

1. value proposition of "hard discounters"?
cheap price without compromising on quality.

2. what must supply chain do well?
efficiency.

3. How to design supply chain performance drivers to deliver "efficiency"?

- inventory: low product variety

→ higher volume → easy negotiation with suppliers, fewer suppliers;

→ easier handling at warehouses, less risk of stock running out or hitting its sell-by date.

- sourcing: own-label (rather than manufacturers' heavily advertised brands)

- facilities: smaller and more central

(transportation) fewer staff because of lower price

→ - "shelf-ready" packaging.

- information: items plastered with bar codes
- pricing: consistently low price
 - easier negotiation with suppliers
 - fewer staff.