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NPTEL ONLINE
CERTIFICATION COURSE

SUPPLY CHAIN ANALYTICS

Different views of Supply Chain

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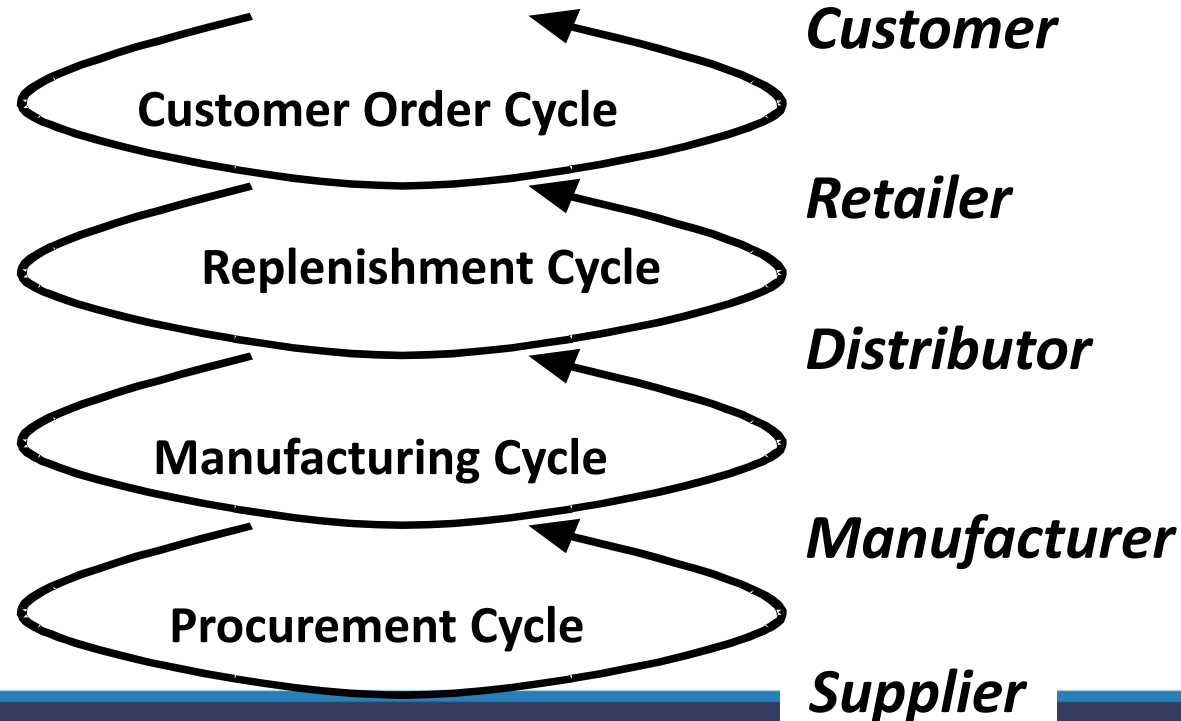


Process View of a Supply Chain

- **Cycle view:** processes in a supply chain are divided into a series of cycles, each performed at the interfaces between two successive supply chain stages.
- **Push/pull view:** processes in a supply chain are divided into two categories depending on whether they are executed in response to a customer order (pull) or in anticipation of a customer order (push).



Cycle View of Supply Chains

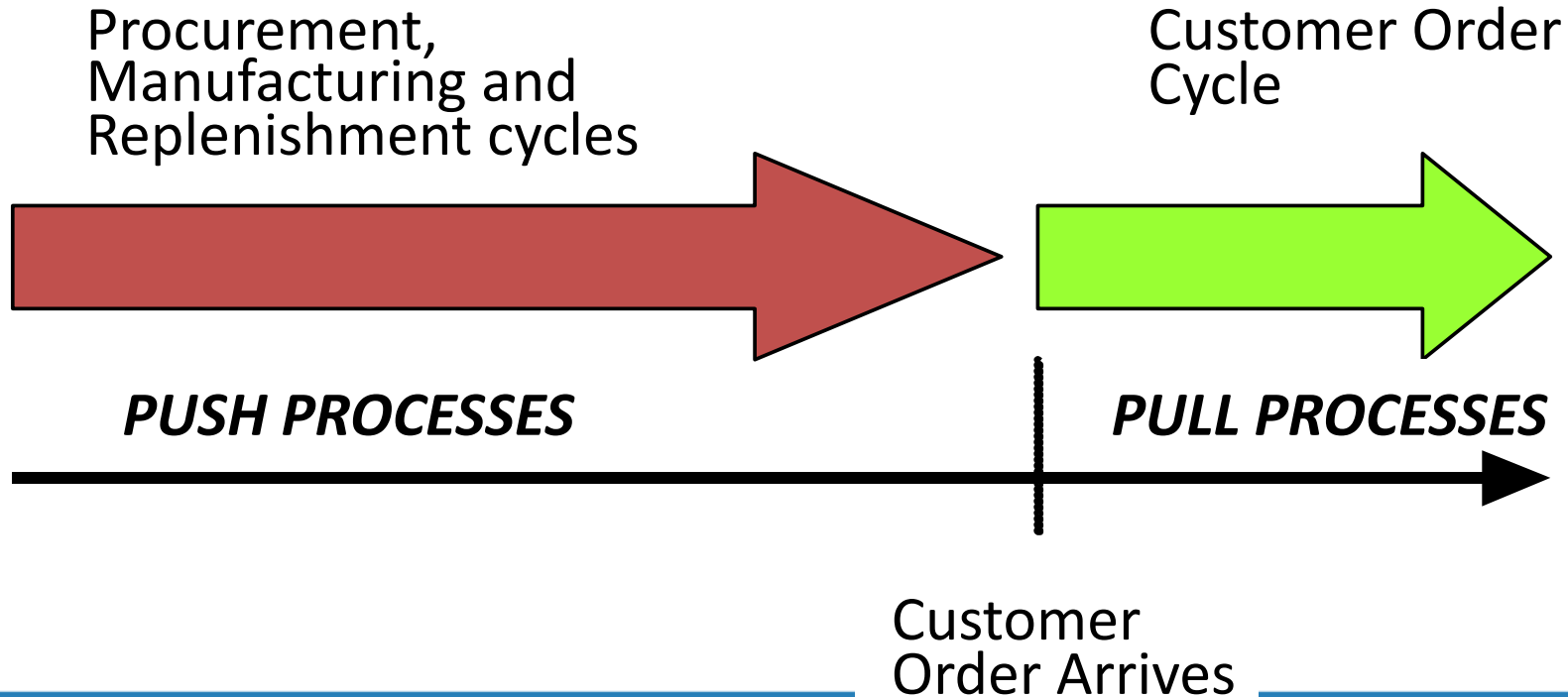


Cycle View of a Supply Chain

- Each cycle occurs at the interface between two successive stages
- Customer order cycle (customer-retailer)
- Replenishment cycle (retailer-distributor)
- Manufacturing cycle (distributor-manufacturer)
- Procurement cycle (manufacturer-supplier)
- Cycle view clearly defines processes involved and the owners of each process. Specifies the roles and responsibilities of each member and the desired outcome of each process.



Push/Pull View of Supply Chains



Push/Pull View of Supply Chain Processes

- Supply chain processes fall into one of two categories depending on the timing of their execution relative to customer demand.
- Pull: execution is initiated in response to a customer order (reactive).
- Push: execution is initiated in anticipation of customer orders (speculative).
- Push/pull boundary separates push processes from pull processes.



Push/Pull View of Supply Chain Processes

- Useful in considering strategic decisions relating to supply chain design – more global view of how supply chain processes relate to customer orders.
- Can combine the push/pull and cycle views
- The relative proportion of push and pull processes can have an impact on supply chain performance.

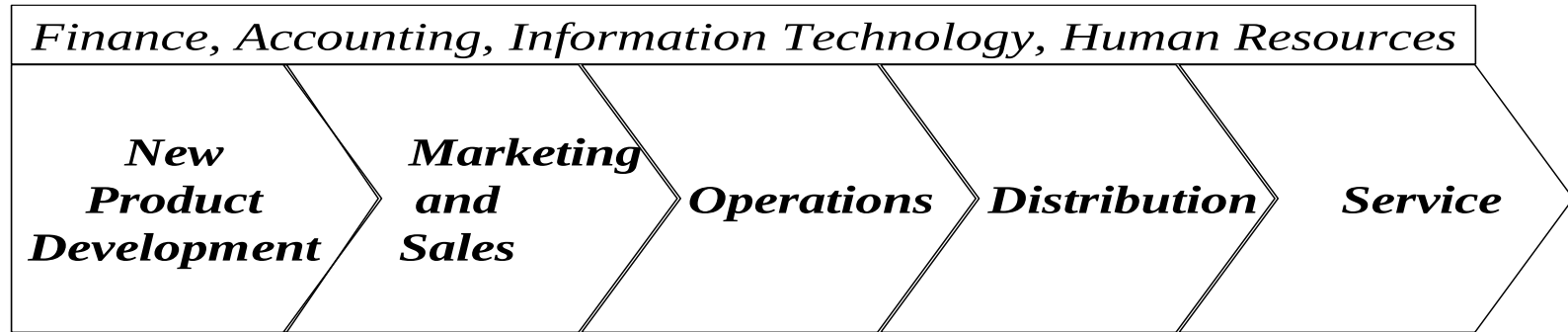


Competitive and Supply Chain Strategies

- **Competitive strategy:** defines the set of customer needs a firm seeks to satisfy through its products and services
- **Product development strategy:** specifies the portfolio of new products that the company will try to develop
- **Marketing and sales strategy:** specifies how the market will be segmented and product positioned, priced, and promoted
- **Supply chain strategy:**
 - determines the nature of material procurement, transportation of materials, manufacture of product or creation of service, distribution of product
 - Consistency and support between supply chain strategy, competitive strategy, and other functional strategies is important



The Value Chain: Linking Supply Chain and Business Strategy



Achieving Strategic Fit

- Strategic fit:
 - Consistency between customer priorities of competitive strategy and supply chain capabilities specified by the supply chain strategy
 - Competitive and supply chain strategies have the same goals
- A company may fail because of a lack of strategic fit or because its processes and resources do not provide the capabilities to execute the desired strategy.



How is Strategic Fit Achieved?

- Step 1: Understanding the customer and supply chain uncertainty.
- Step 2: Understanding the supply chain.
- Step 3: Achieving strategic fit.



THANK YOU

