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Supply Chain Management and Logistics in the XXI Century

Edward Sweeney

Dublin Institute of Technology, edward.sweeney@dit.ie

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UNIVERSITÀ DEGLI STUDI DI NAPOLI FEDERICO II

- Corso di Studi in Ingegneria Gestionale della Logistica e della Produzione
- Dipartimento di Ingegneria Economico-Gestionale

in collaborazione con le
ASSOCIAZIONI DEGLI STUDENTI

Napoli, Martedì 2 Dicembre 2008 ore 14.30-17.00
Aula Magna "L. Massimilla", 1° piano, Facoltà di Ingegneria, Piazzale Tecchio 80

Seminario sul tema

Supply Chain Management and Logistics in the XXI Century

Saluti introduttivi **Edoardo Cosenza**, Preside della Facoltà di Ingegneria

Gennaro Improta, Direttore del Dipartimento di Ingegneria Economico-Gestionale

Coordina **Emilio Esposito**, Presidente CdS in Ingegneria Gestionale della Logistica e della Produzione

Introduce **Pietro Evangelista**, Ricercatore IRAT-CNR, Dip. di Ingegneria Economico-Gestionale

Relatore **Edward Sweeney**, Director of Learning, NITL Dublin

Testimonianza **Mario Raffa**, Docente di Gestione dello Sviluppo Imprenditoriale

L'iniziativa è organizzata nell'ambito del ciclo di seminari *Riflessioni sul ruolo dell'ingegnere gestionale nelle aziende e nella società*. A venti anni dalla progettazione del Corso di Laurea in Ingegneria Gestionale, Associazioni, enti, imprese, istituzioni, consulenti, docenti, imprenditori, manager, professionisti discutono sul rapporto tra Ingegneria, tecnologia e management.

Nell'occasione verrà presentato il volume *Perspectives on Supply Chain Management and Logistics - Creating Competitive Organisation in the 21st Century*, a cura di Edward Sweeney, Blackhall Publishing, Dublin, 2007



Solo da alcuni anni è emerso chiaramente il ruolo fondamentale svolto dalla logistica e dal supply chain management (SCM) nell'ambito della gestione aziendale. La globalizzazione dei mercati, i continui sviluppi delle tecnologie dell'informazione e della comunicazione (ICT) e la sempre maggiore enfasi verso la qualità ed il servizio al cliente hanno reso la gestione integrata della supply chain una leva chiave per la creazione di valore e per il miglioramento del vantaggio competitivo delle imprese moderne. Il governo della logistica assume quindi una valenza particolarmente significativa in periodi di difficoltà come quello attuale.

Il volume affronta in maniera semplice e compiuta una materia complessa destinata a svolgere un ruolo essenziale per il recupero della competitività nelle organizzazioni del 21^{mo} secolo.

Perspectives on Supply Chain Management and Logistics
Creating Competitive Organisations in the 21st Century



Edward Sweeney
Director of Learning



Perspectives on Supply Chain Management and Logistics

**Creating Competitive Organisations
in the 21st Century**

edited by:
Edward Sweeney



Agenda

- **Introduction - The Evolving SCM Context**
- **Defining SCM – the *Four Fundamentals***
- **Strategic and Financial Dimensions**
- **Customer and Supplier Perspectives**
- **ICT in the Supply Chain**
- **The Future: Making Change Happen**
- **Some Concluding Thoughts**

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The Evolving Strategic Context

- **Internationalisation (or globalisation) of supply chains**
- **Vertical disintegration**
- **Changing role of the SC in strategic differentiation**

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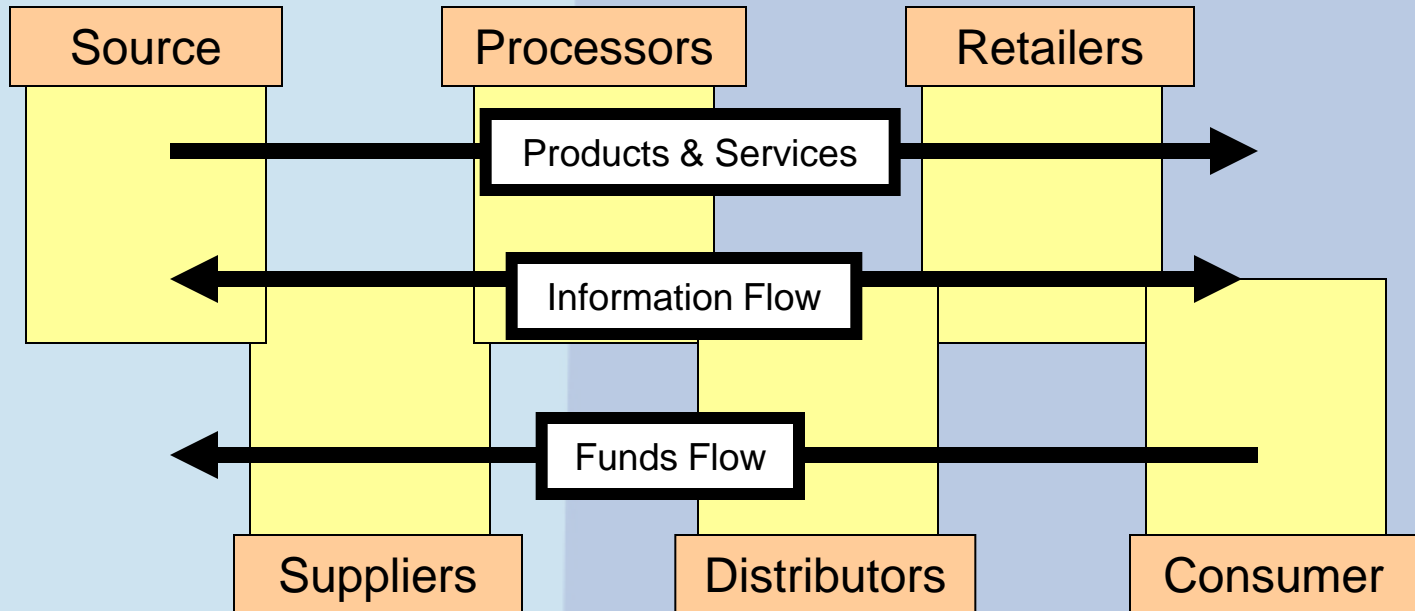
What is SCM?

- 👉 **SCM provides the end customer with the right product at the right time, priced at the right level, in the right quantity and quality**
- 👉 **SCM as a major source of competitive advantage**
- 👉 **NITL's *Four Fundamentals* of SCM**

Fundamental 1 - The Objectives of Supply Chain Management

- 👉 **Supply Chain Management aims to achieve competitive advantage through:**
- 👉 ***Enhanced Customer Service***
- 👉 ***Optimised Costs and Investments***

Fundamental 2 - Supply Chain Philosophy



A product reaches the final consumer through a chain of companies which will typically include suppliers, processors, distributors and retailers.

The Weakest Link

- **Without the right companies across the supply chain to work with, a company will never achieve true competitive advantage. In other words**
- **The supply chain is only as strong as its weakest link.**

What is Supply Chain Management?

A white circle with a thin black border containing the word 'Buy' in blue text.

Buy

A white circle with a thin black border containing the word 'Make' in blue text.

Make

A white circle with a thin black border containing the word 'Store' in blue text.

Store

A white circle with a thin black border containing the word 'Move' in blue text.

Move

A white circle with a thin black border containing the word 'Sell' in blue text.

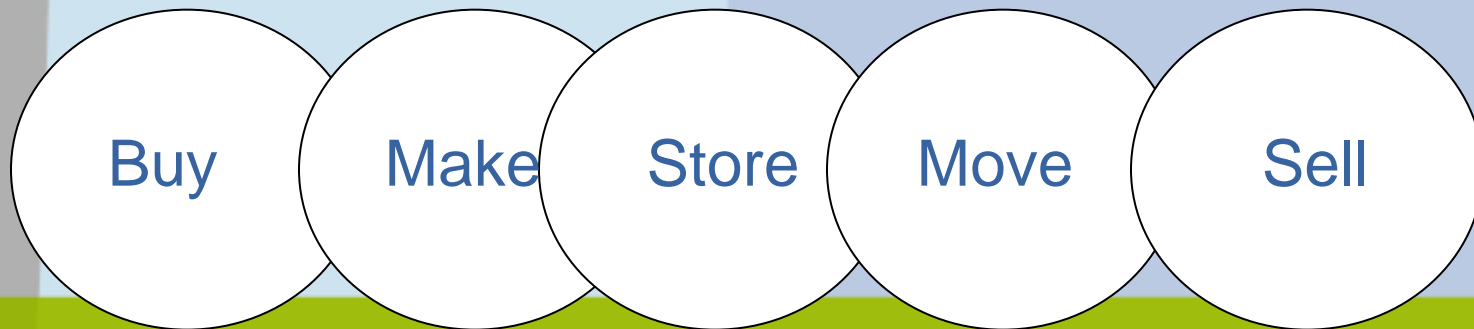
Sell

Traditionally these functions are managed in isolation and often operate at cross purposes.

What is Supply Chain Management?

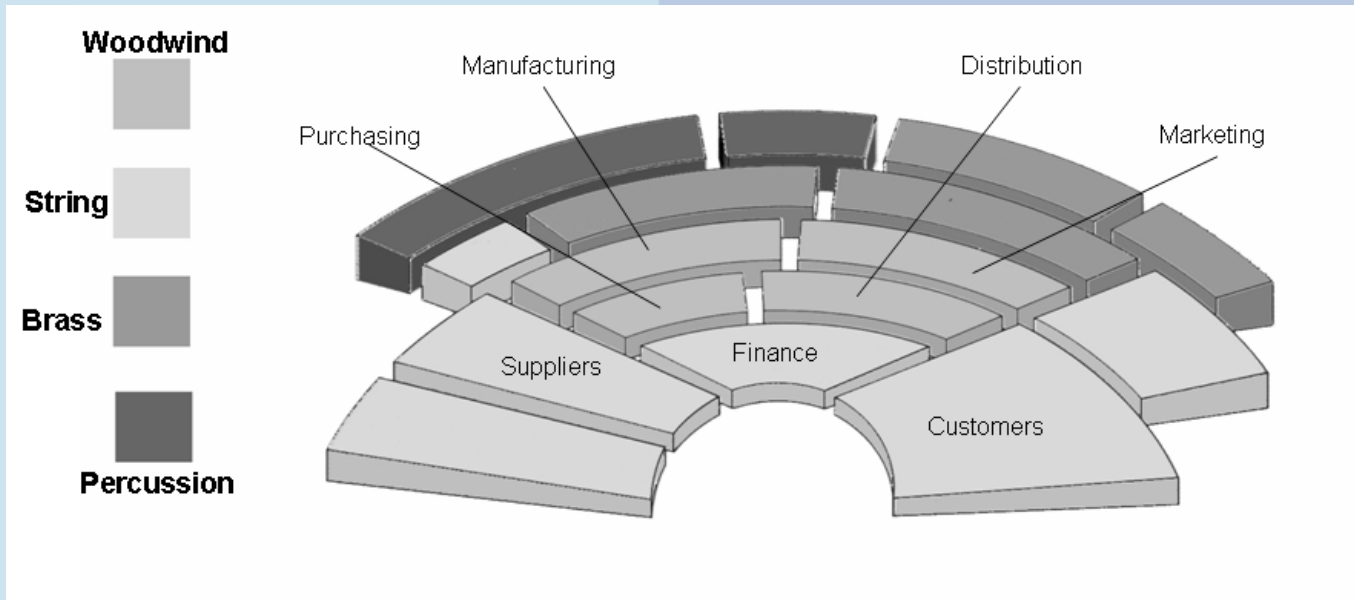
Supply chain management integrates these functions by holistically managing the information, material and financial flows.

Information and Money



Information and Materials

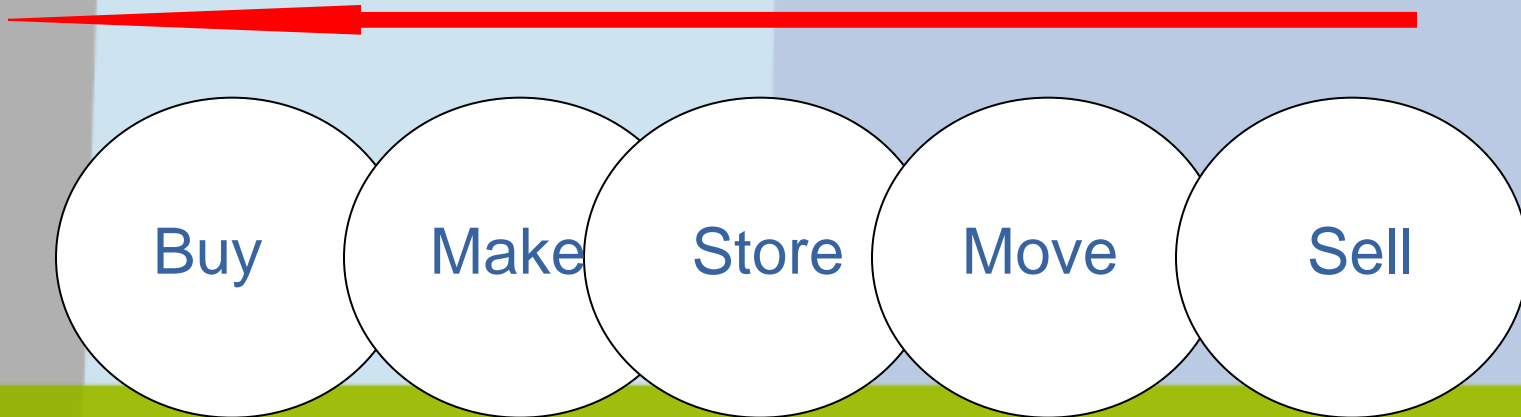
What is Supply Chain Management?



Fundamental 3 - Management of the Flows

Supply chain management integrates these functions by holistically managing the information, material and financial flows.

Information and Money



Information and Materials

Fundamental 4 - Management of the Flows

Re-assessment of internal and external
customer/supplier relationships.

SCM is not a “zero-sum game” based on
adversarial relationships

SCM is a “win-win” game based on partnership
relationships?

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The Strategic Dimension

***A business strategy* is a cohesive entity of programmes, projects and policies that concentrate corporate resources to enable an organization to establish, sustain and enhance its competitiveness and capabilities for self-renewal.**

Strategic SCM and logistics is about proactively building supply chain capability in advance of the requirement.

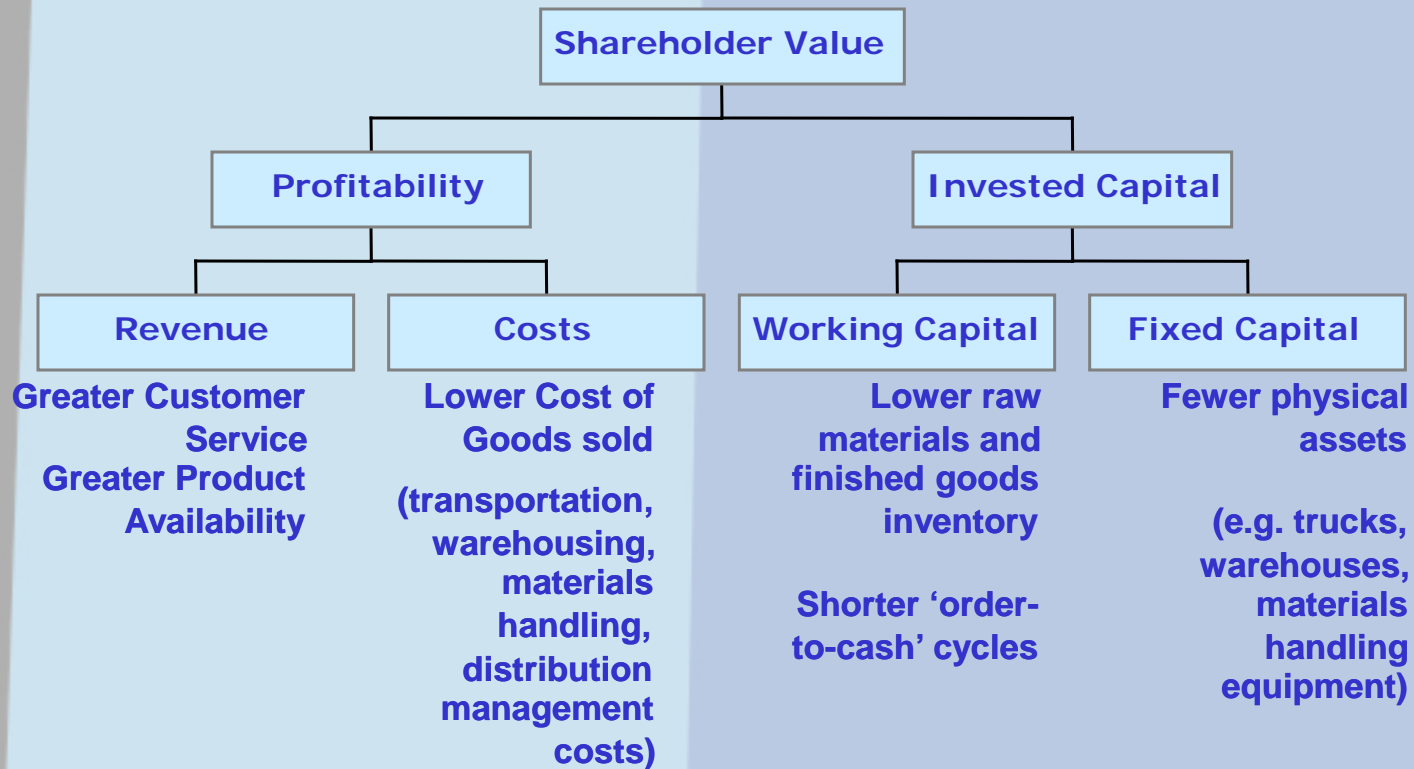
The Financial Dimension

Every SCM and logistics decision has financial implications

Fundamental 1: Optimisation of total supply chains cost and investment

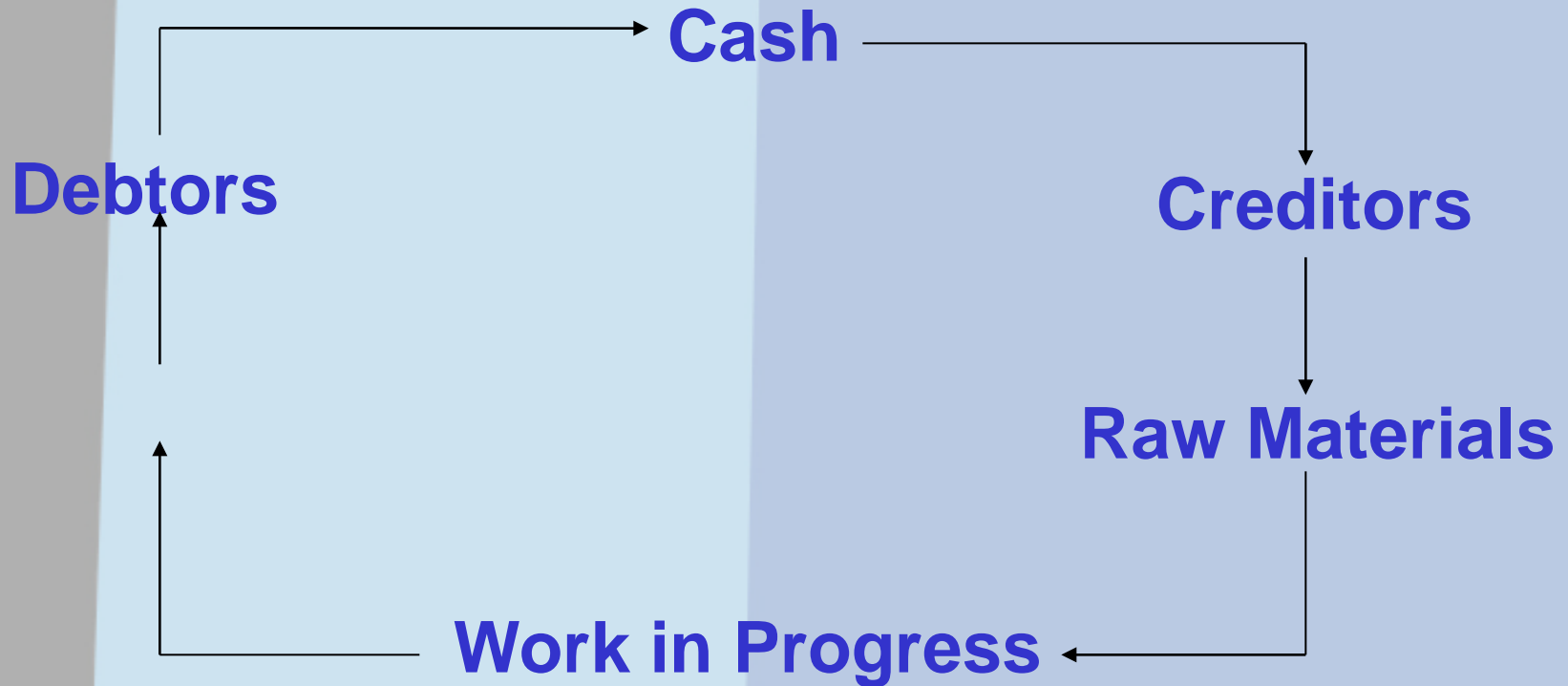
Fundamental 3: Managing SC money flows

The Financial Dimension (Profit)



Sources of financial advantage from SCM

The Financial Dimension - Working Capital Cycle



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The Customer Perspective

A diagram illustrating the customer perspective. It features a large white arrow pointing from left to right. The arrow's tail is a rectangular box containing the text 'Market Driven Customer Service Strategy'. The arrow's head is a rectangular box containing the text 'Performance Specification for Integrated Supply Chain Management'. The background consists of a dark blue header, a light blue main area, and a green footer.

**Market Driven
Customer
Service
Strategy**

**Performance
Specification for
Integrated
Supply Chain
Management**

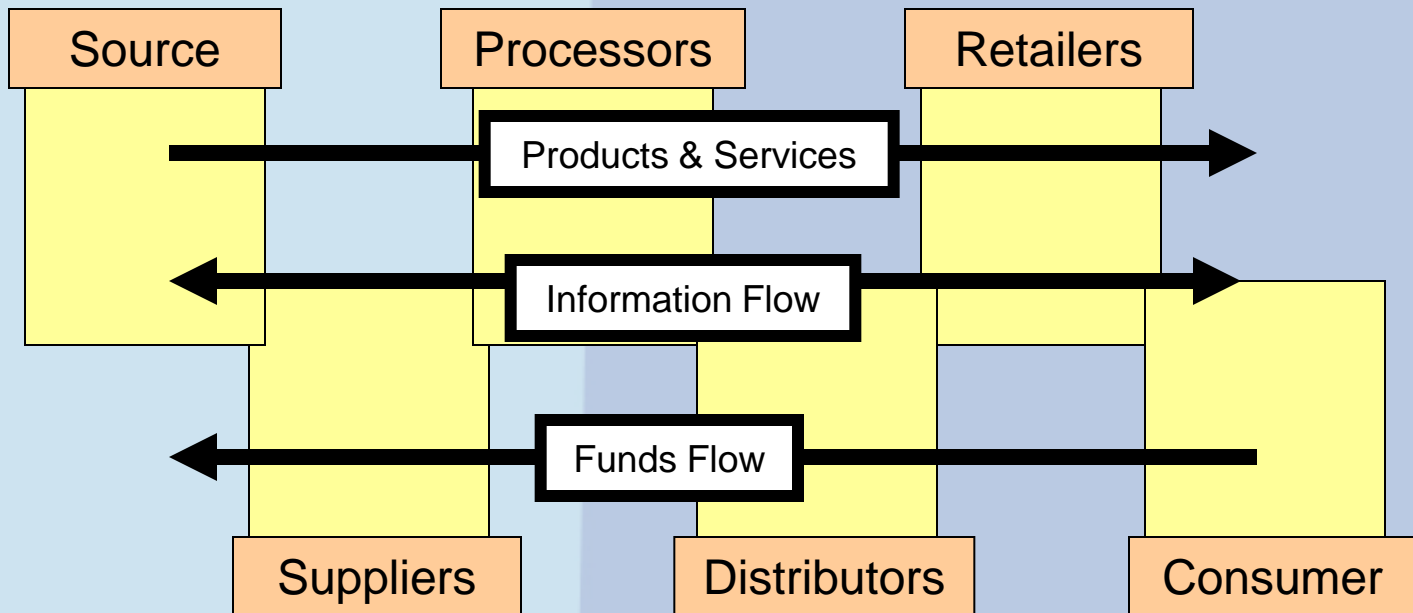
The Supplier Perspective

- Outsourcing and vertical disintegration
- Procurement and purchasing management in the supply chain
- Purchasing management: good operational practice

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ICT in the Supply Chain



**Supply Chain
Planning**

**Supply Chain
Execution**

Technology: the key enabler

- Point solutions
- Best of breed solutions
- Enterprise solutions (ERP)
- Extended Enterprise Solutions (XES)

*Facilitating integration of
supply chain processes*

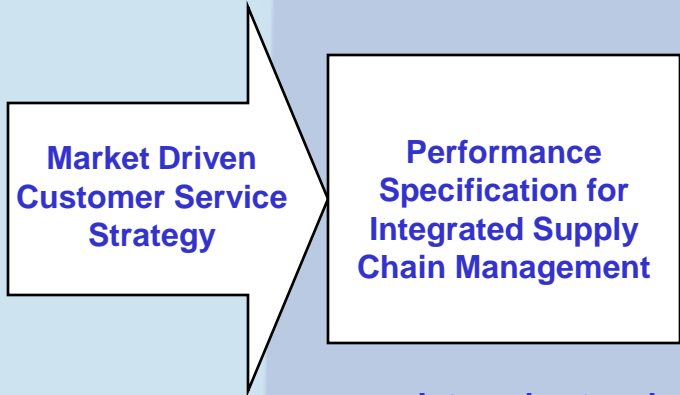
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The Future: Making Change Happen

- **Re-engineering = analysing + planning improvement + implementing improvement**
- **There is no “magic” solution**
- **Beware of copying inappropriate solutions**
- **BUT!**
- **There is a logical and systematic way of addressing the issue**

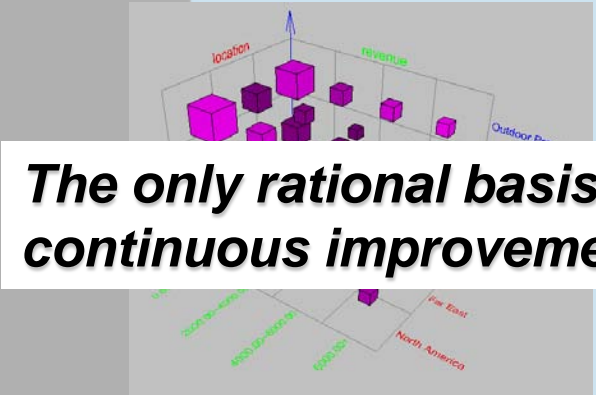
Towards A Supply Chain Re-engineering Roadmap



Internal network arrangements

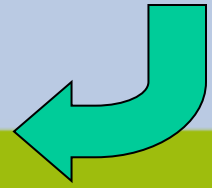
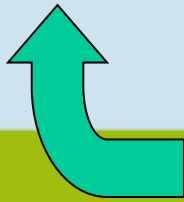


External network arrangements



The only rational basis for continuous improvement

Focus on process and people

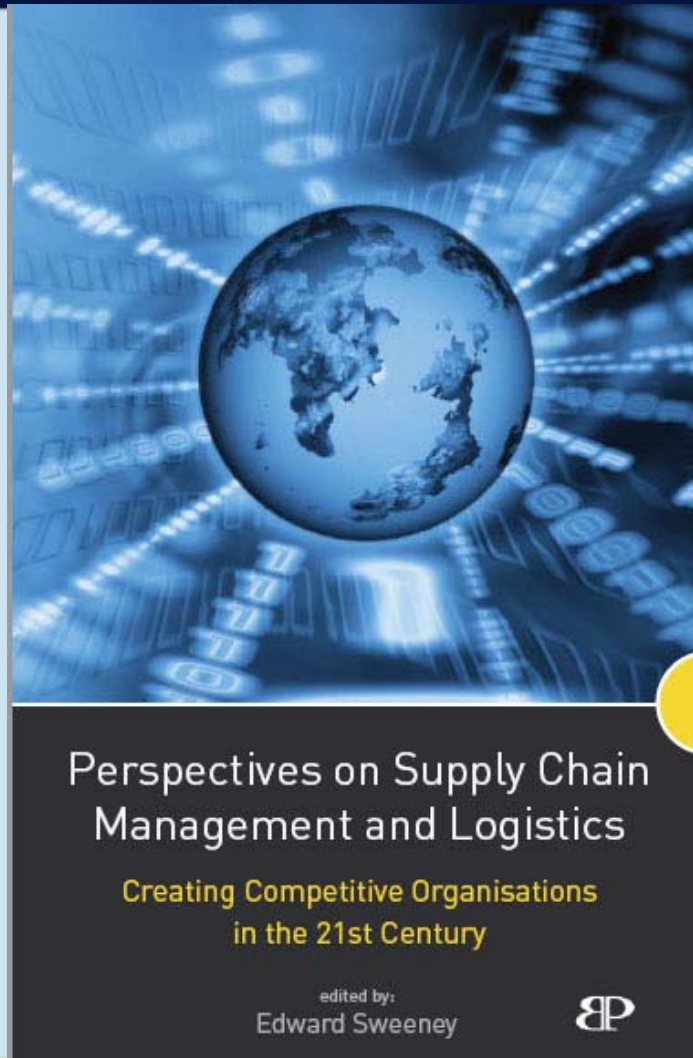


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Some Concluding Thoughts

- **Standing still = falling behind**
- **Innovation in all aspects is the key to survival**
- **Remember that most innovation is a series of small steps**
- **Re-engineering must focus on service delivery, integration, organisation and performance measurement**
- **People and learning are critical success factors**



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