

Seven Basic Elements of Strategy

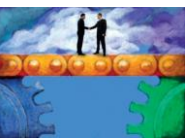
- Strategy is a means to an end
- Strategy is about working within environments
- Strategy inherently involves learning
- Strategy is about using resources and taking action
- Strategy is about gaining advantage over competitors
- Strategy is about creating value
- Strategy is about mastering the present and anticipating the future



Strategic Planning:

Planning Benefits

1. Planning leads to better understanding of the firm
2. Planning helps a firm progress in ways management considers suitable
3. Planning helps managers think, decide, and act more effectively
4. Planning helps keep the firm flexible
5. Planning stimulates co-operative, integrated, enthusiastic approaches to problems
6. Planning indicates how to evaluate progress toward specific objectives



Why is it important for your company?

- We want to create value for your company and for our customer
- We want to help the customer grow
- We want to ensure that we understand the future
- We want to develop an edge over our competitors

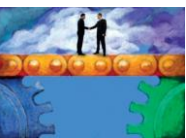


Supply Chain Audits:

Definition

A Supply Chain Audit is a review of present and / or future supply chain strategies and operations, incorporating all those business activities and processes that interact with the supply chain function.

It is suggested that this may be a mechanism for your company to achieve the last step in the Service Logistics Process, i.e. to help our customer to develop a Strategic Supply Chain Plan.



Supply Chain Audits:

Key Steps

1. Establish "Task Force"
2. Determine corporate strategies and objectives
3. Set up audit interviews
4. Identify critical variables
5. Audit performance and requirement
6. Identify and analyse cost and service trade-offs
7. Develop changes and improvements
8. Describe future process and systems



Supply Chain Audits:

Development Of Business Profile

- Inventory profile
- Procurement profile
- Product profile
- Market profile
- Marketing profile
- Transportation profile
- Facilities profile
- Information profile



Supply Chain Audits:

Identification of Business Profile Characteristics

- As the lead supply chain provider to most of your customers you are in an excellent position with respect to the knowledge of your customers logistics.
- Using this valuable data you can become the mentor for your customers improvement and thereby maintain a long term relationship with the customer.
- A key outcome is the further sharing of information and the strengthening of trust between the partners



Supply Chain Audits:

Inventory Profile

- Stock on hand - by segment
- Analysis of stockholding - turn rates
- Stock holding policy



Supply Chain Audits:

Procurement Profile

- Procurement policies and practices
- Forecasting of product requirements
- Inbound traffic performance
- Purchasing of consumables



Supply Chain Audits:

Product Profile

- Packaging
- Volume
- Product returns
- Repairs
- New product introduction



Supply Chain Audits:

Market Profile

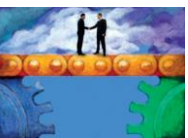
- Customer service
- Data requirements
- Distribution operations
- Competitors



Supply Chain Audits:

Marketing

- Marketing strategy
- Selection of distribution channels
- Alliances with groups



Supply Chain Audits:

Transportation Profile

- Distribution pattern
- Modes of transport
- Risk factors
- Future changes
- New technology



Supply Chain Audits:

Facilities Profile

- Capacity
- Equipment needs
- Location analysis
- Efficiency ratios
- Resources
- Operating methods



Supply Chain Audits:

Information Profile

- Inventory
- Item details
- Operating requirements
- Cost information
- Order closure
- Summary information
- Procedures and documentation



Supply Chain Audits:

Solution Development

- Cost analyses
- Identification of Pareto elements
- Development of “What If’s”
- Development of options
- Costing of options
- Selection of preferred option
- Final cost analysis

