
MAKING SUPPLY CHAIN MANAGEMENT RELEVANT FOR MARKETING MAJORS

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The consumer oriented perspective of traditional marketing curriculums places little emphasis on supply chain management (SCM). Accordingly, marketing majors tend to enter sales or junior retail management positions largely unaware of the complex service processes that are required to get to the right product to the right place at the right time in the right condition, and equally unaware of the many career opportunities that are available to them in SCM service operations. This paper describes an approach that improves upon existing pedagogy by emphasizing the relevance and importance of SCM service operations to marketing.

Marketing—and indeed business in general—is evolving to a service-dominant paradigm as firms in more and more industries are finding that creating value with superior service delivery processes is their most viable source of competitive advantage (Christopher 2005; Vargo and Lusch 2004). However, the focus of current business education has recently been criticized for being too functionally oriented to prepare students to make the process oriented integrative decisions that are inherent in industry today (Balakrishnan and Yang 2006; Bennis and O'Toole 2005).

This critique may be particularly applicable to traditional marketing curriculums where a predominantly consumer oriented perspective tends to present customer service as a “static and isolated event rather than as a function of the total business enterprise” (Sautter, Maltz and Boberg 1999). As a consequence, marketing majors may enter sales or entry-level retail management positions without a solid appreciation of how the firm's marketing initiatives and strategies are impacted by supply chain management (SCM) processes and, more specifically, of how products and services actually get to the right place at the right time in the right condition.

SCM is the “collaborative design and management of seamless value-added processes to meet the real needs of the end customer” (Fawcett and Magnan 2004, p.68). Although the SCM concept is still relatively new to the

university classroom (Sautter, Maltz and Boberg 1999), the demand for service operations personnel is at an all time high. The Collegiate Employment Research Institute maintains that there are more positions available at all levels than candidates (www.csp.msu.edu 2006). Accordingly, a key challenge for marketing educators is to generate greater awareness of best practice service process provision to demonstrate how SCM is inextricably linked to marketing so that students can make more informed decisions about including SCM service operations in their evoked sets of potential careers.

The purpose of this paper is to build upon Sautter, Maltz and Boberg's (1999) excellent paper that describes the content of their customer service course, by presenting an approach that improves upon existing pedagogy and benefits undergraduate marketing students by emphasizing the relevance and importance of the SCM concept to marketing. In particular, an innovative series of activities is described whereby students tour a warehouse distribution center as a class to learn about its operations and role in the overall supply chain. This exercise prepares them for the capstone class assignment that requires small groups to visit a firm of their choice with the objective of developing the ability to evaluate and articulate a firm's supply chain and service delivery processes.

Presenting SCM through a Marketing Lens and Learning Objectives

The paper describes course content that has been designed to present SCM through a marketing lens at one of the surprisingly few U.S. universities where SCM is a required course for all undergraduate marketing majors. The strategically-focused introductory course builds upon the prerequisite Principles of Marketing and Operations Management courses to highlight the best practices and logistical operations that firms like

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Wal-Mart, Dell, Zara and Southwest Airlines use to provide their customers with superior service delivery processes. Since students are enrolled in SCM primarily because they must take the course in order to graduate as marketing majors, the onus is on the instructor to enable students to view SCM through a marketing lens and to maintain the relevance and applicability to marketing of the course content. At the end of the course students are expected to be able to:

1. Understand the key concepts of SCM service operations and how they impact marketing initiatives and strategies.
2. Identify how competitive advantage can be derived from improved SCM service operations.
3. Understand how SCM best practices can be applied to service operations to achieve strategic goals.
4. Cite examples of best practice firms.
5. Evaluate and articulate a firm's supply chain service delivery processes.

Brief overviews of interventions, materials and assignments that have been designed to be relevant for marketing students and to stimulate their interest in careers in SCM service operations are presented in the subsequent sections.

Connecting SCM to Marketing

The initial class session attempts to bridge the gap between the Principles of Marketing survey course and the service provision elements of SCM that will be covered during the semester. After reacquainting students with the concept of a channel of distribution and presenting introductory definitions of SCM and logistics, class members are encouraged to recall that marketing is concerned with identifying and satisfying customer needs and wants which clearly involves directing the flow of goods and services from producers to end customers.

A logical theoretical foundation for learning the fundamentals of SCM is provided by highlighting the congruence between the objectives of the Marketing Concept (to mobilize total organizational effort to satisfy customers and generate a profit) and the concept of SCM (to link organizational and inter-organizational units to improve levels of service and reduce costs). Finally, a table of contents comprising the chapters in the Principles of Marketing survey course text is presented and students are encouraged to discuss and speculate upon how SCM service operations influence each of the topics. During this discussion, students are advised that a key course objective is for them to un-

derstand and be able to describe how SCM service operations affect each element of the marketing mix.

Introducing Careers in SCM

Once the connection between the firm's SCM strategy, logistical practices and marketing has been made, the next logical step is to familiarize students with career opportunities within the field so that subsequent course materials can be more meaningfully interpreted. This is achieved with the assistance of industry practitioner guest speakers who volunteer their time to candidly discuss the range of entry level jobs, the kinds of organizations that employ service operations personnel, earnings potential, and what can be expected from the multiple career paths that are available. These sessions are deliberately tailored toward marketing majors and focus on profiling entry level positions that are most applicable to them like analyst, customer service manager, logistics services salesperson and account manager.

Interested students are directed to the Council of Supply Chain Management Professionals' (CSCMP) website (www.cscmp.org), where they can download the "Careers" Guide and become student members with immediate access to the online career center and student internship program. Students also view the CSCMP DVD "What in The World Is The Global Supply Chain?" which makes the important point that individuals with one course in SCM who are familiar with the key concepts are viable candidates for many relatively lucrative entry-level positions in the field.

Course Materials

Sautter et al. (1999, p.143) contend that students are "more interested and seem to gain a better appreciation for the concepts when readings are selected from literature targeted toward practitioners and incorporate discussions of specific corporate examples." Hence, the SCM course utilizes *Logistics and Supply Chain Management: Creating Value Adding Networks* (Christopher 2005, 3rd Edition) rather than a traditional textbook. Christopher's book was written primarily to highlight the strategic value of supply chain management for business professionals and is particularly appropriate for viewing SCM through a marketing lens because of its focus on how customer value is *created* through marketing processes and *delivered* through supply chain management. A selection of readings drawn mainly from *Harvard Business Review* and *Supply Chain Management Review* is also assigned to further reinforce important strategic SCM concepts that are relevant to marketing majors by highlighting real world examples from industry.

The assigned readings include Trent's seminal (2004) *What Everyone Needs to Know About Supply Chain Management*, which describes the role of supply chain managers and illustrates how other areas of the organization impact the success of supply chain operations, Fisher's (1997) *What Is The Right Supply Chain for Your Product?* that helps students understand why different kinds of products require different supply chain service processes, and Lambert and Knemeyer's (2004) *We're In This Together* that demonstrates why so many inter-firm relationships fail and introduces a step-by-step framework for successful partnering. Shapiro, Rangan and Sviokla's (2004) *Staple Yourself to an Order* provides a detailed overview of the pitfalls that can arise at each stage of the firm's order management cycle, while Sabath and Fontanella's (2002) *The Unfulfilled Promise of Supply Chain Collaboration* and Narayanan and Raman's (2004) *Aligning Incentives in Supply Chains* offer students perspectives about why supply chain integration and collaboration continue to be relatively rare. Finally, Hammer's (2004) *Deep Change: How Operational Innovation Can Transform Your Company* presents examples of firms in multiple industries that have differentiated standard products by utilizing operational innovation to improve service delivery processes.

Consistent with Sautter et al. (1999), student feedback over the last five years repeatedly suggests that the course's managerial approach and content represents a refreshing change from the more formal styles of traditional undergraduate textbooks. A selection of the assigned articles and the SCM concepts illustrated by each of them is presented in Appendix I.

An Emphasis on Practical Proficiency

Following up on Bennis and O'Toole's (2005) critique of business education, Balakrishnan and Yang (2006) also question whether we are teaching our students "the right stuff," pointing out that we may not be adequately training our students to serve and interact with customers—the skills that they will need as they start their careers in industry. Accordingly, the SCM course places considerable emphasis on the utilization of basic service oriented analytic tools and concepts that can be applied in most business environments. These include how to use the 80/20 rule to determine appropriate levels of customer service and inventory holdings, how to estimate the probability of delivering a perfect order, and a technique for supply chain mapping (how to create a time-based blueprint of the processes and activities that are involved as product moves through a supply chain).

To facilitate students' ability to measure and analyze customer service performance, they also learn how to

develop and interpret customer service surveys, composite service indexes (where service elements are weighted according to their individual importance to customers), and critical value analyses (where inventory holdings are based on the criticality of products to customers). One of the most valuable lessons for marketing students is the idea that not all customers may be profitable.

Relating SCM to the bottom-line further underlines its strategic value and relevance to marketing by demonstrating that reducing supply chain costs has far more leverage dollar for dollar than the more traditional marketing strategies of increasing sales volume or price to improve profits. The direct influence of service related operational variables on firm financial performance are highlighted as students discover how customer service, distribution costs, inventory holdings and accounts receivable directly influence the organization's return on investment. In addition, the effects of order cycle time, order completion rate, invoice accuracy, organizational purchasing and supplier payment policies on the firm's cash flow are illustrated.

According to Mangan and Christopher (2005), no matter how relevant the materials presented, classroom lectures are not the most effective way to help students to link theory (i.e., inventory standing still costs the firm money) with actual practice (i.e., experiencing the breathtaking speed and sheer volume of a cross-docking facility where inventory is always on the move). Therefore, during the second half of the semester, when students have been exposed to the key concepts and theories, they are also required to participate in a field trip visit to a warehouse distribution center to prepare them for the capstone class assignment that requires small groups to visit a firm of their choice with the objective of developing the ability to evaluate and articulate a firm's supply chain and service delivery processes.

Distribution Center Field Trip and Capstone Class Assignment

Most marketing majors (and, for that matter, many salespeople and retail personnel!) have never seen the inside of a warehouse or distribution center. However, a sound appreciation for the complex processes and planning involved in the operation of distribution centers is desirable for any individuals working in situations where customer satisfaction is largely dependent on the firm's ability to reliably fulfill customer orders.

Each student is individually tasked with the mission of crafting an executive summary style report outlining the operations of the facility visited. These summaries must explicate the processes for ordering, receiving, storing and returning merchandise to suppliers, for gen-

erating orders, picking merchandise and shipping orders to customers and must describe the volume of product and orders handled by the facility and the role of that facility within the organization's total supply chain. The site visits include a presentation by the general manager that covers many of these details, a comprehensive tour of the facility in small groups and a final opportunity to ask questions. Students are advised prior to the field trip that the onus is on them to unearth the information needed for their reports.

The field trip and the report generation exercise collectively prepare students for the capstone class assignment where small groups research, select and make arrangements to visit a local firm to learn about and evaluate its supply chain operations. The groups are required to present their findings in class towards the end of the semester. Customarily, 10-12 organizations' supply chain service operations are brought to life and explicated during these sessions. Target firms have varied from florists to automobile manufacturers, from chicken processing plants to mass merchandisers and from breweries (of course!) to fireworks distributors. Watching the multiple presentations helps students to further appreciate the complexity and ramifications of supply chain operations and, more importantly, to graduate considerably more aware of the questions that must be asked to understand a customer's operational processes to enable the right product to get to the right place at the right time in the right condition. We are continuously grateful to the many local managers who welcome our students into their firms and spend significant amounts of time showing them around and answering their questions.

Pulling It All Together

The focus of the final session is an in-class discussion that attempts to pull together and summarize the body of knowledge that students have been exposed to during the semester. This intervention prepares students for their final deliverable which involves writing a paper that integrates and applies the ideas presented during the semester entitled: *How Best Practice SCM Influences the Success of a Firm's Marketing Efforts*. This assignment fulfills the class objective of generating greater awareness of how SCM is inextricably linked to marketing by providing a final opportunity for students to reflect on the relevance to marketing of what they have learnt during the semester.

Conclusion

The materials and assignments described in this paper represent an effective approach that helps students

understand the intricacies of SCM service delivery processes—a relatively under-represented area in traditional marketing curriculums. This approach has also been adapted for the MBA program where business generalists learn about SCM strategy and work on service operations projects for local firms during the course of the semester. In situations where it is not feasible to incorporate an additional course into the curriculum, elements of the course content described in this article could be incorporated into existing business-to-business focused marketing courses like industrial marketing, services marketing, retailing or marketing strategy.

The key challenge for instructors is to tailor class materials for presentation to marketing major or business generalist audiences so that relevance and applicability are consistently maintained. Enabling students to view SCM operations through a marketing lens offers students a more comprehensive appreciation for their chosen field of study by highlighting the interdependence of marketing and SCM operations, the two corporate functions jointly responsible for the provision of customer service. With U.S. firms spending approximately 10% of gross domestic product on logistics operations (Bowersox, Closs and Cooper 2006), career opportunities in SCM are on the rise. We must therefore endeavor to make the large cadre of marketing majors and business generalists at the nation's business schools aware of the tremendous need in the marketplace for talented individuals with the analytical skills, cross-functional awareness and technological adeptness to help firms leverage service delivery processes for competitive advantage.

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Appendix I
Course Readings and SCM Concepts Illustrated

<i>Readings</i>	<i>SCM Concepts Illustrated</i>
Robert J. Trent (2004), "What Everyone Needs to Know About SCM," <i>Supply Chain Management Review</i> , 8 (2).	Introduction to SCM and how people in other parts of the organization influence the success or failure of supply chain initiatives.
David MacEachern (2004), "Do You Have What It Takes To Succeed? 5 Traits of Successful Supply Chain Pros," <i>Supply Chain Management Review</i> , 8 (4).	Perspectives on what is required to work successfully in the field of logistics and SCM.
Joseph B. Fuller, James O'Connor, and Richard Rawlinson (1993), "Tailored Logistics: The Next Advantage," <i>Harvard Business Review</i> , 71 (3).	How segmenting logistical services can improve levels of service and achieve higher profits.
Morris A. Cohen, Carl Cull, Hau L. Lee, and Don Willen (2000), "Saturn's Supply Chain Innovation: High Value in After-Sales Service," <i>Sloan Management Review</i> , 41 (4).	Describes how Saturn utilizes the concept of criticality to generate brand loyalty through an innovative after-sales service delivery process that ensures the availability of parts without undue investments in inventory.
Marshall L. Fisher (1997), "What Is The Right Supply Chain For Your Product?" <i>Harvard Business Review</i> , 75 (2).	Different types of products require different kinds of supply chain processes.
Douglas M. Lambert and A. Michael Knemeyer (2004), "We're In This Together," <i>Harvard Business Review</i> , 82 (12).	How to successfully partner with other firms in a supply chain.
Robert E. Sabath and John Fontanella (2002), "The Unfulfilled Promise of Supply Chain Collaboration," <i>Supply Chain Management Review</i> , 6 (4).	Why the highly touted concept of supply chain collaboration is still more hype than reality.
Benson P. Shapiro, V. Kasturi Rangan and John J. Sviokla (2004), "Staple Yourself to and Order," <i>Harvard Business Review</i> , 82 (6).	Describes the problems that occur at each stage of a firm's service delivery process and shows how to avoid them by recreating the customer experience.
James Aaron Cooke (1998), "Handing Over The Keys," <i>Logistics Management</i> 37 (3).	The pros and cons of outsourcing a service.
Joan Magreta (1998), "Fast, Global, and Entrepreneurial: Supply Chain Management, Hong Kong Style (An Interview with Victor Fung)," <i>Harvard Business Review</i> , 76 (5).	The innovation, flexibility and speed afforded by global outsourcing.
Kasra Ferdows, Michael A. Lewis, and Jose A.D. Machuca (2004), "Rapid-Fire Fulfillment," <i>Harvard Business Review</i> , 82 (12).	Describes how Zara (a leading European high-fashion apparel retailer) attributes its superior profitability to supply chain responsiveness.
Hau L. Lee, V. Padmanabhan, and Seungjin Whang (1997), "The Bullwhip Effect in Supply Chains," <i>Sloan Management Review</i> , 38 (3).	Describes organizational practices that lead to excessive investments in inventory and poor customer service and explains how to avoid them.
Taylor Randall, Serguei Netessine, and Nils Rudi (2002), "Should You Take The Virtual Fulfillment Path?" <i>Supply Chain Management Review</i> , 6 (6).	When to hold goods and when to use virtual inventory (that is stored and distributed by intermediaries).
James Stock, Thomas Speh and Herbert Spear (2002), "Many Happy (Product) Returns," <i>Harvard Business Review</i> , 80 (7).	Key requirements for efficient and effective reverse logistics (product returns/reclamations).
V.G. Narayanan and Ananth Raman (2004), "Aligning Incentives in Supply Chains," <i>Harvard Business Review</i> , 82 (5).	How badly-designed incentive schemes obstruct SCM and how the alignment of incentives improves the efficiency and effectiveness of supply chains .
Michael Hammer (2004), "Deep Change: How Operational Innovation Can Transform Your Company," <i>Harvard Business Review</i> , 82 (5).	How firms in multiple industries have differentiated standard products by utilizing operational innovation to improve service delivery processes.
<i>Textbook:</i>	<i>Other Supporting Materials:</i>
Martin Christopher (2005), <i>Logistics and Supply Chain Management: Creating Value-Adding Networks</i> , Financial Times Prentice Hall: Pearson Education (ISBN 0273681761)	<ul style="list-style-type: none"> • Careers in Logistics Guide and DVD • Glossary of Supply Chain and Logistics Terms Source: www.cscmp.org

Appendix II Supply Chain Management Team Presentation Instructions

- Mission: Evaluate and articulate a firm's supply chain process and practices – this should include a site visit by the team and/or interviews with supply chain personnel from the firm that you visit. *Team sizes: 4 students per team*
- The objective of this exercise is to help you develop the ability to evaluate and articulate a firm's supply chain and service delivery processes.
- Send me an email with the names of your team by the third week of class – thereafter I will randomly assign class members who have not yet formed teams into teams in class. So pick your own dance partners rather than let me do it for you! Each group is strongly advised to secure approval for your topic from the instructor.

Thoroughly research the firm you have chosen to evaluate to ensure that the following questions can be addressed in your presentation. It is imperative that you thoroughly address questions 1-5:

1. What is the firm's overall strategy and mission? Who are their closest competitors? Who are their customers? (Please make this a very brief executive overview, not a history lesson!)
2. Why did you choose the firm?
3. How does supply chain management fit into the firm's overall strategy?
4. How are the firm's SCM operations differentiating them/adding value?
5. How does product flow through the pipeline? Who are the players? "Staple yourself to an order..."(see the article in your Readings packet). Be sure that this is clearly explained.

Other Issues to Address – IF APPROPRIATE:

6. Any evidence of segmentation on supply chain service offerings?
 7. Any evidence of partnerships/strategic alliances in the firm's supply chain? Does the firm outsource any of its activities?
 8. What technologies does your firm use to make supply chain operations more effective (i.e., bar-coding, satellite tracking, etc.)? How are these technologies utilized to make the supply chain more efficient and effective?
 9. How does the firm utilize e-business? Does its web site enable business to business e-commerce? How do industrial customers use it? (Only if relevant—please keep this *relevant* to SCM and don't cover consumer issues.)
 10. Any good examples/stories of best practices in the popular business press or trade journals/newspapers?
 11. What could the firm be doing better in your opinion (only if relevant)?
- Try to integrate key ideas from the Christopher textbook and readings into your presentations if and when possible (i.e., apply what you have learnt)
 - A copy of the Powerpoint presentation (Notes format/3 slides per page) is due at the beginning of class on the day the group presents. In addition, please attach and submit a bibliography that contains a minimum of *10 credible references* to give me an idea of your sources and the level of research that you have done for your presentation. You should make every effort to integrate these references into your presentation to back up your statements.
 - Groups will present their projects during the 11/27, 11/29 and 12/4 classes. Presentations should be approximately 15 minutes. Each group will be required to evaluate and rank the other groups' presentations. The instructor will take into account the class' ranking of the team presentations when final grades are assigned. There will be a prize for the best team presentation presented in class on 12/6. The team presentation is worth 20% of your total grade. Please do not hesitate to consult me if you have any questions. *Key tip: Don't wait till the last minute!*

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