

Supply Chains

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C2i Programme

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UNIVERSITY OF
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Today's Session

- Introduction
- Supply chain tiers
- Supply chain positioning considerations
- Power and influence
- Implications of entering big company supply chains
- Knowing your strategy
- Establishing your provenance
- C2i programme of SME assistance

Presenter

Bruce Pinnington

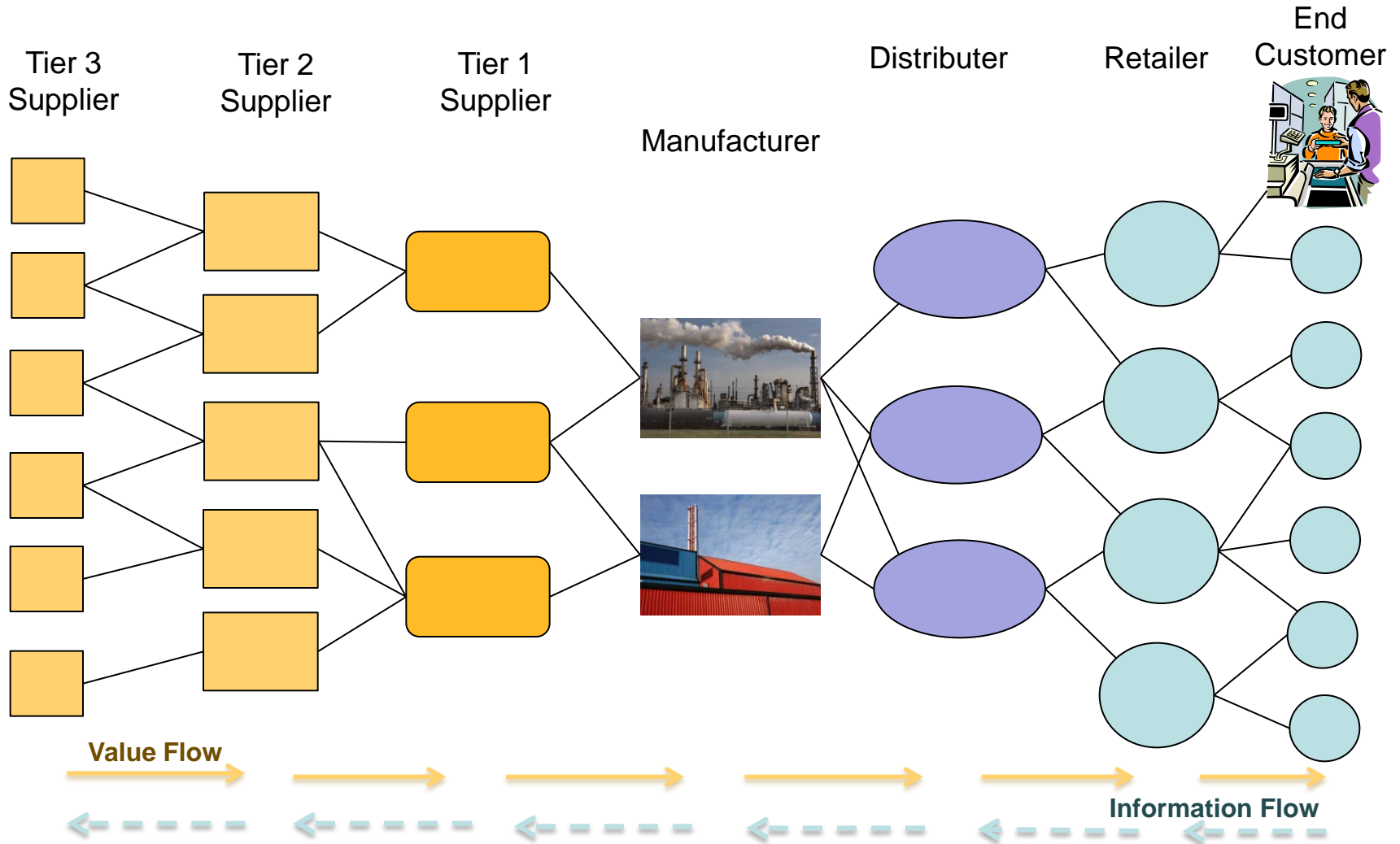
Currently

- University of Liverpool Management School (ULMS) – C2i Programme
- Chartered Institute of Purchase & Supply (CIPS) Merseyside Chair

Previously

- Management consultant specialising in outsourcing and strategic sourcing
- Lecturer in Purchasing at LJMU
- Lecturer in Corporate Strategy and Operations at Chester University
- Published research on business to business relationship performance

Supply Chain Tiers

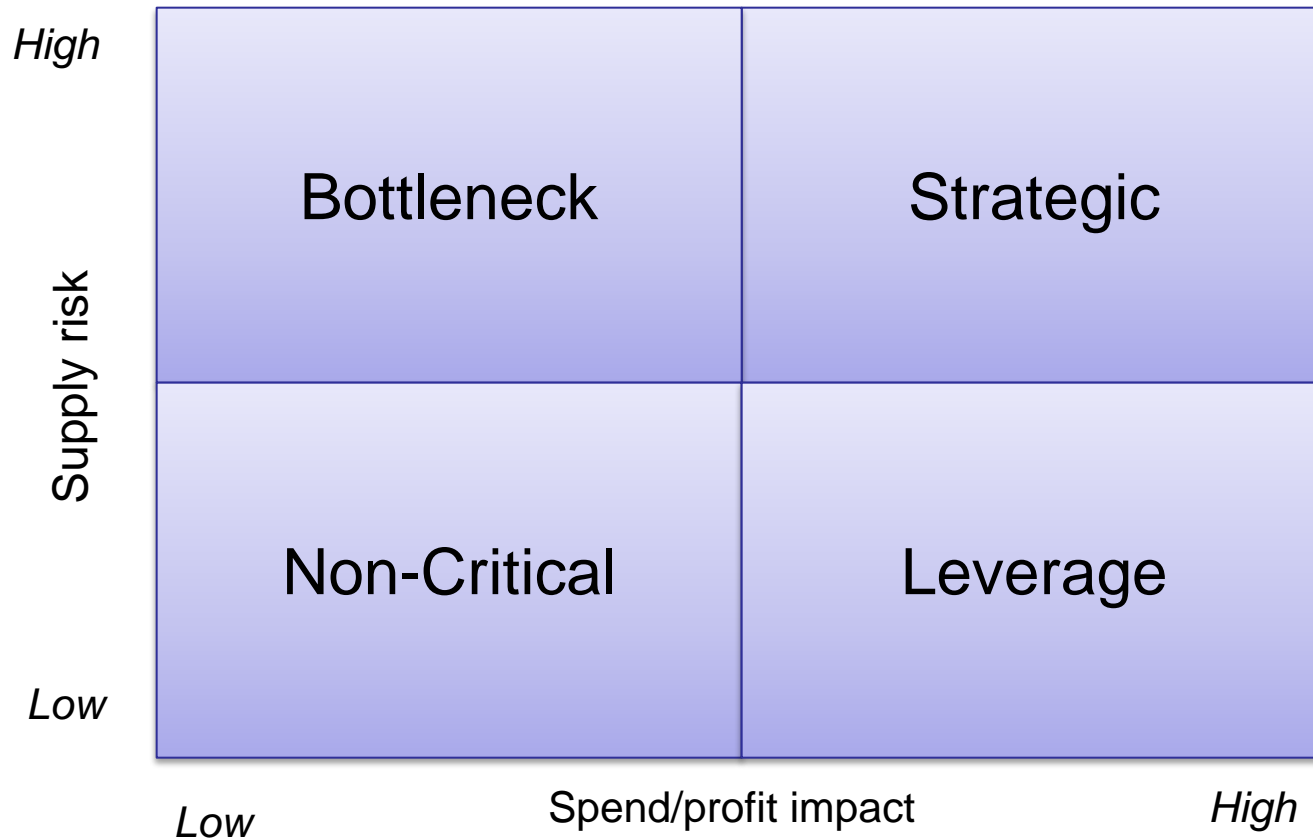


Considerations

Lots of things to consider:

- Which chains are you in now and how much of the chain do you know?
- Which chains would you like to be in?
- Why would you like to be in those chains?
- At which tier would you be best positioned?
- Are there any disadvantages of getting onto chains of big manufacturers?
- Implications for your existing suppliers and customers

Strategy Considerations - Kraljic matrix



*Kraljic P., (1983), "Purchasing must become supply management",
Harvard Business Review, Sept-Oct, p.110-115*

Know your strategy

- Understand what you do best, and which are your ideal customers
- For supply into large company dominated chains, understand:
 - Large company buying processes
 - Evaluation criteria and qualifying criteria
 - Contracting periods, arrangements and costs
 - Effects of their aggregation policies
 - How you appear to them
 - Are you better supplying directly, or indirectly?
 - Big company power and its effect on margins
- Identify market segments, supply chain tiers, product/service mix in which you excel

Establishing provenance

Track record

- Case studies
- Customer feedback
- Trading history
- Accreditations

Visibility

- Understanding where customers look
- Mentions in trade or purchasing press
- Internet site and analytics

Capability

- Your product / service mix
- Capacity
- Lead and cycle times
- Adaptability

Tactical suggestions

- Knowledge building
 - Find out which companies list your targets as customers
 - Attend industry events, and big company supplier events
 - Direct approaches to tier 1/2 seeking 'advice'
 - Join industry associations and institutes
 - Collaborate and communicate widely
 - Recruit from tier 1/2 companies
 - Chambers of Commerce and UK Gov
- Partnering
 - Co-operative horizontal alliances to improve offering
- Enter chains lower if necessary
- Visibility tactics
 - Directories
 - Memberships (e.g. Chambers)
 - Internet keyword analytics; make sure you can be found easily

Collaborate to Innovate (C2i)

Overview

- Premise: SME innovation often best performed co-operatively with other organisations
- C2i provides:
 - mentoring and organisational support to engage in improved collaborative alliances
 - technical support to develop collaborative ICT platforms.

Portfolio of Applications

- Collaborative design
- Collaborative planning
- Collaborative procurement
- Collaborative logistics
- Shared services
- Customer relationship management
- Supplier relationship management
- Business process re-design

Potential Collaboration



Rolls-Royce

 **AIRBUS**



tier 1

tier 1

tier 1

tier 1

tier 1

tier 2

tier 2

tier 2

tier 2

tier 2

tier 3

tier 3

tier 3

tier 3

tier 3

tier 4

tier 4

tier 4

tier 4

tier 4

tier 5

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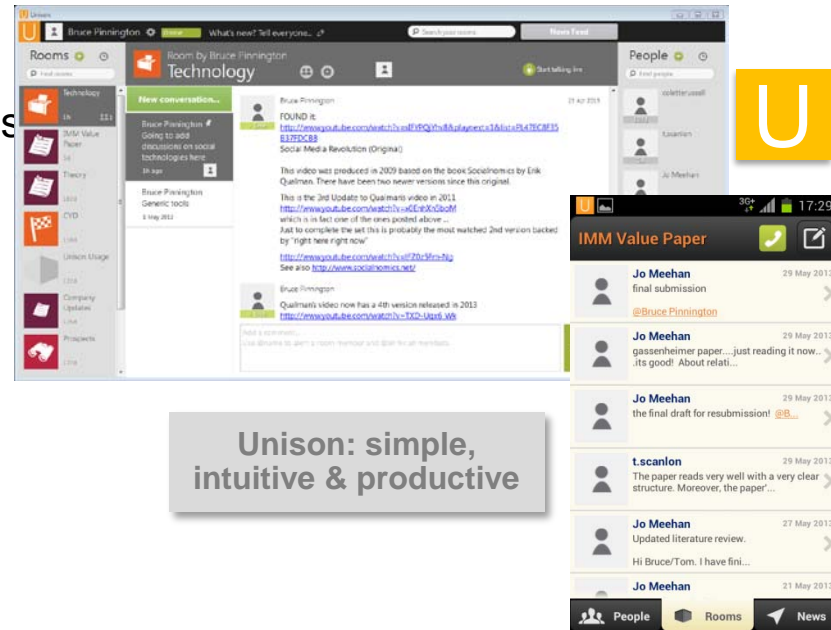
tier 5



Example – Automotive Collaborative Design

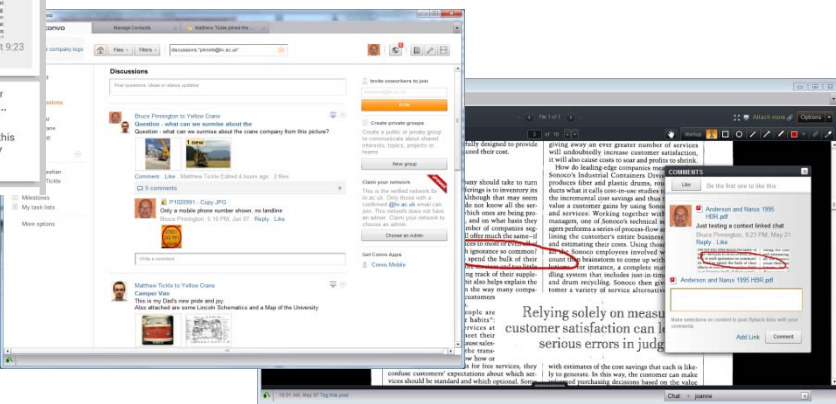
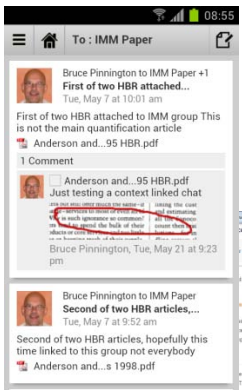
Typical interaction capabilities

- Community & context oriented forums
- Highly interactive ‘micro-blogging’ discussions
- Topic-focused conversations
- Voice and video extensions
- Multi-platform: Desktop, tablet, smartphone
- File and web-link posts
- Displaces e-mail, phone, IM with one retrievable, auditable, live trail



Unison: simple, intuitive & productive

Convo: complex, with powerful context features



- Convo context interaction:
- Highlight and comment on areas of text within pdfs – full document and markup visible on demand to two users
 - Highlight and comment on pictures and drawings in same way
 - Series of pictures, drawings or office files can be uploaded for each conversation

Thank you

For more information on the C2i Programme:
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