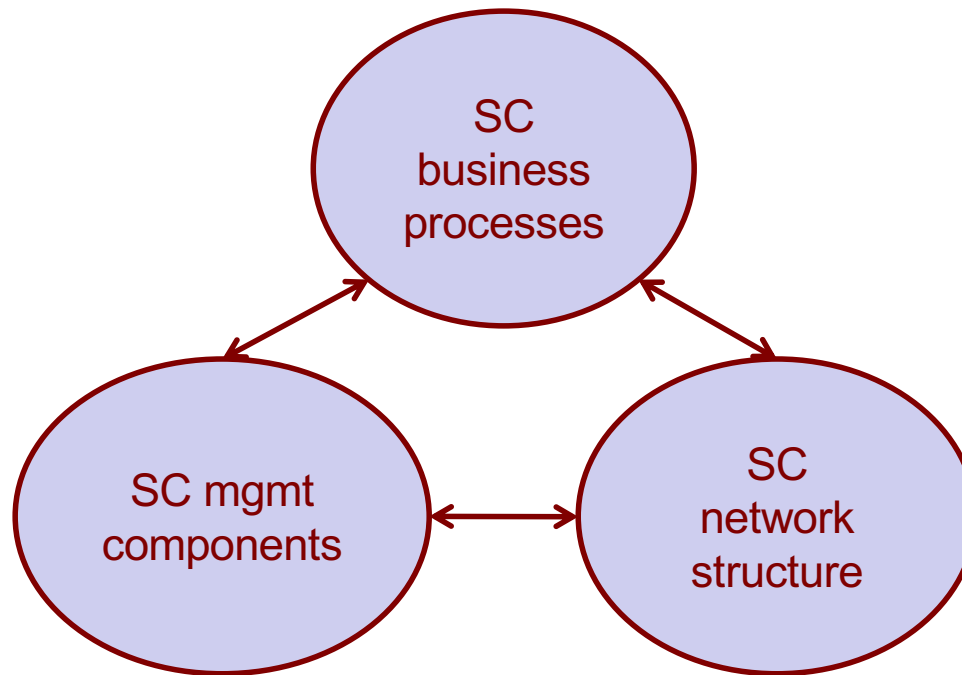


# SCM framework

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## Three main elements and key decisions (Lambert et al., 1998)

Successful SCM requires a change from managing individual functions to integrating activities into key supply chain processes [involving strategic and operative issues]. The customer remains the primary focus of the process (Lambert and Cooper, 2000)



# SCM framework

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## Three main elements and key decisions (Lambert et al., 1998)



Who are the key SC members whom to link processes? (Not only first tier suppliers)



What processes should be linked with each of these key SC members?



What level of integration and management should be applied for each process link?

# SCM network structure

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## Identifying SC members

- Explicit knowledge and understanding of the SC network structure is a key element for SCM, but could lead to complexity.
- Distinguish between:
  - **primary members**: all those autonomous companies that perform operational and/or managerial activities in the business process
  - **supporting members**: companies that simply provide resources, knowledge, utilities or assets to the primary members

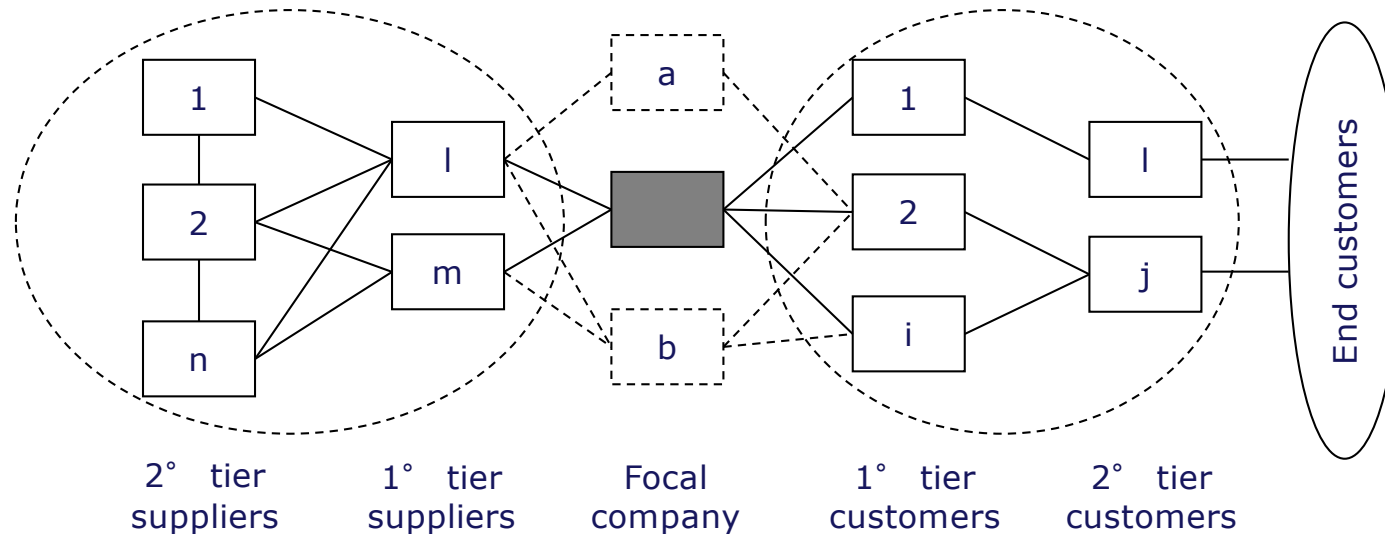
based on the role in value-adding processes of transforming inputs to outputs to the end customer and focus on primary members.

- The same company can be primary and supporting member of the SC related to different processes.
- This distinction makes possible the identification of the point of origin and the point of consumption:
  - **point of origin**: occurs where no primary suppliers exist and suppliers are solely supporting members
  - **point of consumption**: no further value is added and the product or service is consumed

# SCM network structure

## Three structural dimensions

- **Horizontal structure:** number of tiers across the supply chain
- **Vertical structure:** number of suppliers/customers represented within each tier
- **Company's horizontal position** within the supply chain

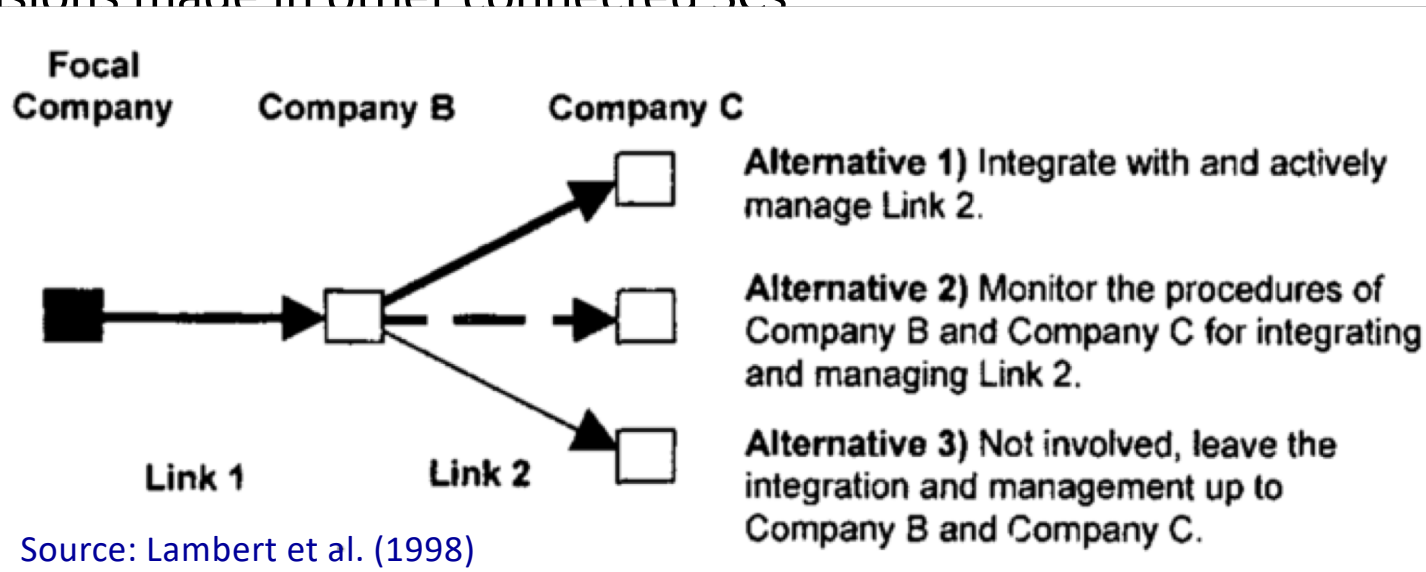


Source: Lambert et al. (1998)

# SCM network structure

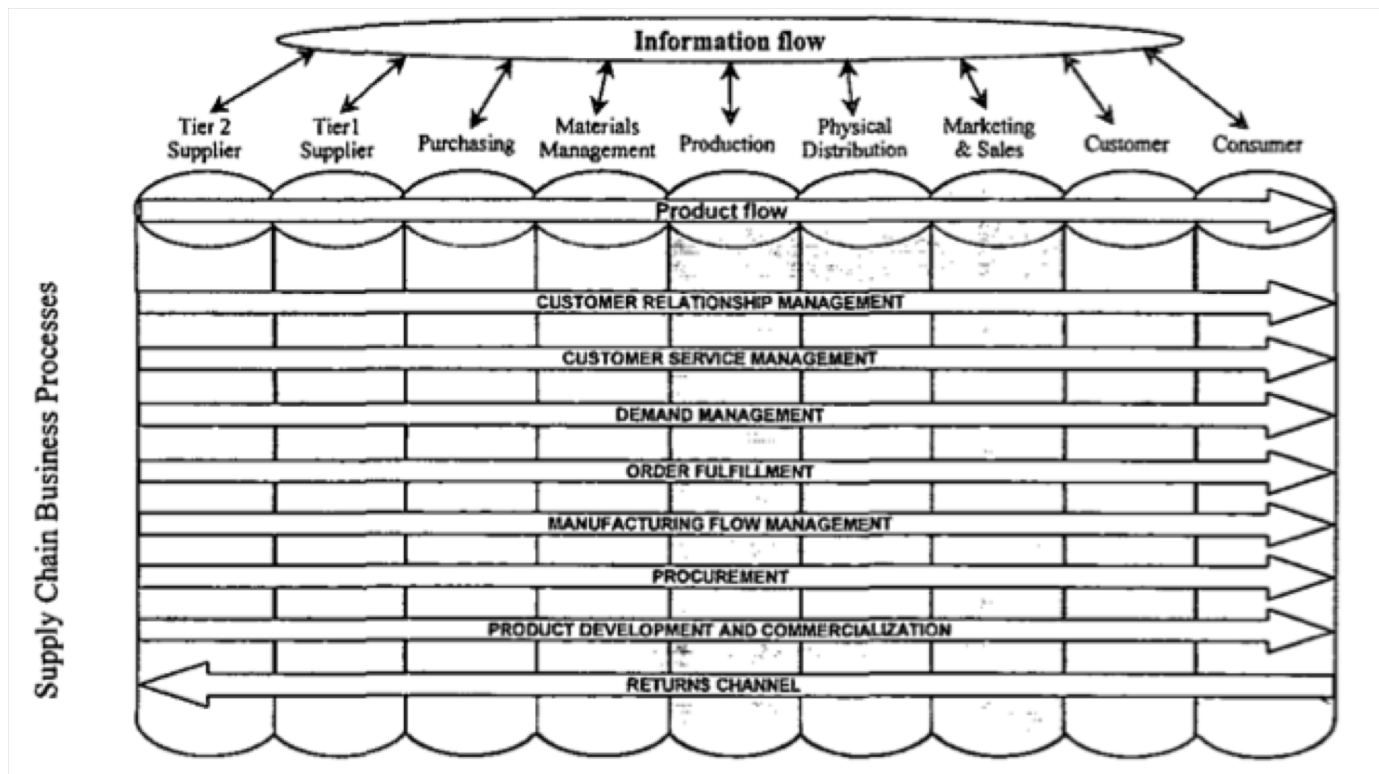
## Types of Business Process Links

- **Managed process links:** critical to the focal company, where the focal company integrates a process with one or more customers/suppliers
- **Monitored process links :** not as critical to the focal company, that audits how the process is managed
- **Not managed process links:** the focal company is not actively involved in, nor are critical enough to use resources for monitoring
- **Non member process links:** the focal company SC is influenced by decisions made in other connected SCs



# Business processes chains

- **Internal activities** of a company in a SC are linked and can influence the activities of another
- **Intercompany consistency** is critical to efficiency
- The Global SC Forum identifies **seven key** business processes that could be linked across the SC



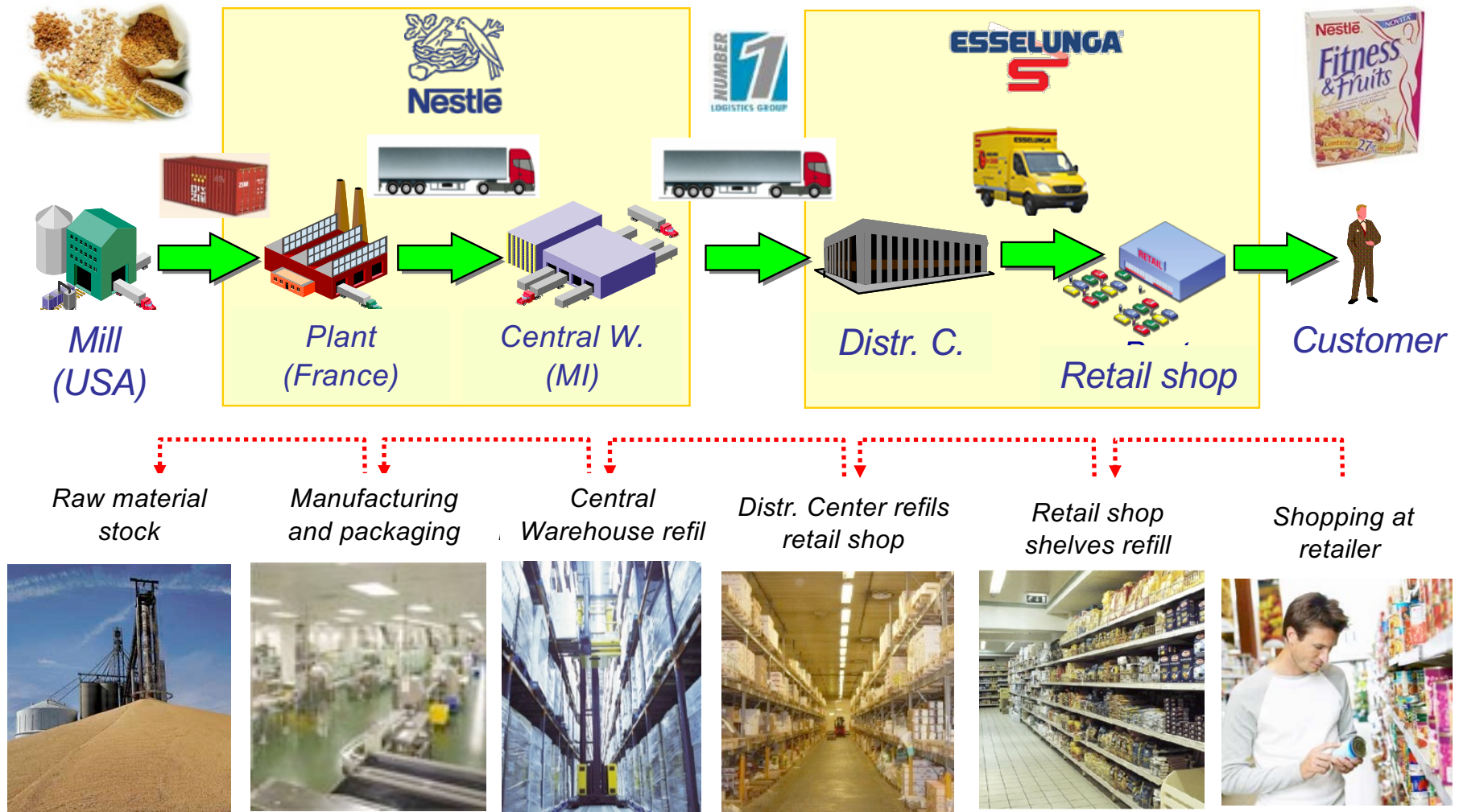
# SCM components

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## Two categories

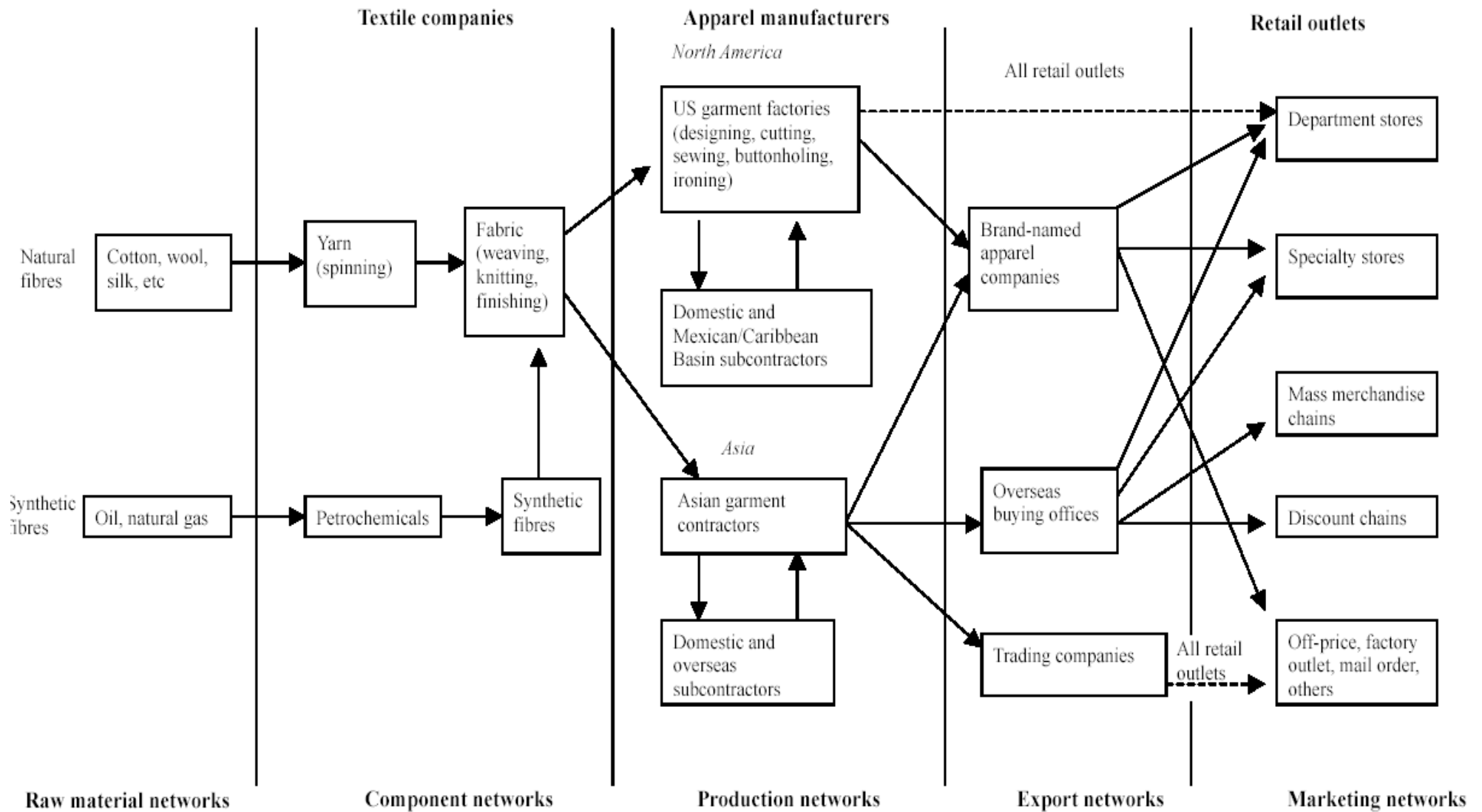
- **Physical and technical management components**  
Planning and control; work structure, organization structure, product flow facility structure, information flow facility structure
- **Managerial and behavioral components**  
Management methods, power and leadership structure, risk and reward structure, culture and attitude
- **Example: integrate the demand management process by applying:**
  - planning and control methods
  - work flow/ activity structure
  - communication/ information flow facility structure
  - product flow facility structure

# SC examples - food





# SC examples - apparel



# References

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- La Londe, B. J., & Masters, J. M. (1994). Emerging logistics strategies: blueprints for the next century. *International journal of physical distribution & logistics management*, 24(7), 35-47.
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