
CHAPTER 18 **Supply Chain Management: The Next Steps**

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Overview

In this book, we described a process-based, cross-functional, cross-company supply chain management framework that relies on the management of key relationships. Two versions of the framework were presented, one for product-intensive supply chains and another for supply chains that are service-intensive. But there are no pure product or service supply chains which means both frameworks are necessary, so we combined them. An alternative process-based framework, the Supply Chain Operations Reference model is compared with the supply chain management framework to provide an understanding of the strengths and weaknesses of each. Also, we describe how the supply chain management framework prepares management to respond to three megatrends that represent both challenges and opportunities. Finally, we reinforce that the supply chain management framework is a new business model for all companies.

After reading this chapter you should be able to:

- Explain why there are no pure service supply chains or pure product supply chains.
- Describe why the traditional customer relationship management and supplier relationship management linkage does not apply to end customers.
- Provide an example of a supply chain that contains relationships with both product and service companies.
- Differentiate between the supply chain management framework and the Supply Chain Operations Reference model.
- Describe how the supply chain management framework enables an effective response to a volatile, uncertain, complex, and ambiguous (VUCA) environment and black swan events.
- Explain why the supply chain management framework applies to all companies regardless of size.
- Understand why supply chain management is not a business function and why the framework represents a new business model necessary for an organization's success.
- Understand why representatives from the marketing function have a key role to play in supply chain management.
- Identify the most important consideration when designing or managing a supply chain.
- Explain the types of suboptimization that regularly occur in companies when cross-functional processes are not used.