

Global Supply Chain

The World is My Store

ASQ Customer Supplier Division
2007 Symposium

The Historical Context

H. B. Twyford, Otis Elevator, 1915

“A purchasing staff which is entirely unsympathetic with the ...needs of the users of the material will fail to grasp one of the most essential things...

They will be dealing with papers and accounts instead of men and things.”

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The World Is Flat



“The best companies are the best collaborators. In the flat world, more and more business will be done through collaborations within and between companies...”



- Thomas Friedman, *TWIF*, 2005

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Three Flatteners*

- Outsourcing
- Offshoring
- Supply chaining



*Thomas Friedman, *TWIF*

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Outsourcing

- Focus on core competencies
- Have other companies execute parts of your process



- SaraLee, Unilever, General Electric

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Offshoring

- Move entire businesses, factories, or operations to take advantage of lower costs
- Whirlpool, Proctor & Gamble, General Motors



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Supply Chaining

- Continuous replenishment of product from raw material to consumer
- CPFR – collaborative planning, forecasting, and replenishment
- Wal Mart, Wal Mart, Wal Mart



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Today's World Is Different

- Globalization
- Commoditization
- E-Business



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20th Century Fundamental Supply Chain Skills

Basics

Ethics

Analytics

Communication

Differentiators

Negotiation

Supplier Relationships

Cost Management

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Acquiring Skills

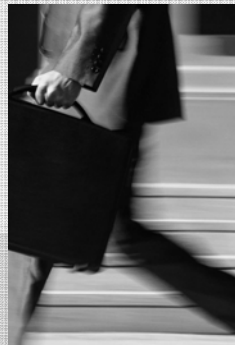
- Education
- On the job training
- Learning from suppliers
- Personal/professional motivation



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60's/70's

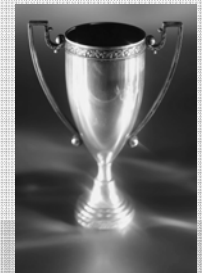
- Adversarial relationships
- Traveling requisitions
- MRP
- Quality control
- USA focus



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80's/90's

- Materials management
- MRPII
- Off-shore sourcing
- Quality assurance



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90's/Today

- Supplier partnerships
- Global sourcing
- Process control/ISO standards
- CSCMP and ISM



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Pitney Bowes

Laura Taylor, VP, Global Procurement Strategy and Operations

“You can’t just be a commodity expert. Project management is a key skill.”

“Strength in basic business analysis...someone who has financial acumen and business acumen.”

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Job Description

- Evaluate supplier capabilities and establish sources for new technologies and in new markets as business requirements dictate.
- Direct the development and negotiation of complex agreements with suppliers encompassing key program specifications and functional objectives.

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Cummins Engine

Ignacio Garcia, VP Global Purchasing and Manufacturing Support

“We need people to have more business savvy, an MBA is a requirement.

Decisions are being made... not just on traditional supply chain concerns, but... what kind of business alliance we need.”

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21st Century Supply Management

- Continuous improvement in cycle time, cost, quality, and delivery performance
- Rapid product and development changes
- Increased expectations for purchasing, quality, and suppliers from management
- Growing reliance on suppliers as part of your process

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20th Century Fundamental Skills

Basics

Differentiators

Ethics

Negotiation

Analytics

Supplier
Relationships

Communication

Cost
Management

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21st Century Skills

- Strategic focus
- Ability to utilize a global business model
- Project management and cross-functional team leadership capability
- Alliance-building capability
- E-business competency



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Thank You

For more information, visit:
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