

Figure 2

Supply Chain Integration Framework

Develop Overall SC Understanding

Map SC: Organizations, technologies, capabilities

Determine SC value proposition

Determine value proposition & success factors at each level

Determine where SC leverage & profitability are located.

Identify critical value-added processes & technologies

Evaluate linkage to end customer

Specifically define “As-is” value-added roles of SC members

Position Organization within SC

Re-evaluate organization’s value proposition from SC perspective

Identify the organization’s core competencies

Design & develop critical processes to support core competencies

Outsource non-critical activities

Role-shift where appropriate; i.e., move to “To-be” roles

Build Customer Success Infrastructure

Classify customers & measure profitability

Establish appropriate customer relationships

Implement SC partner development initiatives

Build good relationships with important customers

Establish mechanisms for transactional relationships

Build Supplier Success Infrastructure

Classify suppliers—materials & service

Establish appropriate supplier relationships
Implement SC partner development initiatives
Build good relationships with important suppliers
Establish mechanisms for transactional relationships

Create & Communicate Common Vision

Establish vision & mission statements, policies & procedures
Promote internally & garner broad-based commitment
Share externally with key SC partners
Make available to entire SC
Measure alignment among core “partners”
Identify, communicate, and resolve critical gaps

Cultivate Integrative Mechanisms

Consensus effort to identify internal & external barriers
Prioritize specific initiatives to build key integrative mechanisms

- Alignment mechanisms
- Cross-functional processes
- Cross-experienced managers
- SC performance measurement
- SC information sharing
- Alliance management techniques

Constantly Re-evaluate—Scan & Plan

Monitor market & competitive conditions
Conduct periodic environmental & technology scans
Periodically evaluate industry and SC structure
Re-evaluate SC fit—beware of and be aware of role shifting
Benchmark value-added: competitors, best-in-class & customers
Establish continuous improvement programs