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now it has to be brought from a distance of two to twenty miles; and a complete system of railways connects the pits with the works. . . .

management as a core management discipline. During the 50 years of mass production as the main feature of the industrial landscape (1920–1970), the pursuit of quality and materials and labor efficiency dominated management thinking.

It was at this stage of development of the global industrial landscape that PRTM came on the scene in 1976. At our beginnings, we worked primarily with the emerging high-technology sector to address its problems of high-volume production, rapid innovation, and globalization. The challenges faced by our clients forced our consultants to leverage and integrate many of the disciplines of the time in both innovative and practical ways. For example, we realized early on that MRPII, just-in-time (JIT) manufacturing, *kanban*, statistical process control, total quality management, and process management all could be brought together intelligently to

Another “early adopter” of supply chain management as a discipline was Digital Equipment Corporation (DEC). It contracted with

doing so. How much more difficult is it, then, to decide on the true basis for competition.

If developing and documenting a strategy represent a challenge, the

on its promise. Is this the case because there was more promise than could
ev

The core strategic vision clarifies the answers to key business strategies

Autoliv Profile: Applying Rocket Science to the Supply Chain

Through rapid growth and acquisitions, Autoliv captured a third of the global airbag market. But constant price pressure from the automakers

grew with that trend, but it was growth that came with significant price erosion in its core products as airbags moved from a specialty item that could command a premium to near-staple by 1990. As the market came Autolite with v0 (as gro) und

products are offered through partner companies or purchased from distributors when needed to satisfy a customer order. Since this business model means that Amazon does not have direct control over the delivery

challenging than defining and implementing new practices and informa-

For example, one of our clients was implementing new demand/

control unit costs and maximize inventory flexibility. Deciding which of these policies to keep and which to change was critical to establishing the new strategic boundaries for supply chain design.

In order to establish these boundaries, each business unit developed

may not be able to execute all your “to be” requirements in the near term

manufactured. *Source*

product. Within three days the team had designed the concept for a new

ment or function. But as your supply chain strategy and processes evolve,

this new group. Links were tightened between customer order management, planning, and procurement by physically moving the groups closer

beyond functional areas such as manufacturing and logistics to include

to be detailed in a custom contract, which a contract specialist had to review and approve. The senior management team reviewed order-fulfill-

to focus on their other core competencies—such as research and development, sales, marketing, and branding.

By jettisoning noncore activities, companies are promised many benefits: greater focus on remaining activities, economies of scale, buying power, sophisticated planning tools and systems, and access to state-of-the-art production equipment—all without making large capital001ih

Owens Corning Profile: Reorganizing for “a Bright Future”

Many of these component manufactures sell to OEMs that outsource

get the data into the database, they have to be “piped in” from all over the
wo

Lippert is a member of the Joint Logistics Board (JLB), which Morales established and which oversees the FLE. The JLB consists of the

and it includes the acquisition community. The point is that you have a world of partners who are being called on to deliver this end-to-end capability. It's the extended supply chain," Morales says.

integrating systems is data strategy: “Our basis is motherhood and apple

on a voluntary basis during the operations in Afghanistan and Iraq after 9/11. In addition, a portion of CRAF was formally mobilized to support the force buildup prior to OIF.

Boyanton describes the contribution of DoD's commercial transporta-

the source of supply will design the supply chain for whatever is best for

speed. Major Ken Lasure explains how the concept worked in Afghanistan: "Due to political considerations, we couldn't maintain a permanent presence on the beach in Pakistan or operate during the daytime. As a result, we had to establish a temporary beach support area three to four times a week and shuttle equipment and

next step is to decide how you'll know if you're meeting your objectives. This assessment forms the basis of your performance-management approach. A necessary step in this process is determining where average performance is acceptable and where superior performance is a must.

For the computer peripherals company discussed earlier, the objective of reducing total supply chain management cost may result in a supply chain configuration that forces a trade-off between low prod-

General Motors Profile: Driving Customer Satisfaction

Faced with declining market share and a changing industry, General

6

tive information systems, but we've deliberately avoided structuring them

Seagate Technology Profile: Real-Time Response to Demand

Driven by a vision of multitiered visibility and real-time demand fulfillment, Seagate Technology is investing heavily in technology and process improvements and an electronically linked end-to-end supply chain.

Founded in 1979, Seagate helped fuel the information age by building the personal computer (PC) disc drives needed to store vast sums of data. Today, data-storage technology has evolved far beyond the PC. And as our appetite for storage keeps on growing—driven by the Internet, consumer electronics, and our desire for anytime, anywhere access to information—so does the need for increasingly sophisticated disc drives.

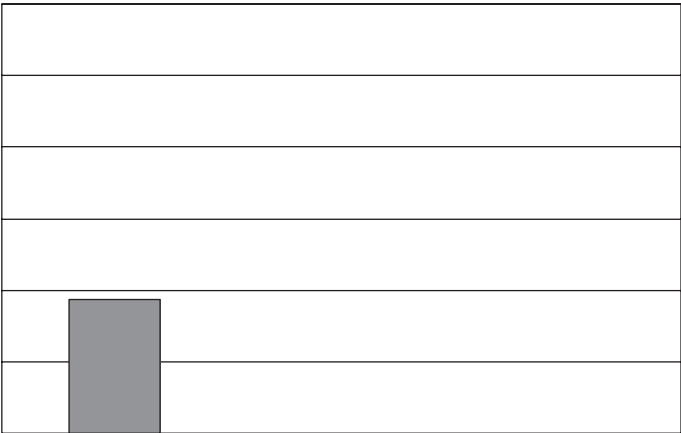
What few people realize is j/,

Like its business, Seagate's supply chain is flexible, agile, and evolving constantly. What doesn't change, though, is the company's view of

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FIGURE A-7

BICCs' performance on days of supply.



This book draws on the results derived over the last three years, and results referenced in Chapter 6 are derived from the same population cited in the best-in-class company (BICC) research cited in Appendix A.

DEFINITION OF THE MODEL

Stage of maturity is derived from a qualitative practice assessment that

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A P P E N D I X

Comparison of Characteristics for Levels 2 and 3 SCOR Metrics

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FIGURE C-9

SCOR metrics—*Make enable*.

- Make Enable
- % Cost of Assets Used for Compliance/Total Make Asset Cost
 - % Downtime Davailabilityof
 - % Df Asccuracy]TJOT*(% Df)Inor mtivonfanagementAsset

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12. W. L. (Skip) Grenoble, “How Will We Staff Our Supply Chains?” *Global Supply Chain* (February–March 2000).
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