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## Supply Chain Management, Economic Volatility and ICT

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Open Day



# Supply Chain Management: Economic Volatility and ICT

Edward Sweeney

# Agenda

1. **NITL**
2. **SCM: Drivers and Economic Volatility**
3. **The Role of Technology**
4. **Some Concluding Remarks**

# Agenda

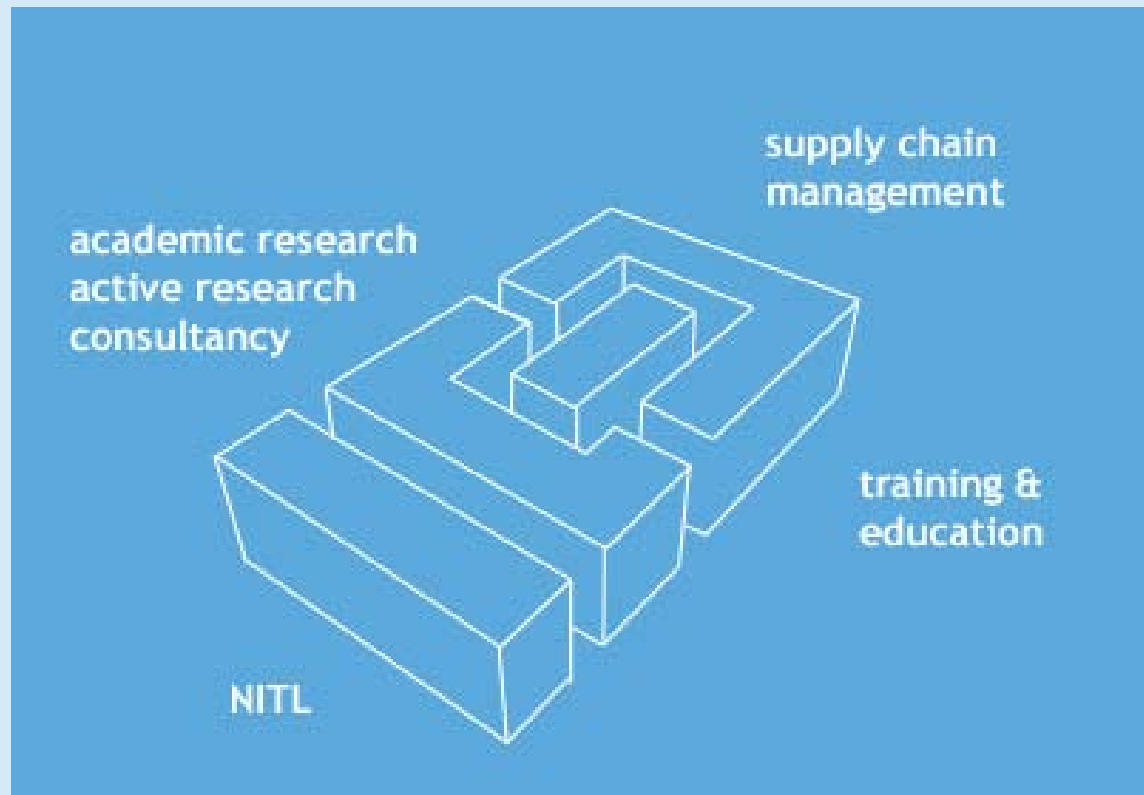
- 1. *NITL***
- 2. SCM: Drivers and Economic Volatility**
- 3. The Role of Technology**
- 4. Some Concluding Remarks**

# National Institute for Transport and Logistics

- Report “World Class to Serve the World”
- April 1998
- National Centre for Supply Chain Excellence
- Based in the College of Engineering and Built Environment at the DIT



# NITL Structure and Activities



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# The Evolving Strategic Context: Key Drivers

- **Internationalisation (or globalisation) of supply chains**
- **Outsourcing and vertical disintegration**
- **Changing role of the SC in strategic differentiation**

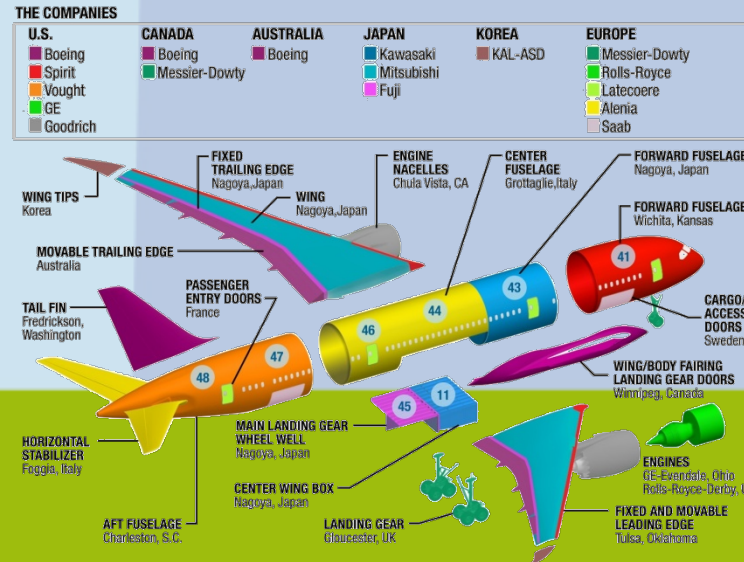


# Internationalisation



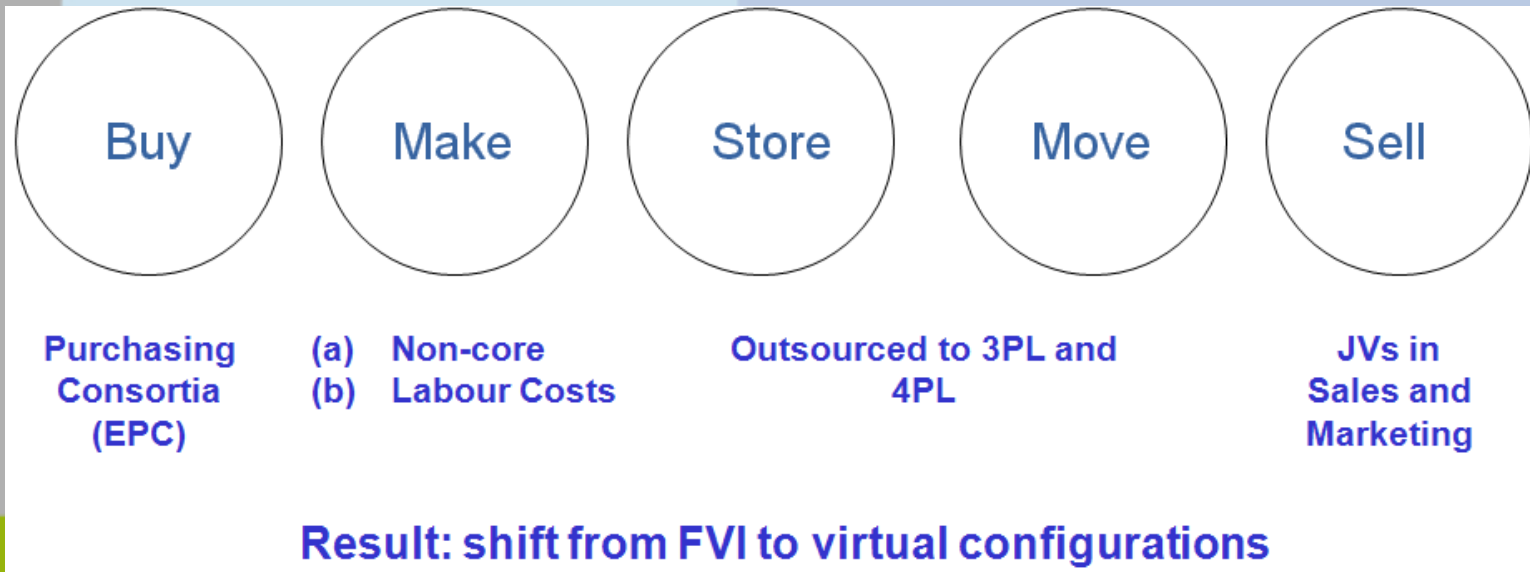
**Result: shift from national/regional to global configurations**

## The Boeing 787



# Outsourcing

- Increasing focus on core activities as part of strategy development
- Corollary: “non-core” activities being outsourced



# Changing Role of the SC in Strategic Differentiation

- Role of *customer service* as an order winning criterion
- Customer service excellence delivered through the supply chain: SCM becoming regarded as a source of differentiation
- Price/cost leadership: supply chain *costs* often significant

# SCM and Economic Volatility

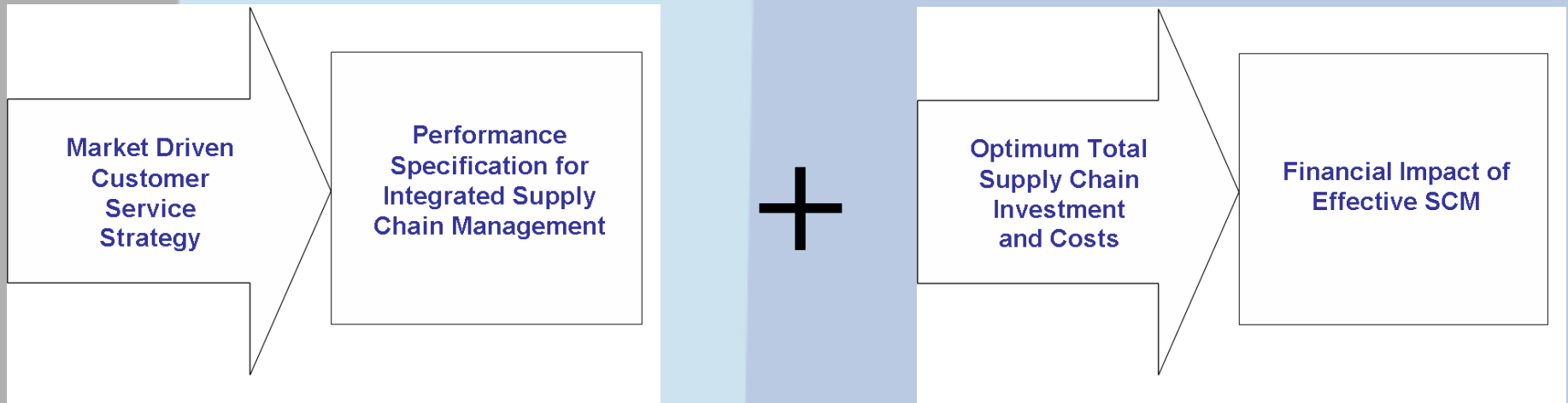


From *The Economist* print  
edition, April 15th 2010

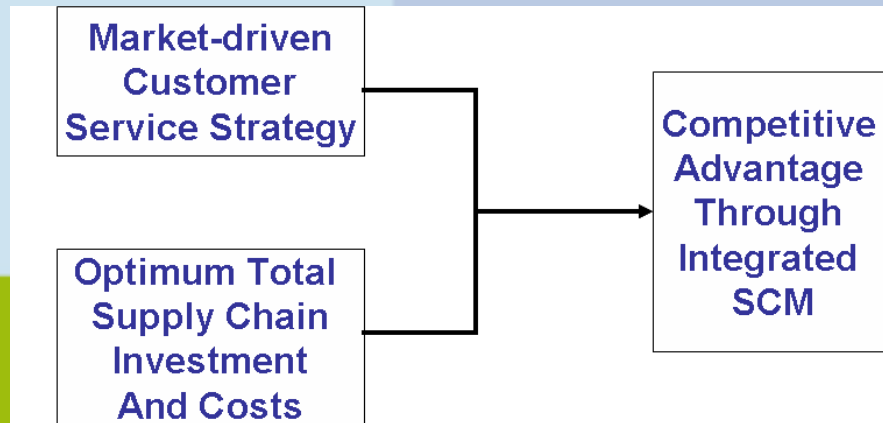


*Supply Chain Management and Logistics  
in a Volatile Global Environment* Dublin:  
Blackhall, 2009

# World Class Supply Chain Management



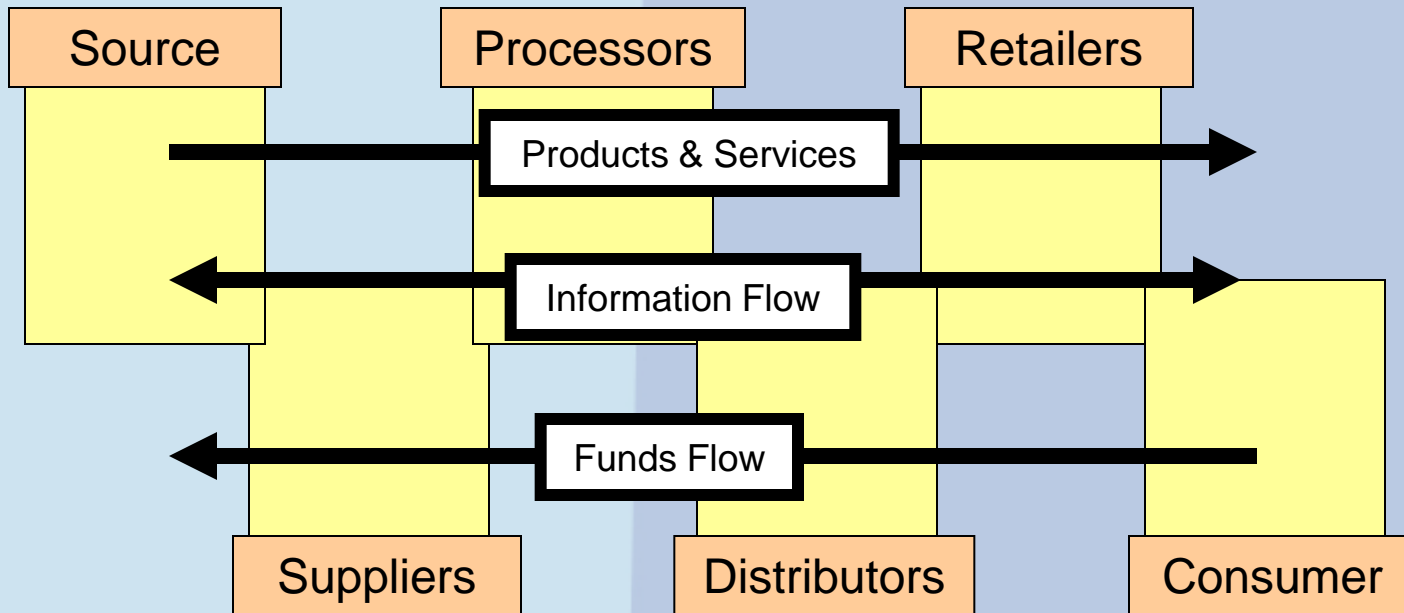
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# Information Management in the SC



Reverse product flows      →      Reverse logistics      →  
Green logistics              →      Sustainable SCs

# Characteristics of SCM Excellence

- Identification and measurement of customer service because *customer service 'sets the spec' for SC design*
- SCM a senior management function because *SCM is a strategic activity*
- Establishment and measurement of supply chain KPI's because *what gets measured gets done!*
- Integration of supply chain activities and information because *many supply chain NVAs are caused by fragmented supply chain configurations*



# Managing Information Flows

## *EFFECTIVE ICT IS A KEY SUCCESS FACTOR*

- The role of ICT in supply chain integration
- Information as the basis of supply chain control (inventory reduction, control, visibility)
- Traceability and provenance
- e-Business

**However! Staying informed about new technologies**

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# Some Concluding Remarks

- Rapid developments in technology
- The correct implementation has the potential to enhance competitiveness
- To realise the maximum benefits from technology it should not be implemented in isolation, but as part of integrated approach to total supply chain design and management
- People and training are essential to success
- Competitive advantage will originate from developing creative information technology strategies and implementing them superbly



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