

**Supply chain strategies**

**SBS MBA SPECIALIZATION**

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**Total Marks: \_\_\_\_\_\_\_ / 40**

**PLAGIARISM**

Plagiarism is a form of **cheating**, by representing someone else's work as your own or using someone else's work (another student or author) without acknowledging it with a reference. This is a serious breach of the Academic Regulations and will be dealt with accordingly. Students found to have plagiarised can be **excluded from the program**.

Plagiarism occurs whenever you do any of the following things without acknowledging the original source:

* Copy information from any source (including the **study guide**, books, newspapers, the internet)
* Use another person's concept or ideas
* Summarise or paraphrase another person's work.

**How do I avoid plagiarism?**

To ensure you are not plagiarising, you must acknowledge with a reference whenever you:

* Use another person's ideas, opinions or theory
* Include any statistics, graphs or images that have been compiled or created by another person or organization
* Paraphrase another's written or spoken word.

**What are the penalties?**

The penalties for plagiarism are:

* Deduction of marks,
* A mark of zero for the assignment or the unit, or
* Exclusion from the program.

Plagiarism is dealt with on a case-by-case basis and the penalties will reflect the seriousness of the breach.

**Please note: claiming that you were not aware of need to reference is no excuse**

**Case problem: Drivers for and methods to optimize the supply chain**

**Company ;Whirlpool**

Whirlpool Corporation is a leader of the $100 billion global home appliance industry. Ranked sixth in the electronics industry list of FORTUNE magazine’s "World’s Most Admired Companies" , Whirlpool Corporation is a Fortune 500 company  and the world's leading manufacturer and marketer of major home appliances. Annual sales are approximately $19 billion, and there are 70,000 employees, with 69 manufacturing and technology research centers around the world. Founded in 1911, the company markets Whirlpool, Maytag, KitchenAid, Jenn‐Air, Amana, Brastemp, Consul, Bauknecht and other major brand names to consumers in most countries around the world. Whirlpool manufactures appliances across all major categories, including fabric care, cooking, refrigeration, dishwashers, countertop appliances, garage organization and water filtration. Whirlpool is committed to a brand value‐creation strategy—focusing on innovation, cost productivity, product quality and consumer value. The company continues to improve its global operating platform to ensure it is the best‐cost and best‐quality appliance manufacturer worldwide. its supply chain has been transformed to better deliver products to trade customers and consumers. The benefits of actions are evident through a stronger network, increased efficiencies and timely deliveries. Whirlpool Corporation is committed to building products which consumers around the world can depend upon to meet their daily needs. This commitment to quality begins in the concept stages and continues throughout the lifetime of the appliance. The result of these efforts is a sustainable and competitive advantage for the company. Globally, Whirlpool Corporation manufactures products using principles of lean manufacturing and operational excellence to ensure continuous improvement of processes and to produce products that meet the company's high‐quality standards. At Whirlpool, there is a constant focus on seeking out new and unique ways to improve the function, performance and sustainability of products. After acquiring the Maytag Corporation on March 31, 2006, Whirlpool Corporation became the largest home appliance maker in the world.

A merger with Maytag added another layer of complexity to Whirlpool's efforts to manage sales, orders, and cash flow. Brian Hancock, VP Supply Chain, talks about how this was achieved. Until recently, Whirlpool's strategic focus was on its products and brands. In recognition of environmental changes (customer needs in particular) attention was shifted to their supply chain and how best to manage it. The need to focus on the supply chain was also instigated by major internal and organizational changes (the merger with Maytag). Furthermore it was recognized that two issues required attention: 1) the desire for trade partners to hold lots of inventory (which impacted upon cash flows) 2) balancing number one with customers needing their products quickly. One of the goals constraining the redesign of their supply chain was to ensure a customer order could be fulfilled and delivered to the customer within 48hrs. The company set about its operations/ supply chain strategy with the aim of improving cash flow, reducing costs and providing the right service to customers. The first aspect of their strategy was the order process. Process, technology and inventory changes were made. Systems required replacement and integration with Maytag systems. Overall, there was a need to improve visibility within the supply chain. Secondly, the company rationalized facilities, reducing the number of buildings from 184; they eliminated 100 buildings and consolidated major warehouses into 10 regional distribution centres. This resulted in cost savings of over $60 Million. Thirdly, they optimized supply and demand, with changes to demand planning models and software and integration with upstream suppliers.

**Answer all the questions:**

1. Explain the concept of the supply chain.
2. Describe the challenges faced by the company: What were the drivers for change to the supply chain?
3. What were the benefits of change to the supply chain?
4. Describe the Whirlpool strategy
5. Discuss the demand, capacity, scheduling and inventory challenges. Suggest how the company might increase its speed of response to customers i.e. ensure that the goal of delivering the product within 48 hrs is achieved.