Overview

Procument	Production	Distribution
Supplier	Manufa-cturer	Retailer
Transport-ation Activity	Manufa-cturing Activity	Wareho-using 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

	Procument	Productio.	Distri-bution
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?

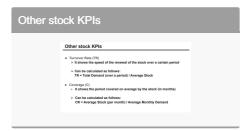| |
| --- |
| Economic of scale stocks |
| Seasonal stock |
| Safety Stock |
| Speculative stock & Merchandising stock |

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
Distur-bance of pro orrder	Customer follow S	C can edit/ submit orderr	Order generated jointly
Visibility	Sharing level	Storeself	
Role of customer	Inform-ation provider	Data are shared| Invisible to supplier	Joint inventory

Other stock KPIs