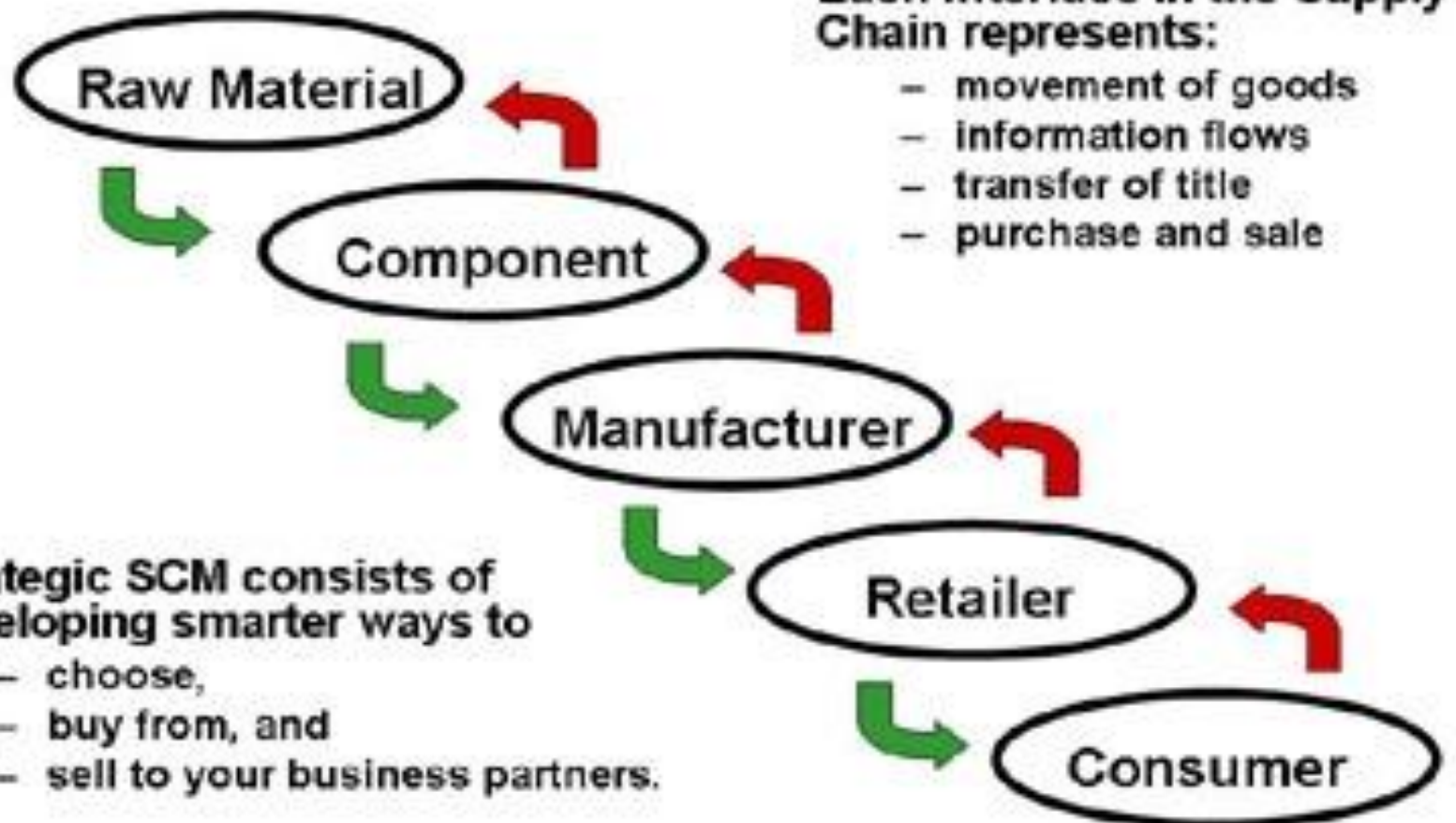
Consumer

Flow of Funds (Financial Supply Chain)

INFORMATION FLOW



Key SCM Concepts



SUPPLIER MANAGEMENT

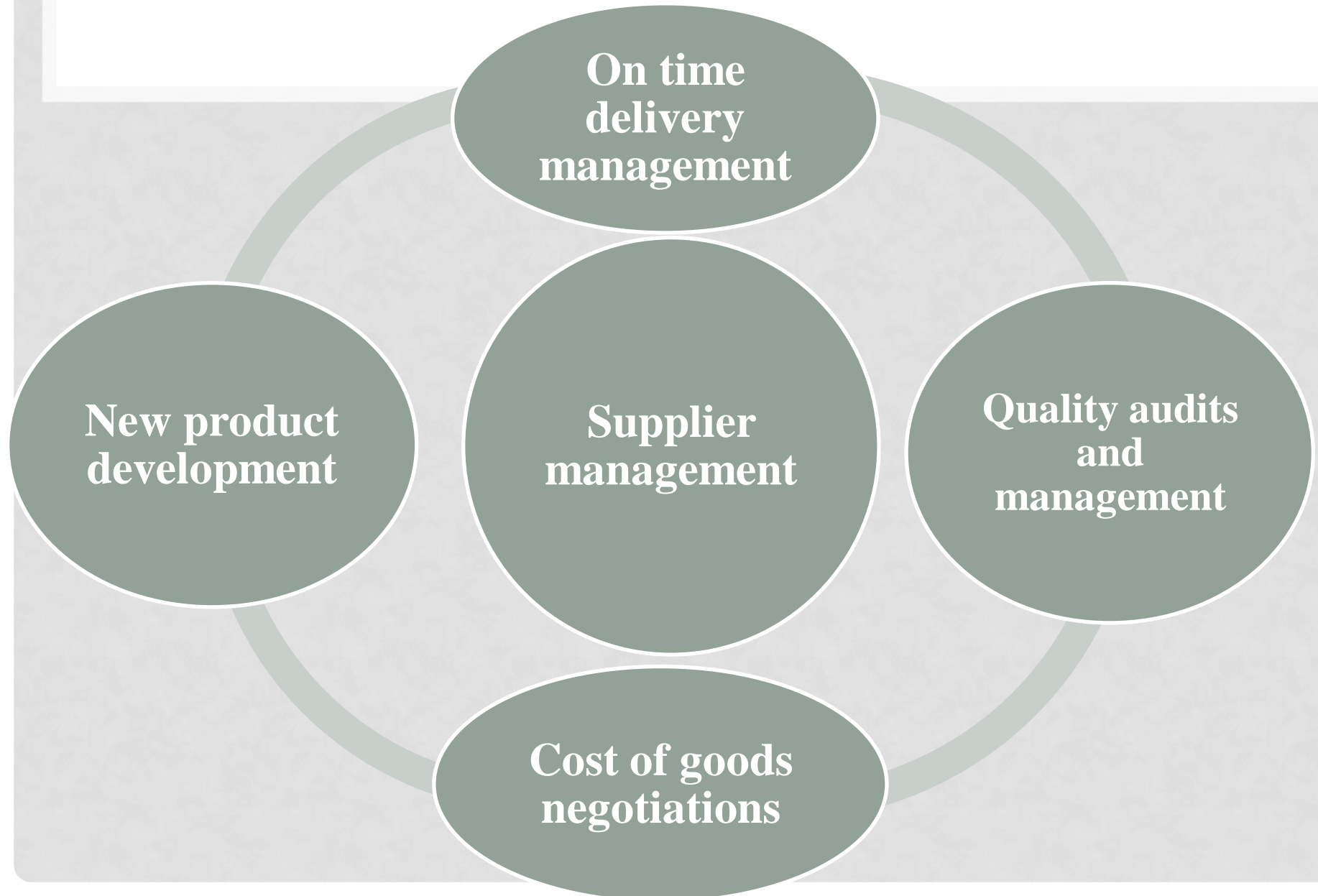
**On time
delivery
management**

**New product
development**

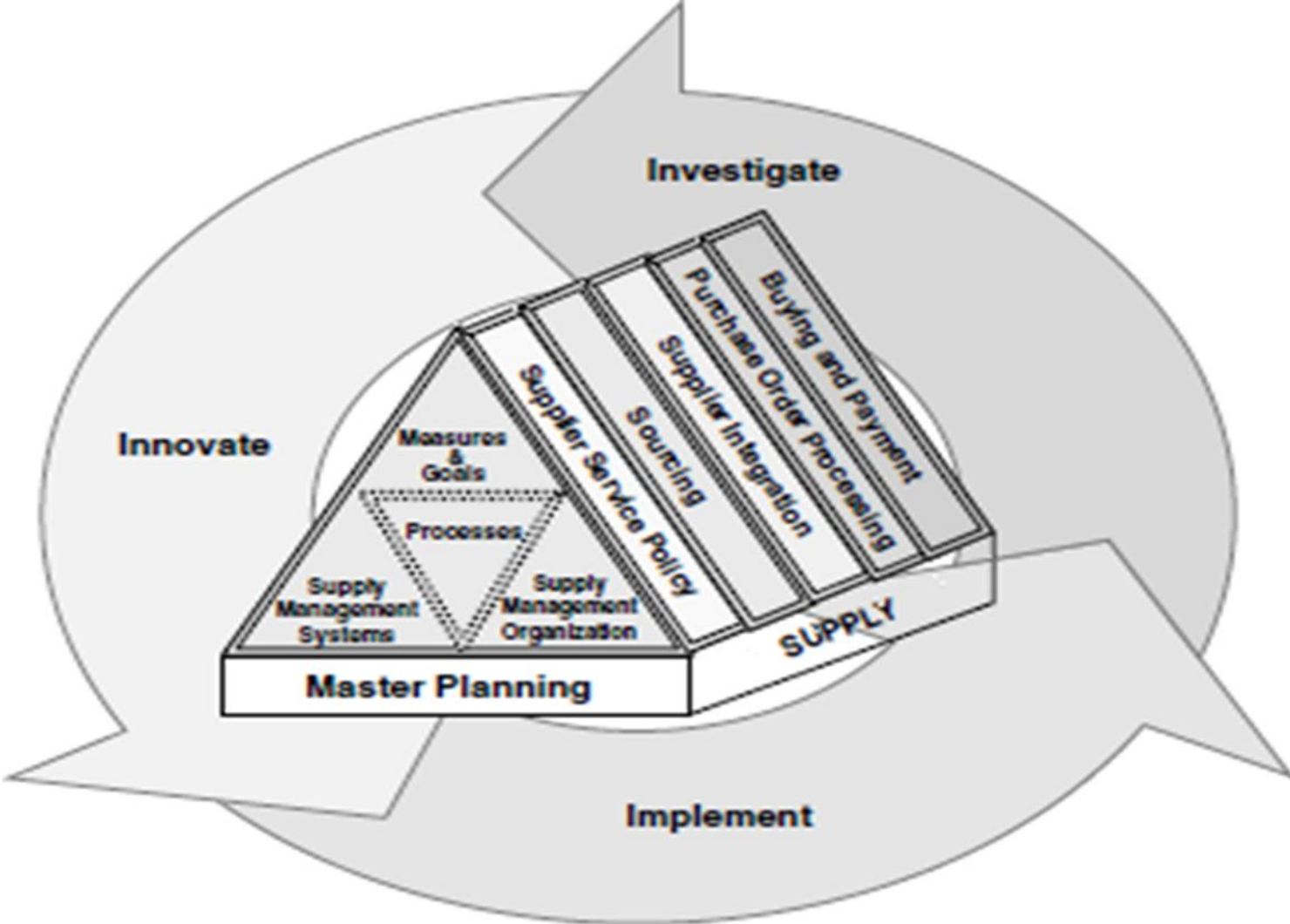
**Supplier
management**

**Quality audits
and
management**

**Cost of goods
negotiations**



SUPPLY MASTER PLANNING



SUPPLY MASTER PLANNING

The objective of supply master planning is to identify the supply measures, practices, and systems that will minimize the total supply cost while meeting the inventory availability schedule determined in inventory master planning.

SUPPLY ACTIVITY PROFILING

WHAT IS THE SUPPLY ACTIVITY PROFILING

Compiling and analyzing supply and supplier activity to build a database for decision making throughout the supply master planning program.

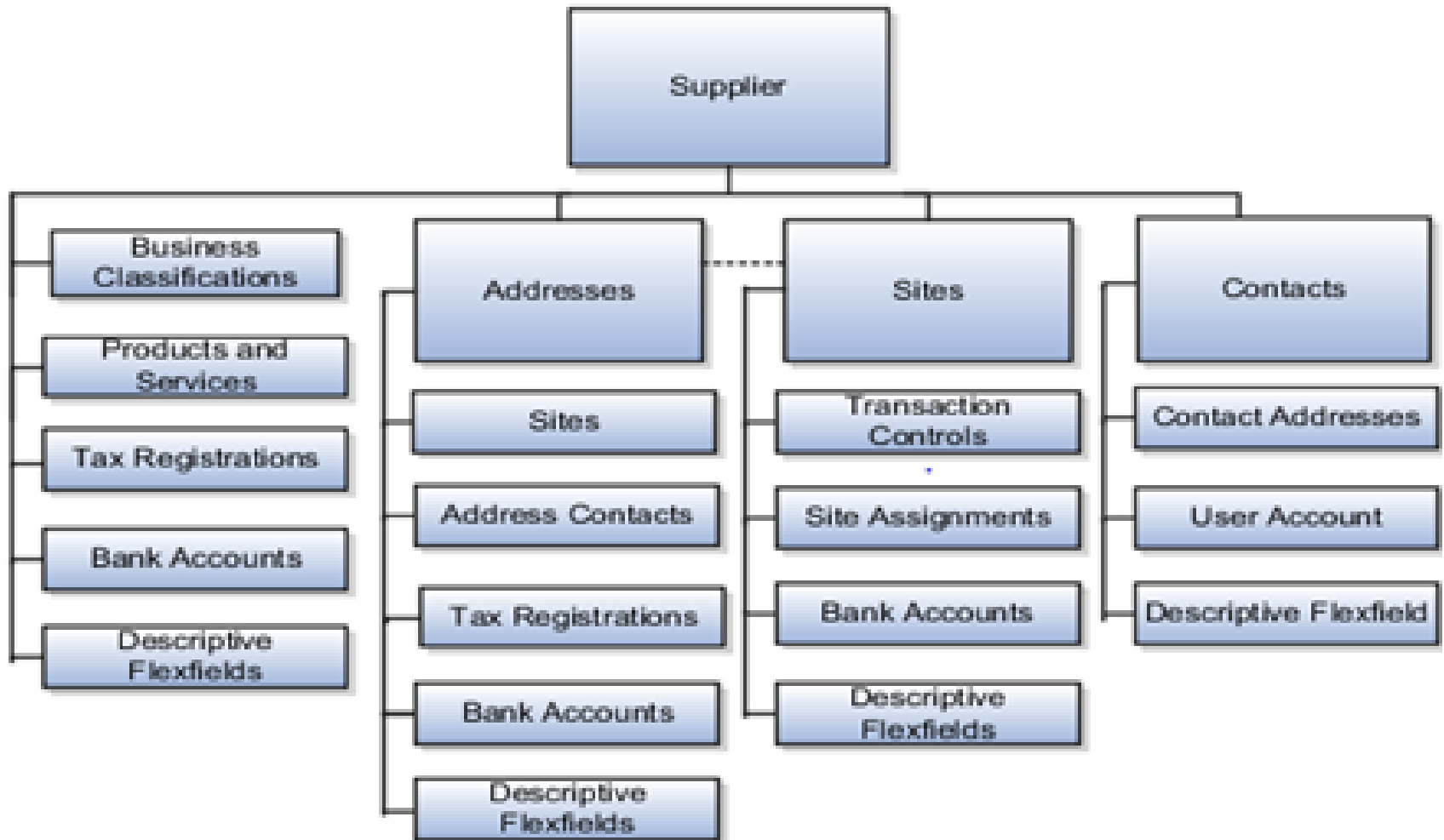
COMPONENTS OF SUPPLY ACTIVITY PROFILE ARE:

Supplier activity profile (SAP)
Supplier-Item activity profile (SIAP)

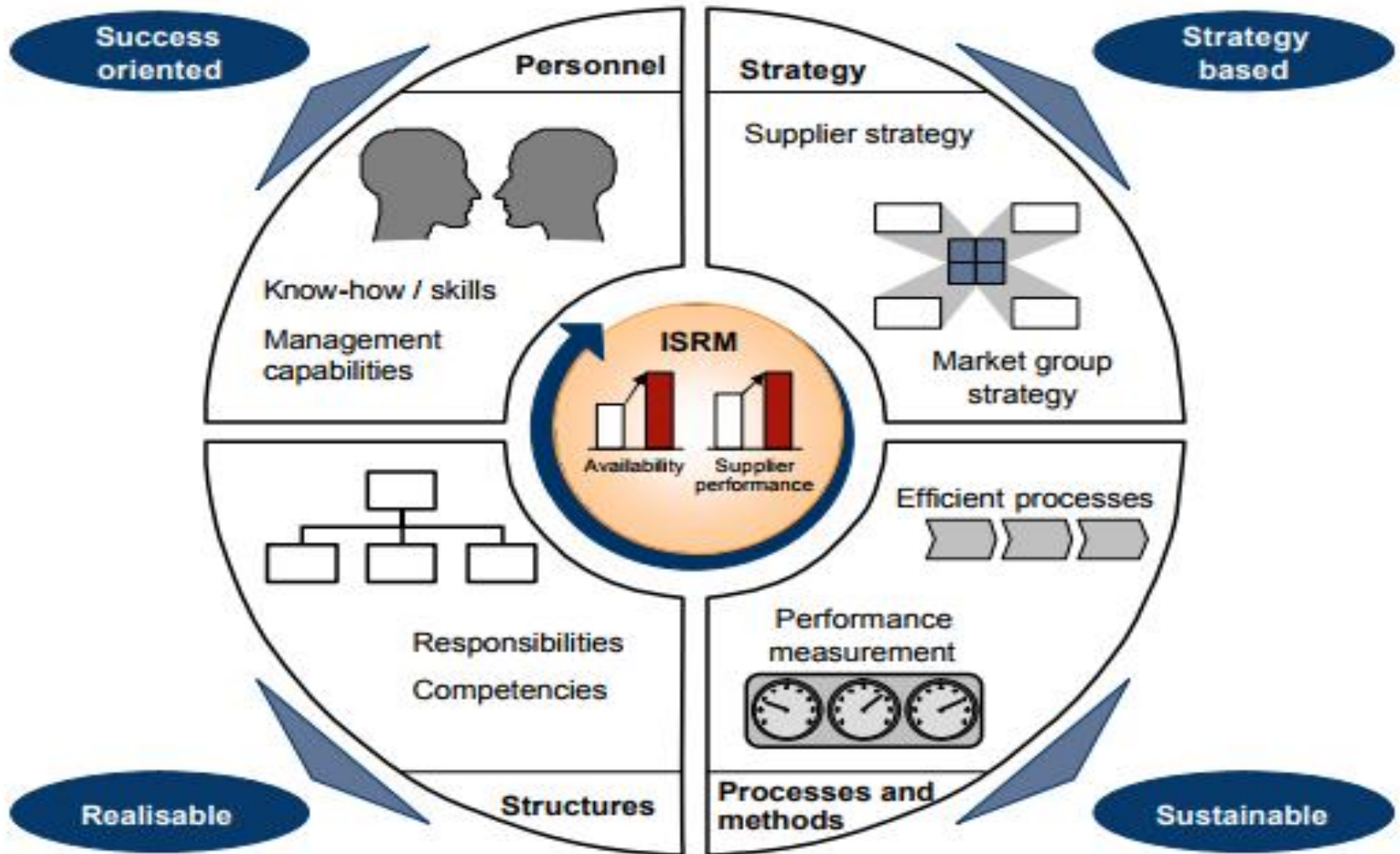
Item purchasing activity profile
(IPAP)

Purchase order profile

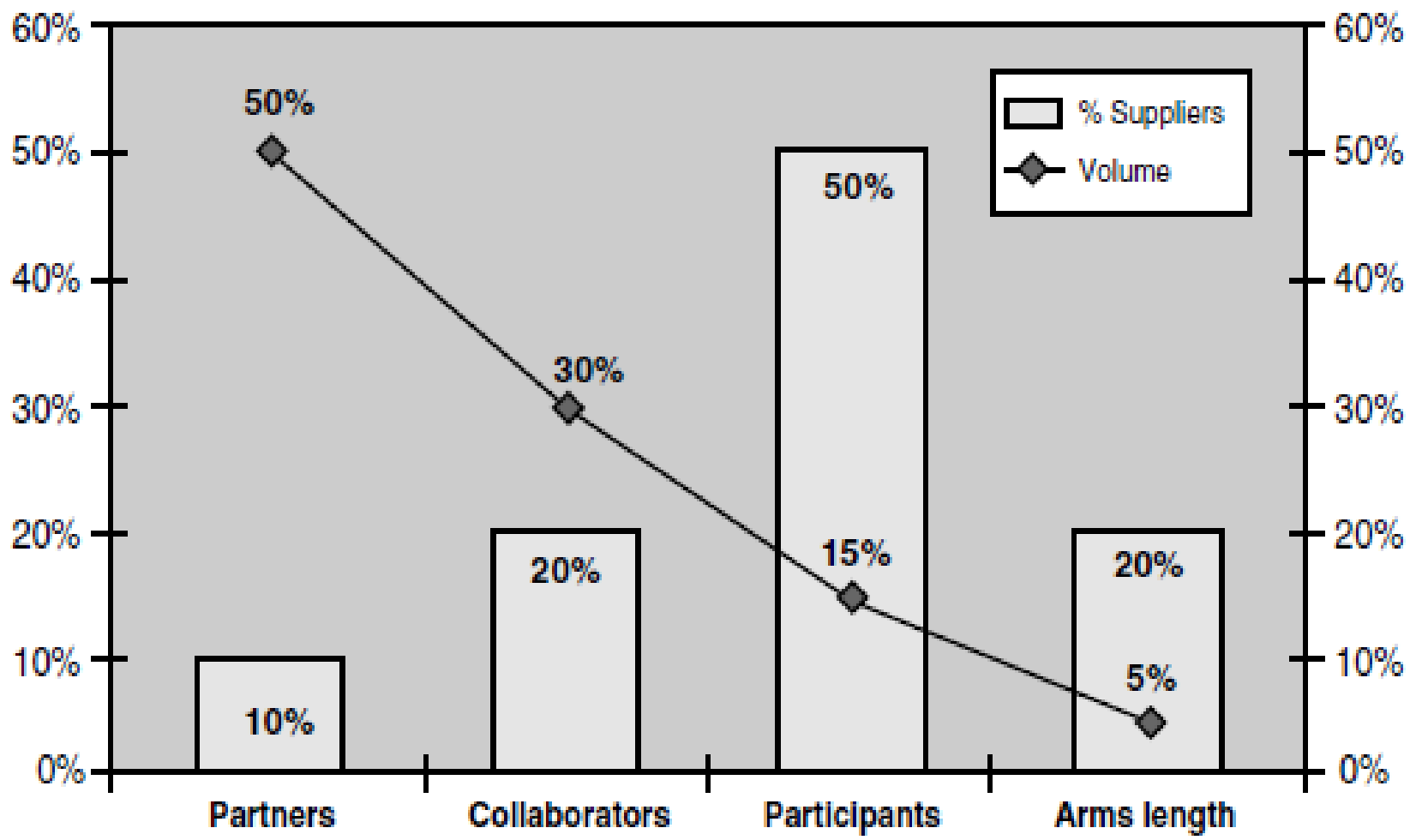
SUPPLIER ACTIVITY PROFILE



SUPPLIER INTEGRATION AND RELATIONSHIP MANAGEMENT



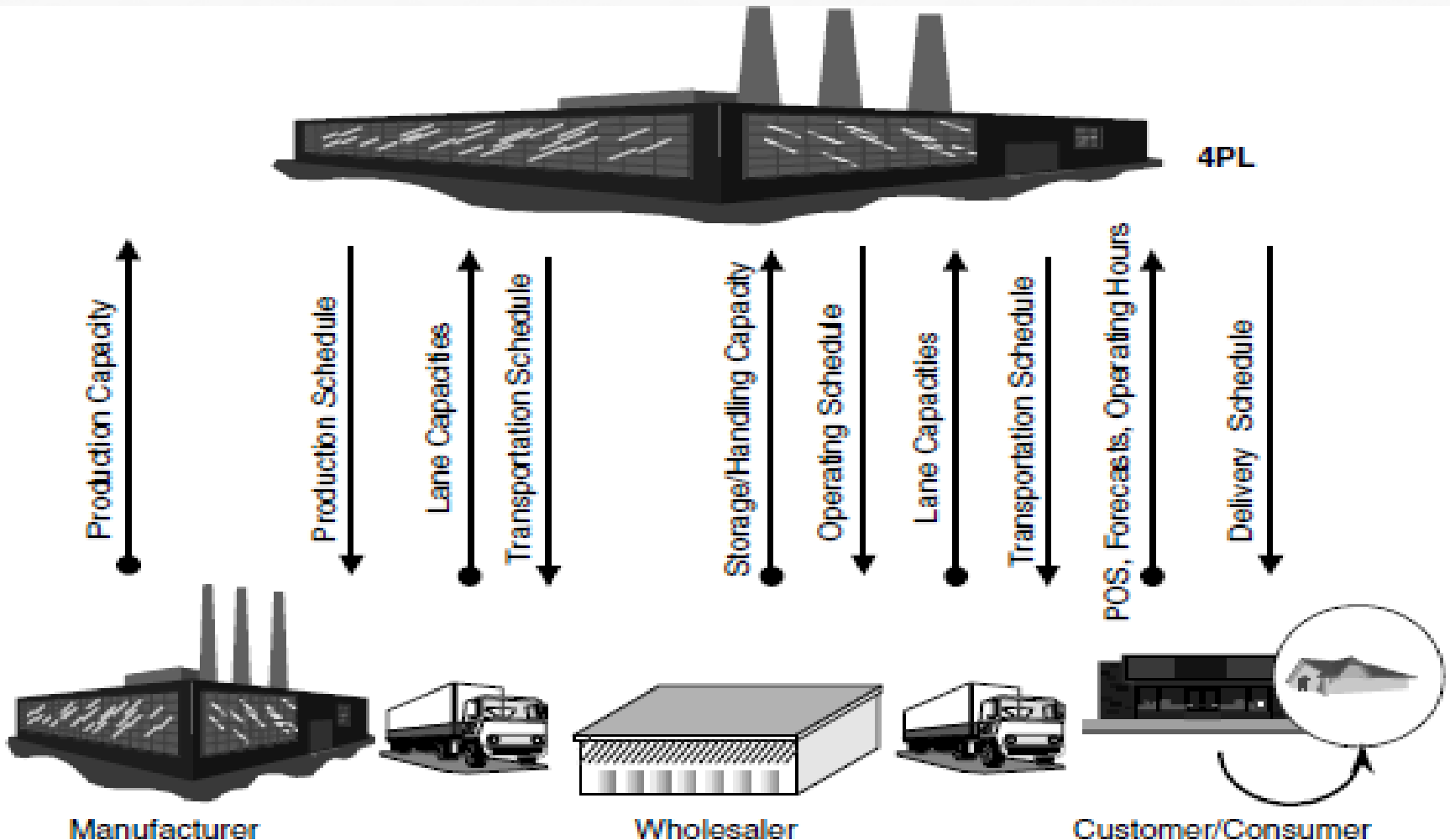
SUPPLIER PARTNERSHIP



VENDOR MANAGED INVENTORY



SUPPLY CHAIN COLLABORATION, SCHEDULING, OPTIMIZATION AND SIMULATION



Pre Receiving

File Functions Window Help



Find



Select



General

Status	Location	Type	Order No	AWB
Open		PO	796002	
Created date	From / To	Bin	Signed For By	
00/00/0000	00/00/0000			

Filter/Sort



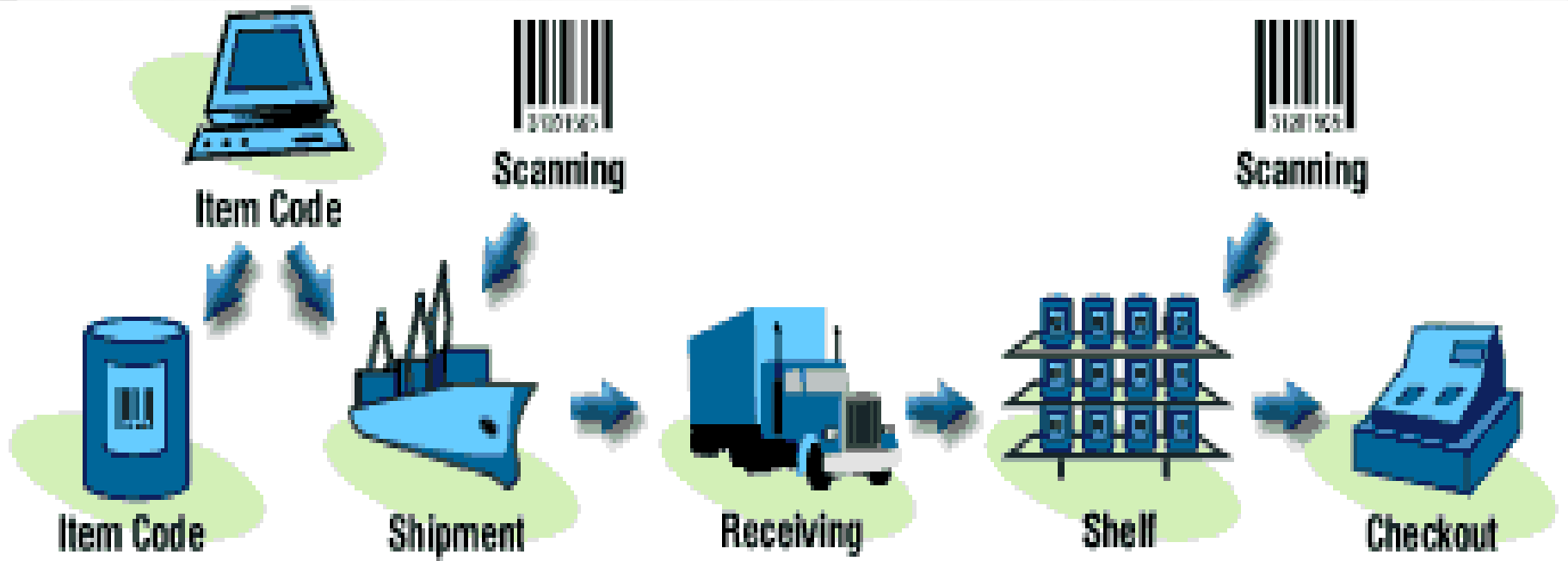
Pre Receiving	Type	Order NO	AWB	# of PCS	Condition
1	PO	796002	934	15	NEW

STANDARD, ECONOMIC HANDLING INCREMENTS

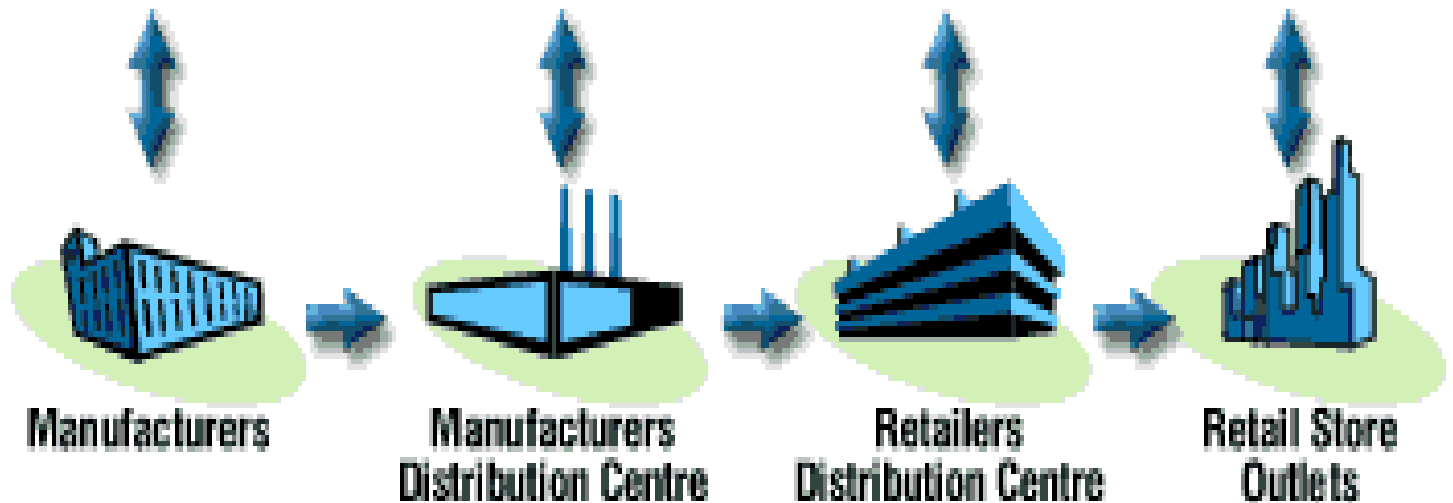


PAPERLESS INFORMATION EXCHANGE

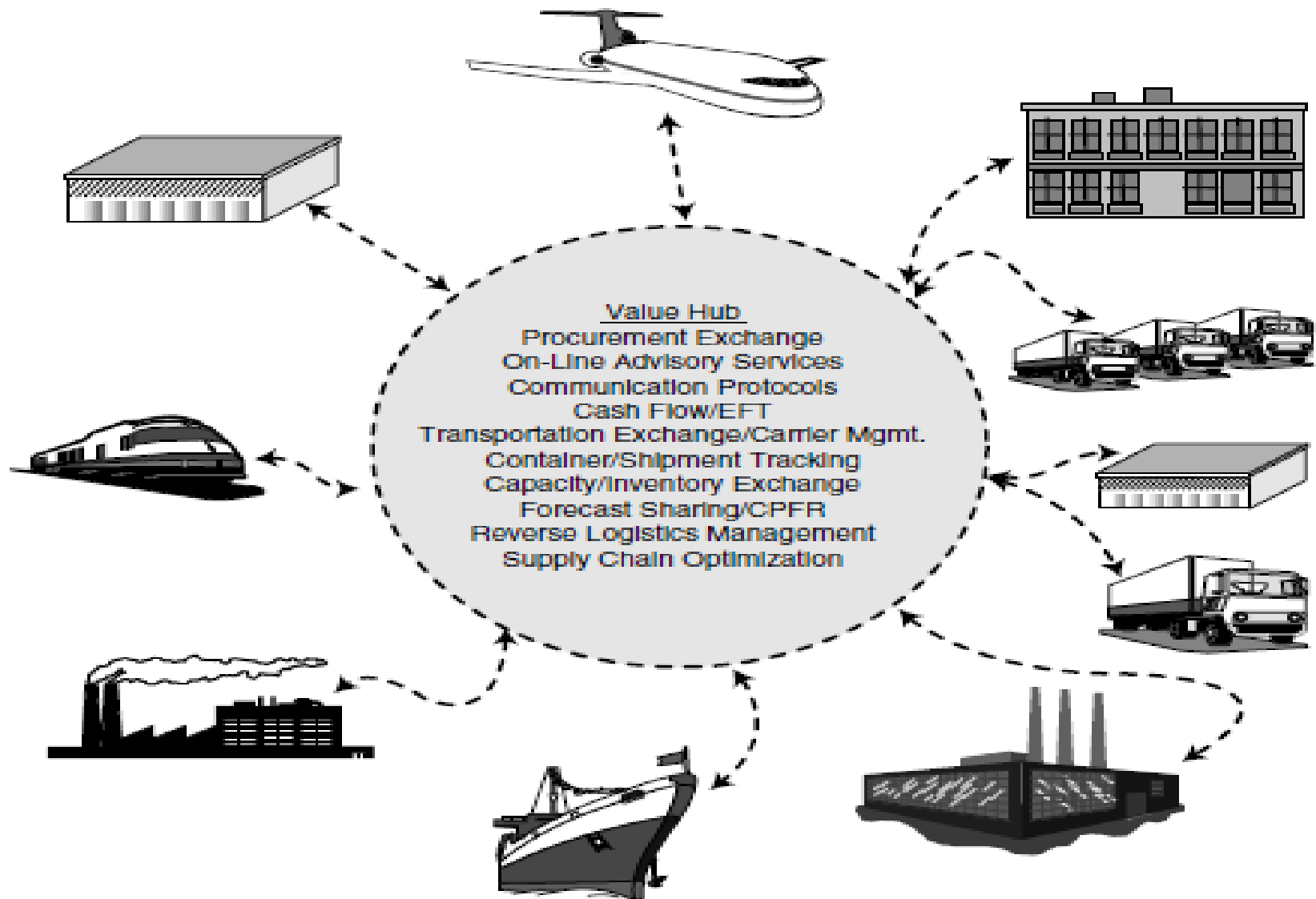




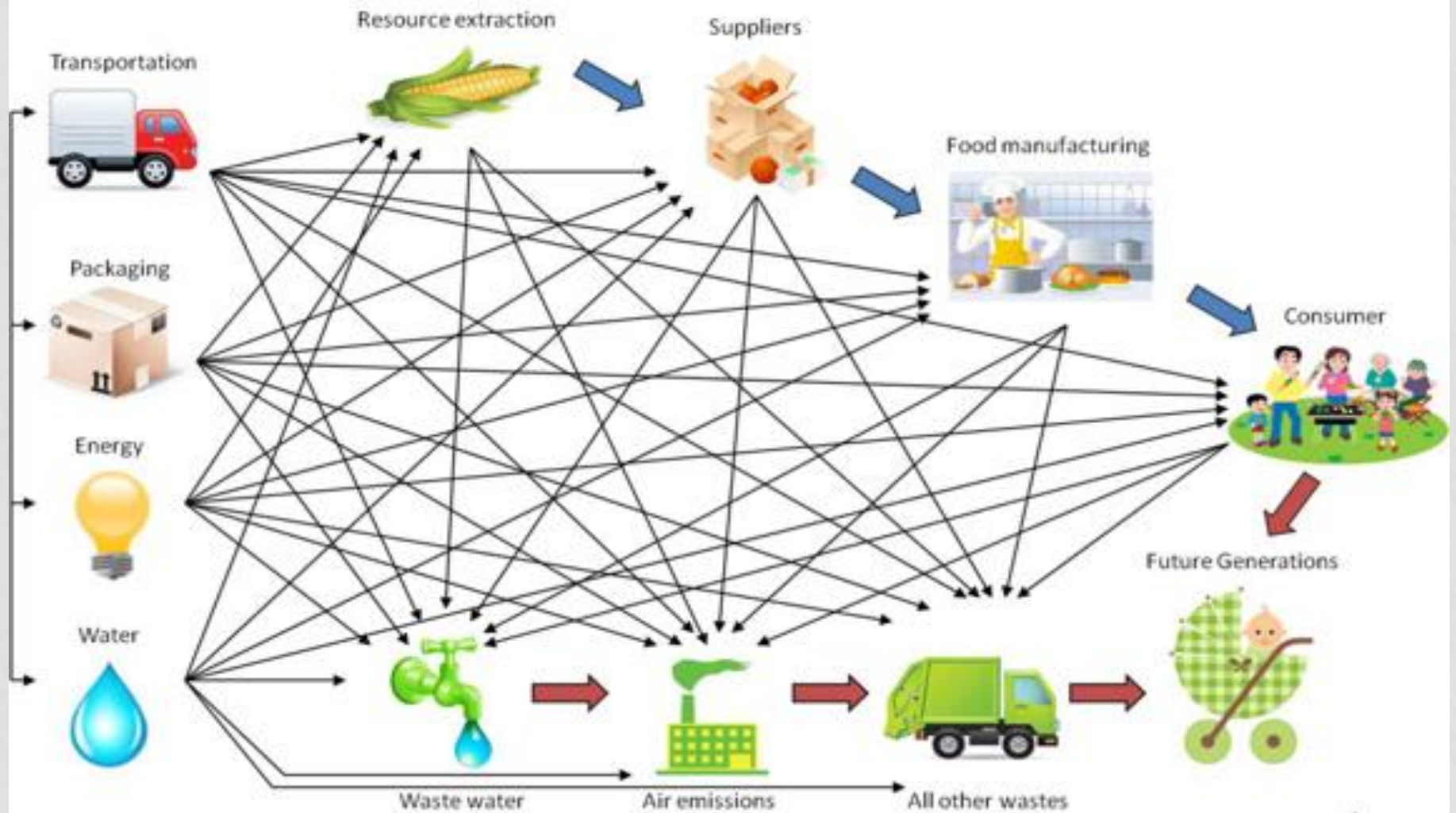
Electronic Data Interchange (EDI)



SUPPLY CHAIN EXCHANGE



DELIVERING SUSTAINABILITY THROUGH SUPPLY CHAIN MANAGEMENT



Supply chain
alignment

SUPPLY CHAIN
MANAGEMENT:

Cost reduction
Process efficiency
Asset utilization
Service reliability
Inventory optimization

SUSTAINABLE
SUPPLY CHAIN
MANAGEMENT

BUSINESS
SUSTAINABILITY:

Environmental impact
Social responsibility
Economic stability
Health and safety
Stakeholder's interest

Risk management

RISK IN THE SUPPLY CHAIN

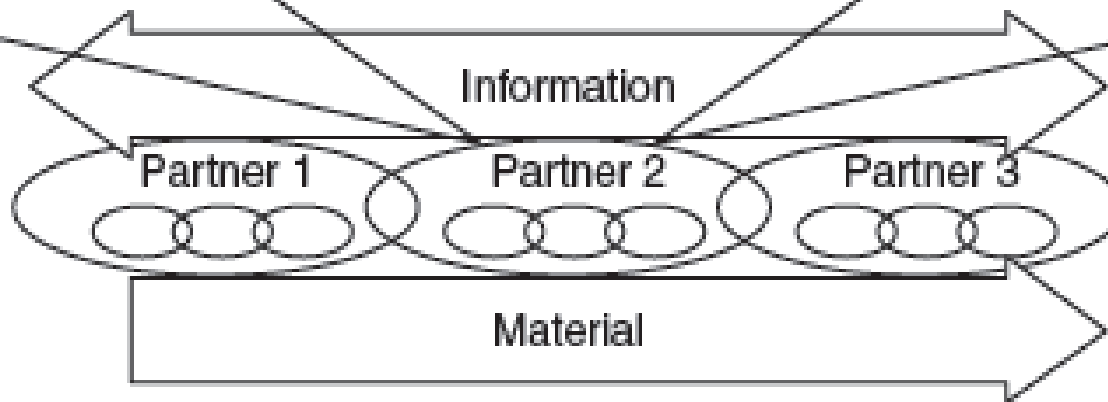
Risk management

- Financial perspective
- Corporate focus
- Sarbanes–Oxley Act

Supply chain management

- Integration of partners along the supply chain
- Cooperation and coordination
- Dependencies and risk of interruptions

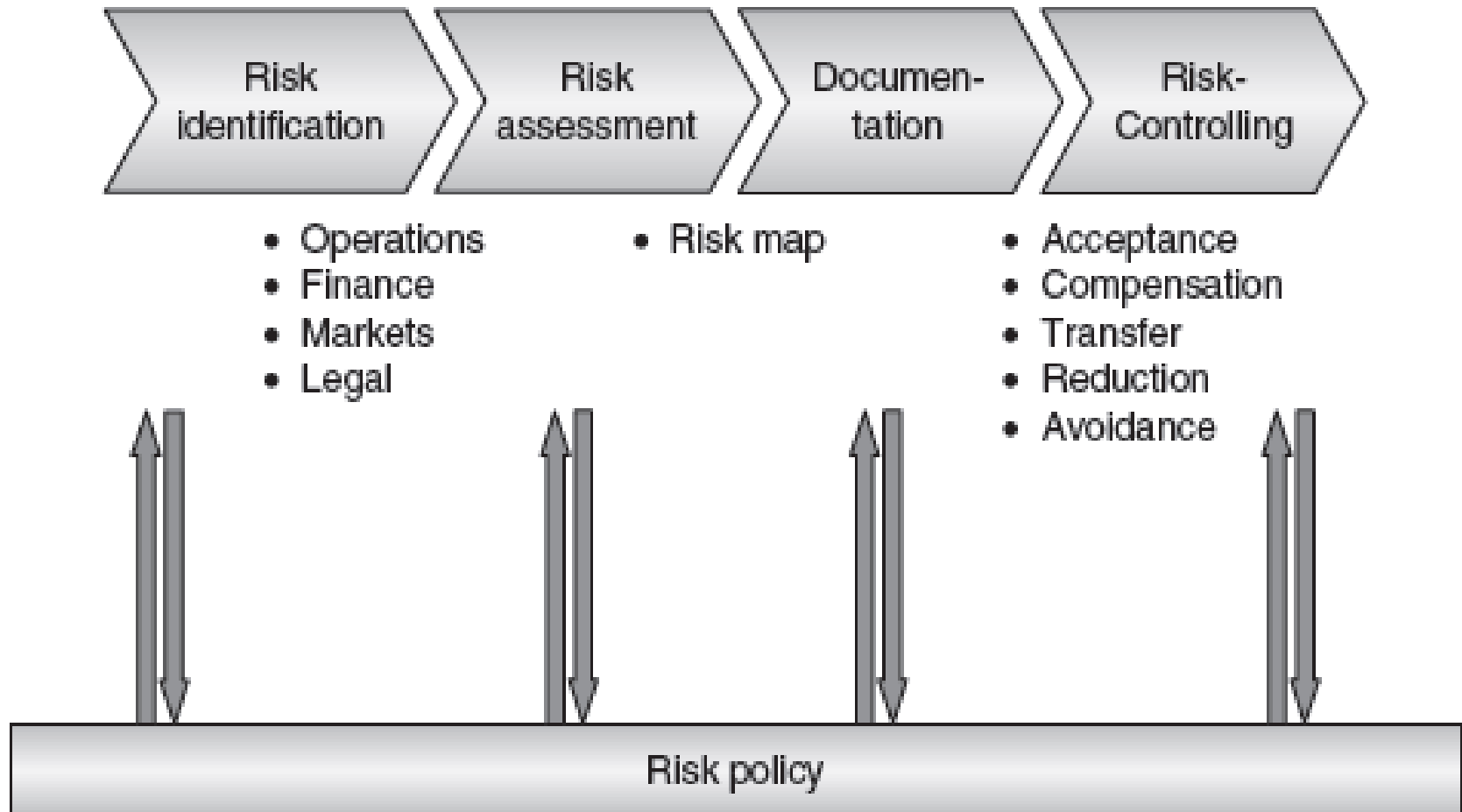
Supply chain

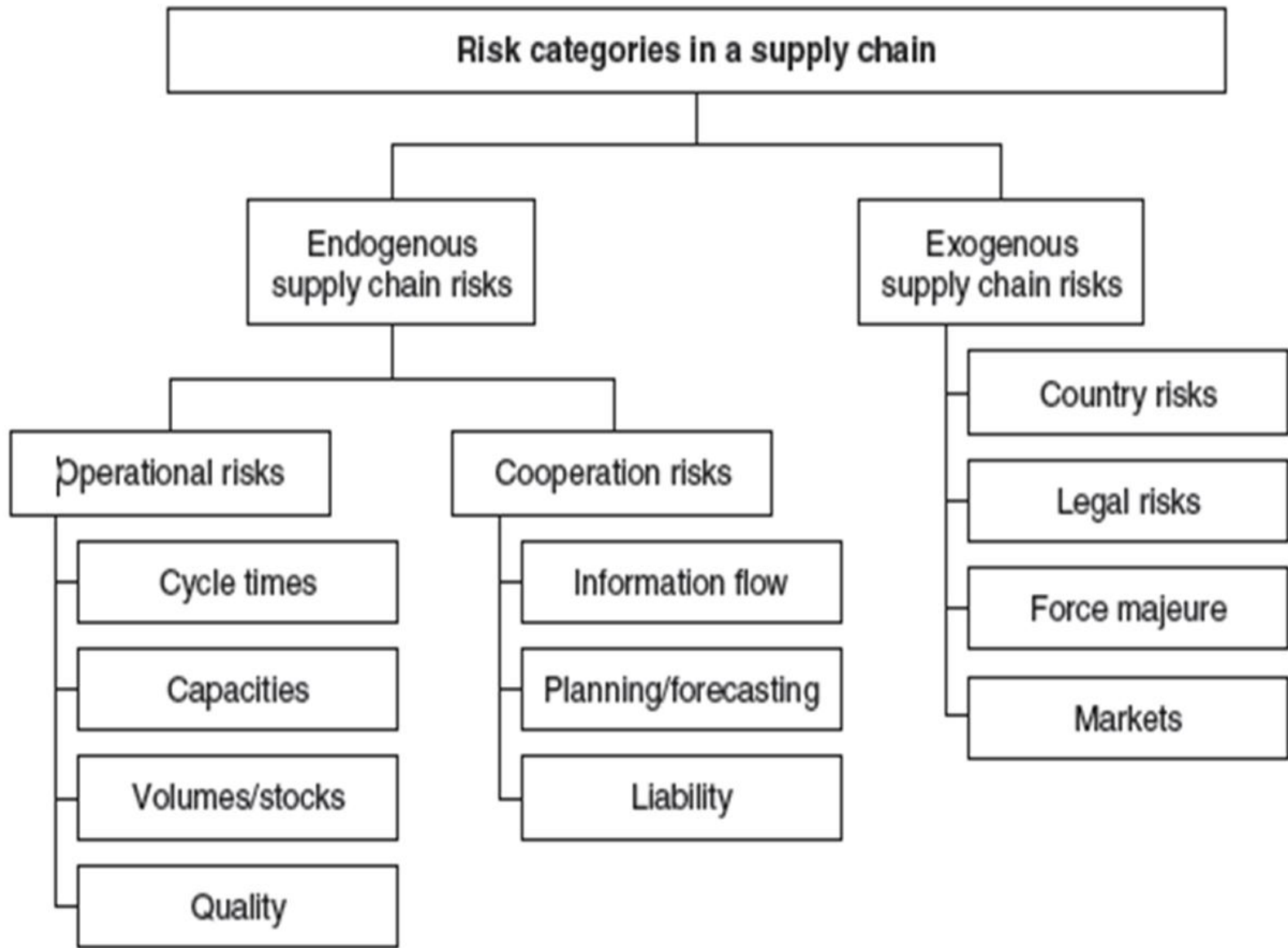


Risk:

- Chance of danger, loss or injury
- Measurable uncertainty

RISK MANAGEMENT IN SUPPLY CHAIN





Source: Donald Waters, 2010



THE END

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