

Information Systems

... Supply Chain Management

MIS - Connecting

Supply Chain Management

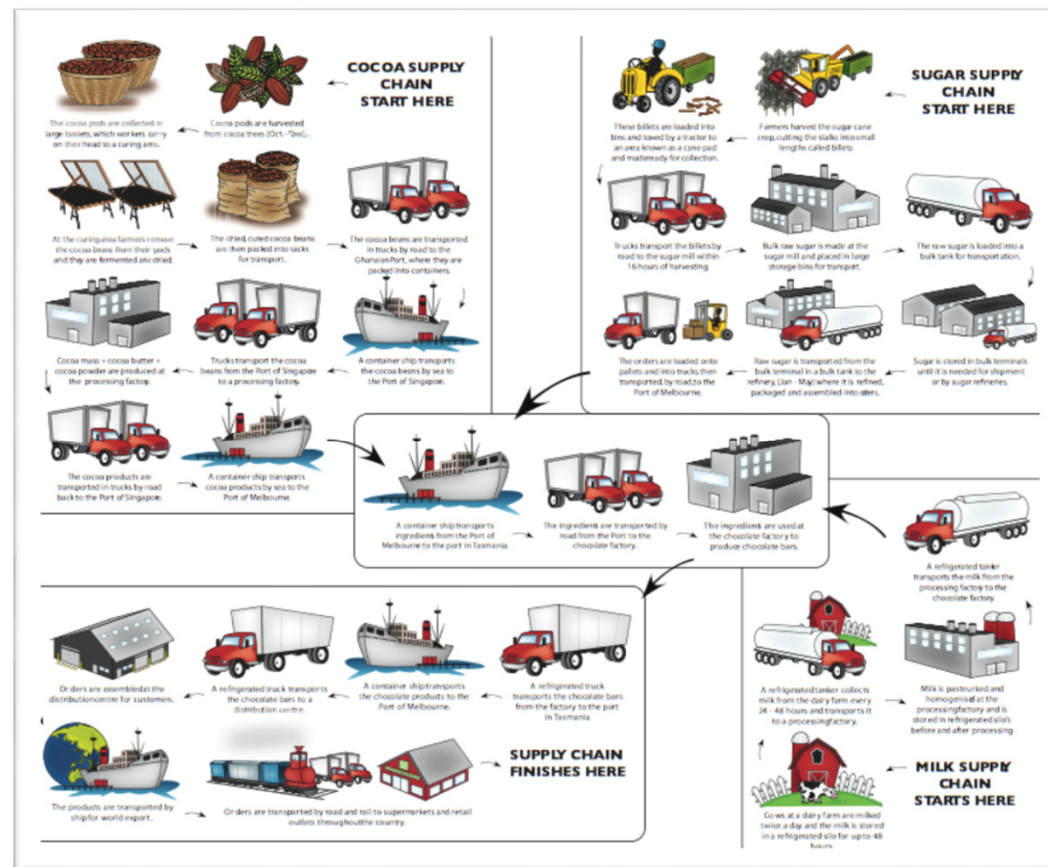
Tim Horton's Coffee:

- how many people were involved ?

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Supply Chain Management

Tim Hortons's Coffee:



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Supply Chain Management

Supply Chain:

a network of organizations and facilities that transforms raw materials into products delivered to customers

Involves customers, retailers, distributors, manufacturers, suppliers, transportation companies, warehouses, inventories,

- and some means for transmitting messages and information among the organizations involved



MIS - Business

Business (Goal)

Manage costs:

- EFFICIENT

Business Process

- Running the business
- Customer Relation (CRM)
- Supply Chain (SCM)
- Enterprise Wide Solutions

Manage revenue:

- EFFECTIVE

Competitive Strategy

- what to sell
- who to sell to
- how to market (advertise)
- how to price product / service

We will investigate the role of computers in these areas .

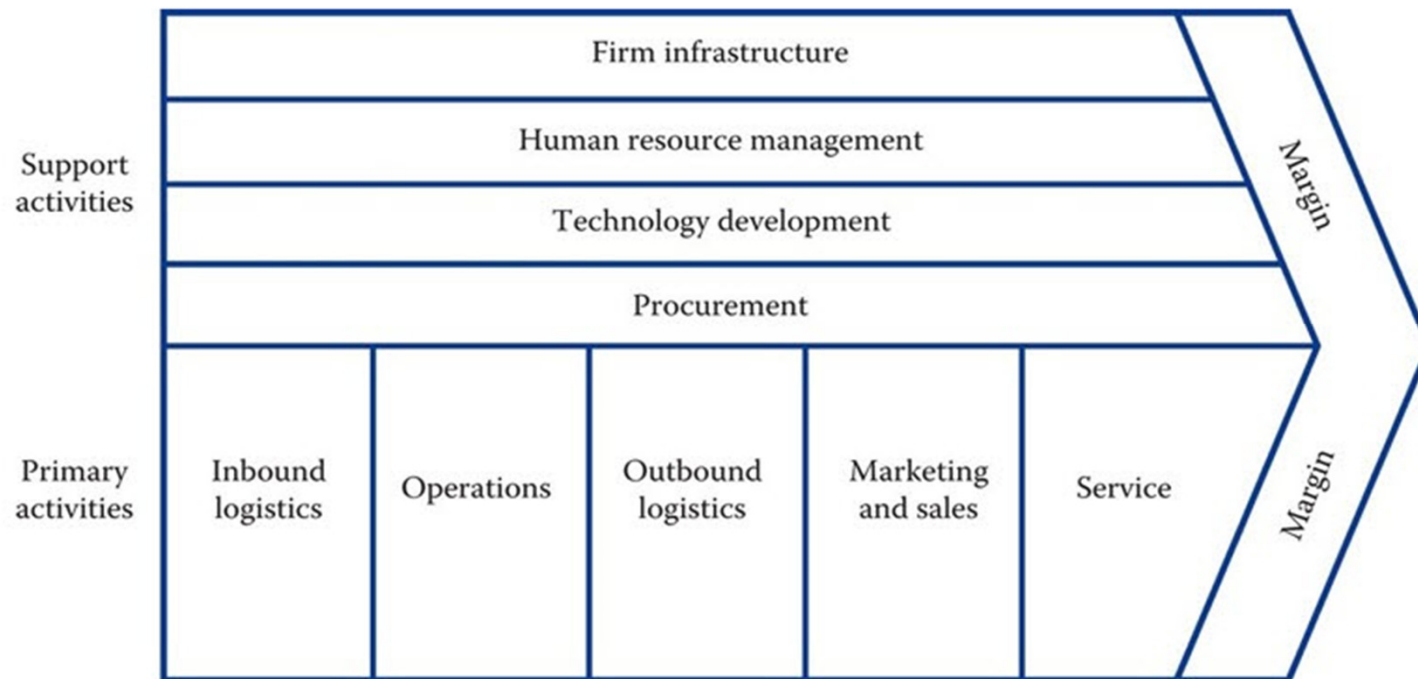
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Business (Goal)

Manage Cost:

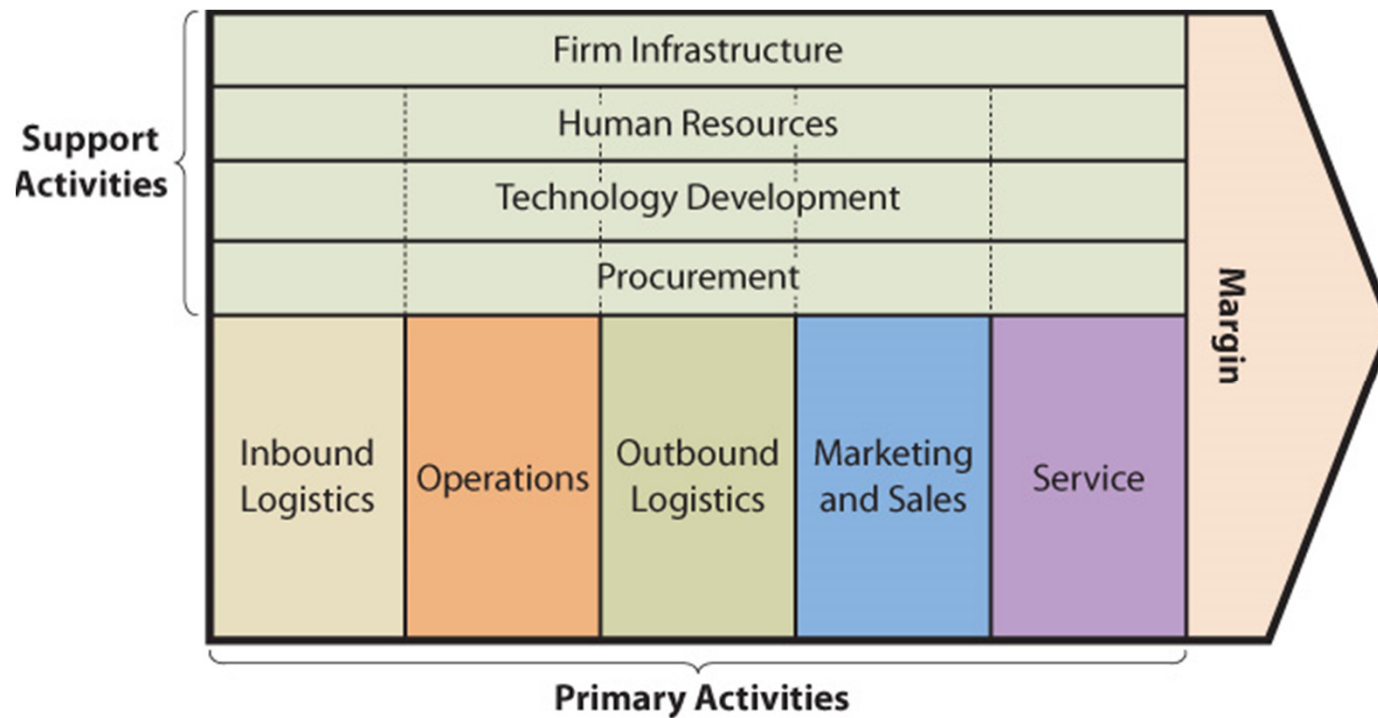
- EFFICIENT

FIGURE 2.8 Porter's value chain.



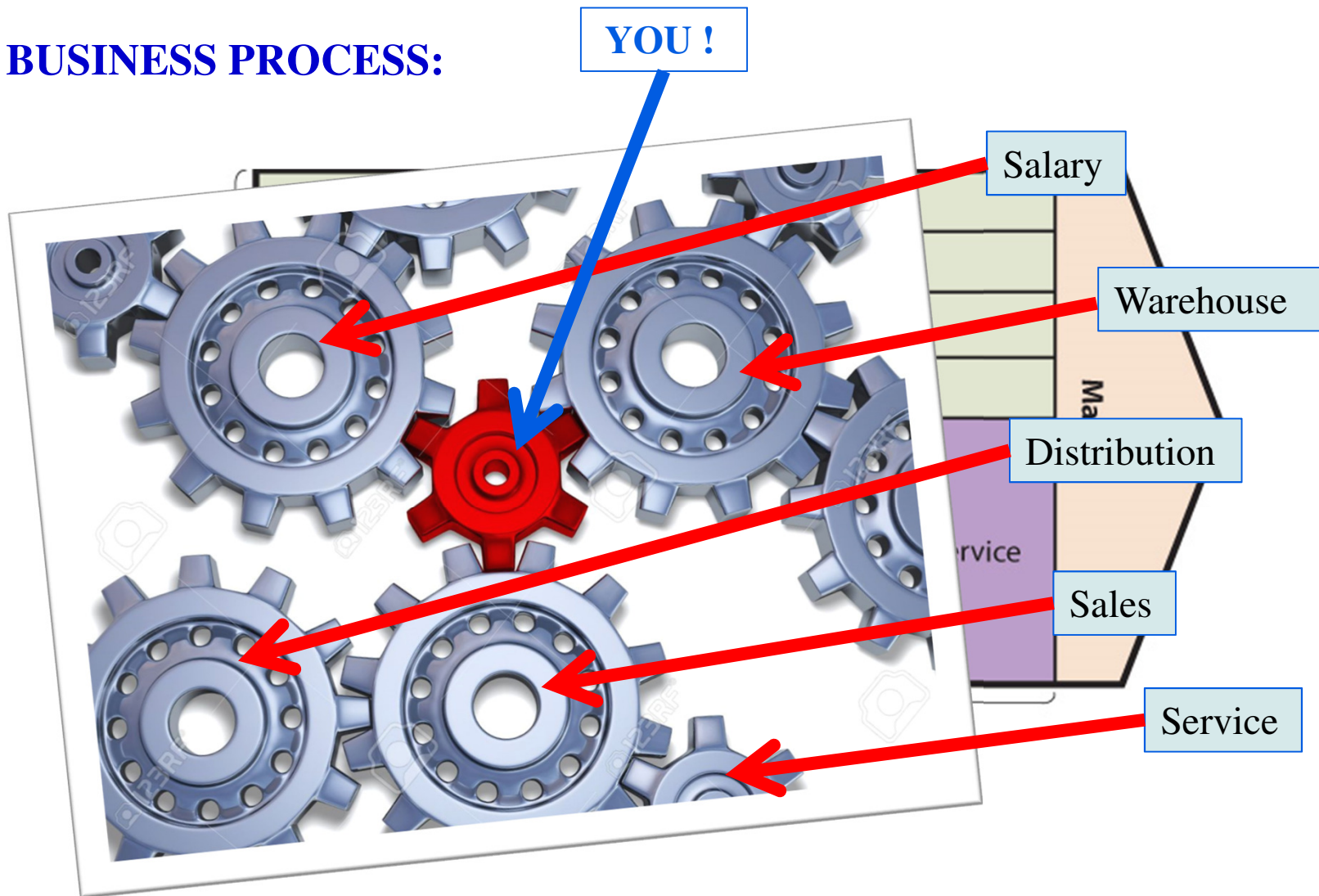
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BUSINESS PROCESS:



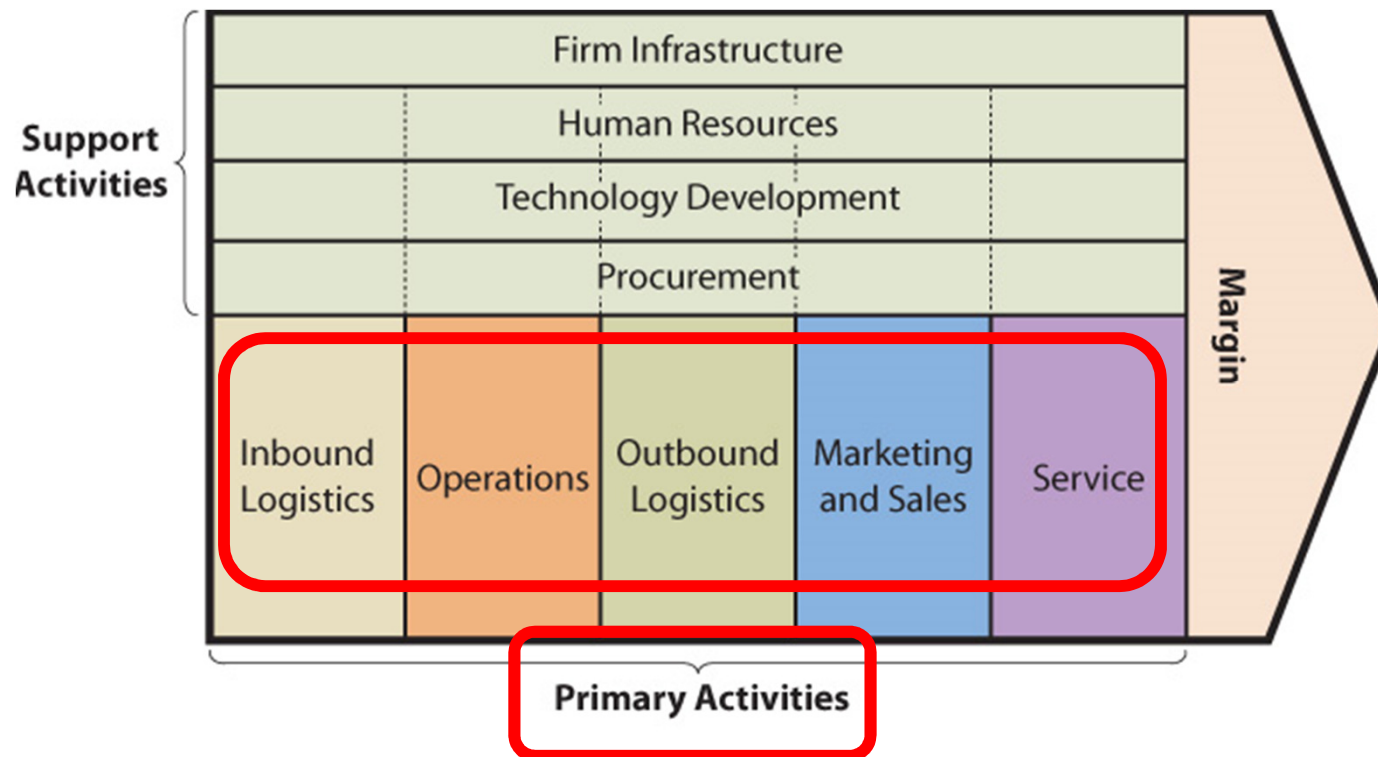
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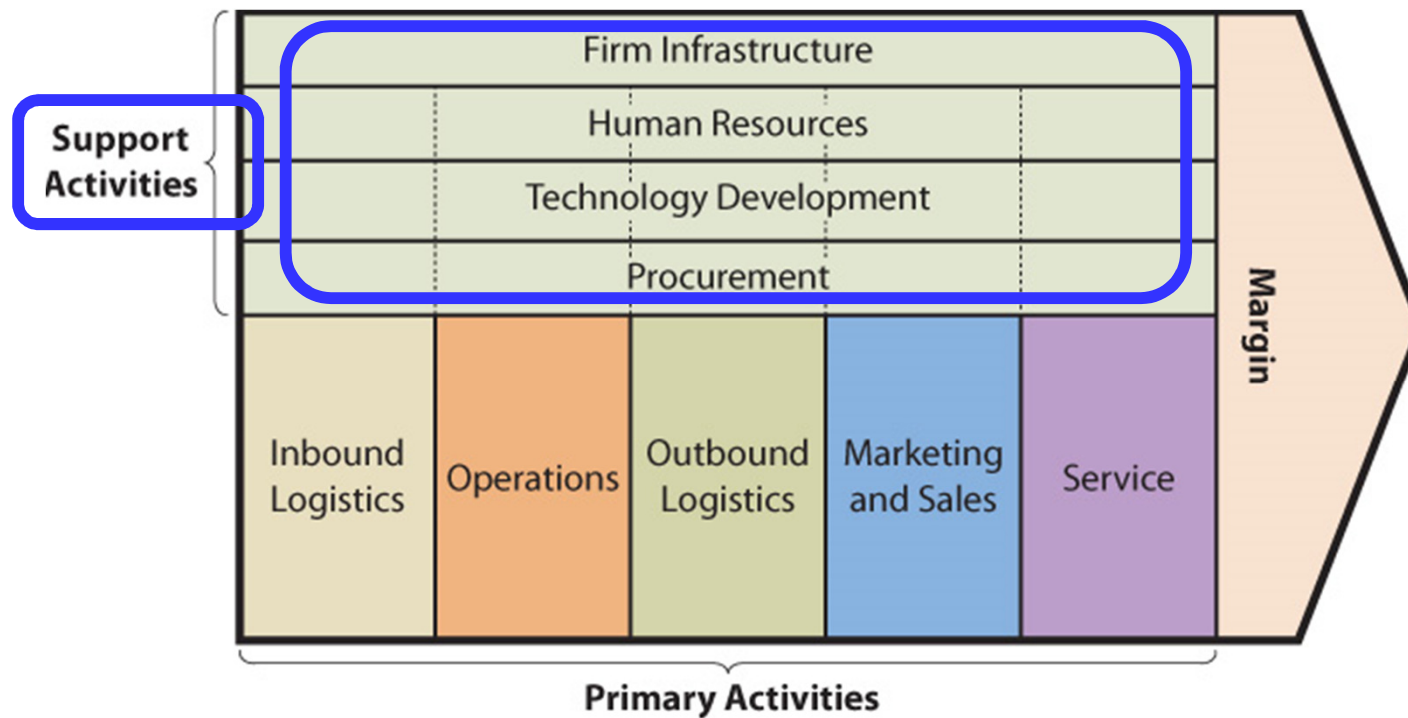
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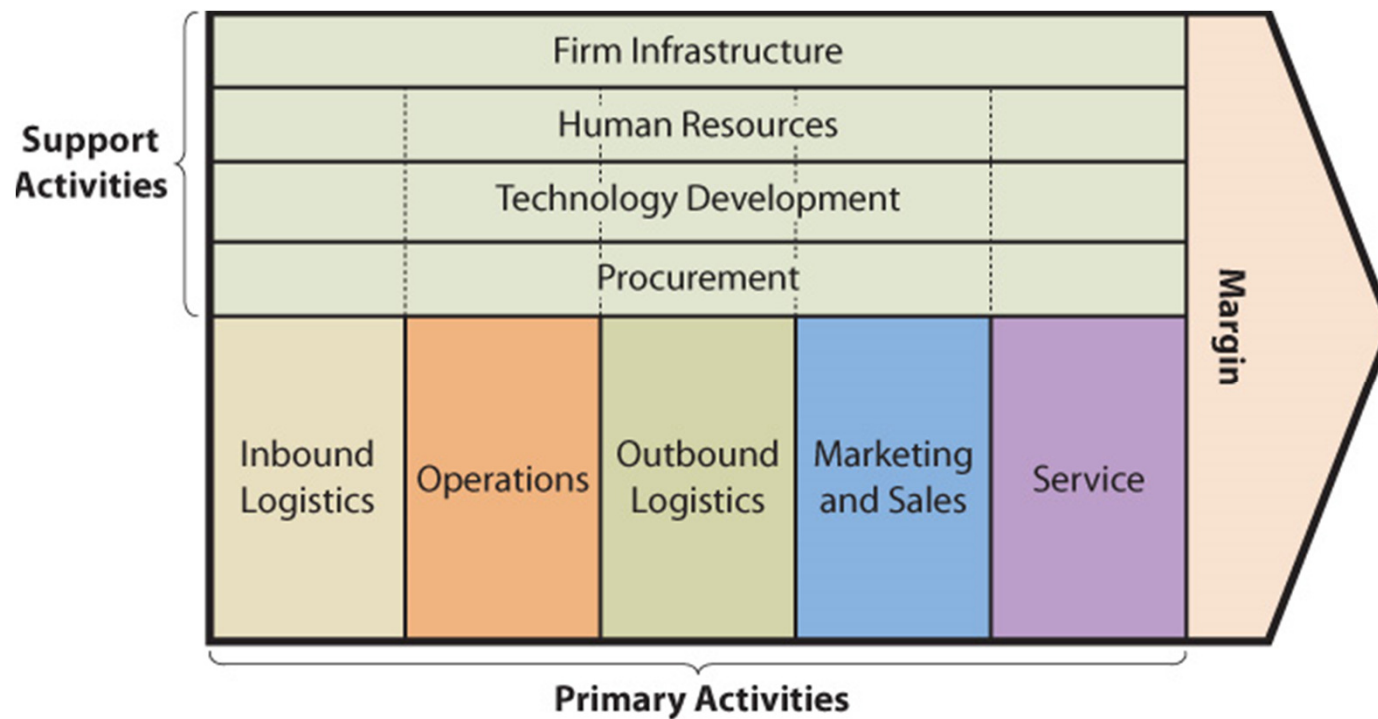
MIS - Business

BUSINESS PROCESS:



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BUSINESS PROCESS:

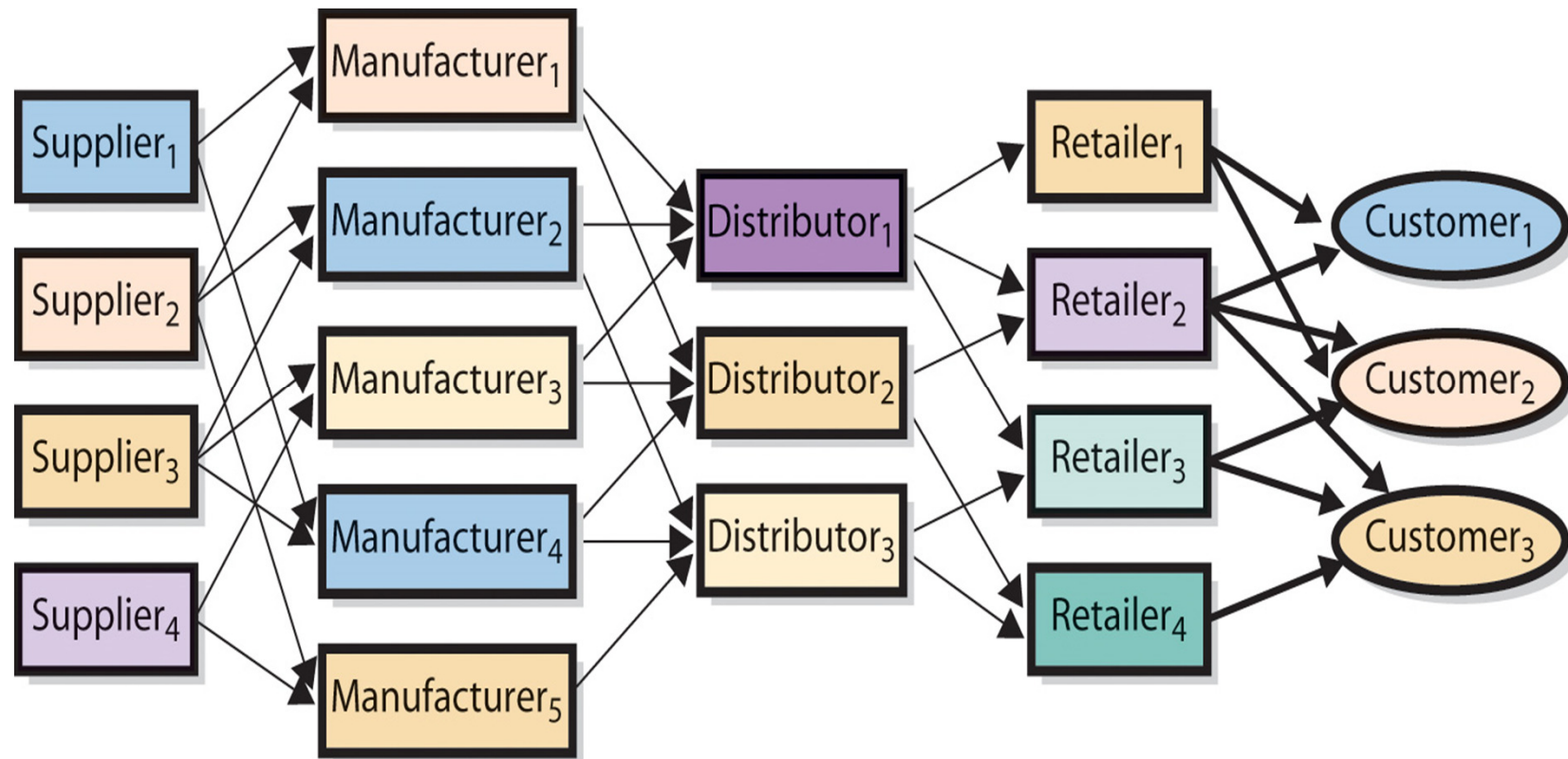


Cost \$\$\$ of **Primary Actives** + Cost \$\$\$ of **Support Activities**
 equal (=) total Cost \$\$\$ of running the **business**

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Supply Chain Management

Supply Chain:



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Supply Chain Management

Supply Chain Management (SCM):

are intraorganizational systems (i.e. internal to the company)

- information can be shared externally

that enable companies to efficiently handle
the flow of good from suppliers to customers

the purpose of SCM is to:
match supply and demand.

When these are not matched:

- if demand exceed supply : increase production
- if production is scheduled to increase : order more raw

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Putting it together

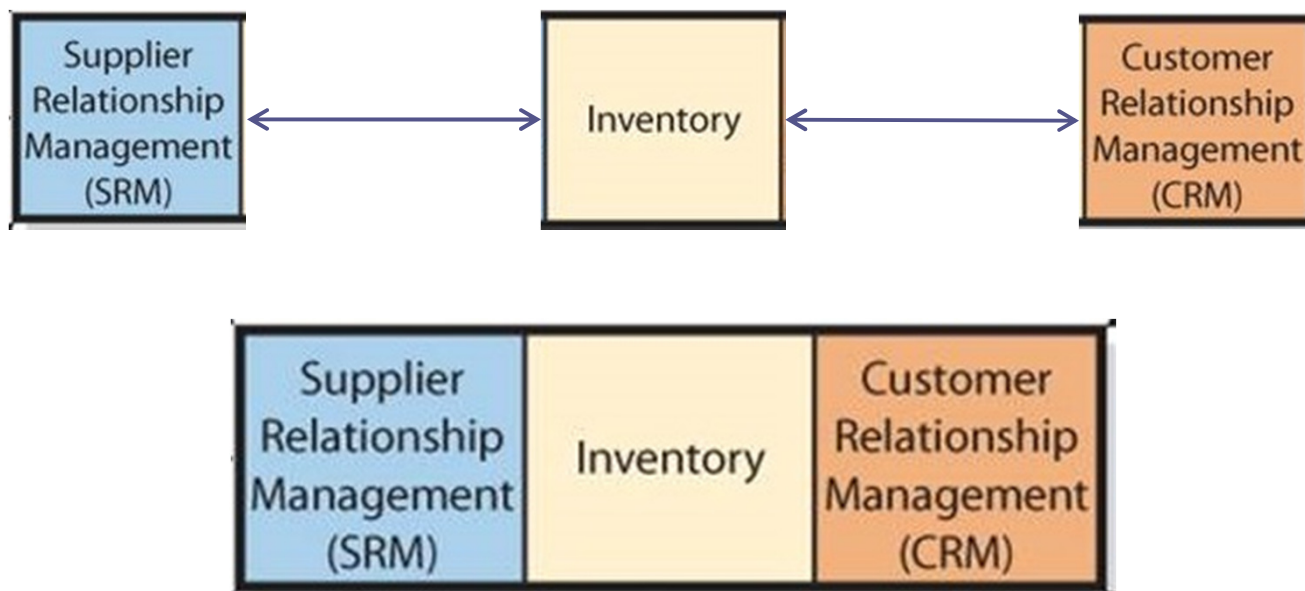
Organization (company):



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Putting it together

Organization (company):



Supplier Chain Management (SCM)

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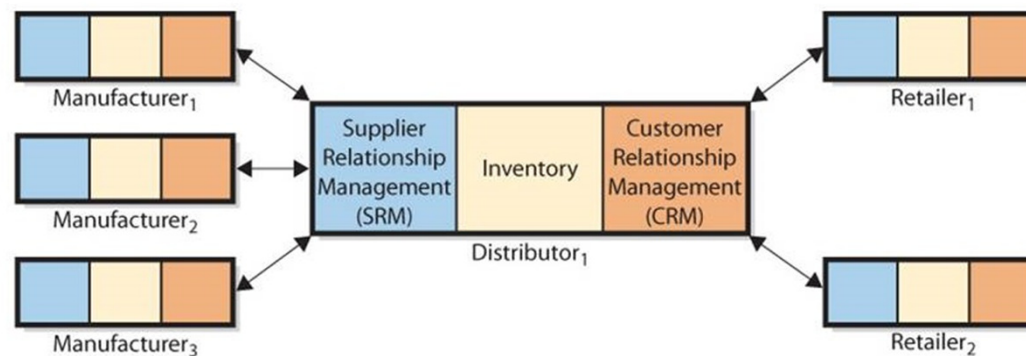
Supply Chain Management

Supplier Chain Management (SCM):

using Supplier Relationship Management to
monitor and control raw material input

to accurately manage inventory levels

in order to optimally service customers.



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Supply Chain Management

Supplier Relationship Management (SRM):

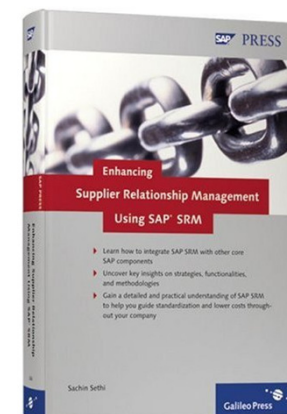
Business process for managing contacts between an organization and suppliers

Supplier - any organization that sells something to an organization

Customer - any organization or individual that purchase something

Supports:

in-bound logistics primary activity
and the procurement support activity



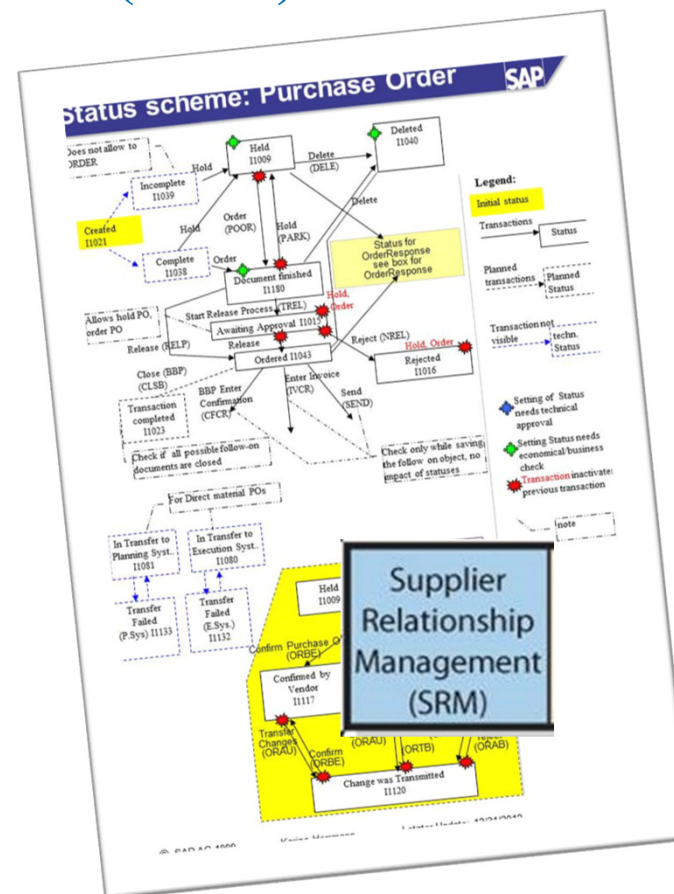
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Supply Chain Management

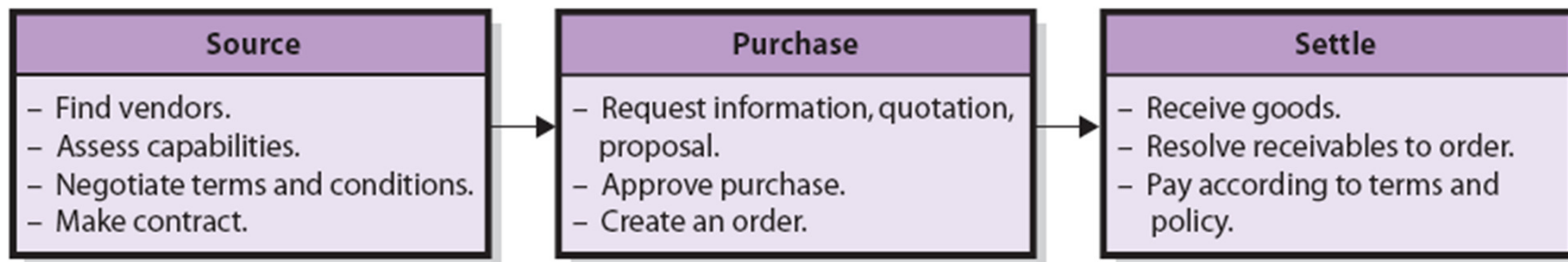
Supplier Relationship Management (SRM):

key to Supplier Relationships

- schedule
- quality
- price



Summary of SRM Processes



Information Systems

... Connecting to the Outside World

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Customer Relationship Management

“nothing happens in business until someone sells something.”

- any business's customer relationships are important.

Businesses that nurture these relationships benefit from repeat purchases.

Businesses that don't must find new customers

Information Systems are important to maintaining customer relationships.

Systems that have this as their main purpose are called **customer relationship management (CRM)** systems.

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Customer Relationship Management

There are two main types of **CRM**:

operational

used in working with customers:

contacting them

selling to them

helping them use a product or service

analytical.

is about customers as a group

rather than any one customer

focusing on overall information and patterns

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Customer Relationship Management

A basic contact management system is little more than a personal contact list.

Back Contact Detail

Cmpy: Larry W Williams Memorial E
 Contact: Ron Rarinka
 Salut: Ron Title: City: Taunton
 Dept: State: MA
 Phone: (413) 436-5998 Ext: ZIP: Country: Web: Zone:
 Mobile: Ext2: Fax: Ext3: Last Rslt:

Mailed: ☐
 Talked: ☐
 Met: ☐
 Regular: 225.00/h
 Special: 200.00/h
 add 50.00 at 100,
 100.00 at 150, add
 150.00 at 200

Notes: 9-29-05 This show is souvenir glass and post cards.
 9-29-05 Fee is 35.00.

FU 4 1st Code
 FU 5 2nd Code

Notes | History | Activities | Opportunities | Groups/Companies | Secondary Contacts | Documents | Contact Info | Use

Dates: All Dates Types: All Priorities: All Sele

Type	Date	Time	Priority	Scheduled With	Regarding
	10/6/05	7:00 PM	Medium	Ron Rarinka	Be sure that I receive my

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Customer Relationship Management

Operational CRM:

Level 1: Contact Management

must handle additional information beyond 'contacts'

Call and purchase history

Callback dates

Conversation notes

etc. , and more.

Shared database makes sales contact information available
to an entire sales and support team

Everyone on the team must know what everyone else is doing.

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Customer Relationship Management

Operational CRM:

Level 2: Sales Management

Sales management systems coordinate the selling process,
reminding salespeople

to go through the right steps
in the right order
and providing a variety of aids

- standard presentations
boilerplate content for proposals,
competitive analyses
sales arguments

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Customer Relationship Management

Operational CRM:

Level 3: Opportunity Management

extends sales management earlier in the selling process
by identifying new or potential customers.

can track the type of sale,
the person or group responsible for it,
its expected value, the probability of closing it

It can be a tool for salespeople to optimize the use of their time
and for sales management to monitor the selling process overall.

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Customer Relationship Management

Operational CRM:

Value Added

Information systems offer a way to get back some of the personal touch.

This requires two things:

1. The business must be able to identify the shopper.
2. The business must know enough about the shopper to provide meaningful customization.

Both of these are an aspect of customer relationship management.

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Customer Relationship Management

Operational CRM:

Value Added

Tracking previous usage

- website cookies
- user login
- 'loyalty programs' rewards

Amazon recommends ...

Netflix 'because you watched Care Bares ...'

Paypal percent off next purchase ...

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Customer Relationship Management

Analytical CRM:

about customers as a group rather than any one customer focusing on overall information and patterns.

Uses of analytical CRM include:

- **Segmentation**, grouping customers based on purchase
- **Personalization**: Information about customers
- **Response analysis** enables a company to determine the effectiveness of different marketing approaches
- **Attrition analysis** helps understand why customers leave to reduce future customer losses.
- **Aligning supply** (production) with expected demand.

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Customer Relationship Management

Analytical CRM:

about customers as a group rather than any one customer
focusing on overall information and patterns.

Customers drive business ...

use analytical CRM so the business can drive the customer.

anticipate based on turning data into meaningful knowledge

market basket analysis:

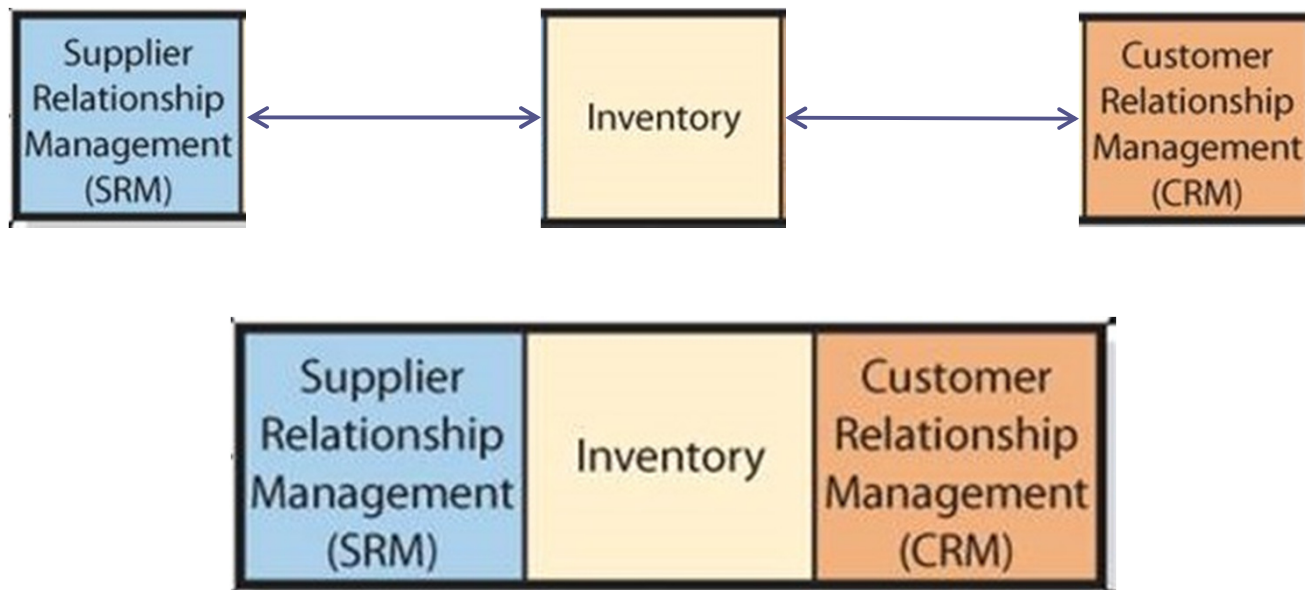
data about items that are purchased together.

- upsale

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Putting it together

Organization (company):



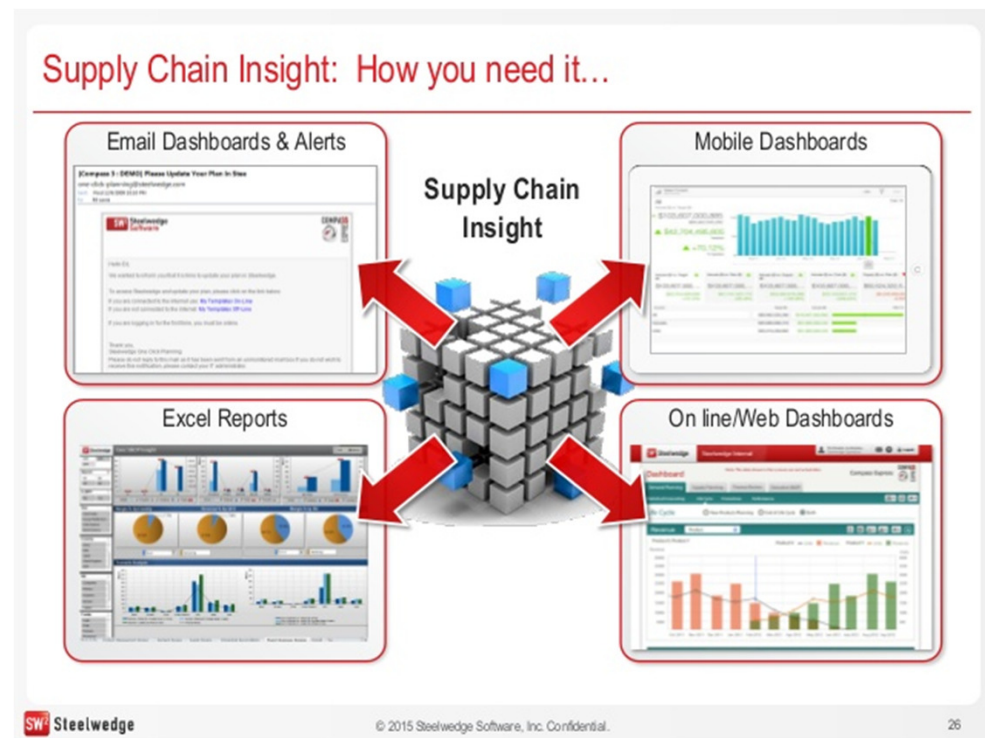
Supplier Chain Management (SCM)

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Supply Chain Management

SCM Dashboard

at checkout update the store's inventory.
SCM informs a buyer when something needs to be reordered.



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Benefits of Supply Chain Management Information System

Reduce costs of buying and selling

Sourcing, buying, settling faster, easier, more effective

Increase supply chain speed

Reduce size and cost of inventories

improve delivery scheduling

enable JIT

Fix bullwhip effect

Optimize supply chain profitability

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Bullwhip Effect

Variety in the size and timing of orders increases
at each stage up supply chain

Natural dynamic of multistage supply chain

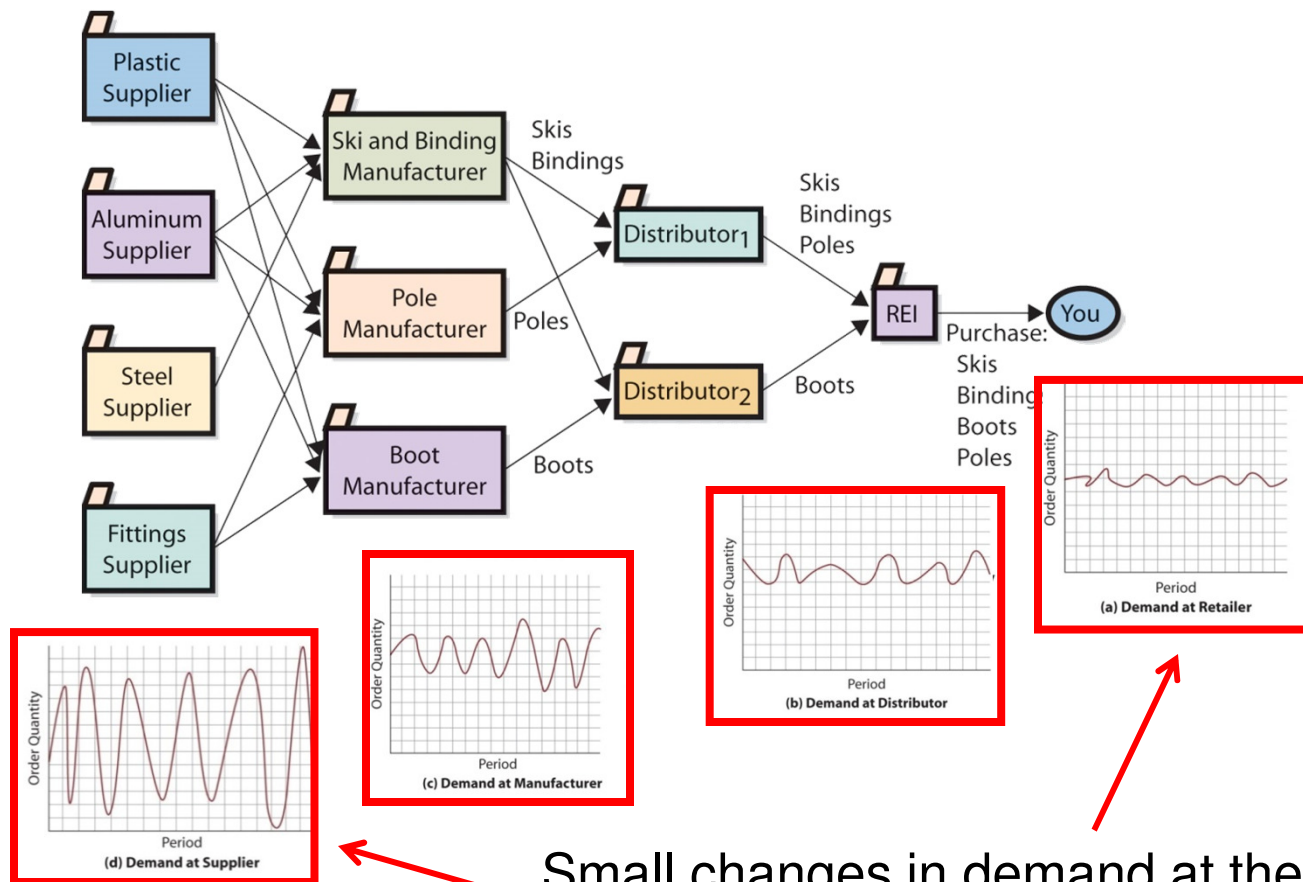
- Unrelated to erratic customer demand
- Large fluctuations force distributors, manufacturers, and suppliers to carry large inventories
- Reduces overall profitability

Eliminate effect by giving participants access to consumer-demand information

- Interorganizational information systems share data

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Bullwhip Effect



Small changes in demand at the retailer are amplified at each stage of the supply chain.

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Common Sense

- how can you ensure efficient AND effective.