

# Supply Chain Management

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# Key Presentation Take-Aways

- What Supply Chain Management Really Is
- Complex or Simple
- Best Practices
- What's Next



# What is Supply Chain Management (SCM)?

- Supply chain management (SCM) is the management of the flow of goods and services.
- Supply chain management (SCM) is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage.



# Complex or Simple

- Consider Q-Tips and Auto Manufacturers
- Q-Tip BOM consists of paper sticks, glue and cotton.
- An Automaker's BOM could consist of more than 2,000 parts.



# Best Practices

- Establish a Governing SC Council
- Properly Align and Staff the SC Organization
- Make Technology Work for You
- Establish Alliances with Key Suppliers
- Engage in Collaborative Strategic Sourcing

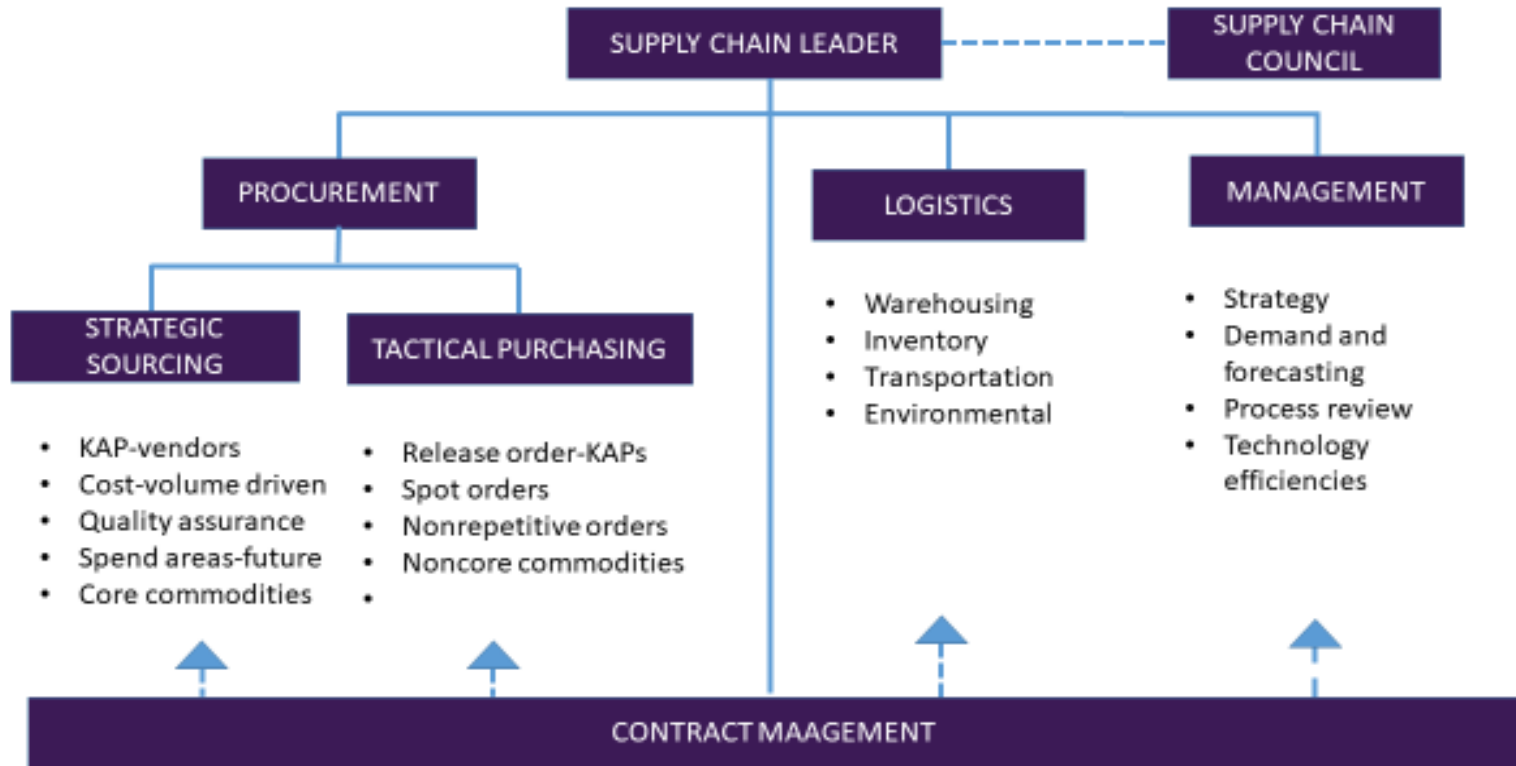


# Best Practices

- Focus on Total Cost of Ownership, not Price
- Put Contracts Under the SC Function
- Optimize Company-Owned Inventory
- Establish Appropriate Levels of Control and Minimize Risk
- Green Initiatives and Social Responsibility



# Implement a Supply Chain Management Center of Excellence



KAP = Key Alliance Partner