

The background is a dark stage with several spotlights shining down, creating a dramatic atmosphere. In the center, there is a white marquee sign with a glowing border of small lights. The sign contains the text 'MASTERCLASS SUPPLY CHAIN STRATEGIE' in a bold, blue, sans-serif font. Below the sign, the text 'Supply Chain Strategy Compass' is written in a white, sans-serif font. Further down, the name 'Martijn Lofvers' is written in a white, italicized, sans-serif font, followed by his title 'CEO & Chief Trendwatcher, Supply Chain Media' and the date '7 november 2018' in a smaller, white, italicized, sans-serif font.

MASTERCLASS
SUPPLY CHAIN
STRATEGIE

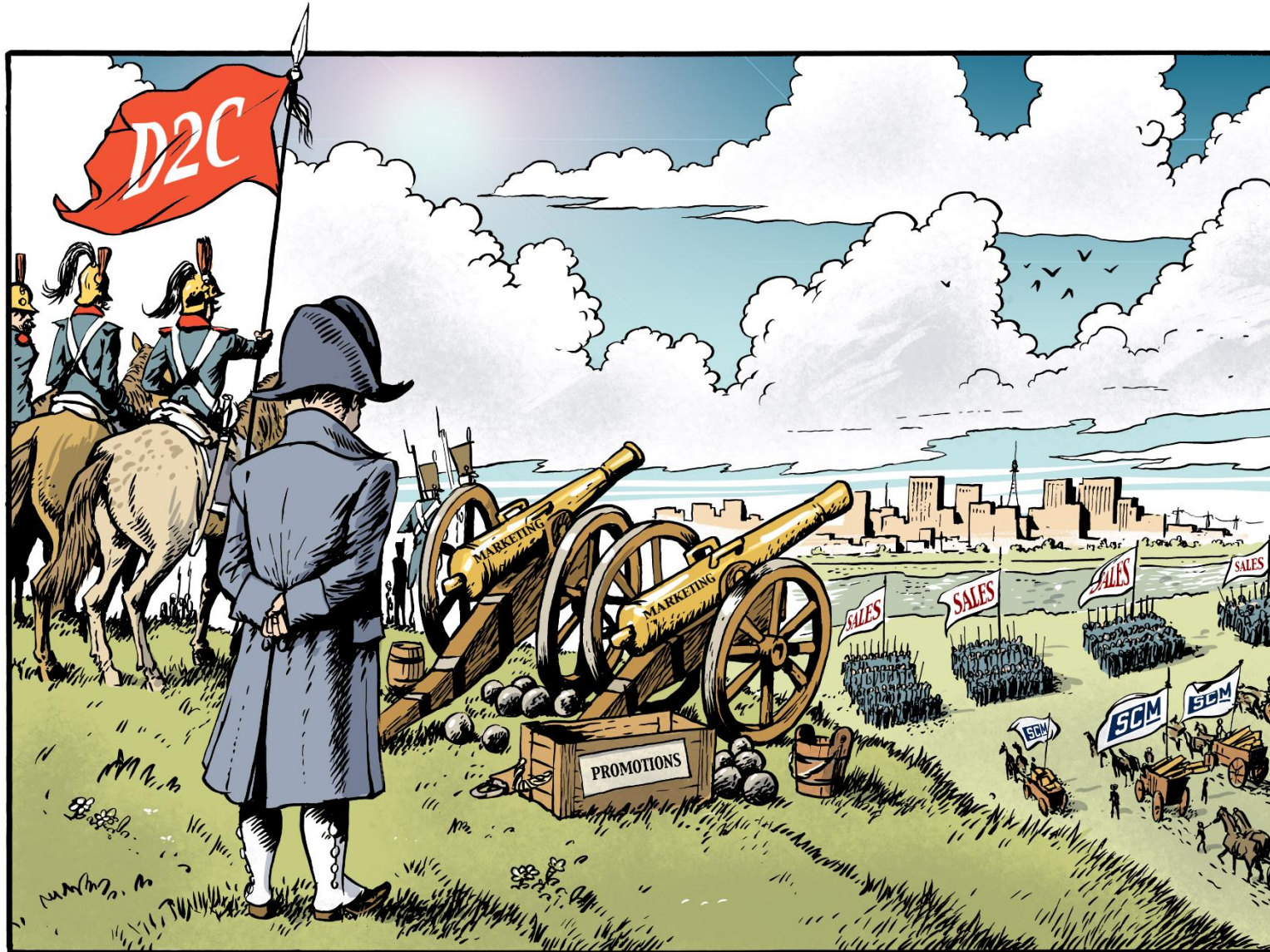
Supply Chain Strategy Compass

Martijn Lofvers

CEO & Chief Trendwatcher, Supply Chain Media

7 november 2018

Masterclass Supply Chain Strategy Compass



How to connect Company Strategy to Supply Chains

- Martijn Lofvers

CEO & Chief Trendwatcher
at Supply Chain Media

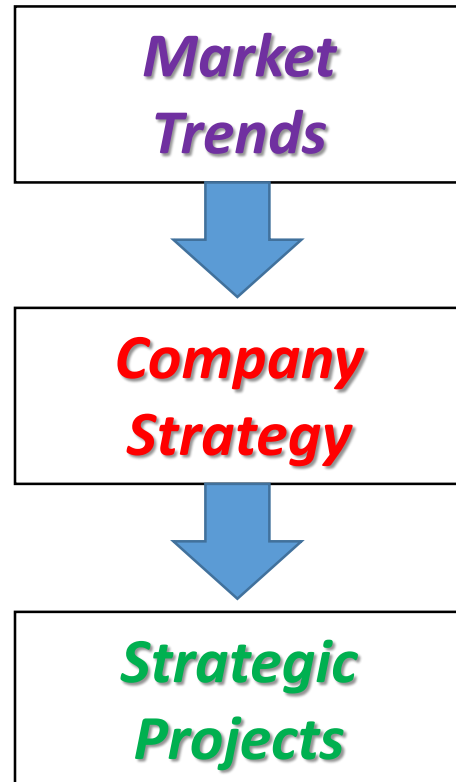
McKinsey*:

Lack of making Strategy Choices



**McKinsey survey among > 2,000 decision-makers (2011)*

Strategy Execution: the Classic Top-Down Approach in 3 steps



*Just like children's Telephone Game:
distorted message down the line*



Where to win?



STRATEGY COMPASS
© Martijn Lofvers, 2018 **SCM** SUPPLY
CHAIN
MEDIA

Company Strategy versus Supply Chains

'A lot of companies have a mismatch between product type and supply chain strategy',
according to professor David Simchi-Levi of MIT in Boston, USA.

A successful Company Strategy demands a corresponding Supply Chain Strategy:

BEST PRACTICES

Customer value proposition

- High fashion
- Customer experience
- Product innovation
- Every day low prices
- Available product selection

example

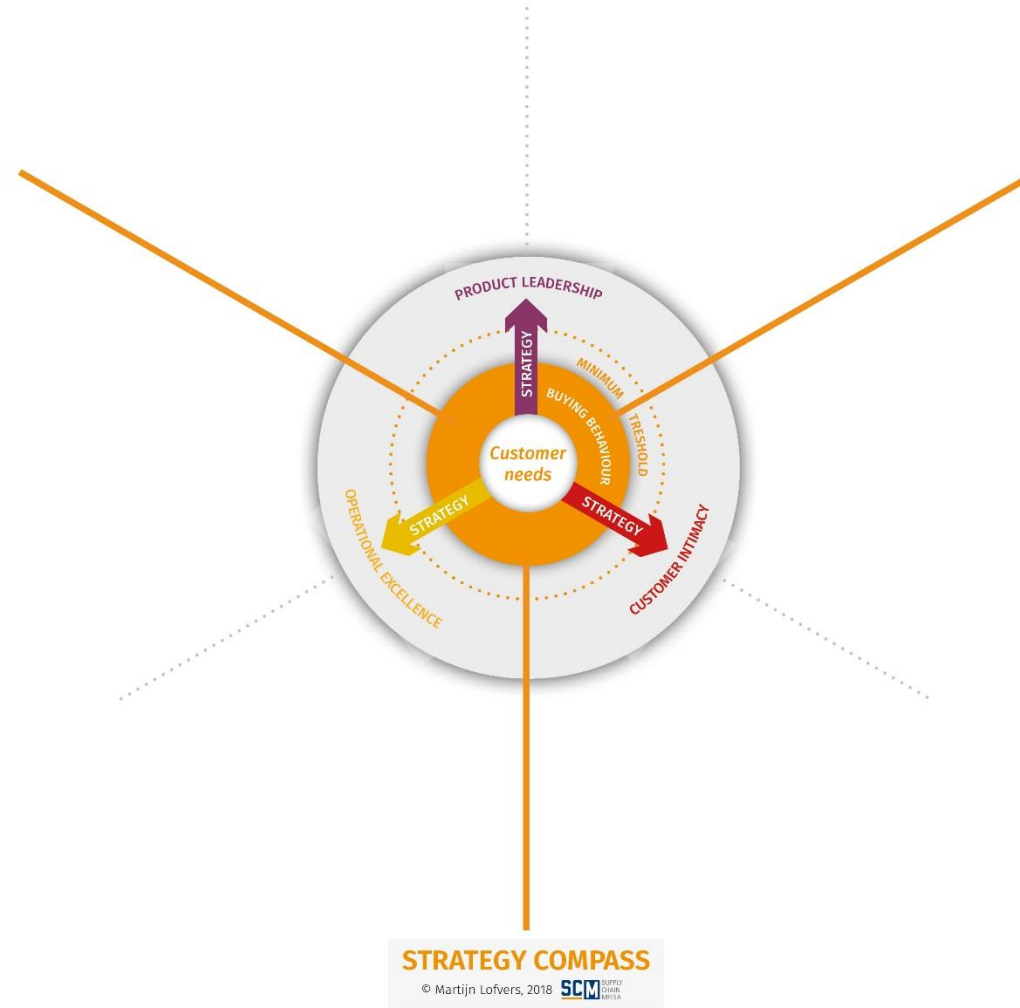
Zara
Dell Direct
Apple
Wal-Mart
Amazon

Supply Chain Strategy

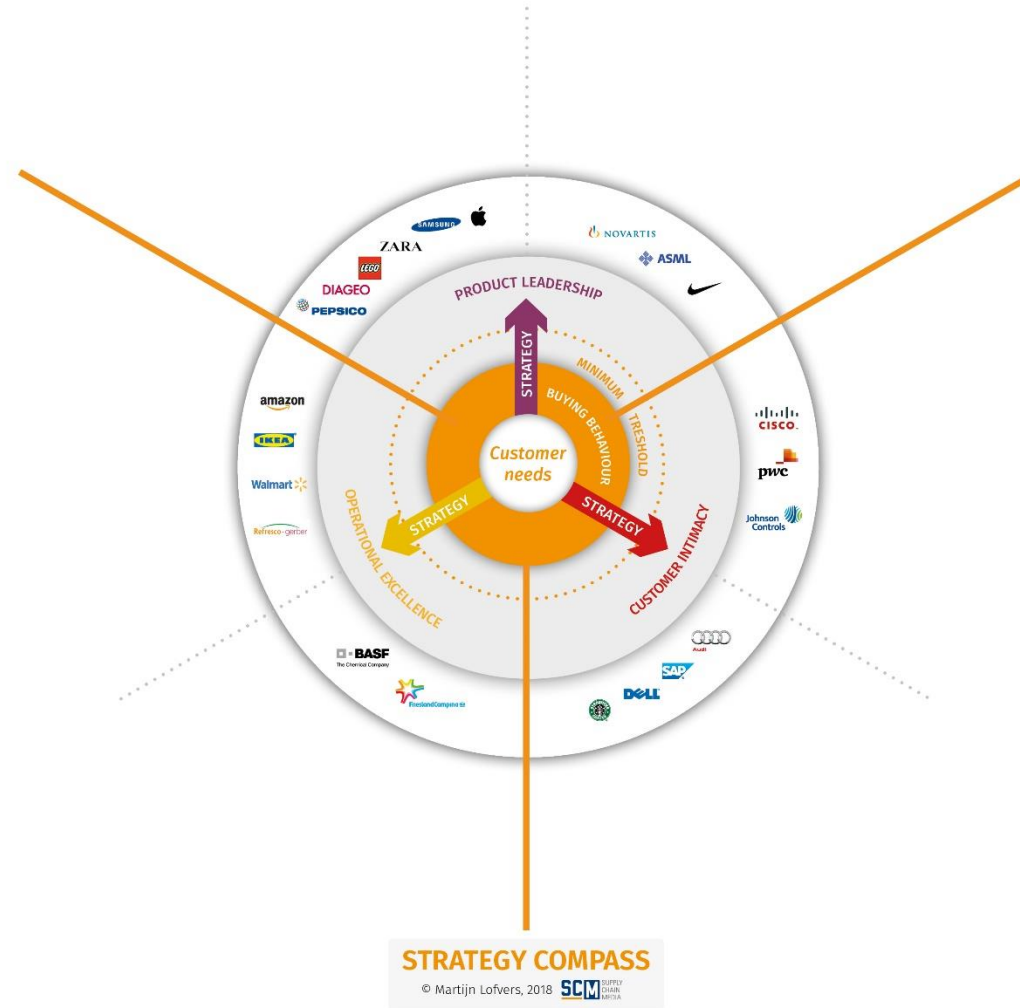
speed to market
response by configure to order
efficiency by outsourcing manufacturing & logistics
cost efficiency
efficient & reliable fulfillment

Source : Prof. David Simchi-Levi of MIT in Boston, USA (2010)

Which strategy direction?



The DNA of the Company



Exercise:

Critical Success Factors

Choose for the two PepsiCo category below the Critical Success Factors, the Order Winners according to the customer.



Critical Succes Factors		
Low price		
Fast delivery		
Reliable delivery		
Quality compliance		
Quality level		
Mix flexibility		
Product flexibility		
Volume flexibility		
Product innovation		
Service		

Result exercise:

Critical Success Factors

Result exercise by complete Management & Leadership Team of PepsiCo Benelux, in 4 teams.



Critical Succes Factors		
Low price		Order Winner
Fast delivery		Qualifier
Reliable delivery		Order Qualifier
Quality compliance	Order Qualifier	
Quality level	Order Winner	
Mix flexibility		Order Winner
Product flexibility	Non issue	
Volume flexibility		Qualifier
Product innovation	Order Winner	
Service		

Company Strategy: Critical Success Factors

Three possible competitive strategies:

- Product Leadership ('best product')
- Operational Excellence ('best total costs')
- Customer Intimacy ('best total solution')

Source : Treacy & Wiersema

Apple

Wal-Mart

Cisco

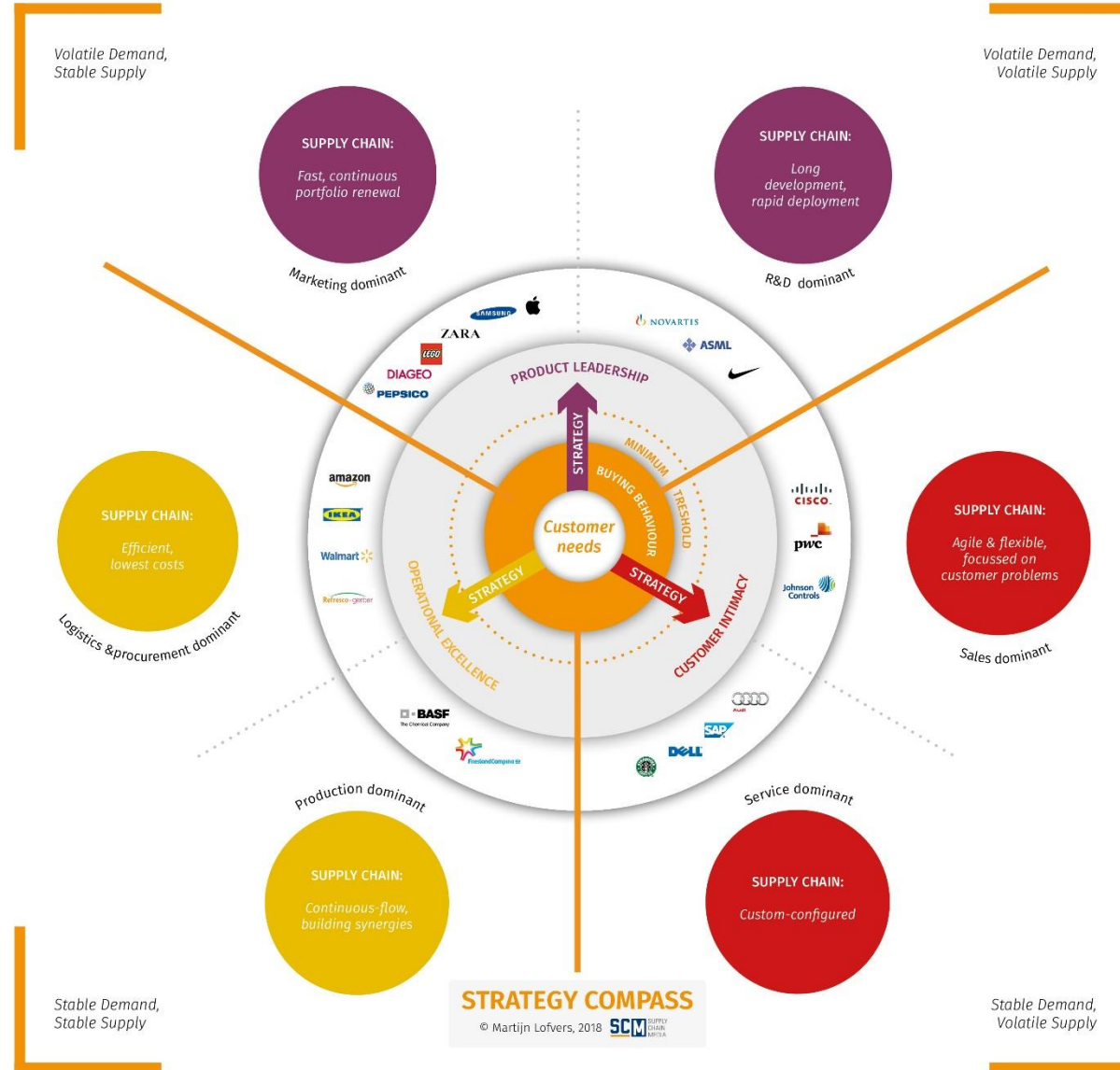


Competitive strategy depends on Critical Success Factors:

Critical Success Factors	Operational Excellence	Customer Intimacy	Product Leadership
Low price	Order Winner	Non-issue	Non-issue
Fast delivery	Non-issue/Qualifier		
Reliable delivery	Order Qualifier		
Quality compliance	Order Qualifier	Order Qualifier	Order Qualifier
Quality level	Non-issue		Order Winner
Mix flexibility	Order Winner	Non-issue	
Product flexibility	Non-issue	Order Winner	Non-issue
Volume flexibility	Non-issue/Qualifier		Order Winner
Product innovation	Non-issue	Order Winner	Order Winner
Service		Order Winner	

Source : Alex & Terry Hill (1995), PwC (2012)

The accompanying Supply Chains



Supply Chain Strategy

per Category

One Supply Chain doesn't fit all: differentiated Supply Chain per (Product) Category

EXAMPLES

Company category



Movie DVD



Strategy

Operational Excellence

Supply Chain

Efficient, lowest costs

Infinity



Product Leadership

Long development, rapid deployment



Fresh Coffee



Customer Intimacy

Custom-configured

Iced Coffee



Operational Excellence

Continuous flow, building synergies



Quaker



Product Leadership

Fast, continuous portfolio renewal

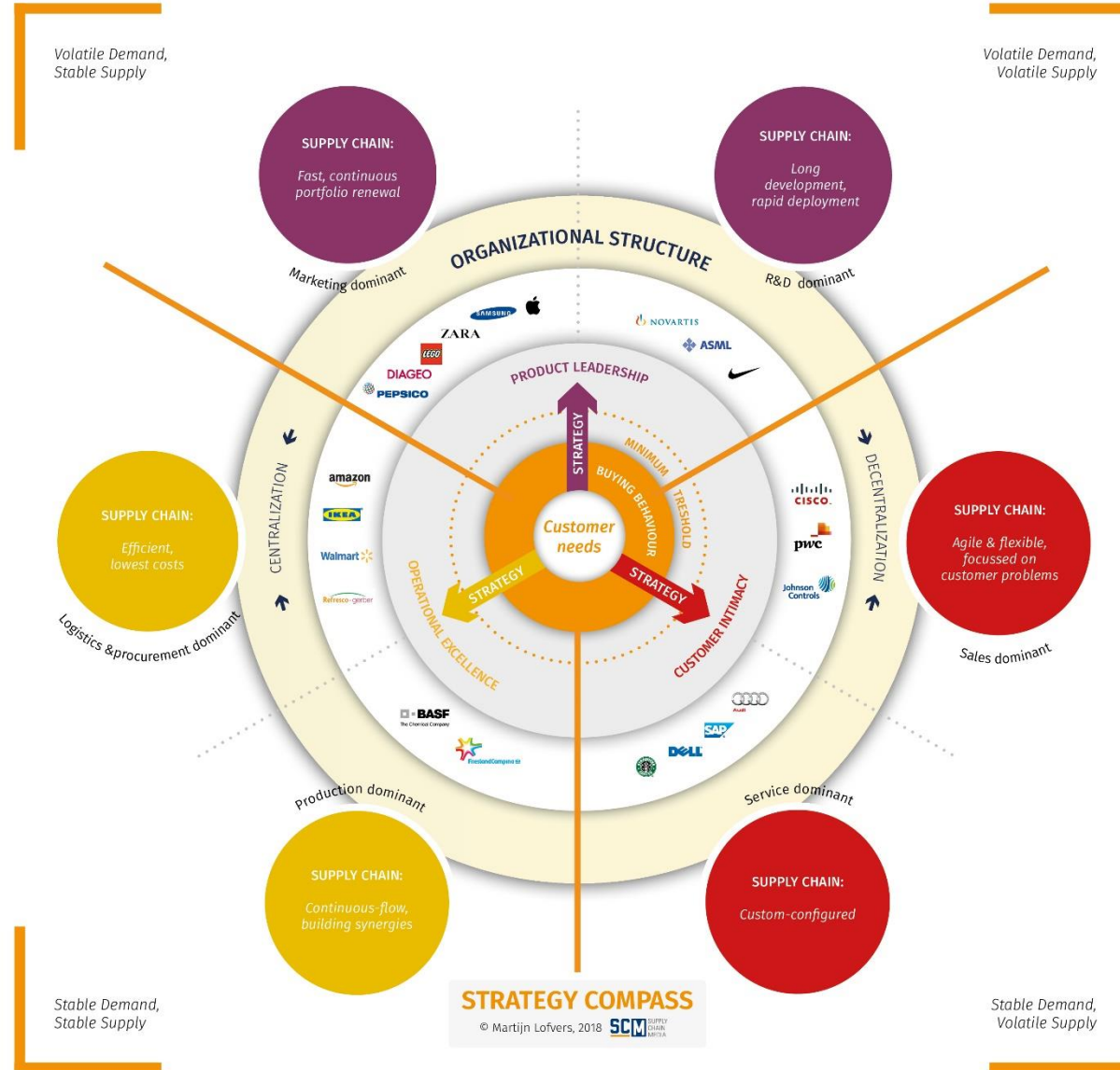
Lay's



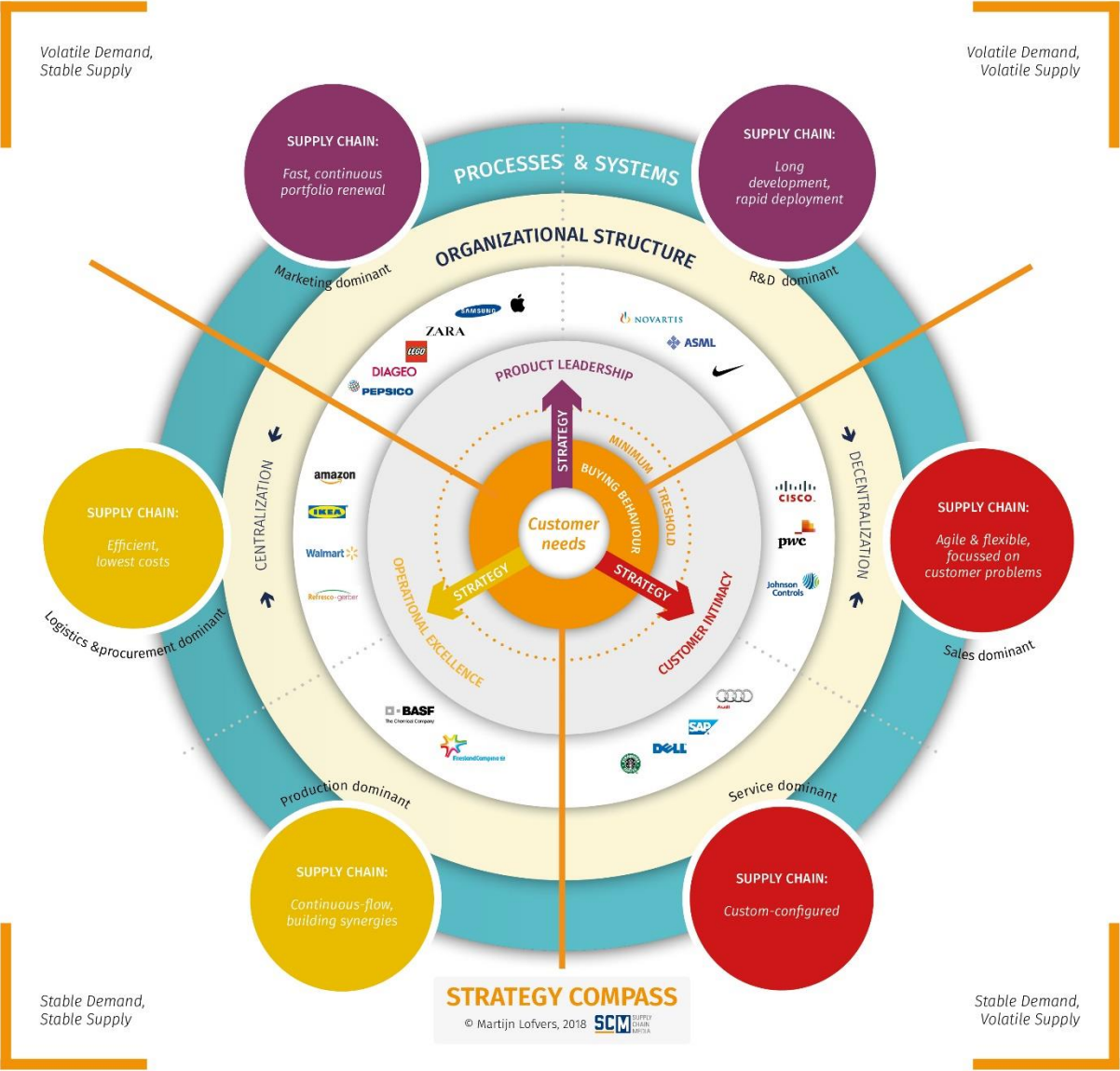
Operational Excellence

Efficient, lowest costs

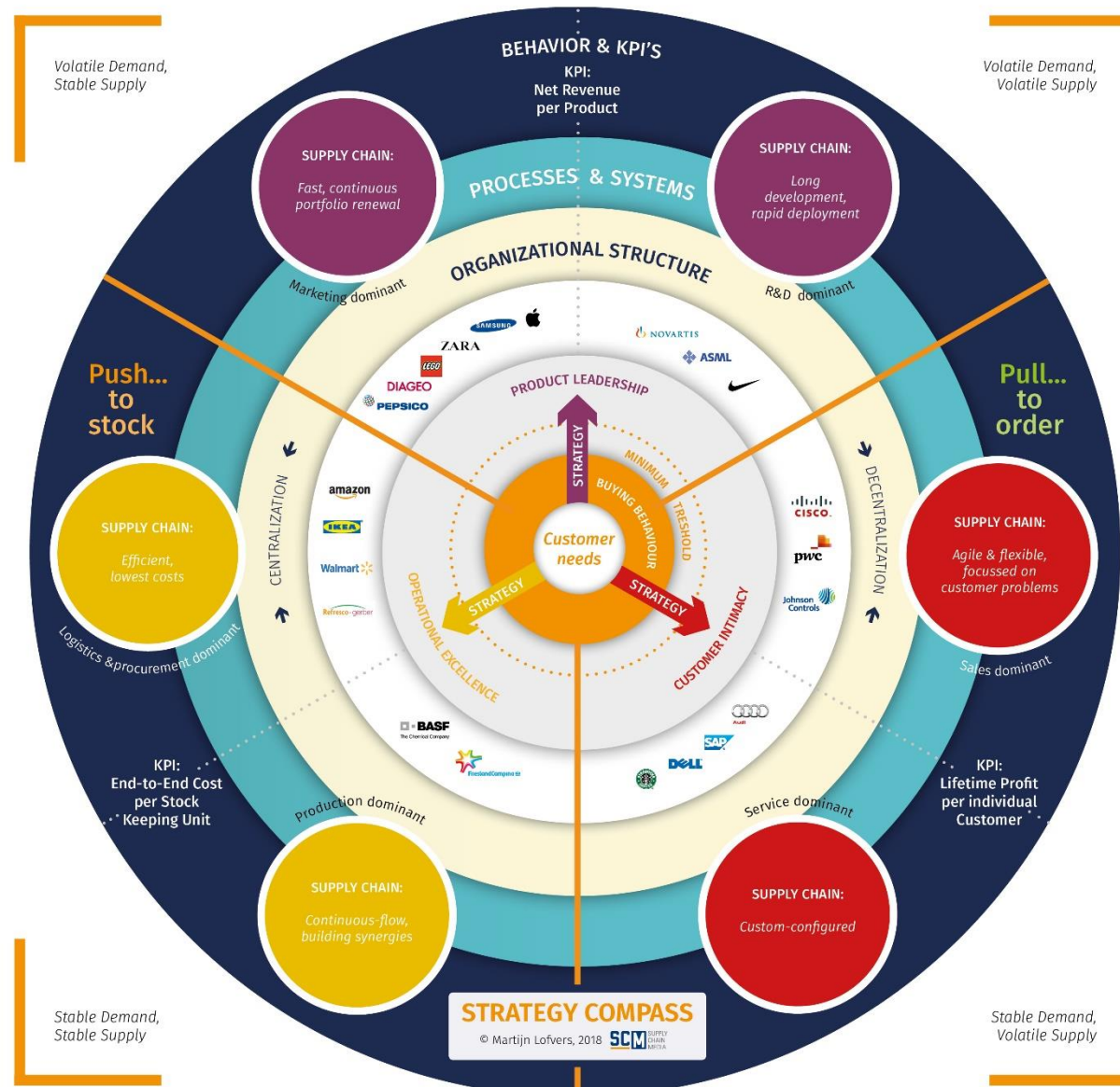
The organizational structure



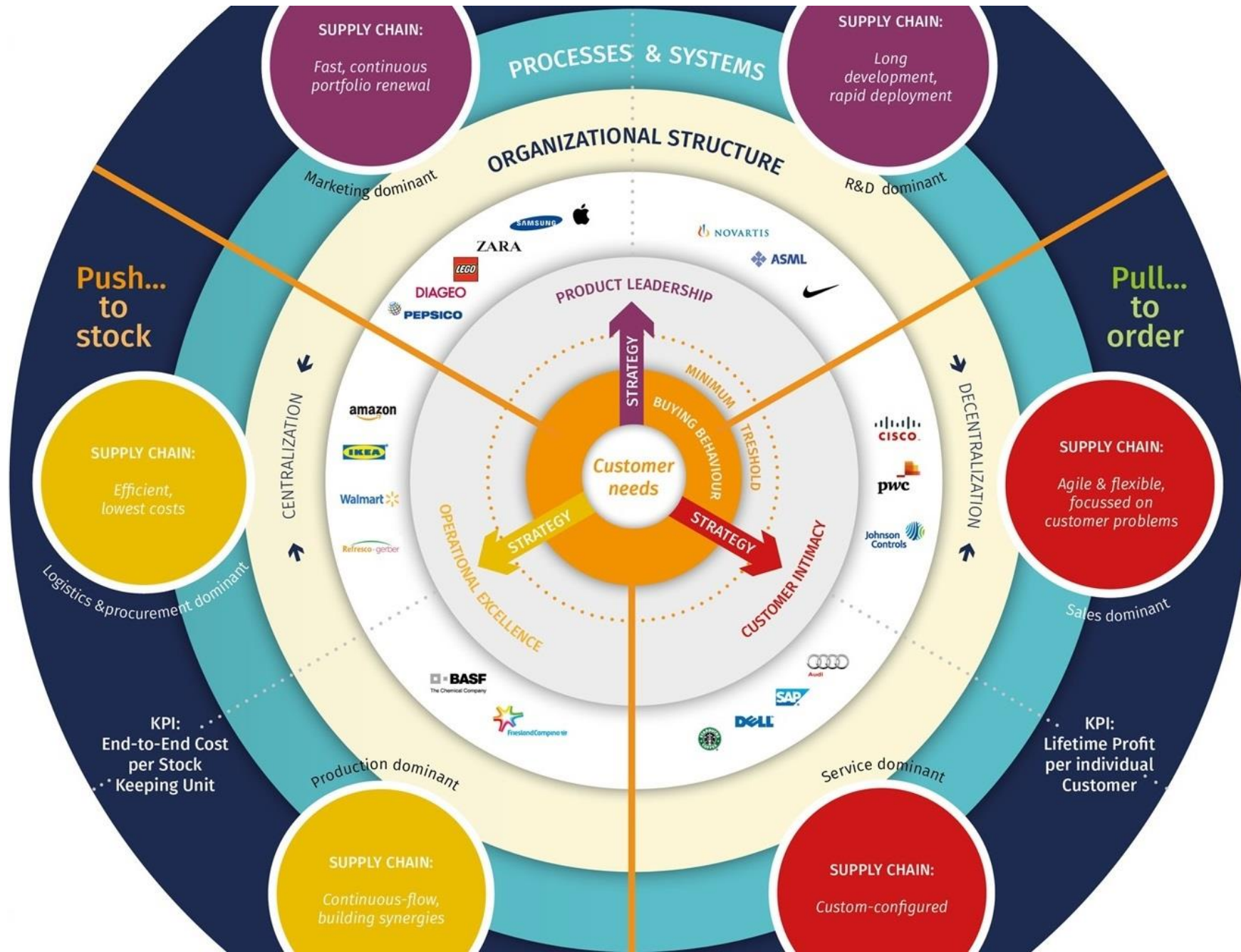
Processes & Systems



Behavior & KPIs



One Supply Chain doesn't fit all



*Thank you
for listening*



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 **SOLVENTURE**
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