



CENTRE : DDU KAUSHAL KENDRA
NAME OF THE PROGRAMME: B.VOC(LOGISTICS AND
SUPPLY CHAIN
MANAGEMENT)
PROGRAM CODE : 3UABVOC(LSCM)
COURSE CODE : LSCM17204
TITLE OF THE PAPER : SUPPLY CHAIN
MANAGEMENT
SEMESTER : II
FACULTY NAME : MR.RAJKUMAR
DESIGNATION : ASSISTANT PROFESSOR
TOPIC : SCM MODELS



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TOPIC:SCM MODELS



SCM MODELS



SCOR MODEL

DDSN MODEL

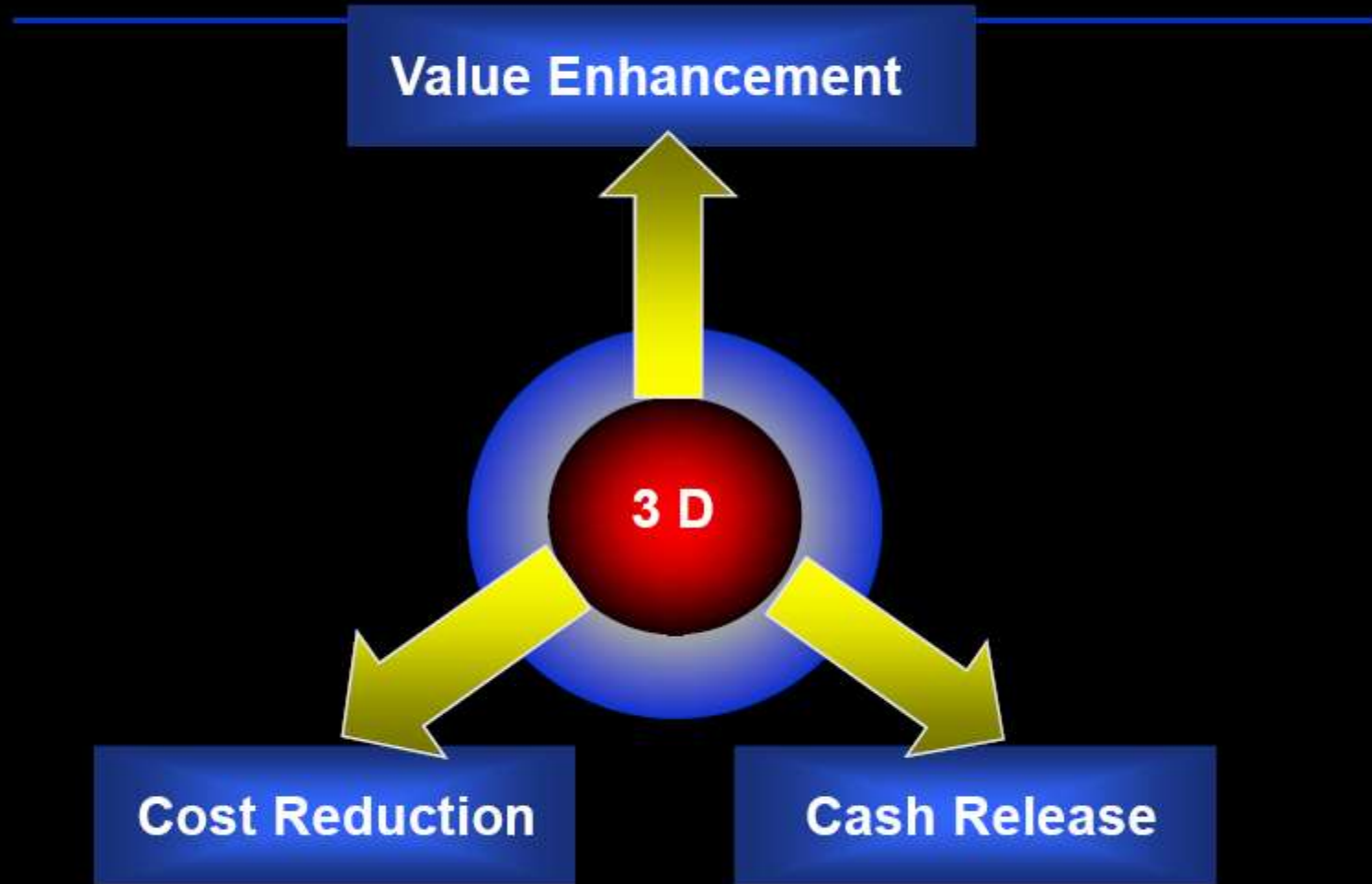
NEED FOR THE MODEL

- Model clearly highlights the GOAL of a system and presents a unified framework linking all the presents the components necessary to achieve the GOAL.

With reference to SCM, a model should present:

- Goal of SCM
- Guiding principles
- Decisions to be made
- Processes to be deployed
- Metrics to assess the performance

SCM Goals





GUIDING PRINCIPLE

- Networking concept and Linkage Management
 - Knowledge sharing, collaborative working and Relationship Management
 - Process orientation
 - Focus on Customer Value
- 

SCOR Model Processes

Plan

Develop a course of action that best meets sourcing, production and delivery requirements

Source

Procure goods and services to meet planned or actual demand

Make

Transform product to a finished state to meet planned or actual demand

Deliver

Provide products to meet demand, including order management, transportation and distribution

Return

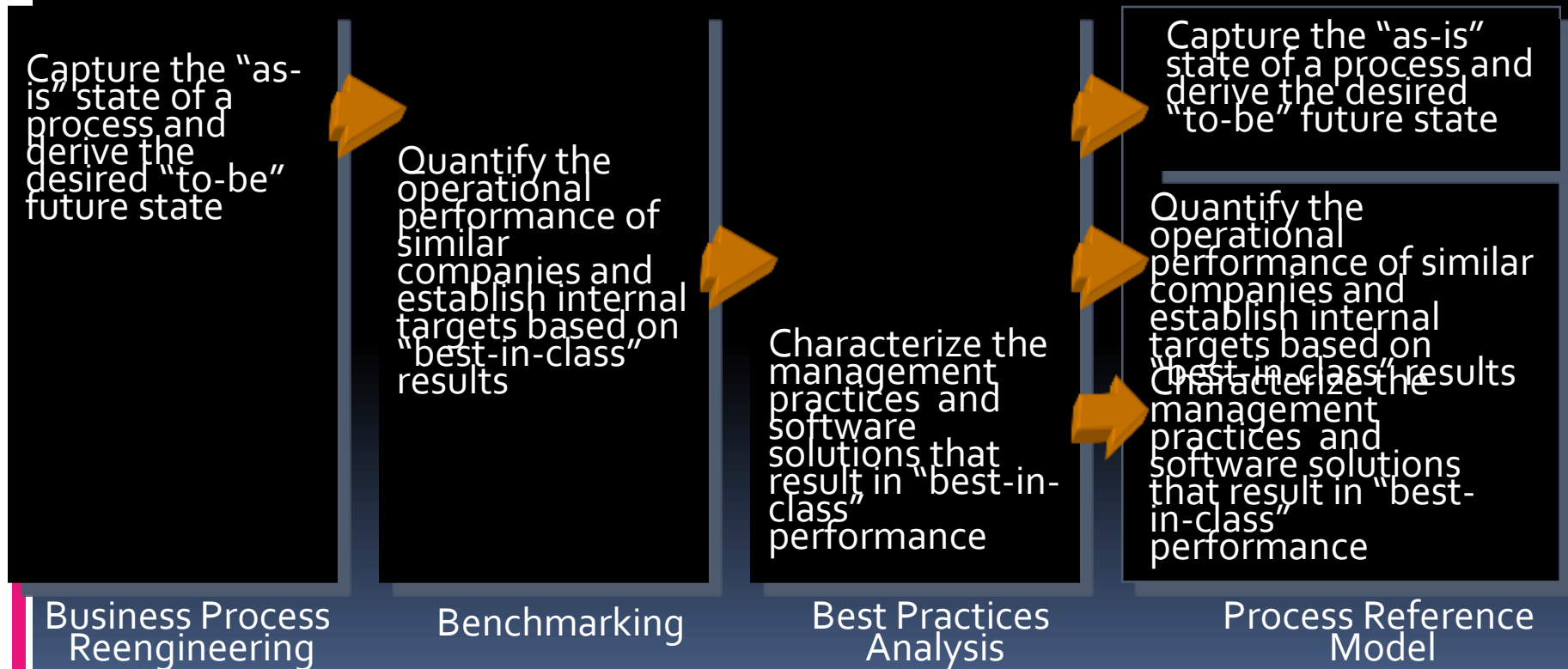
Return products, post-delivery customer support

SUPPLY CHAIN MANAGEMENT PROCESS

- *Plan* (Processes that balance aggregate demand and supply to develop a course of action which best meets sourcing, production and delivery requirements)
 - Balance resources with requirements
 - Establish/communicate plans for the whole supply chain
- *Source* (Processes that procure goods and services to meet planned or actual demand)
 - Schedule deliveries (receive, verify, transfer)
- *Make* (Processes that transform product to a finished state to meet planned or actual demand)
 - Schedule production
- *Deliver* (Processes that provide finished goods and services to meet planned or actual demand, typically including order management, transportation management, and distribution management)
 - Warehouse management from receiving and picking product to load and ship product.
- *Return* (Processes associated with returning or receiving returned products)
 - Manage Return business rules

Supply Chain Operations Reference Model (SCOR)

- SCOR:
 - Integrates Business Process Reengineering, Benchmarking, and Process Measurement into a cross-functional framework.





Supply Chain Operations Reference Model (SCOR)

- The Primary Use of SCOR:
 - To describe, measure and evaluate supply chain configurations.
 - SCOR contains:
 - Standard descriptions of management processes
 - A framework of relationships among the standard processes
 - Standard metrics to measure process performance
 - Management practices that produce best-in-class performance
 - Enables the companies to:
 - Evaluate and compare their performances with other companies effectively
 - Identify and pursue specific competitive advantages
 - Identify software tools best suited to their specific process requirements
- 



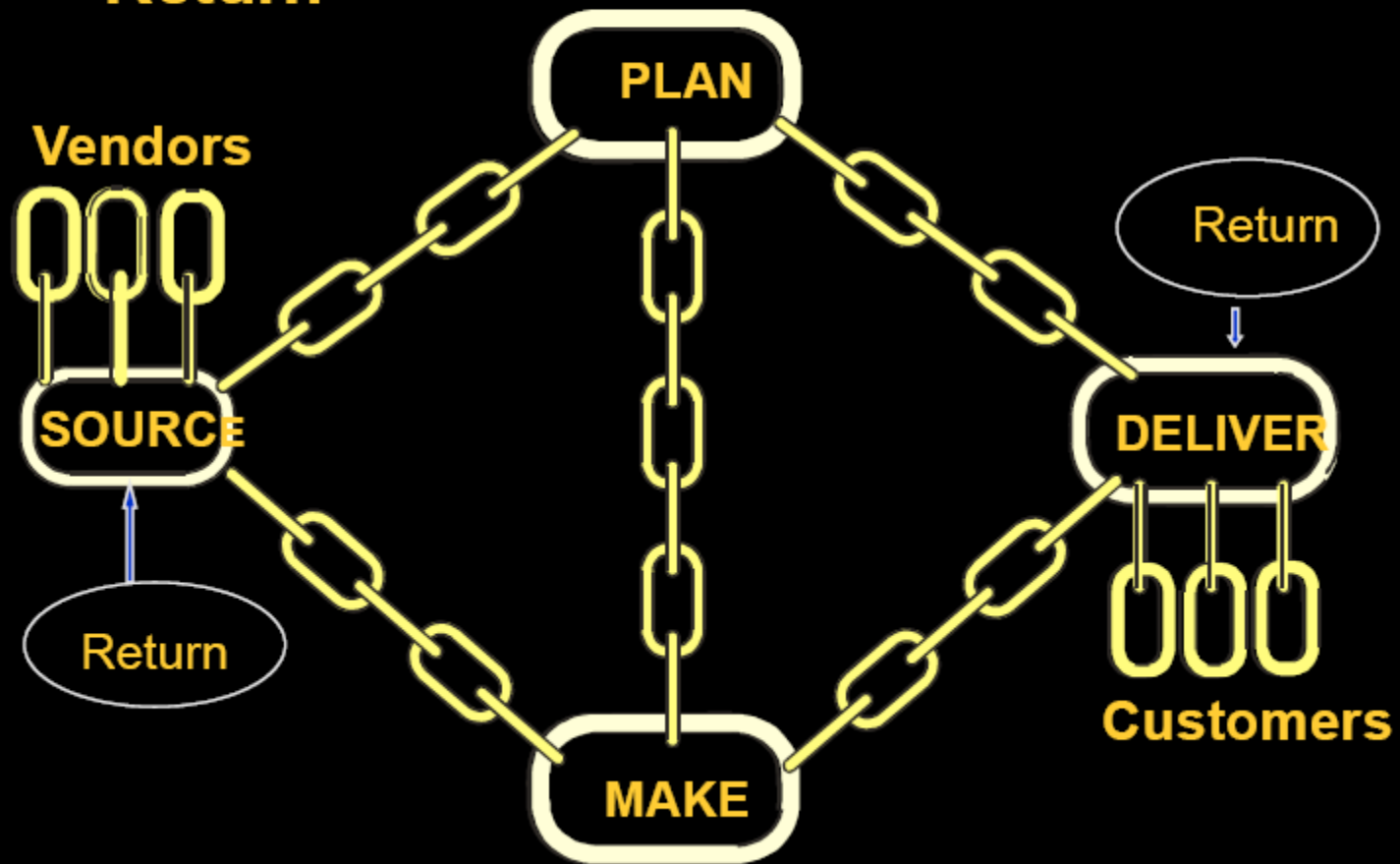
Supply Chain Operations Reference Model (SCOR): Boundaries

- SCOR spans:
 - All customer interactions, from order entry through paid invoice.
 - All product (physical material and service) transactions, from supplier's supplier to customer's customer, including equipment, supplies, spare parts, bulk product, software, etc.
 - All market interactions, from the understanding of aggregate demand to the fulfillment of each order
 - SCOR does not attempt to describe every business process or activity, including:
 - Sales and marketing (demand generation)
 - Research and technology development
 - Product development
 - Some elements of post-delivery customer support
- 

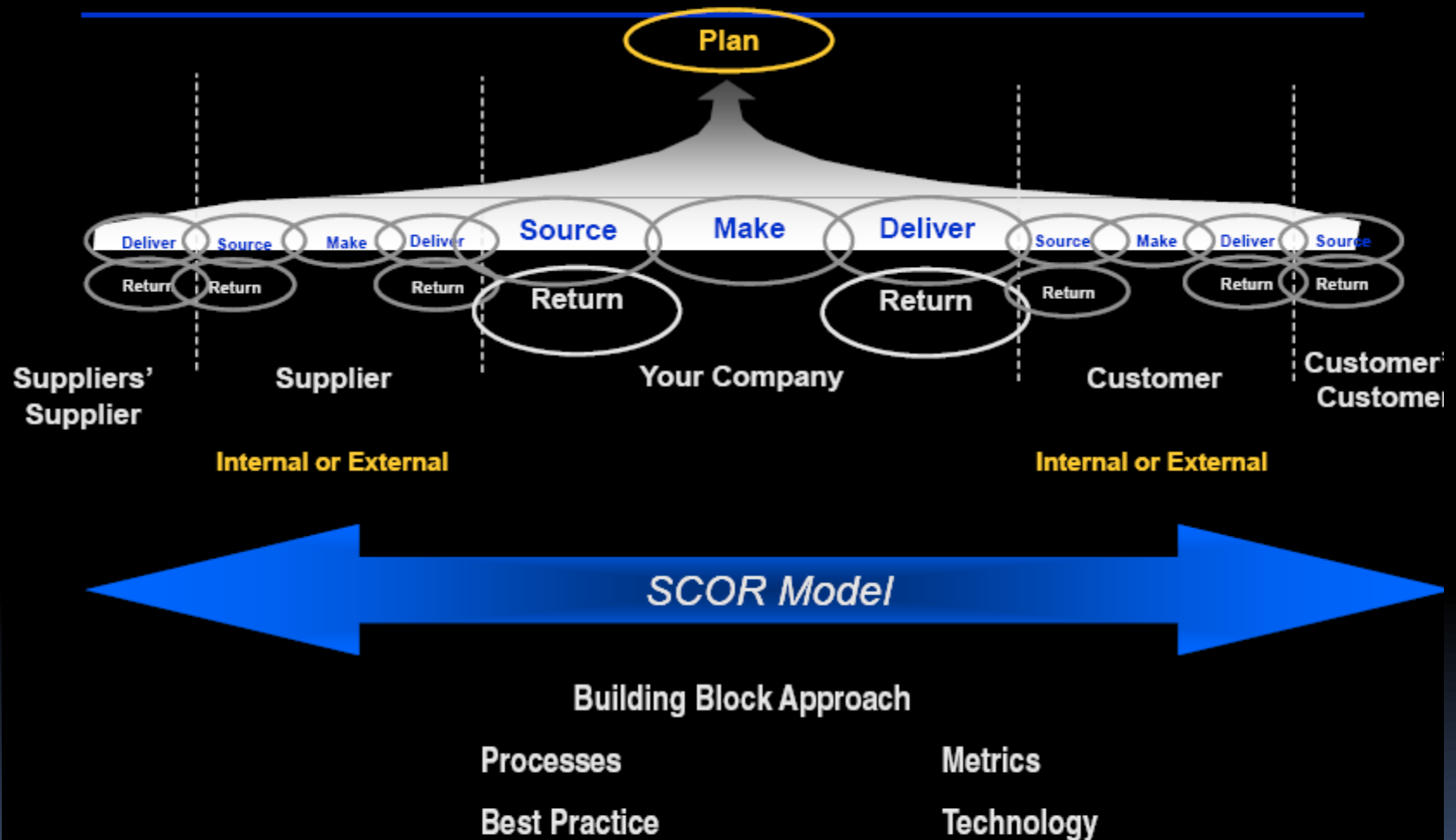
S C M-SCOR model

Five key processes involved are

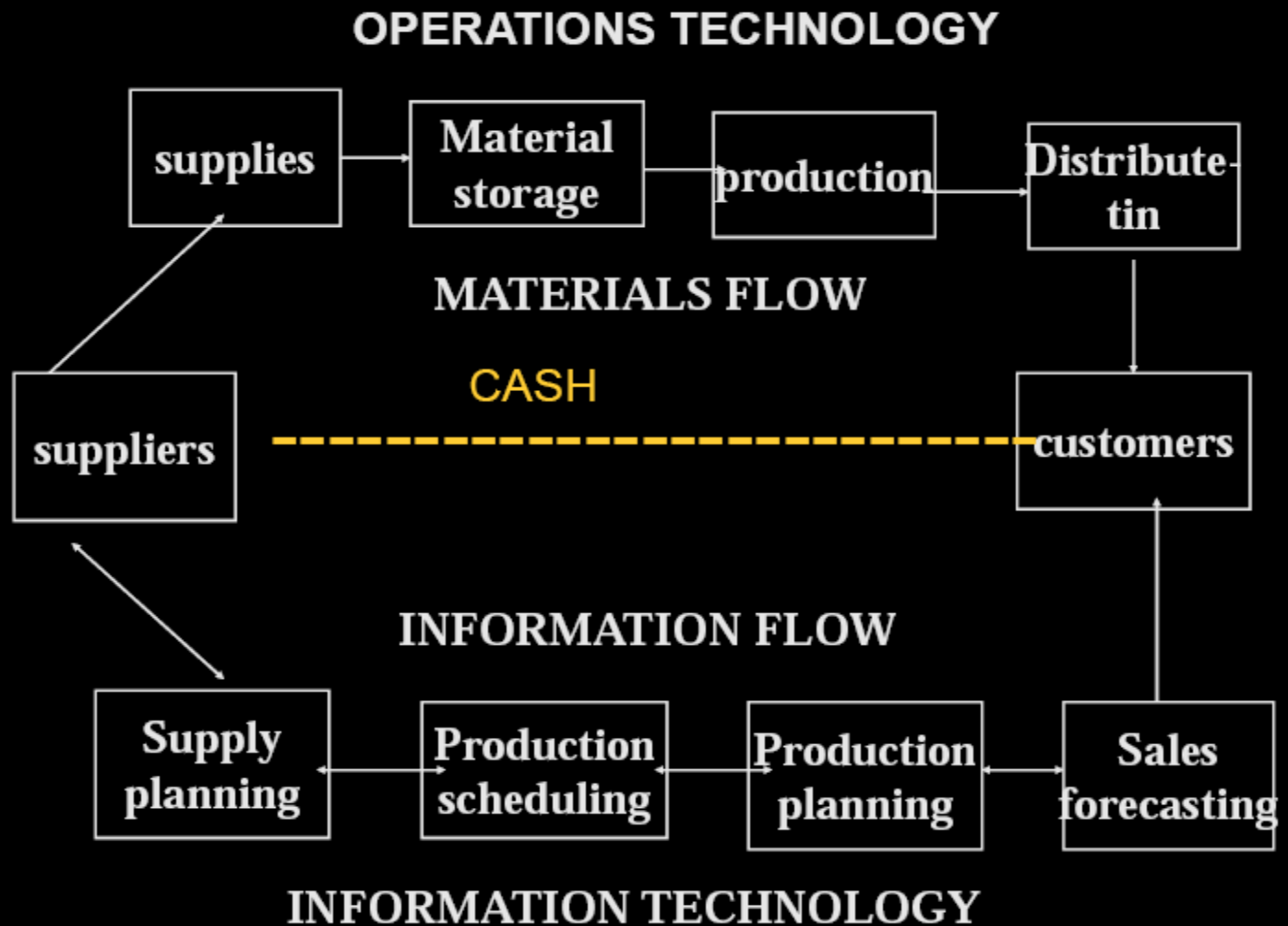
- Plan
- Source
- Make
- Deliver
- Return



SCOR is structured around five distinct management processes



SCM-Process TIOWS



Key Supply Chain Metrics

	Performance Attribute	Performance Attribute Definition	Overall Supply Chain Metric
EXTERNAL	Supply Chain Delivery Reliability	The performance of the supply chain in delivering: the correct product, to the correct place, at the correct time, in the correct condition and packaging, in the correct quantity, with the correct documentation, to the correct customer.	Delivery Performance
			Fill Rates
			Perfect Order Fulfillment
	Supply Chain Responsiveness	The velocity at which a supply chain provides products to the customer.	Order Fulfillment Lead Times
	Supply Chain Flexibility	The agility of a supply chain in responding to marketplace changes to gain or maintain competitive advantage.	Supply Chain Response Time
			Production Flexibility
INTERNAL	Supply Chain Costs	The costs associated with operating the supply chain.	Cost of Goods Sold
			Total Supply Chain Management Costs
			Value-Added Productivity
			Warranty / Returns Processing Costs
	Supply Chain Asset Management Efficiency	The effectiveness of an organization in managing assets to support demand satisfaction. This includes the management of all assets: fixed and working capital.	Cash-to-Cash Cycle Time
			Inventory Days of Supply
			Asset Turns

SCOR: Customer Facing

Performance Attribute	Performance Metric	Definition
Supply Chain Delivery Reliability	Delivery performance	Percentage of orders delivered on time and in full to the customer
	Fill rate	Percentage of orders shipped within 24 hours of order receipt
	Perfect order fulfillment	Percentage of orders delivered on time and in full, perfectly matched with order with no errors
Supply Chain Responsiveness	Order fulfillment lead time	Number of days from order receipt to customer delivery
Supply Chain Flexibility	Supply chain response time	Number of days for supply chain to respond to an unplanned significant change in demand without a cost penalty
	Production flexibility	Number of days to achieve an unplanned 20% change in orders without a cost penalty

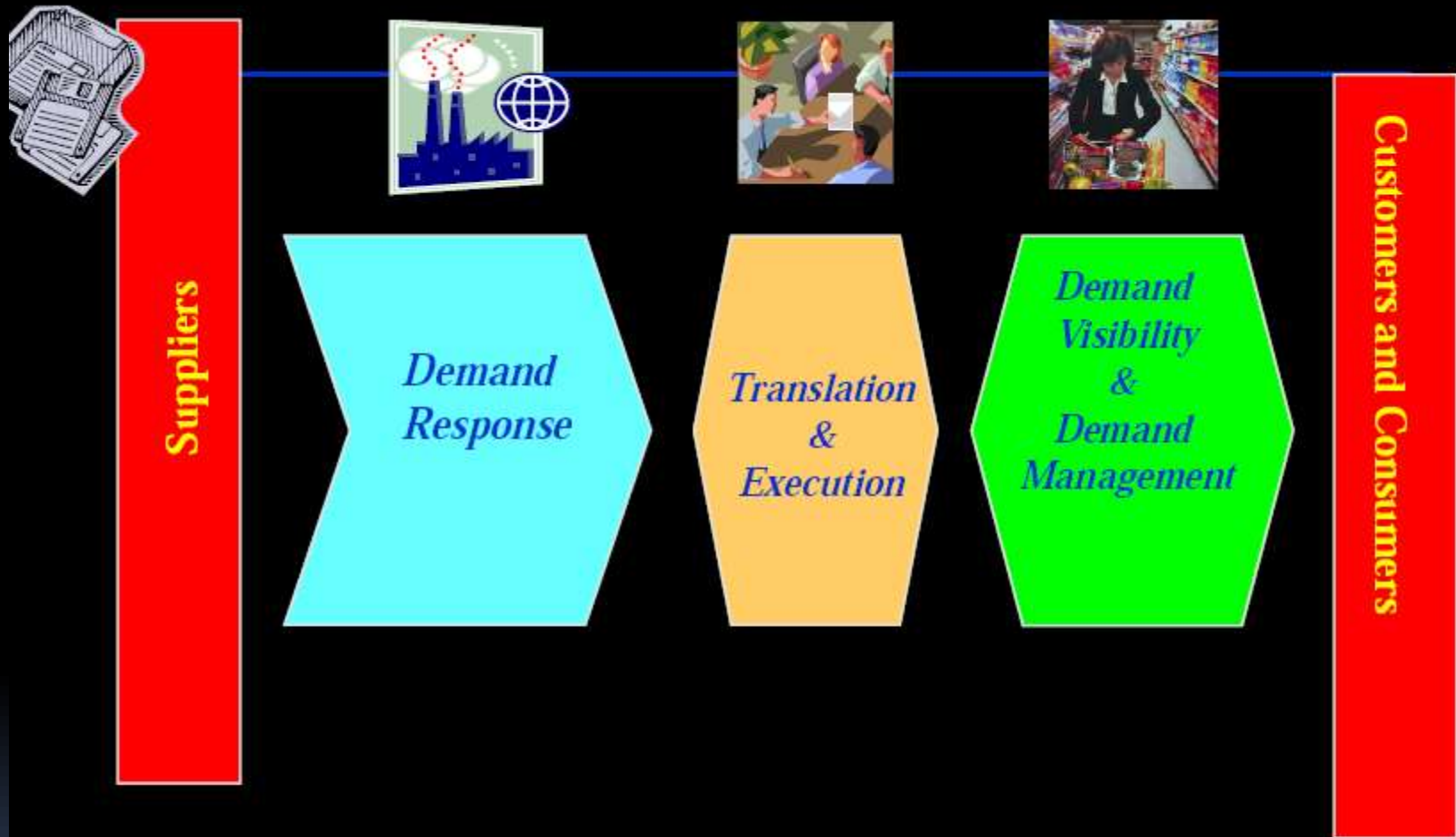
SCOR: Internal Facing

Performance Attribute	Performance Metric	Definition
Supply Chain Cost	Supply chain management cost	Direct and indirect cost to plan, source and deliver products and services
	Cost of goods sold	Direct cost of material and labor to produce a product or service
	Value-added productivity	Direct material cost subtracted from revenue and divided by the number of employees, similar to sales per employee
	Warranty/returns processing cost	Direct and indirect costs associated with returns including defective, planned maintenance and excess inventory
Supply Chain Asset Management Efficiency	Cash-to-cash cycle time	Number of days that cash is tied up as working capital
	Inventory days of supply	Number of days that cash is tied up as inventory
	Asset turns	Revenue divided by total assets including working capital and fixed assets

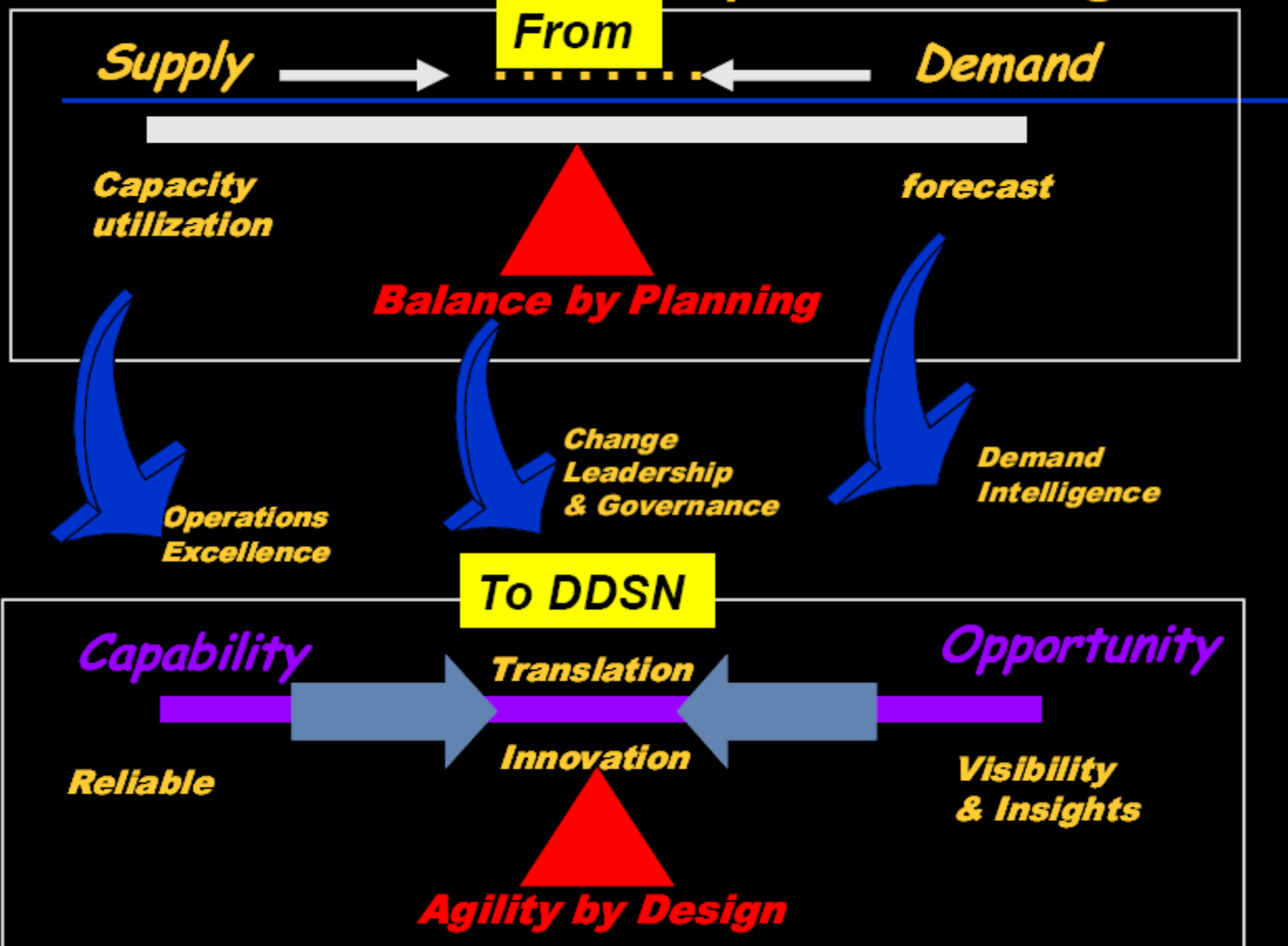
The Demand-Driven Supply Network Defined

- ◆ A system of technologies
and processes
- ◆ that senses and reacts to
real-time demand
- ◆ across a network of
customers, suppliers, and
employees

DDSN Focused Value Chain Initiative



The Leadership Challenge



Supply Chain Decisions

