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# Supply Chain Management Excellence: the Role of the National Institute for Transport and Logistics

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Supply Chain Management  
Centre of Excellence

# **IDA Ireland/ABB Supply Chain Management Excellence: the role of NITL**

**Edward Sweeney  
Director of Learning  
NITL, Dublin, Ireland**

# Agenda

- **NITL: Origins**
- **What is SCM?**
- **World-Class SCM**
- **NITL: Activities**

# Agenda

- ***NITL: Origins***
- **What is SCM?**
- **World-Class SCM**
- **NITL: Activities**

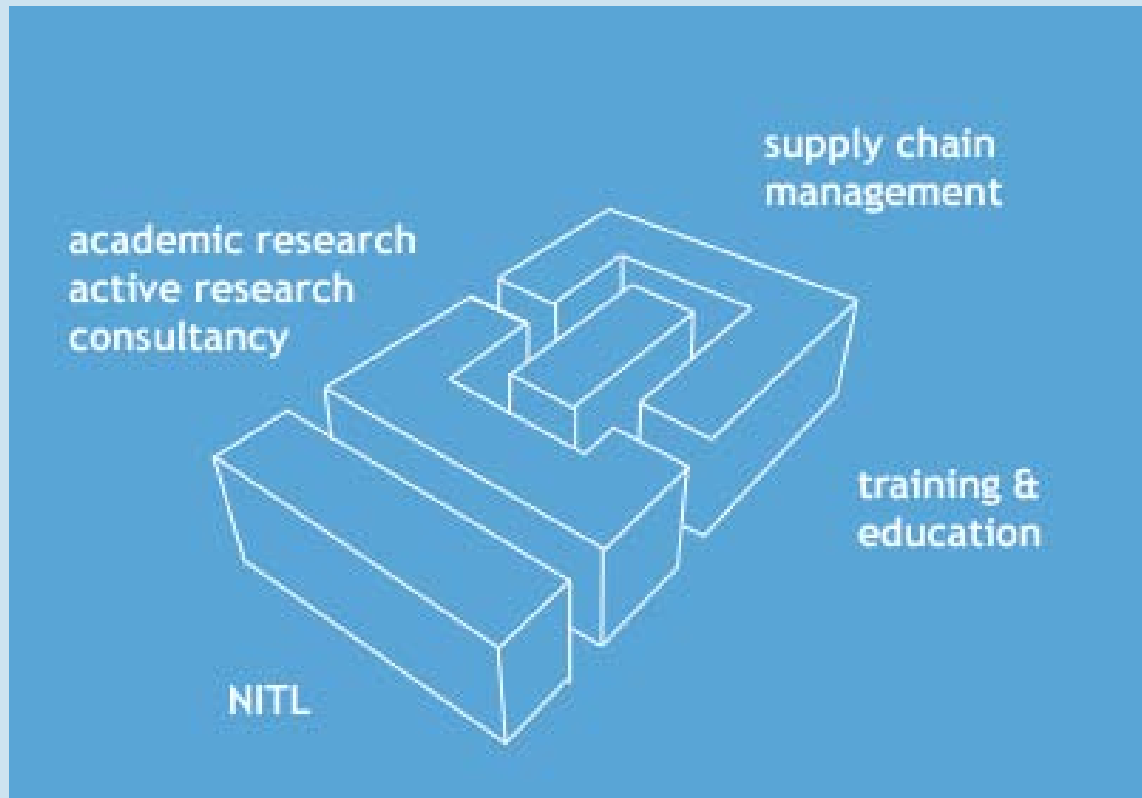
# History of NITL

- Report “World Class to Serve the World”
- National Centre for Supply Chain Excellence
- Supported by the National Development Plan, managed by the Department of Enterprise, Trade and Employment, set up at the DIT
- April 1998

# Mission Statement

**NITL will support the achievement of competitive advantage in organisations in Ireland by creating a fundamental new resource for logistics and supply chain efficiency.**

# NITL Structure / Activities





# Agenda

- **NITL: Origins**
- ***What is SCM?***
- **World-Class SCM**
- **NITL: Activities**

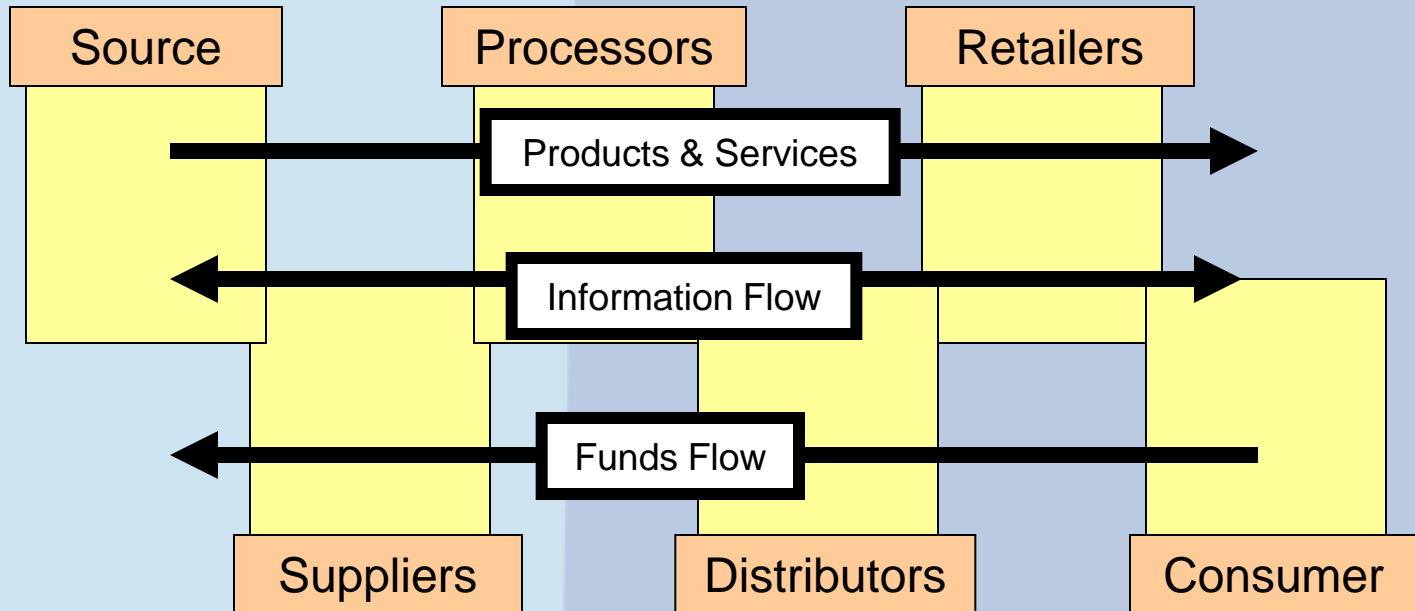
# What is SCM?

- 👉 **SCM provides the end customer with the right product at the right time, priced at the right level, in the right quantity and quality**
- 👉 **SCM as a major source of competitive advantage**
- 👉 **NITL's Four Fundamentals of SCM**

# Fundamental 1 - The Aims of Supply Chain Management

- 👉 **Supply Chain Management aims to achieve competitive advantage through:**
- 👉 ***Enhanced Customer Service***
- 👉 ***Optimised Costs and Investments***

# Fundamental 2 - Supply Chain Philosophy



A product reaches the final consumer through a chain of companies which will typically include suppliers, processors, distributors and retailers.

# The Weakest Link

- **Without the right companies across the supply chain to work with, a company will never achieve true competitive advantage. In other words**
- **The supply chain is only as strong as its weakest link.**

# What is Supply Chain Management?

A white circle with a thin black border containing the word 'Buy' in blue text.

Buy

A white circle with a thin black border containing the word 'Make' in blue text.

Make

A white circle with a thin black border containing the word 'Store' in blue text.

Store

A white circle with a thin black border containing the word 'Move' in blue text.

Move

A white circle with a thin black border containing the word 'Sell' in blue text.

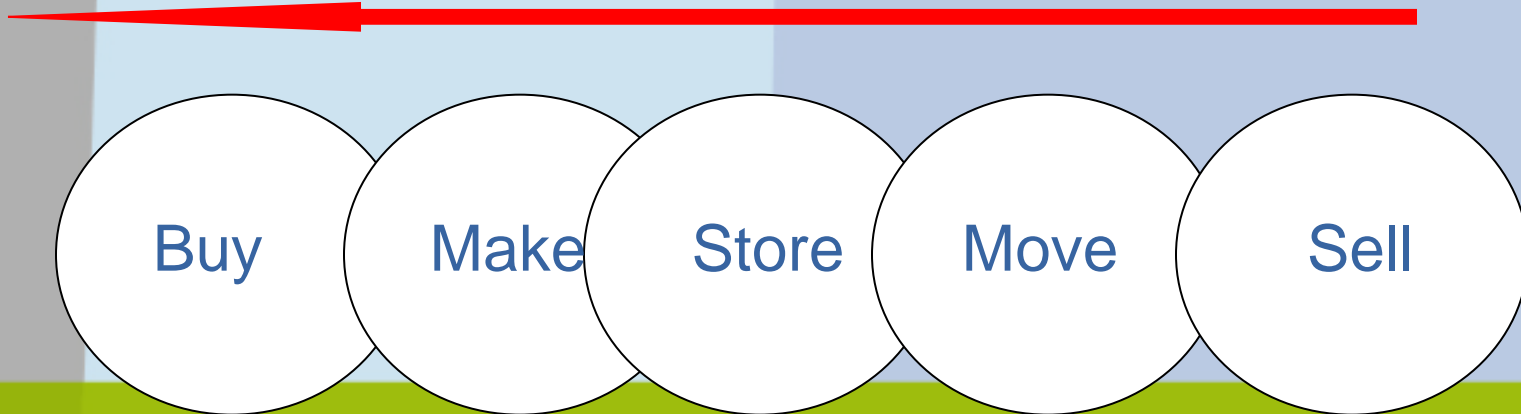
Sell

**Traditionally these functions are managed in isolation and often operate at cross purposes.**

# What is Supply Chain Management?

Supply chain management integrates these functions by holistically managing the information, material and financial flows.

Information and Money

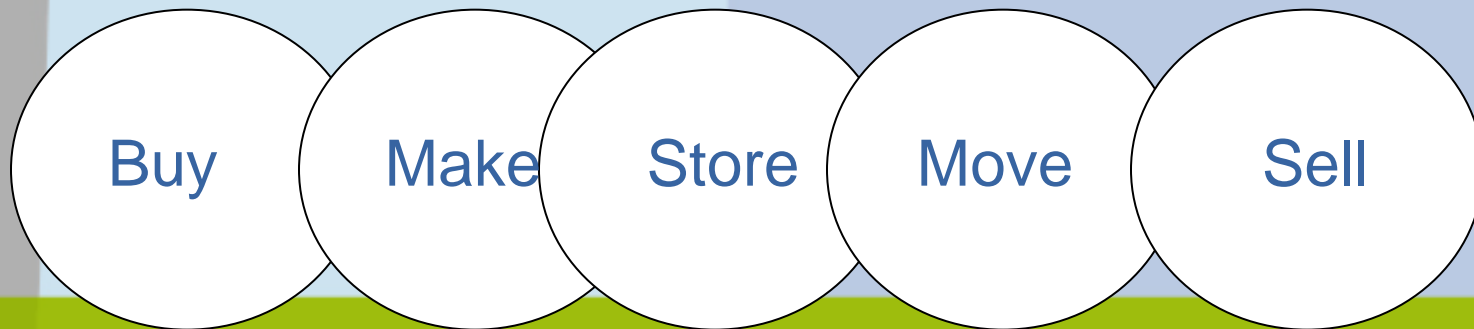


Information and Materials

# Fundamental 3 - Management of the Flows

Supply chain management integrates these functions by holistically managing the information, material and financial flows.

Information and Money



Information and Materials



# Fundamental 4 - Relationships

Re-assessment of internal and external customer/supplier relationships.

SCM is not a “zero-sum game” based on adversarial relationships

SCM is a “win-win” game based on partnership relationships?

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# Why is SCM Important?

**“Effective supply chain management can cut costs, improve service and enhance revenues and that’s just the beginning”** Prof. P. Metz, MIT

**MIT Survey: Implementation of ‘supply chain management’ in US resulted in:**

**50% reduction in inventory**

**40% improvement in on-time deliveries**

**27% reduction in order cycle time**

**Nine-fold reduction in out of stocks**

# Why is SCM Important?

**“Supply chain management lies at the heart of the Dell Direct model and, therefore, at the heart of Dell’s business performance”**

**Michael Dell**

# Key Characteristics of Excellent SCM

- **Integration of supply chain activities**
  - sales forecasting; procurement; inbound transportation; production planning; inventory management; warehousing; outbound transport; customer service; sales order processing
- **SCM a senior management function**
- **Identification and measurement of customer service**
  - customer service 'sets the spec' for SC design
- **Integration of supply chain information**
- **Establishment and measurement of supply chain KPI's**

# SCM in Ireland: importance

- Potential operational benefits (supply chain economics and customer service)
- Open economy (imports/exports proportion of GDP)
- Transport only one, and not most important cost, therefore location not a significant disadvantage
- Relatively small companies can be a part of a global supply chain
- Can manage 'virtual' supply chains from Ireland

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# NITL's Action Plan

- **Create awareness of SCM**
- **Increase the pool of Supply Chain Management professionals**
- **Develop and provide SCM support tools**



# Creating Awareness

- **Logistics Ireland Annual Conference**
- **Logistics Solutions magazine**
- **Technical Fact Sheets**
- **SCM Road Show**
- **NITL Website**

# Increasing the Pool of SCM Professionals

PROGRAMME	LEADING TO:
Foundation Certificate Programme	Certificate
Executive Development Programme	Certificate/Diploma
B.Sc. in Logistics and Management	B.Sc.
Graduate Development Programme	M.Sc.
Fellowship Programme	M.Phil.
Research Programme	PGDip., M.Phil, Ph.D.
Customised Training	Certified Continuing Professional Development
Short Courses	

# SCM Support Tools and Services

- **Support Tools**
  - **Self Audit Packs**
  - **Benchmarking Clubs**
  - **Statistics and Indices**
  - **SCM Software Directory**
  - **SCM Services Directory**
- **Knowledge Resources and Research**
- **Advice and Consultancy**



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