



Supply Chain Networks: Best Practices and Emerging Trends

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Outline

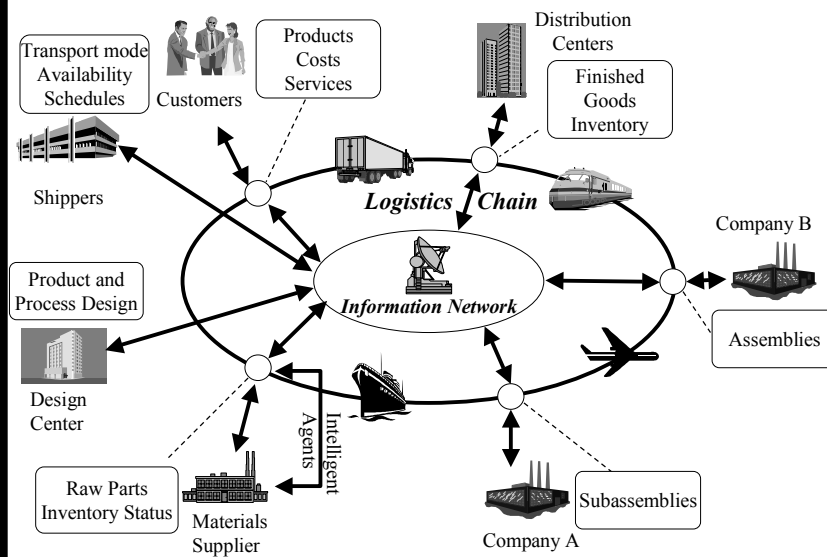
- What is a Supply Chain?
- Some Best Practices
- Web Enabled Supply Chain

What is a Supply Chain?

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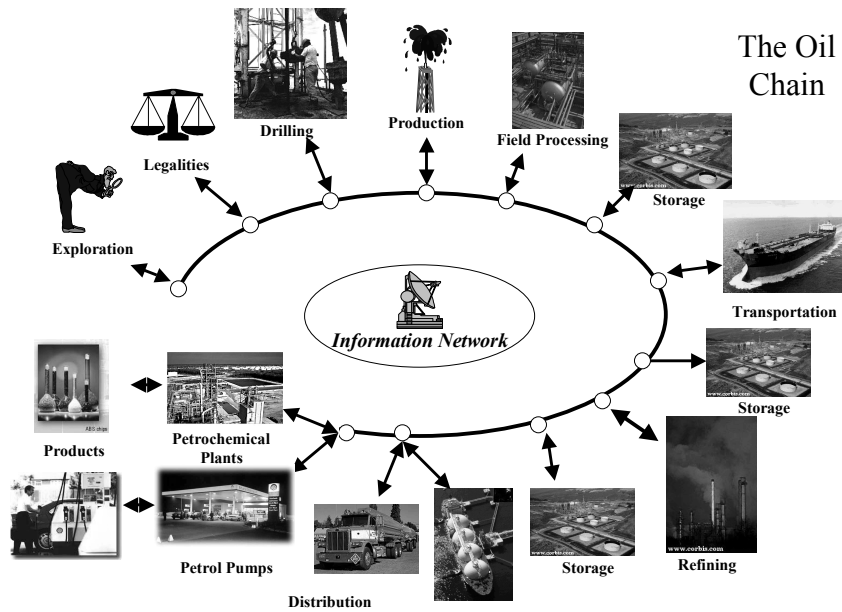
INTEGRATED MANUFACTURING SUPPLY CHAIN



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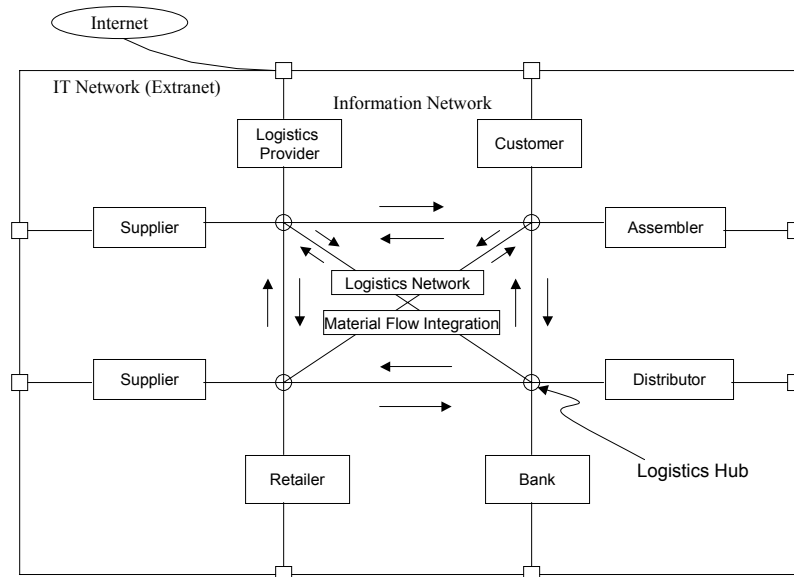
Global Supply Chains



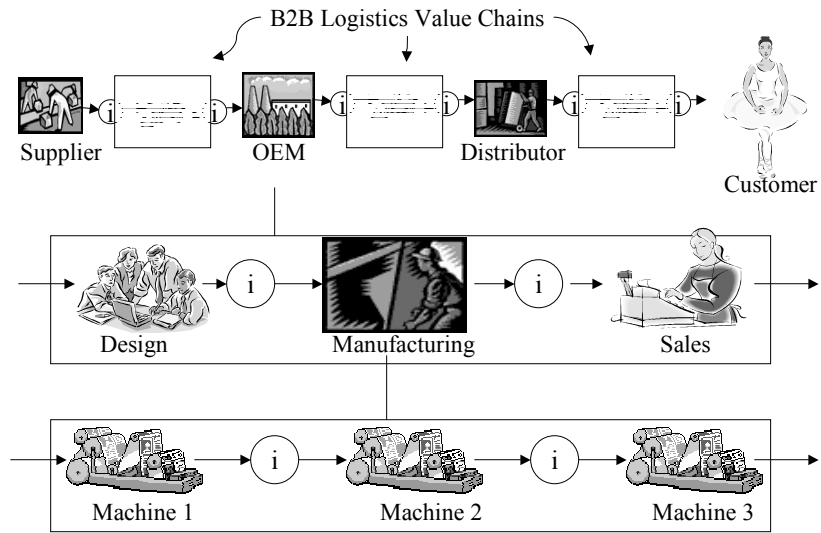
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Integrated Supply Chain Network



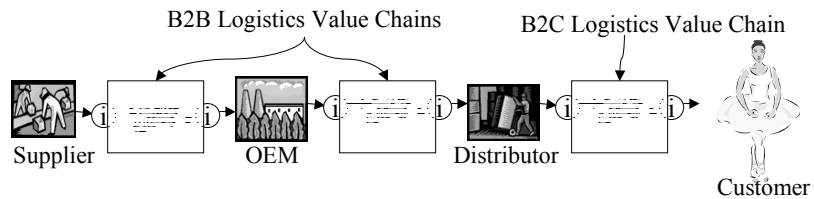
Supply Chain Decomposition



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Supply Chain For a Specific Product



Logistics

- Movement of materials between businesses and from business to the consumer
- In-bound Logistics: Suppliers to Manufacturers
- Out-bound Logistics: Manufacturer to Resellers
- Freight transportation, warehousing, material handling, protective packaging, inventory control, order processing
- Third parties

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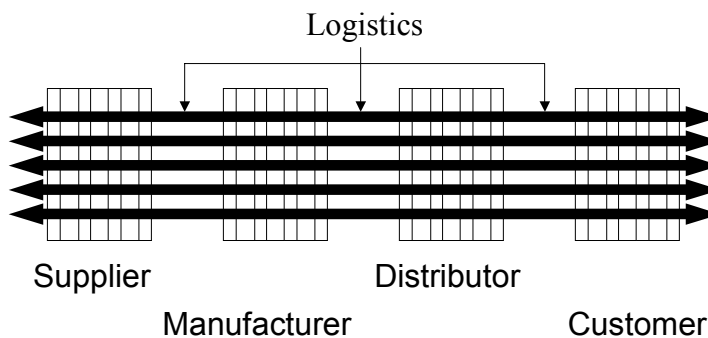
Some Best Practices in Supply Chain Networks

- End to End Value Delivery Process Perspective
- Outsourcing
- Customer Centricity
- Information Sharing
- Vendor Managed Inventory
- Cross docking

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Value Delivery Processes



- Channel master or a process owner.
- Interface management.
- Process based Performance measurement

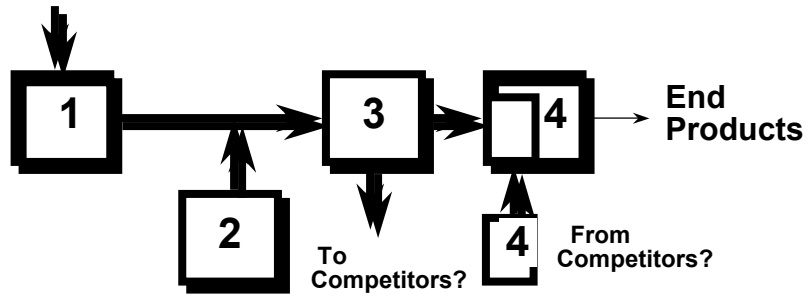
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Business Process Outsourcing

- Logistics
- ASPs

Inputs



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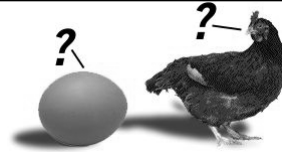
Outsourcing



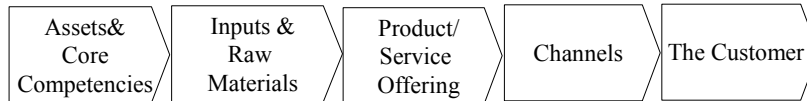
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What is Customer-Centricity?



The Traditional Supply Chain *Starts with Assets, Core Competencies*



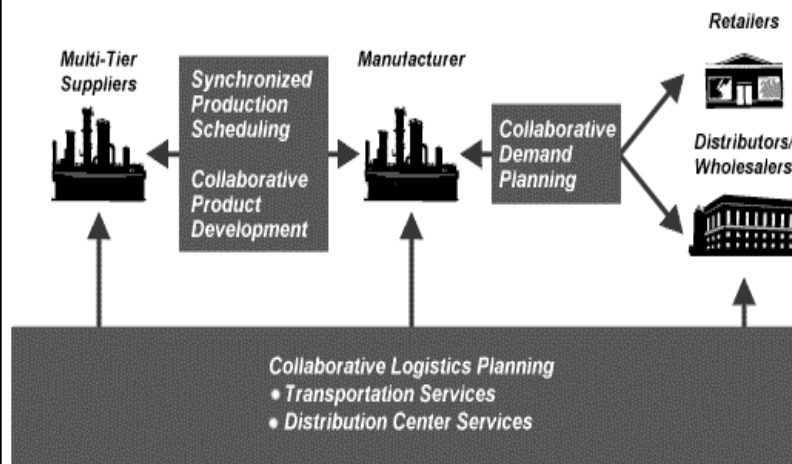
The Customer-Centric Supply Chain *Starts with the Customer*



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Collaborative Opportunities in Supply Chains

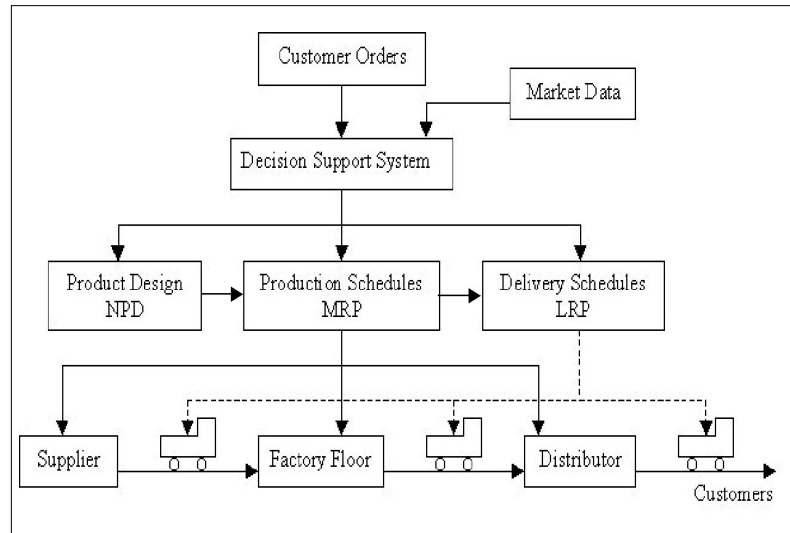


Source: AMR Research, 1998

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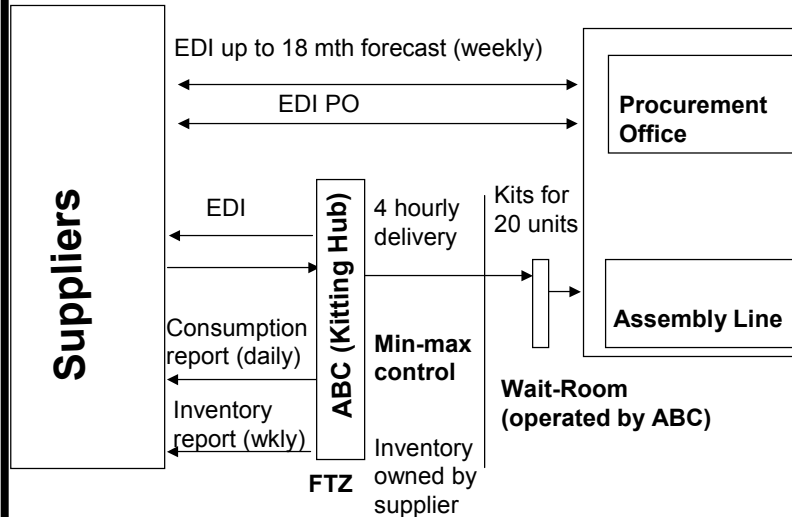
B2B Collaborative Optimization Tools



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Supplier Hub



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Web Enabled Supply Chains

Emergence of the Internet and the www has impacted the Logistics Industry in fundamental ways

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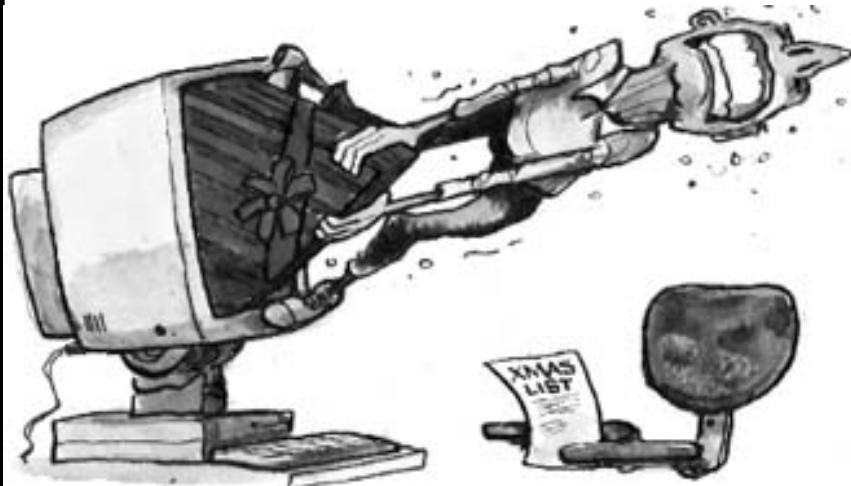
Internet Enabled Supply Chain

- What does the Internet enable?
 - Non-intrusive communication (e-mail)
 - Information transfer
 - Global reach
 - Rich content
- In the Business context this means
 - Direct selling (Dis-intermediation)
 - Customer self-service (Product: search, comparison, configuration; order, pay, and track, self-repair)
 - Collaboration
 - Product development
 - Planning and forecasting
 - Scheduling
 - Monitoring outsourced activities

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The Response Customers Expect

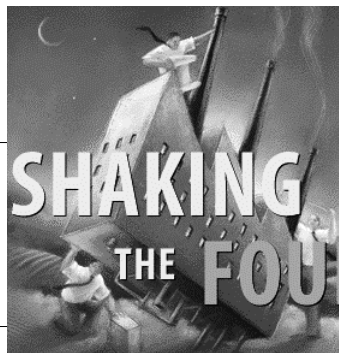


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Dell Online



BTO, CTO

Five Day Car

Disintermediation

- Selling something directly to consumers.
- Positive effects: lower costs of distribution and happier customers who get exactly what they want for less money and in less time.
- Negative effects: serious dislocation as intermediaries disappear.

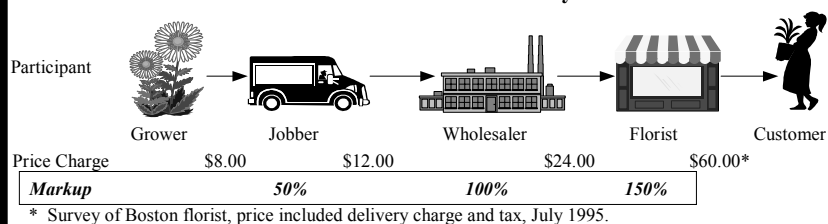
With the arrival of a truly ubiquitous, universally accessible WWW, the theory goes, companies can provide consumers with precisely what they want at the lowest possible cost with the shortest time between manufacture and delivery.

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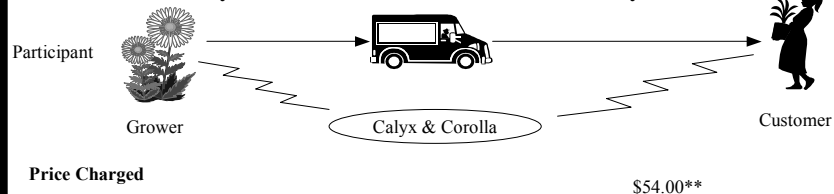
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Shortening the Supply Chain Through e-Commerce

Traditional Cut-Flower Industry Chain

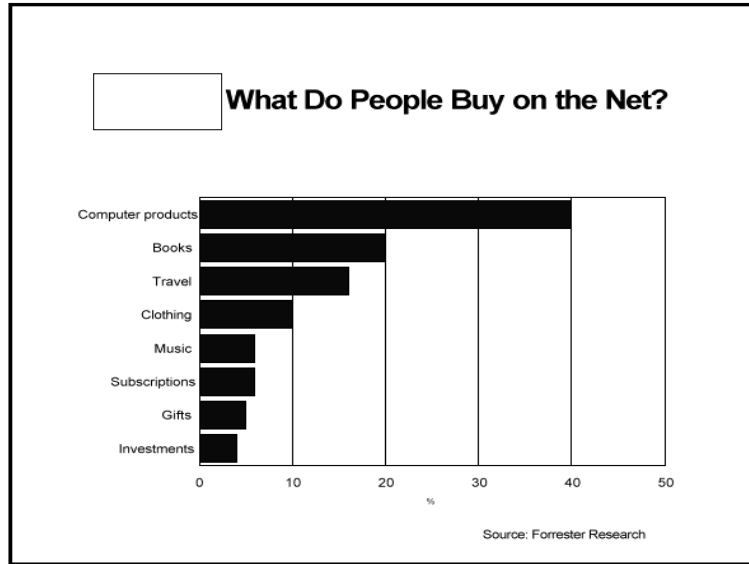


Calyx & Corolla's New Cut-Flower Industry Chain



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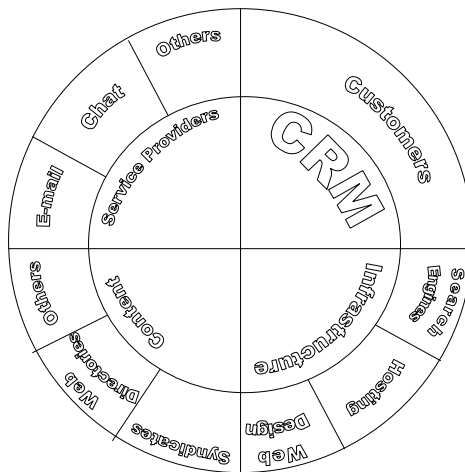
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Portal

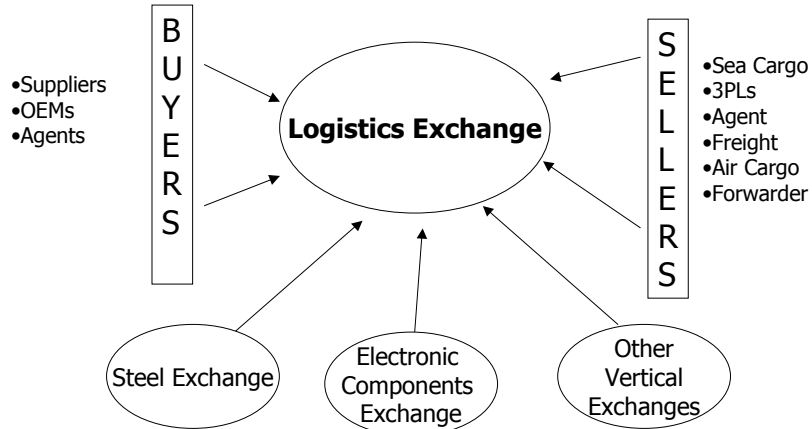


In case of Vortals there will be Industry specific content and Services.

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Trading Exchanges



- Public, Private and consortia Exchanges

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Issues in Traditional Supply Chains

- Products and services were designed and built far in advance of customer needs.
 - Today customers want to configure the products and services to their own requirements
- Customers cannot compare prices quickly and easily. Producers made billions of dollars in profits
 - Harnessing the word of Mouse, called Viral marketing, messages both good and bad spread like a contagion
- Supply chain that runs backward is optimized.
 - The delivery chain that runs forward toward customers has hardly changed in the past 100 years.
- Retailers tell customers “You come to us”.
 - Online consumers are saying: My place, my time is the new mantra. They say it is not e-buz but Me-buz

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Regardless of
technology innovations &
The promise of the internet,
we are still dealing with
people and relationships

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Tangible goods still have to move (and be stocked) through
space and time. . . new strategies and methods must create new
value



**e-Channel Solutions Facilitate Responsive and Efficient Links Between
Shippers, Carriers and others**

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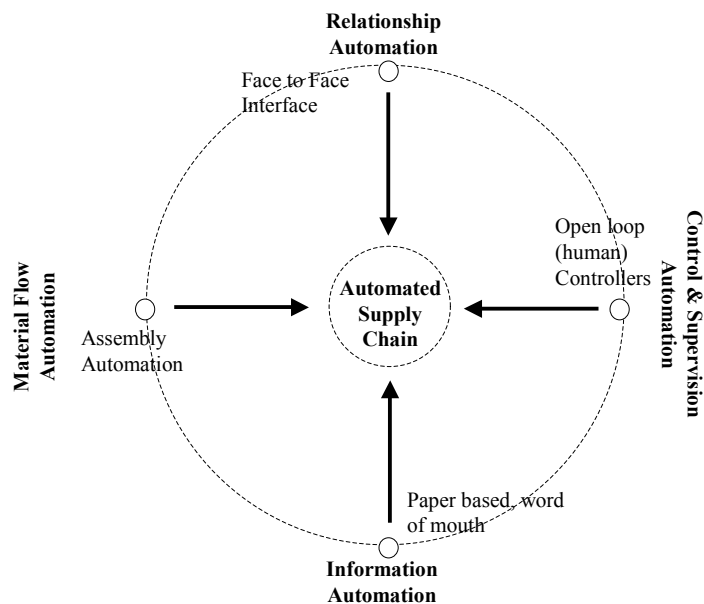
Four Types of Automation: Investment View Point

- Material Flow Automation
- Information flow and Decision making Automation
- Supervision and Control Automation
- Relationships
- Balanced Investments

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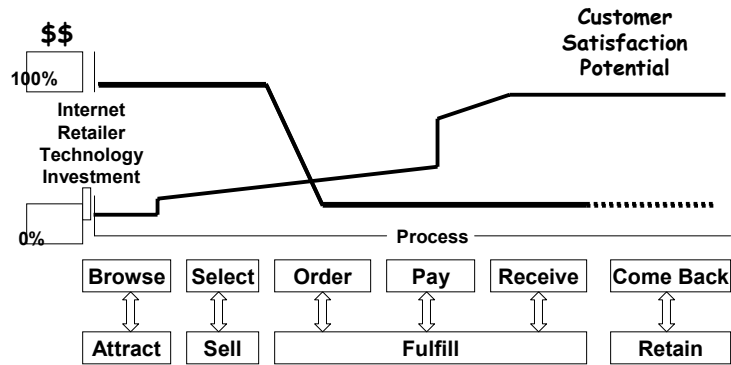
The Four Types of Automation



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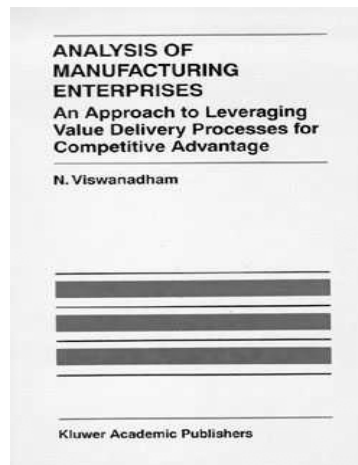
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E-Supply Chains Should not Underestimate Fulfillment Requirements



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