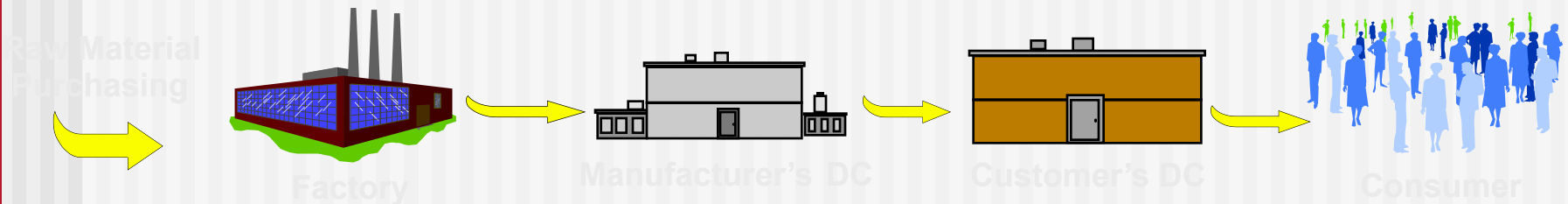


What is Supply Chain Management and How Does It Relate to Marketing?



The purpose of this class...

At the end of this class, you should be able to



"Mr. Osborne, may I be excused? My brain is full."

1. Understand the key concepts of SCM customer service operations and how they impact business initiatives and strategies
2. Understand how competitive advantage can be derived from superior customer service operations
3. Understand how SCM best practices can be applied to service operations to achieve firms' strategic goals
4. Cite examples of best practice exemplar SCM firms
5. Apply the above body of knowledge to analyze and describe a service delivery process within a specific organization

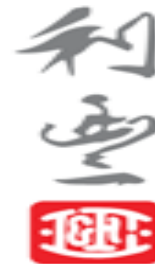
What Are The Twin Objectives of Marketing?

- Marketing is concerned with **identifying/anticipating and satisfying** customer needs and wants → which obviously involves directing the flow of goods, services and information from producers to end customers
 - **What is the Marketing Concept?**
 - Utilize all aspects of the organization (total company effort) to:
SATISFY CUSTOMERS AND GENERATE A PROFIT
- The key is achieving both!**

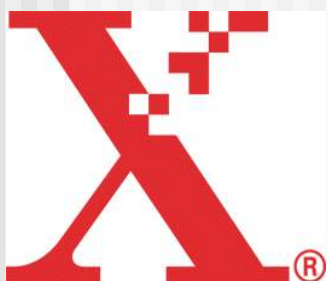
What Would Happen To Your Company If A Competitor Could...

- Deliver an equivalent value faster and more consistently to your customers?
- Provide the same level of service with one-half of your inventory investment?
- Provide the same level of service with significantly lower asset investments?
- Reduce transaction costs by 50 percent or more?
- Provide customized products, shipments and transactions while “turning on a dime”?

EXEMPLARS



CISCO SYSTEMS



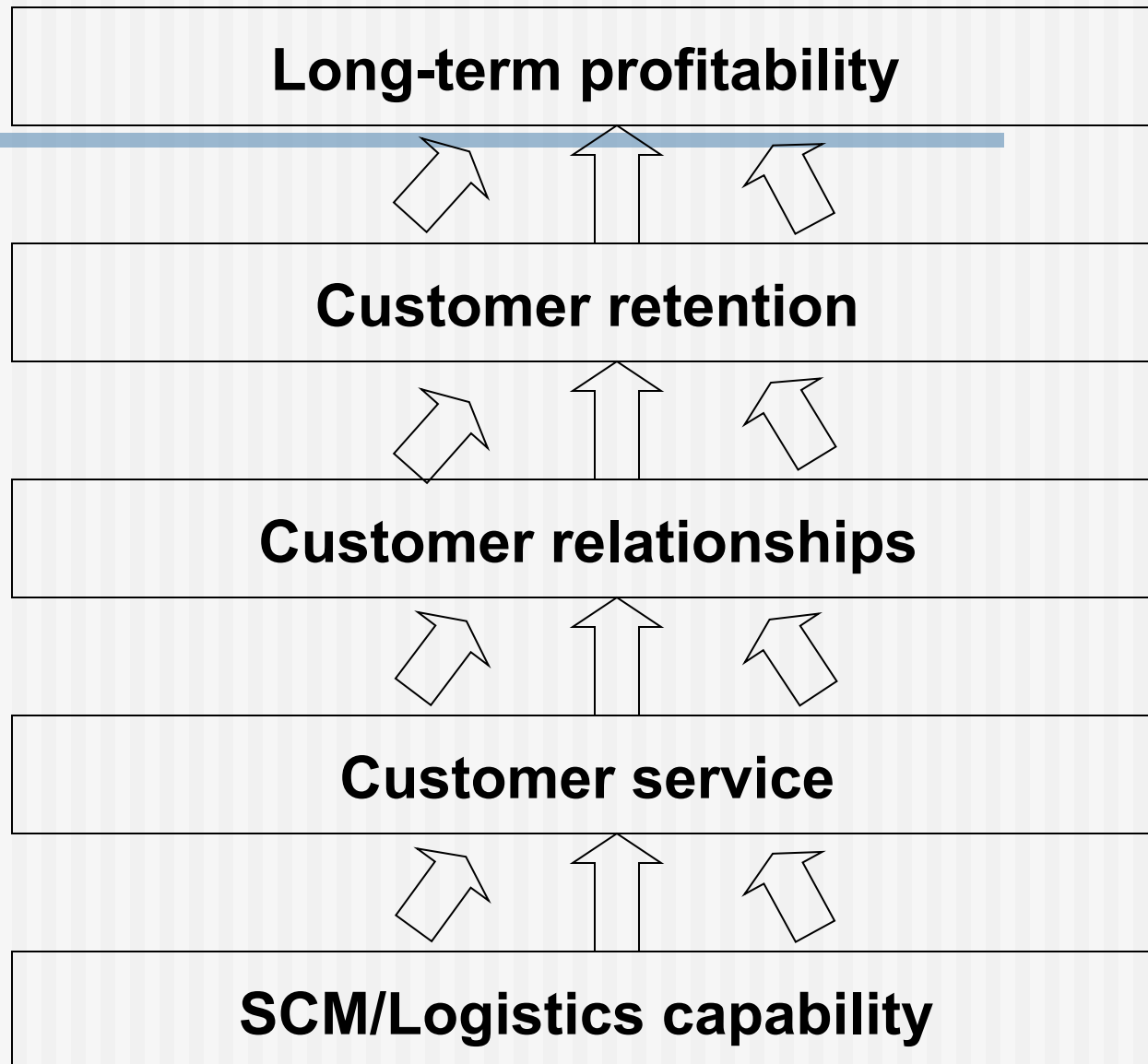
COURTESY: PROGRESSIVE AUTO INSURANCE

Rationale for Focusing on SCM Processes for Competitive Advantage

- Many firms fail to recognize the value of an excellent service operations system and instead seek competitive advantage through product features, price, promotion and advertising. But:
- **Product enhancements** can be quickly matched by competitors
- **Price reductions** (without reductions in real costs) leave the industry's competitive balance unchanged and everyone worse off for it
- **Promotions and advertising** rarely provide an enduring advantage (57 Channels and nothing on!)

Competitors cannot quickly duplicate service delivery/SCM processes because they are so complex

Drivers of Long-term Profitability





“Staple Ellinger to an Order”

SONY



3M

