

21511 – Global Operations and Supply Chain Management

Individual Assessment 30 %

Class participation (4%) Pre-learning activity (5%) Portfolio Submission (21%)

Group Assessment 30%

Final Exam 40%

Week 1 – Introduction

Functional, practical and applicable

Management of the entire production and delivery system

Success = effectiveness of strategies and efficient processes

1. Plan

2. Identify suppliers (high quality raw materials at reasonable cost)

3. Logistics processes or linkages between suppliers and company

4. Products manufactured and designed and delivered

5. Reverse logistic system (defected products returned)

Strategy, Processes and Analytics

OSCM = design, operation, and improvement of the systems that create and deliver the firm's primary p/s

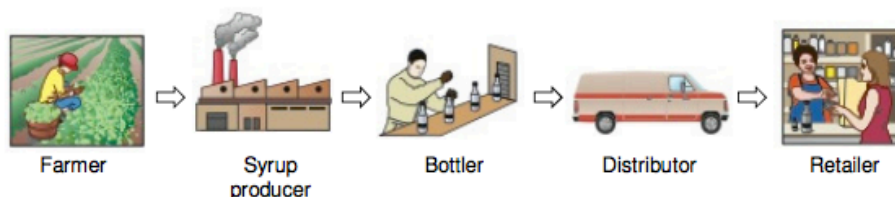
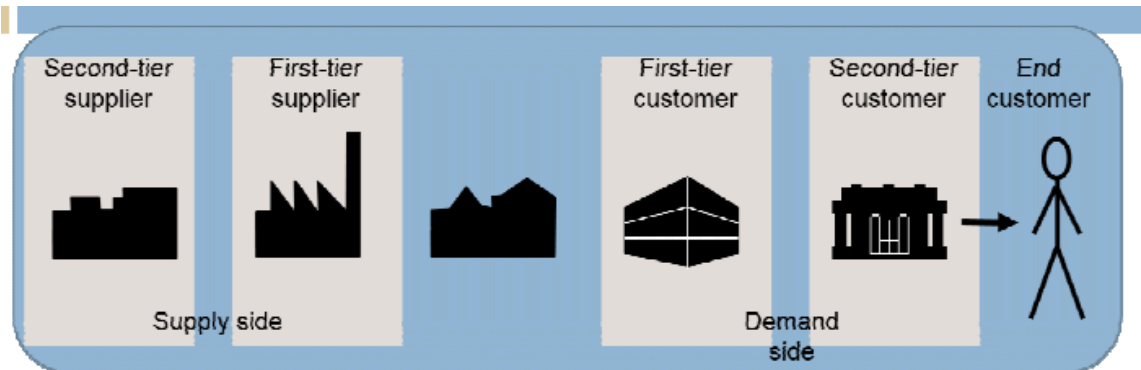
→ Involves = product/service design, purchasing and supplier contracting (relationship management), manufacturing, service operations, logistics (organisation, receipt, transport and storage of goods) distribution

Success – strategy, processes to deliver p/s, analytics to support decisions

Operations – manufacturing and service processes to transform resources into products

Supply Chain – processes that move info and material to and from the firm (end to end)

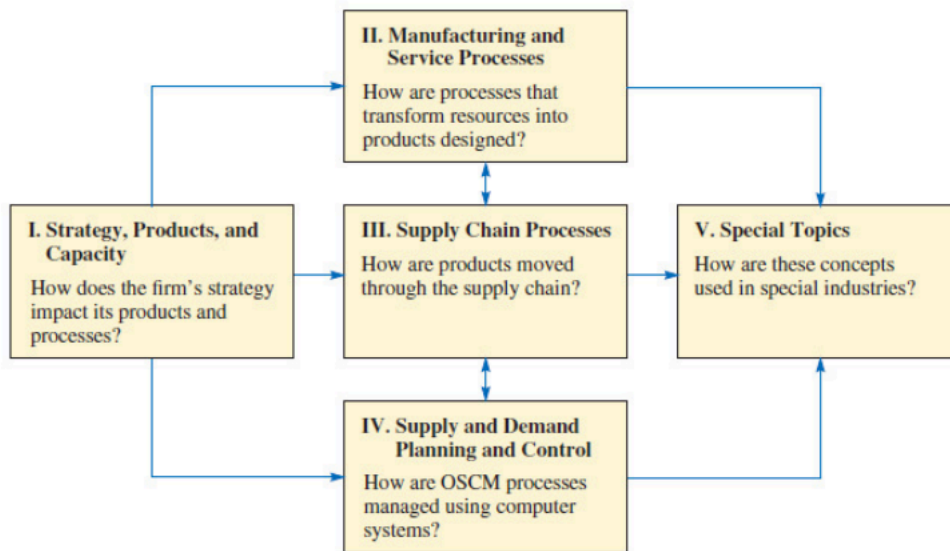
General Terms –SC



What is accomplished in OSCM?

exhibit 1.2

Questions Answered in each Section of OSCM



The Economic System – inputs (labor, capital, management, material, machines) transformation, outputs (g/s)

Process Activities PSMDR

Planning – processes needed to operate an existing supply chain

Sourcing – selection of suppliers that will deliver g/s needed to create product

Making – producing p/s

Delivering – logistics processes such as selecting carriers, coordinating movement of goods/info, collecting payments

Returning – receiving worn-out/defective, or excess products

Operational Capabilities

Quality management, decision making, project management, sales/operations planning, new product design, new service design, inventory management, demand management and forecasting, process design

Current Issues in OSCM

Coordinating relationships between members of SC

Optimising global network of sups, prods and distributors

Managing customer touch points

Raising awareness of OSCM as a competitive weapon

Sustainability, ethics and triple bottom line SEE (Social, economic, environmental)

Efficiency (doing something as the lowest possible cost) **effectiveness** (doing the right things to create the most value) **and value** (attractiveness of product relative to its cost)

Efficiency and Wall Street

Asset productivity

■ **Receivables turnover ratio** =
$$\frac{\text{Annual Credit Sales}}{\text{Average Accounts Receivables}}$$

■ **Inventory turnover** =
$$\frac{\text{Cost of goods sold}}{\text{Average Inventory Value}}$$

■ **Asset turnover** =
$$\frac{\text{Revenue (or Sales)}}{\text{Total Assets}}$$

Comparison of firms is important to investors

Management efficiency ratios

Week 2: Supply Chain, Operations Strategy and Performance

(move beyond profit-seeking motives)

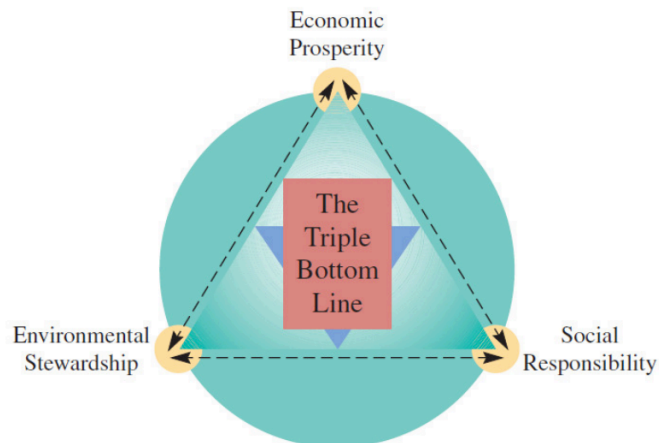
1. Keep our impact on the planet small, even as we grow. (**PLANET**)
2. Be good neighbor. Give back to the community. (**COMMUNITY**)
3. Create an environment where people can live life to the fullest, even from 9 to 5. (**PEOPLE**)
4. Grow slower, grow better, and stick around longer. (**BUSINESS**)
5. Make what people actually need. Never compromise quality. (**BRANDS**)

The Firm's Strategy – how it will create/sustain value

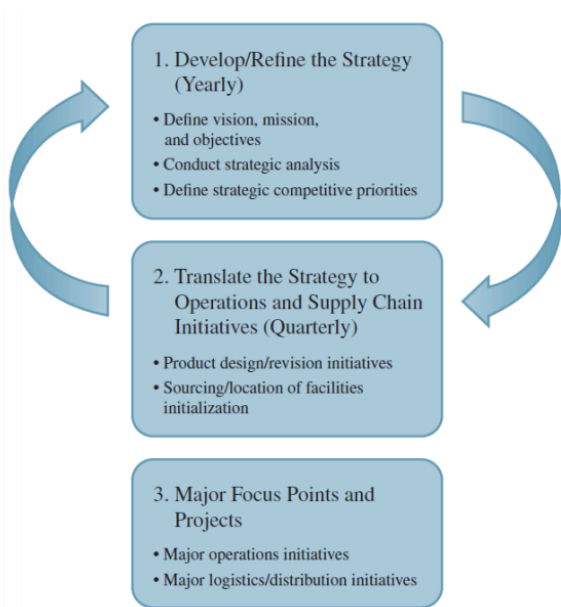
Triple bottom line – evaluating the firm against social, economic, and environmental criteria

Set broad policies and plans for using the resources of a firm – integrated with corporate strategy (provides overall direction)

Operations effectiveness – performing activities in a manner that best implements strategic priorities at a minimum cost



SC and OPS Formation



Developing Missions and Strategies

Mission statements – tell org where it's going

- purpose for being, what do we contribute to society, boundaries and focus

Factors affecting mission PPPCEB

Philosophy/values, profitability/growth, public image, customers, environment → benefit to society

Strategy – tell org how to get there

Org mission – functional area missions

- marketing – operations – finance/accounting

Action plan to achieve mission, functional areas have strategies, exploit opps/strengths, neutralize threats, avoid weaknesses

Strategies for comp adv – differentiation (better), cost leadership (cheapest), response

Competing on Differentiation – uniqueness can go beyond both physical characteristics and service attributes → value

e.g. Safeskin gloves (leading edge), Walt Disney Magic Kingdom (experience differentiation), Hard Rock Café (dining experience)

Competing on Cost – provide maximum value– does not imply low quality

e.g. Southwest Airlines – secondary airports no frills service, Walmart – small overhead, shrinkage, distribution

Competing on Response FRT – Flexibility (matching market changes in design innovation and volumes) Reliability (meeting schedules) and Timeliness (quickness in design, production, delivery e.g. Pizza Hut)