



Introduction – Supply Chain Management

Why Study Operations and Supply Chain Management

- Every organization produces some product or delivers a service.
 - Managers need to know modern approaches to do this effectively.
 - Operations management (OM)
 - A systematic way to look at **organizational processes** – which happen in all functional areas
 - Supply chains
 - Organizations don't provide a product or service to the end customer alone
 - They are one of a **network of companies** that play a role in providing a product or service

Supply Chain Management



Materials

- Suppliers
- Partners



Manufacturing

- Factories
- Outsource

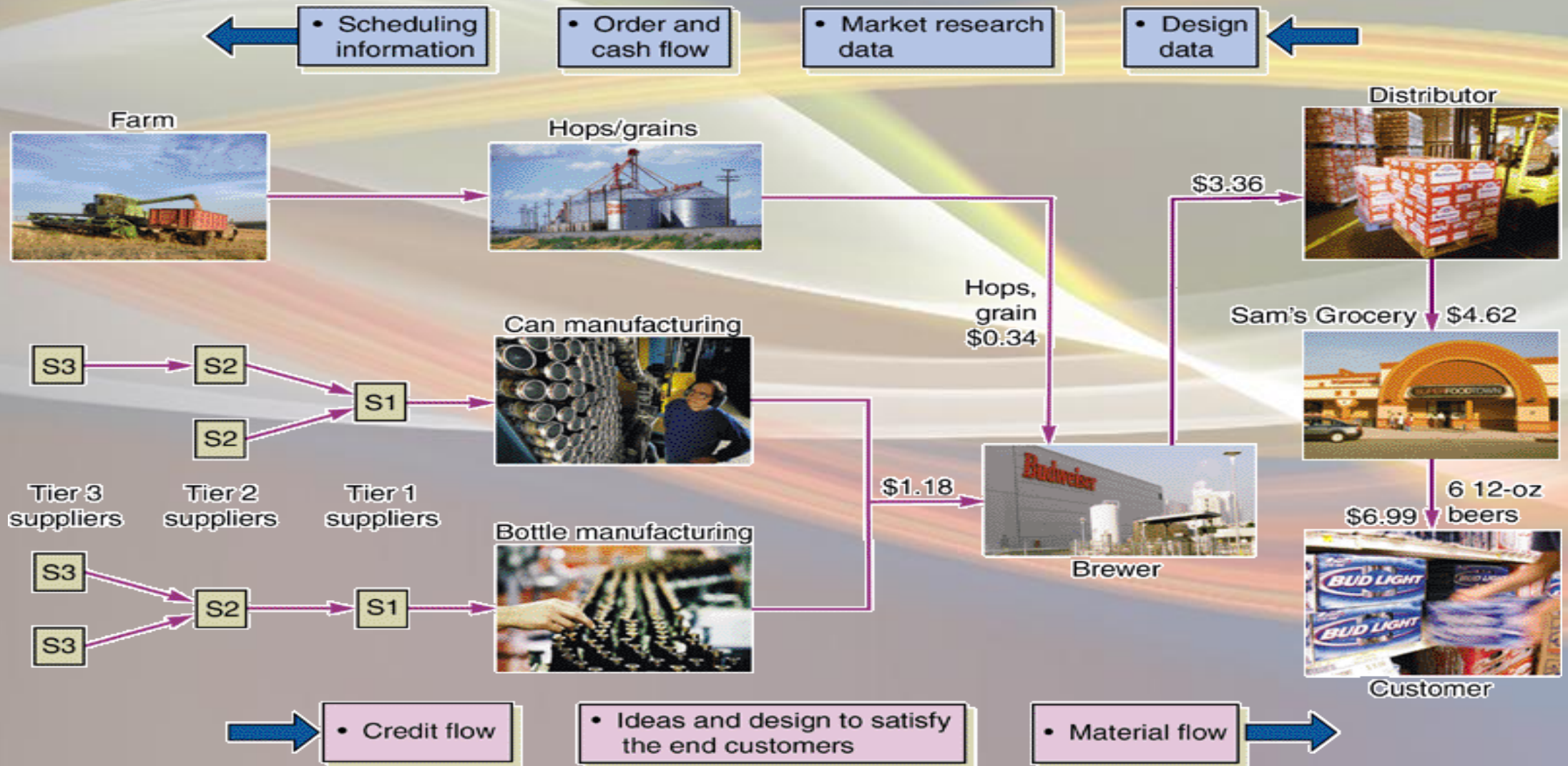


Distribution

- Warehouse
- Distribution Centers

A network that creates value for a firm.

A Supply Chain Example



Supply Chain Competitive Dimensions

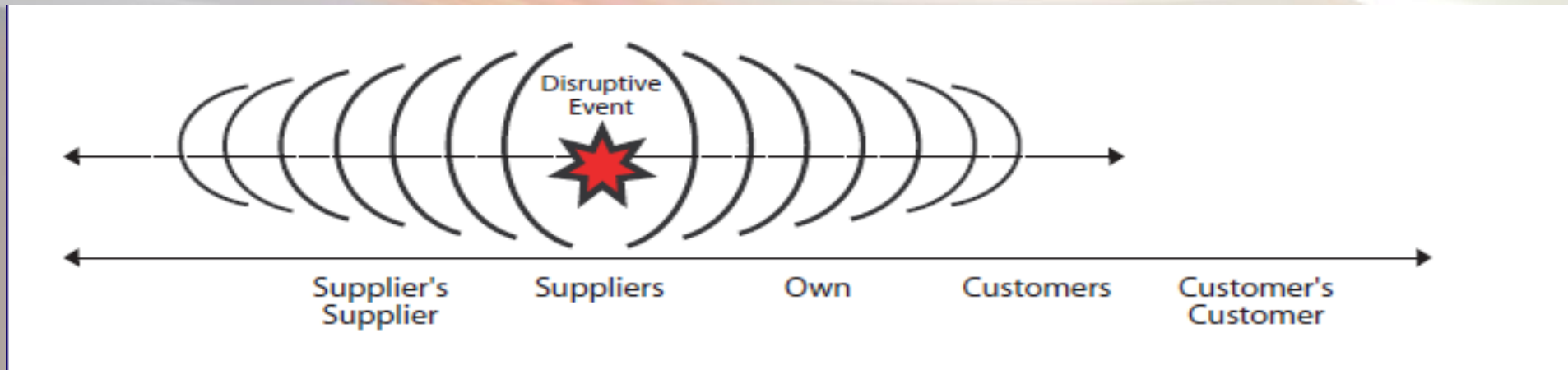
- Setting priorities
 - Order losers – loss of business
 - Order qualifiers – industry norms – must meet to even be in the business
 - Order winners – give competitive advantage
- Integrated resource management
 - Risk - disruption
 - Sustainability – environmental and social responsibility

Logistics

- Science of movement – getting material to the proper place, on time, and amount needed
- Third-Party Logistics Providers – often outsourced
- Reverse Logistics – reverse flow – repair, remanufacture, and recycling

Supply Chain Risk and Disruption

- Risk – supply chain decisions negatively affect supply chain flows
- Disruptions – unplanned and unanticipated events that disrupt the normal flow of goods and materials
- Perspective: All supply chains are inherently risky... sooner or later a disruption will occur



Sustainability – Three Pronged Objective

- **Financial Performance**
 - Earnings view – compensates those that provide financial capital
- **Environmental Impact**
 - All activities provide benefits without compromising the needs of future generations
- **Social Responsibility**
 - Fair and beneficial business practices toward labor, the community, and region
 - Doesn't exploit labor or resources - provides a safe work environment
 - “Give back” by contribution to health care and education