

Supply Network Management

2019-03-21

What is supply chain management?

Supply chain management is the management of the interconnection of organisations that relate to each other through upstream and downstream linkages between the processes that produce value to the ultimate consumer in the form of products/services.

Why consider the whole supply network?

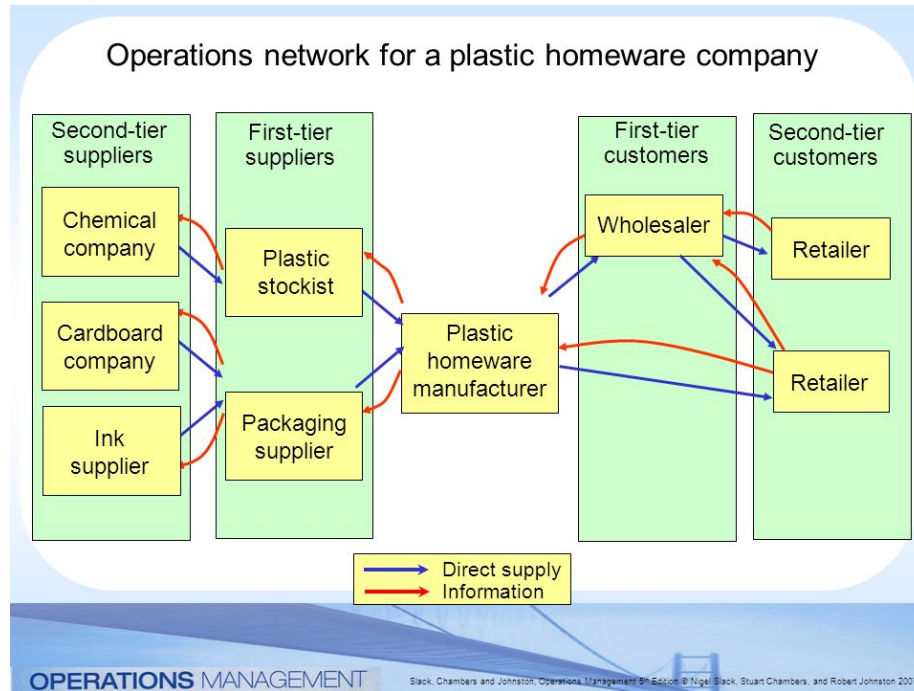
- It helps an understanding of competitiveness
 - Why other companies are able to cheaper than me? How do they do it?
 - Maybe their production method is better, or their delivery method is better?
- It helps identify significant links in the network
 - Who is an important part? Where are bottlenecks? Any potential risky linkages?
 - E.g. Hard-border no deal *brexit* having the result of added time being spent per unit at the border, a significant linkage in supermarket's supply network, effectively slowing down the process immensely.
- It helps focus on long-term issues
- It helps focus on cost

Performance objectives

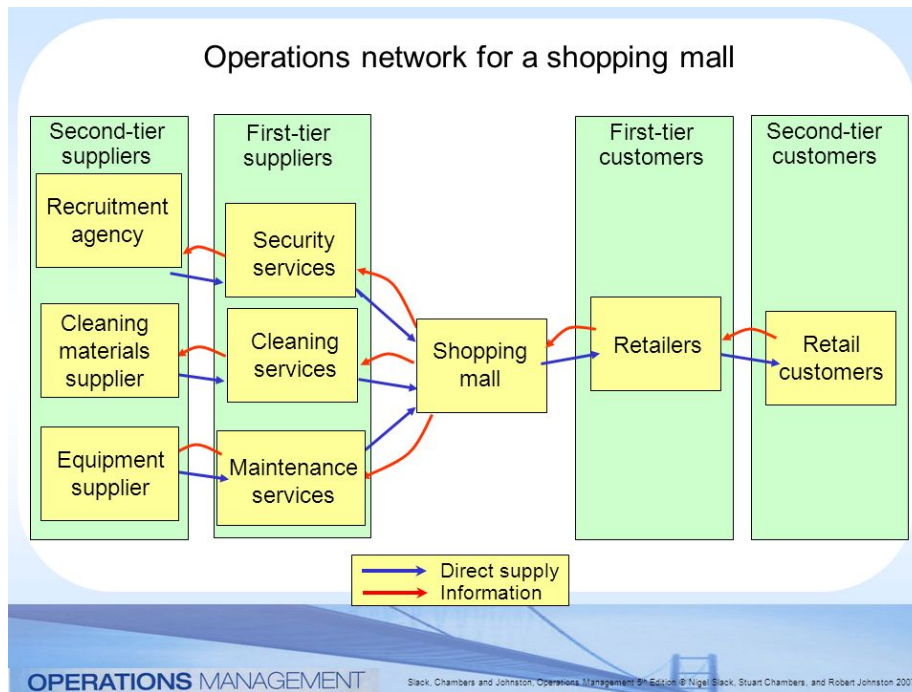
- Quality
- Speed
- Dependability
- Flexibility / Agility
- Cost

Relationships with suppliers

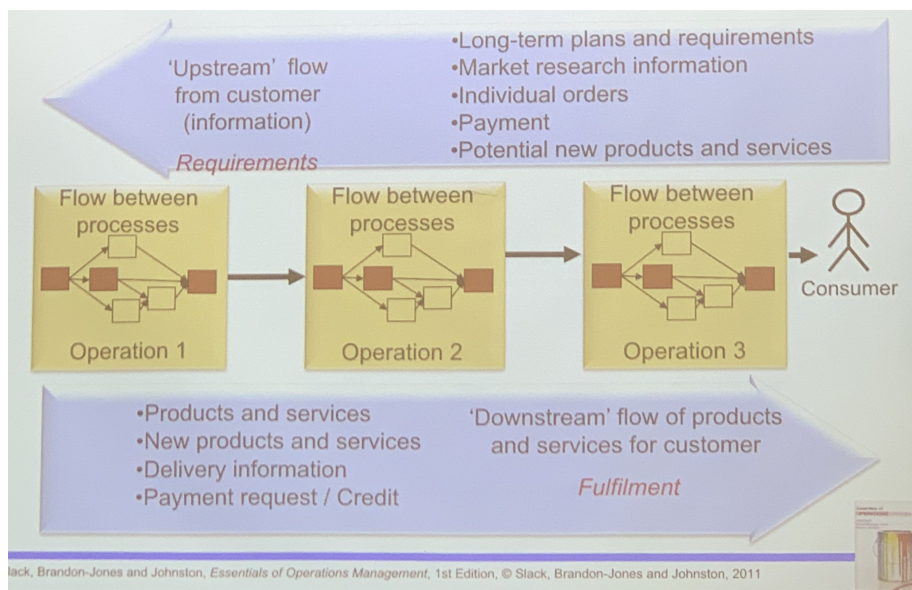
Operations network for a plastic *homeware* company



Operations network for a shopping mall



E.g. Retailers telling the shopping mall how much area for their store they need and the mall providing that.



The decision logic of outsourcing

The process of determining whether to outsource

Where does outsourcing stop and the usage of a service start? Canvas/myCourses is not outsourced, but rather a service used.

Even the best models don't work forever

E.g. Dell, IBM, Compaq,

The shift from being B2B dominated industry to selling a computer to individuals. Apple changed the model, targeting consumers mainly.

Supply Chain relationships

Factors for rating alternative suppliers

Short term ability to supply	Long term ability to supply
Range of products services provided	Potential for innovation
Quality of products/services	Ease of doing business
Responsiveness	Willingness to share risk
Dependability of supply	Long-term commitment to supply
Delivery and Volume flexibility	Ability to transfer knowledge as well as products and services
Total cost of being supplied	Technical capability
Financial capability	
Managerial capability	