

# Managing Technology in a Downsized World

## *Presentation On Supply Chain Management*

*to the  
Delaware Valley Section of TAPPI*

King of Prussia, Pennsylvania

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# *Our Presentation Today*

*Our presentation today includes the following key subjects for review and discussion . . . .*

- REM Associates
- Components of Supply Chain Management
- Overview of The Supply Chain Management
- Overview of The Supply Chain Strategic Planning Process
- Keys to Supply Chain success.

# *REM Associates*

*Now in our sixteenth year, REM Associates represents a broad range of functional skills and operations backgrounds . . . .*



# *REM Associates*

*REM Associates has worked with companies representing a wide variety of industries . . . .*

## Consumer Products

- Apparel
- Fashion
- Food
- Retailing
- Pharmaceutical
- Paper
- Newspaper
- Tobacco
- Wines, Spirits, and Beverages

## Manufacturing Service and Industry Associations

## Industrial Products

- Chemical Products
- Clay and Refractory Products
- Mining
- Precious Metals
- Electronics.

# *Components of Supply Chain Management*

*Supply Chain management includes . . . .*

## *Supply Chain Management*

**Purchasing**

**Customer Service**

**Inventory Management**

**Customer Order Processing**

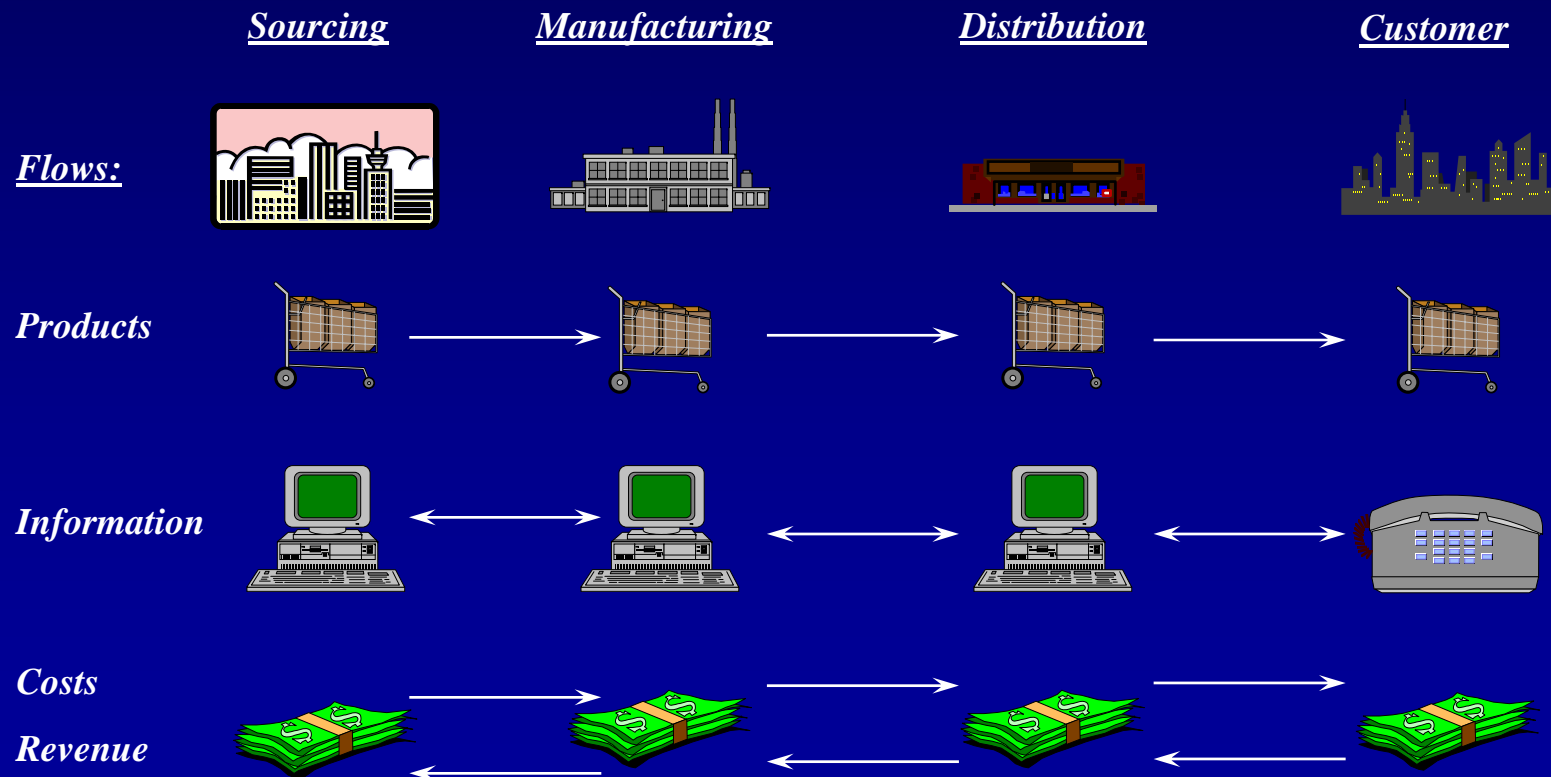
**Warehousing & Distribution**

**Production Planning & Operations**

**Inbound & Outbound Transportation**

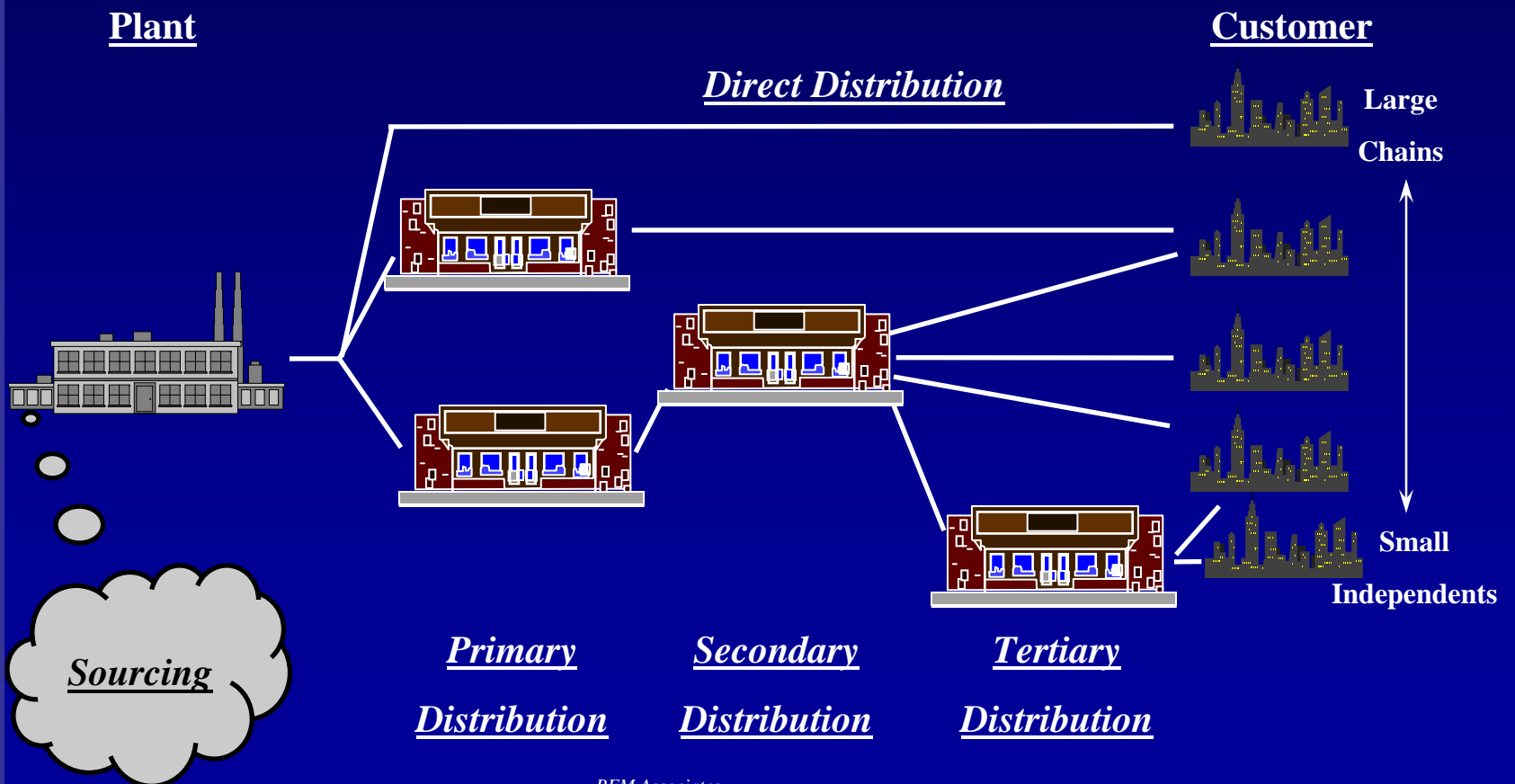
# Overview of The Supply Chain Management

*The logic of supply chain management relates directly to the flow of products, information, and costs through the business to the customer . . . .*



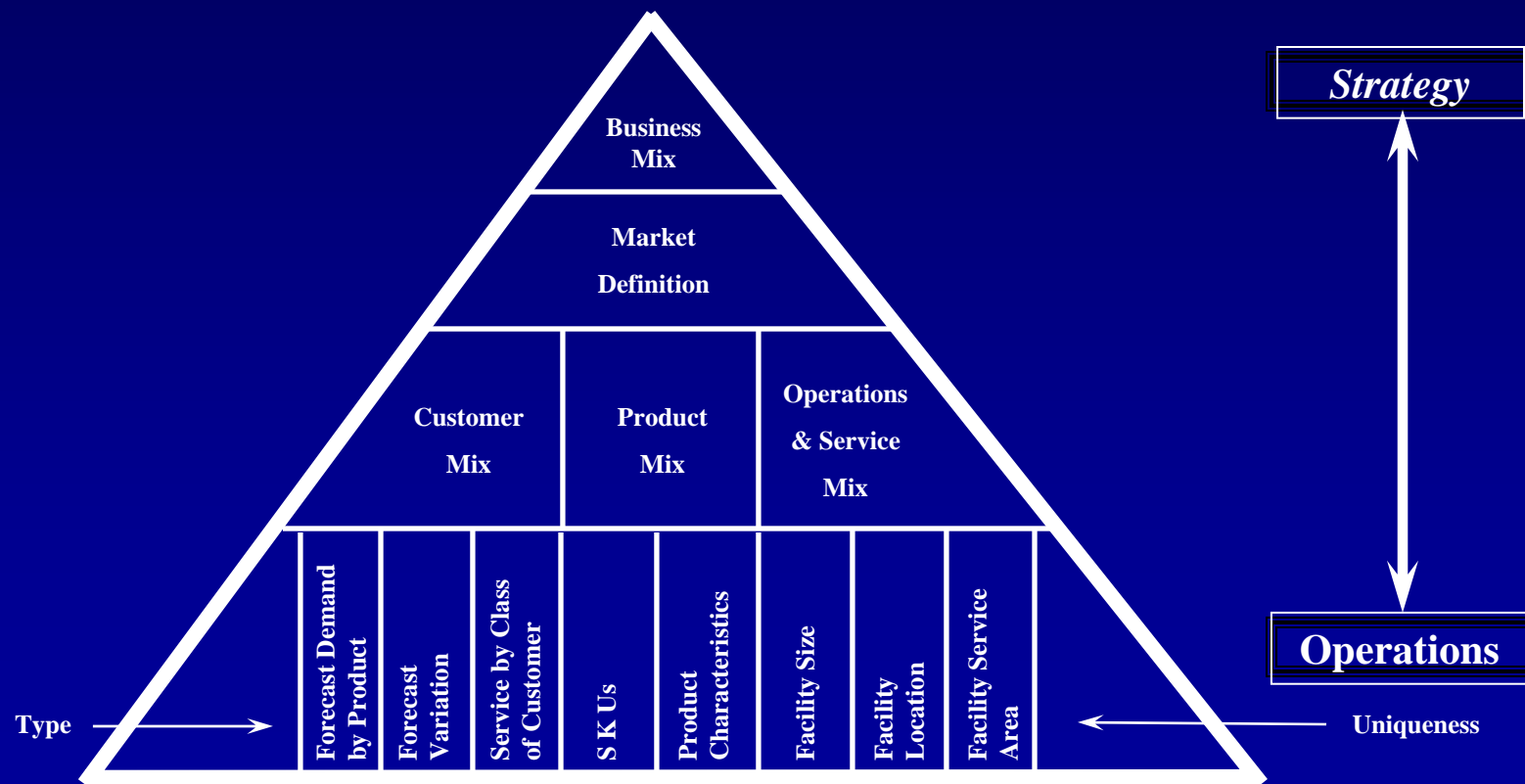
# Overview of The Supply Chain Management

There are several levels of supply chain between the product source and the customer . . . .



# Overview of The Supply Chain Strategic Planning Process

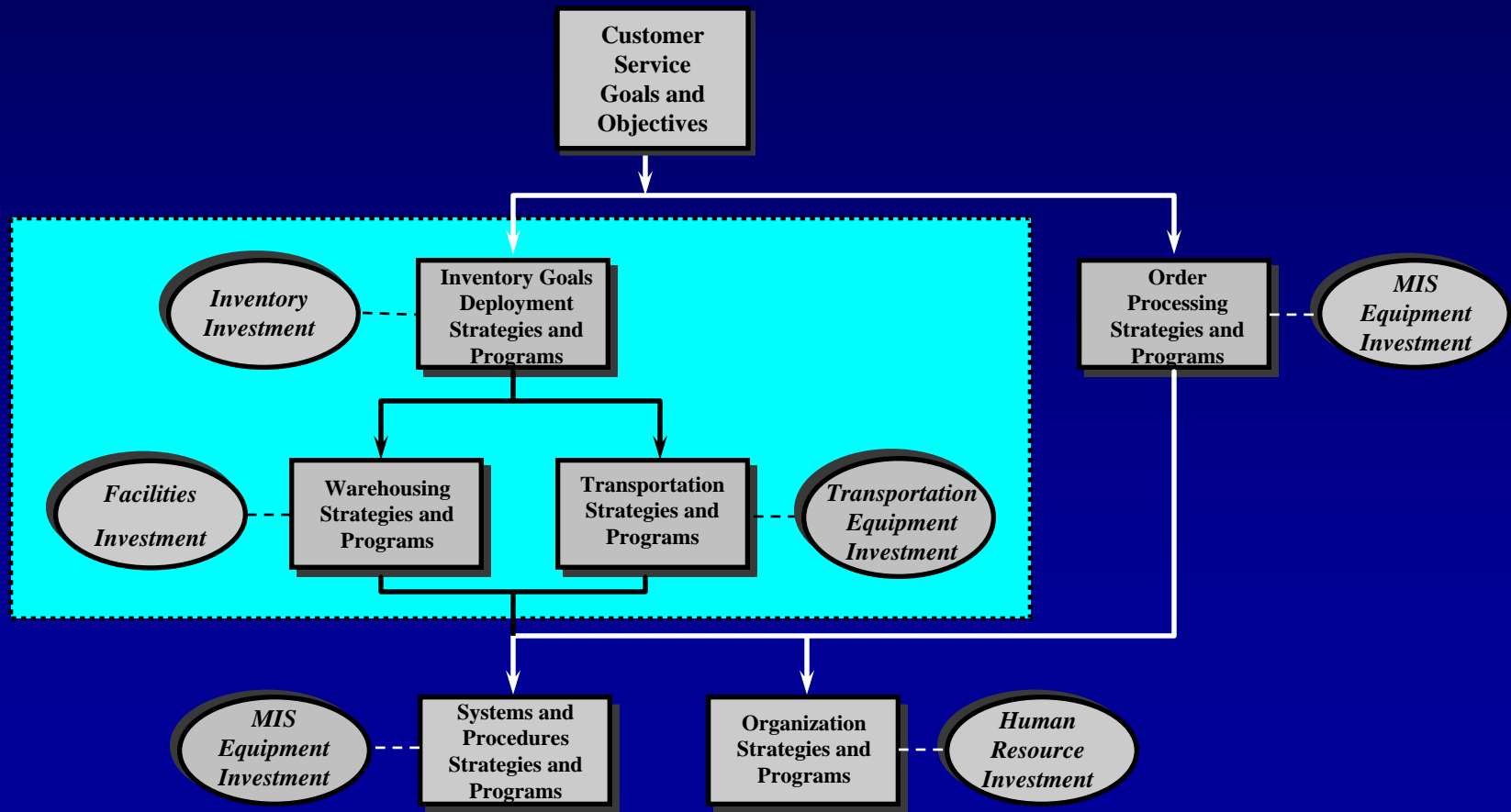
*Strategic planning issues are generally of a broader scope than those of day-to-day operations issues . . . .*





# Overview of The Supply Chain Strategic Planning Process

*The logic of a supply chain strategic plan begins with customers and service . . . .*



# Overview of The Supply Chain Strategic Planning Process

*A number of factors must be evaluated to determine the best cost service mix in strategic product supply chain . . . .*

## *COST:*

- Number of warehouses
- Location of warehouses
- Shipment modes
- Size of shipments
- Frequency of shipments
- Shipment consolidation
- Operating methods
- Storage requirements
- Regulatory requirements

## *SERVICE:*

- Order processing times
  - Customer service
  - Operations
  - Transportation
- Inventory service
  - Stock vs. non-stock
  - In-stock position
- Delivery reliability
- Freight consolidation holding times
- Information systems

## *INVENTORY:*

- Stock vs. non-stock
- In-stock position
- Variability of demand
- Frequency of replenishment
- Transit times
- Inventory carrying costs

# Overview of The Supply Chain Strategic Planning Process

An effective logistics strategy requires the balancing of conflicting management objectives . . . .

## Supply Chain Objectives:

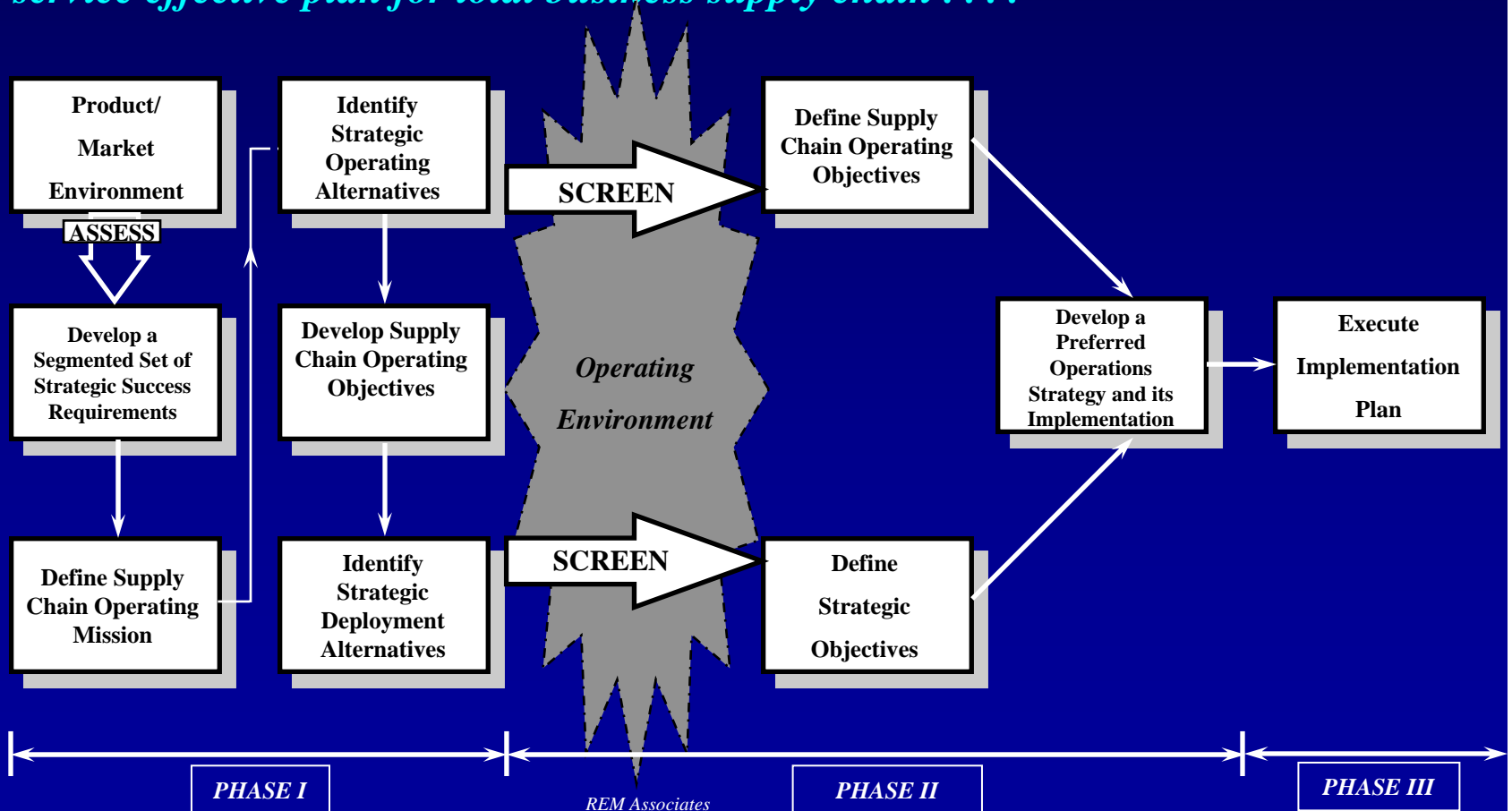
- High customer service
- Low warehousing costs
- Low transportation costs
- Reduced inventories
- Fast deliveries
- Reduced labor costs
- Desired results

## Impact of Objectives on:

	<u>Inventory:</u>	<u>Customer Service:</u>	<u>Costs:</u>
High customer service	↑	↑	↑
Low warehousing costs	↑	↓	↓
Low transportation costs	↓	↓	↓
Reduced inventories	↓	↓	↓
Fast deliveries	↑	↑	↑
Reduced labor costs	↑	↓	↓
<u>Desired results</u>	↓	↑	↓

# Overview of The Supply Chain Strategic Planning Process

*The planning process must evaluate alternatives and recommend the most cost and service effective plan for total business supply chain . . . .*



REM Associates

# *Keys to Supply Chain Management Success*

*The keys to successful Supply Chain business management include a . . . .*

- Well developed Supply Chain Strategy
- Strong Supply Chain management organization
- Focus on customer service
- Activity Based Costing
- Measures and benchmarks
- Exception management.



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