***Supply Chain Management – Global Supply Chain***

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| **Global Supply Chain** |
| A supply chain that spans international boundaries. |

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| 🡨 Flow of Information 🡨   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | International: |  | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Domestic: |  | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |   🡪 Flow of Material 🡪 |

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| ***Supply Chain Industry*** | | | | | | |  |
|  |  | *Supply Chain Characteristics* | | | | |  |
|  |  | Lean  (Cost,Waste) | Green  (TBL,CSR) | Resilient  (Risk) | Responsive  (Agile) | Smart  (Technology) |  |
| *Supply Chain Types* | Commodity  Supply Chain |  |  |  |  |  |  |
| Global  Supply Chain |  |  |  |  |  |  |
| Service  Supply Chain |  |  |  |  |  |  |
| Reverse  Supply Chain |  |  |  |  |  |  |
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|  | *Functions* | Inventory – Logistics – Relationships – Information – Strategy | | | | |  |
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|  | *Drivers* | Analytics – Globalization – Sustainability | | | | |  |
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**Supply Chain Management: (Global)**

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**Drivers to consider global supply chains**

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| >Motivations to move from “Domestic Operations” TO “International Operations” 🡪  {Expand markets, reduce costs, etc.}  >Motivations to move from “International Operations” TO “Global Supply Chains” 🡪  {Capitalize on international opportunities, reduce risks, leverage strategies, etc.} | | | |
| Constraints, Risks, and Barriers  >Culture & Political stability  >Expectations & Capabilities  >Practices & Ethics | | Value Added System Configurations  >International distribution  >International suppliers  >Offshore manufacturing  >Integrated global supply chains | |
|  | Strategic Approaches  >Speculative  >Hedge  >Flexible | |  |

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| **Project Management** | 🡺 | Initiate | Plan | Execute | Control | Close |

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| **Necessary practical ingredients for success.**  1. Local contact in country. {Develop trust in a person that: understands local processes, manages local connections, and coordinates societal and business cultures.}  2. Sound business plan. {Don’t believe all the numbers. See for yourself the local infrastructure. Maintain robust continuation and exit strategies.} |

**Assessment of the scope of global commitment.**

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| Internal Needs Assessment  Five Basic Functions  {product development, purchasing, production, demand management, order fulfillment} | External Forces Analysis  {Market, Technological, Cost, Political & Economic} |
| Define Value Added Opportunities  Type of System Configuration  {International distribution, international suppliers, offshore manufacturing,  fully integrated global supply chains} | |
| Examine Risks & Issues  {Culture, Expectations, Capabilities, Practices} | Identify Feasible & Viable Options  {Decision model, criteria, Delphi techniques} |
| Select Strategy  {Speculative, Hedge, Flexible} | |

**Develop an International Supply Chain Plan.**

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| >Network design (Push-Pull strategies)  >Relationship design (3PL, Outsourcing, Alliances)  >Product design (Modularization, Postponement)  >Process design (Parallel processing) |

**Execute and Control Supply Chain Plan**

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| \*Communications (Inbound, Outbound)  \*Evaluations (Balance between plan and culture)  \*Change Management (Flexibility in configurations, Structured in results) |

**Outsourcing CSF (Critical Success Factors)**

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| \*Vendor selection, management, and accountability  \*Governance structure, flexibility, and understanding  \*Senior management commitment, support, and vision  \*Cultural compatibility |

**Strategies**

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| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Level I |  | Level II |  | Level III | | Cost  Service  Quality | Governance | Growth  Efficiency  Culture | Leverage | Strategy  Alliances  Sustainability | | **🡪** | **🡪** | |  |  |   - |

**Type of System Configuration**

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| **International Distribution Systems**.  🡨 Flow of Information 🡨   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | International: |  | \_\_\_\_\_\_\_ | \_\_ | \_\_\_\_\_\_\_\_ | \_\_\_ | Distributor | 🡪 | Retailer | 🡪 | Customer |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Domestic: |  | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |   🡪 Flow of Material 🡪 |
| **International Suppliers**.  🡨 Flow of Information 🡨   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | International: |  | Supplier | \_\_\_ | \_\_\_\_\_\_\_\_ | \_\_\_ | \_\_\_\_\_\_\_ | 🡪 | Retailer | 🡪 | Customer |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Domestic: |  | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |   🡪 Flow of Material 🡪 |
| **Offshore Manufacturing**.  🡨 Flow of Information 🡨   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | International: |  | Supplier | 🡪 | Manufacturer |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Domestic: |  | \_\_\_\_\_\_\_\_\_\_ | \_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_ | Distributor | 🡪 | Retailer | 🡪 | Customer |   🡪 Flow of Material 🡪 |
| **Global Supply Chains**.  🡨 Flow of Information 🡨   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | International: |  | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Domestic: |  | Supplier | 🡪 | Manufacturer | 🡪 | Distributor | 🡪 | Retailer | 🡪 | Customer |   🡪 Flow of Material 🡪 |

**OUTSOURCING**

***Outsourcing is the transference of work to another business unit.***

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| **Terminology**  Outsourcing – Out-tasking – Consulting – Co-sourcing  On-shoring – Off-shoring – Near-shoring  – – –  Tactical – Strategic – Transformational  Commitment – Communication – Flexibility  Governance – Relationships – Change – Metrics  – – –  Chief Resource Officer – Project Management Officer  Decision – Planning – Negotiations – Implementing – Managing – Controlling – Exiting  RFI – RFP – SOW – SLA – IT – BPO |
| **Drivers**  Necessary (GO–NOGO) – Sufficient (Select–Reject)  \*Lower costs – Avoid major investments  \*Focus on core competencies – Improve performance  \*Increase flexibility – Enlarge knowledge base |
| **CSF (Critical Success Factors)**  \*Vendor selection, management, and accountability  \*Governance structure, flexibility, and understanding  \*Senior management commitment, support, and vision  \*Cultural compatibility |
| **Strategies**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Level I |  | Level II |  | Level III | | Cost  Service  Quality | Governance | Growth  Efficiency  Culture | Leverage | Strategy  Alliances  Sustainability | | **🡪** | **🡪** | |  |  | |