Overview

Procurment	Production	Distribution
Supplier	Manufacturer	Retailer
Transportation Activity	Manufacturing Activity	Warehousing activity

Distribution System

Retailers
Distributor/ Warehouse
Cross Docking
Multipick- Multidrop
Internet

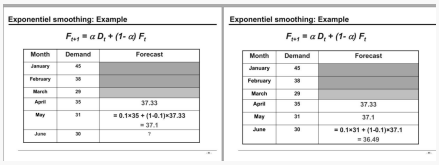
Flow Management

MTO	MTS
Low reactivity	High reactivity
Low risk/ cost	Risk of non sold product| Inventory cost
Long customer lead time	Zero customer lead time

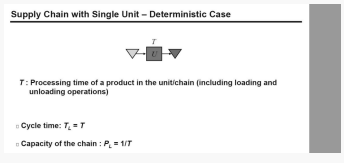
Holding inventory cost

Cost
Financial cost
Physical storage cost
Obsolescence cost

Exponentiel Smoothing



Supply Chain with Single Unit



SC decision & teoporal horizon

	Procurment	Productio.	Distribution
Long term	Supply Chain design		
Mid term	Supply chain planning		
Short term	Production Planning & flow management		
Very Short term	Detailed management of physical flow		

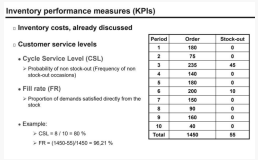
Inventory?

Economic of scale stocks
Seasonal stock
Safety Stock
Speculative stock & Merchandising stock

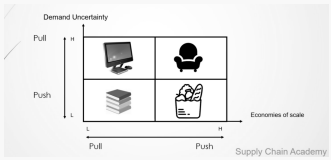
Pressure of inventory

Small inventory	Large inventory
WACC	Customer Service
Storage & handling cost	Ordering cost
Insurance cost	Set up cost
Taxes	Labor or equipment utilization
	Transportation cost
	Payment to suppliers

Inventory performance measure



How to choose Push or Pull



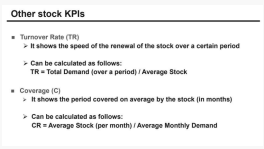
Push & Pull Comparison

Push Strategy	Pull Strategy
Base on Historical Data	Base on Customer Order
High level inventory & transportation cost HIGH	Make final production quick (push & pull combine)
Long time require for manufactoring process	Flexible supply in dynamic market
Target Cost reduction	

VMI, CMI, CPFR

	VMI	CMI	CPFR
Disturbance of pro orrder	Customer follow S	C can edit/ submit orderr	Order generated jointly
Visibility	Sharing level	Storeself	
Role of customer	Information provider	Data are shared| Invisible to supplier	Joint inventory

Other stock KPIs



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