



COUNCIL OF SUPPLY CHAIN MANAGEMENT PROFESSIONALS

THE DEFINITIVE GUIDE TO SUPPLY CHAIN BEST PRACTICES

Comprehensive Lessons and
Cases in Effective SCM

Council of Supply Chain Management Professionals and

Robert M. Frankel, Ph.D.

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Council of Supply Chain
Management Professionals
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Robert M. Frankel, Ph.D.,
University of North Florida

Vice President, Publisher: Tim Moore
Associate Publisher and Director of Marketing: Amy Neidlinger
Executive Editor: Jeanne Glasser Levine
Operations Specialist: Jodi Kemper
Cover Designer: Chuti Prasertsith
Managing Editor: Kristy Hart
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This book is dedicated to the many noble thinkers and leaders who have contributed to the Council of Supply Chain Management and its predecessor organizations over the last five decades. Their noteworthy actions and scholarly virtues have served to define and eminently advance the fields of physical distribution, logistics, and supply chain management.

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ABOUT THE EDITOR

Robert Frankel, Ph.D., is the Richard deRaismes Kip Professor of Marketing and Logistics at the University of North Florida. A Fulbright Scholar, he received his Ph.D. in Marketing and Logistics from Michigan State University. His research has been published in many high-profile academic journals worldwide, focusing on supply chain management, international marketing, and pedagogy.

ABOUT THE AUTHOR

Founded in 1963, the **Council of Supply Chain Management Professionals** (CSCMP) is the preeminent worldwide professional association dedicated to the advancement and dissemination of research and knowledge on supply chain management. With more than 8,500 members representing nearly all industry sectors, government, and academia from 67 countries, CSCMP members are the leading practitioners and authorities in the fields of logistics and supply chain management. The organization is led by an elected group of global officers and is headquartered in Lombard, Illinois, USA.

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INTRODUCTION

The discipline and practice of supply chain management (or SCM as it is frequently known) continue to rapidly evolve. Such evolution challenges current and future managers to keep up with trends, new analytical techniques, and world-class best practices. In truth, most managers struggle with that challenge, and constantly request senior-level management to provide them with realistic scenarios wherein they can learn and improve their skill set.

SCM spans a wide array of functional activities ranging from business forecasting, supply management, and demand planning (which occur well in advance of business-customer interactions) to order fulfillment and post-sales service (which happen as or after interactions are complete). Those companies that are best at SCM—those that truly adopt SCM best practice as a driving philosophy—are the ones that can seamlessly and successfully integrate these functional activities into a set of core processes that link the company with its suppliers and customers. For these leading-edge companies, success is defined in multiple ways, including the provision of topflight customer service, the minimization of total landed costs, the balance of supply and demand, and/or the ability to continually innovate in ways that customers value, to name but a few possibilities.

Regardless of which valuable outcome(s) a company is focused on, it can unequivocally be stated that the managers of the present and future are/will be challenged to achieve such valued outcomes due to organizational design constraints. Those constraints exist both (1) *within* the organization as well as (2) *across/between* the organization and its key suppliers and its key customers. Historically, companies have been organized into functional areas, each of which specializes in certain predefined business tasks, with optimization occurring internal to the functional unit. This arrangement has allowed employee groups to become excellent at what they do best and deliver many different types of value to suppliers and customers. However, the focus on functional perfection embraced by many companies has its drawbacks, and a primary issue many otherwise effective companies face is how to create seamless interconnections between functional subgroups that possess disparate goals, value systems, and methodologies—yet are working to serve the needs of the same customer or supplier. In fact, many SCM experts believe that a company must first achieve such integration *within* the organization before it will be able to address the challenge of integrating *across/between* its key customers and key suppliers. Managers at all levels of leading organizations frequently comment that they know of very few ways to address these two integration challenges, despite their having become a perennial focus of senior executives in recent years.

For students of SCM—be they in the university classroom, the office complex, or the corporate boardroom—to effectively address the supply chain issues that will undoubtedly continue to perplex businesspeople for years to come, it is necessary for them to gain experience with a number of tasks. At a minimum, it would seem helpful for students to be tasked with (1) recognizing the types of supply chain problems that companies face, (2) gathering potential solutions, (3) evaluating plausible options, and (4) designing methods of implementation as well as measurement. “Practice makes perfect,” or so the old saying goes. To this end, teachers and students alike have long availed themselves of business case studies as a viable substitute for (or a partner with) hands-on, sleeves-rolled-up experience. The benefits of case studies have been demonstrated to be numerous. Such benefits include the development of qualitative and quantitative analytic and problem-solving skills, application of new knowledge, exploration of solutions for complex issues, decision-making skills, oral and written communication skills, time management skills, interpersonal/social skills, and creativity and self-confidence.

Given the above, the purpose of this book is to provide multiple, realistic, fact-based scenarios for both academic and managerial analysis of SCM problems. We believe that students and managers of all ages and experience levels will benefit from this collection of “virtual experiences” within many different contexts that vex managers on a daily basis. The cases that make up this book are a compendium of award-winning, custom-designed scenarios written by experts commissioned by the Council of Supply Chain Management Professionals. Each case challenges the reader to consider and then address a particular issue, which reflects the complexities of modern SCM in fictitious settings based on real-world events. Sometimes, to borrow another cliché, the “truth is stranger than fiction,” and the deep examination of the truths laid out within this collection should yield wisdom beyond that which would be expected from rote study of texts and articles alone.

The book is divided into four parts, each of which is concerned with a focal topic of contemporary interest and challenge in SCM. Each part contains two to four cases. The four parts are titled as follows: (1) “Demand Management in the Supply Chain,” (2) “Supply Chain Network Design and Analysis,” (3) “Risk and Uncertainty in the Supply Chain,” and (4) “The Functions.” A number of the cases within the four parts are global in nature and scope, which further enhances the value and realism of the learning scenario as the student and/or manager considers and evaluates the situations posed in search of advisable responses. We believe that you will find the cases to be an invaluable learning tool for your teaching environment.

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