

Supply Chain Management 102

Maeve Magner, Advisor - ADB, June 2, 2022

0 Outline

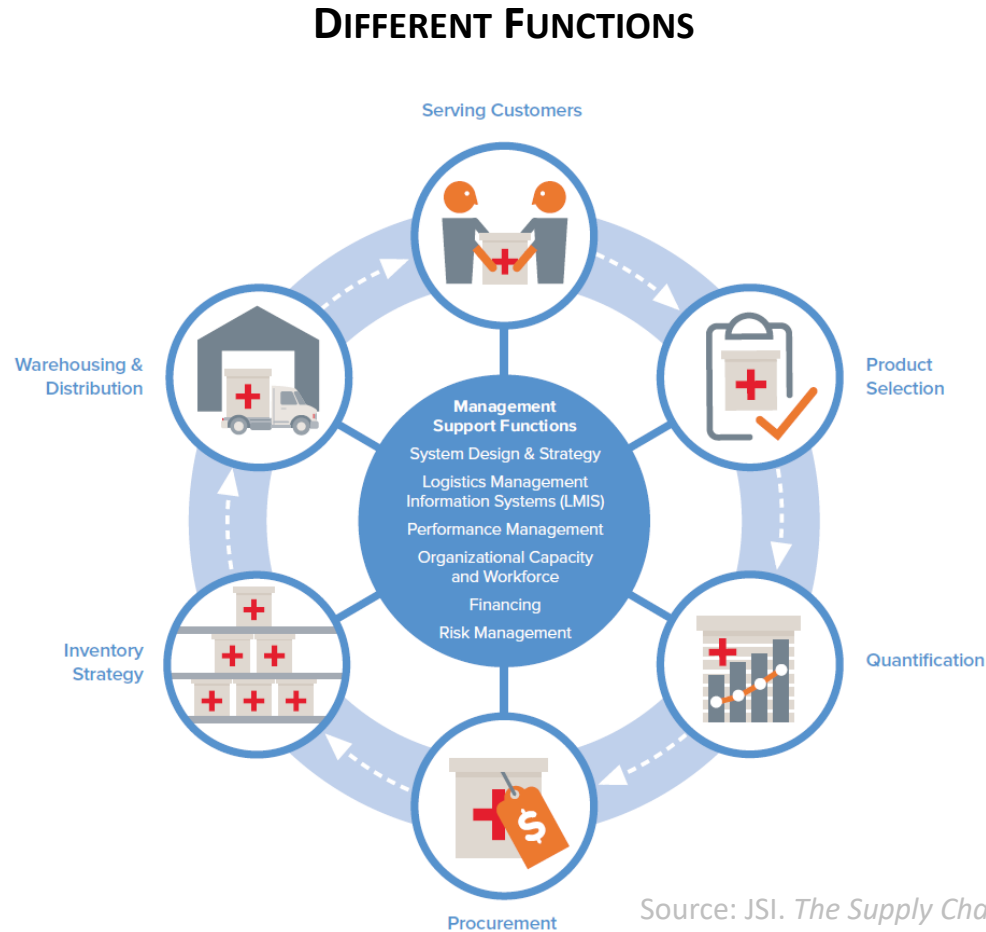
- Recap - Supply Chain Purpose, Key Functions & Flow
- Recap - Supply Chain Challenges
- Operating Models – Governance, Human Resources & Digitization

1 Recap - Supply Chain Foundations

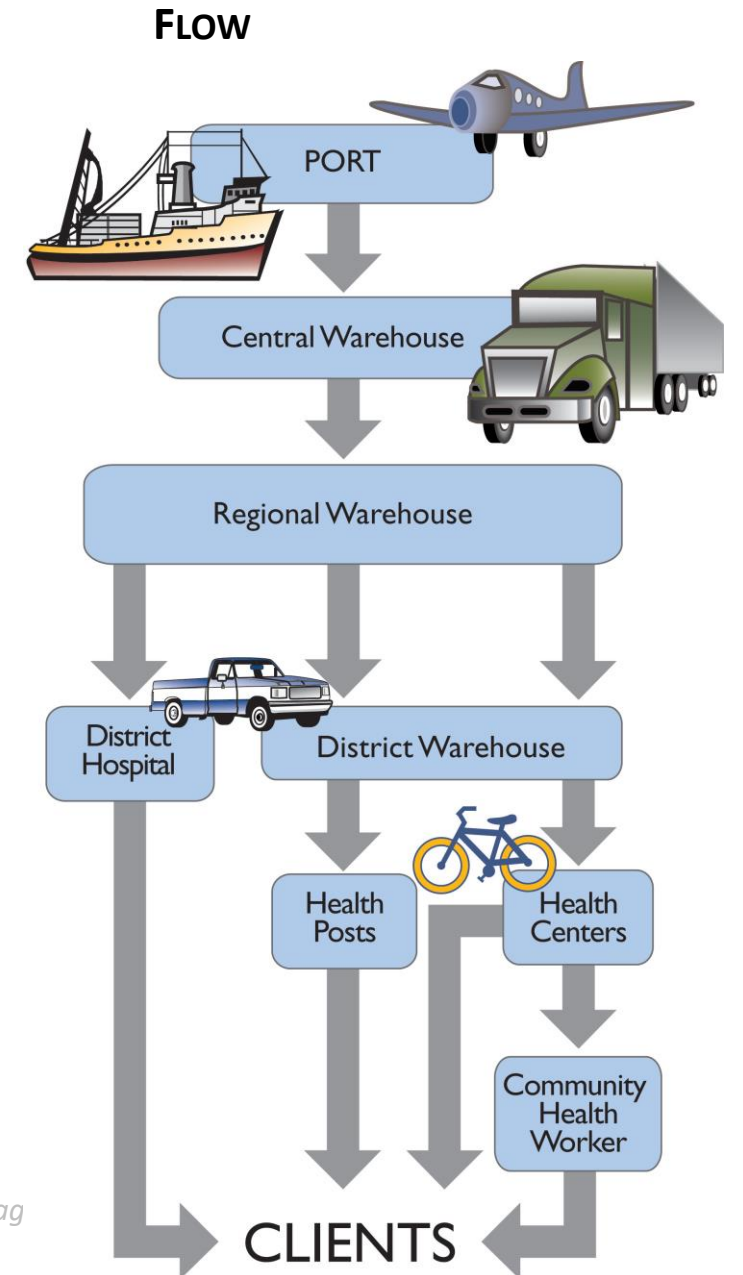
6 RIGHTS

The Six Rights of Logistics

The **RIGHT** goods
in the **RIGHT** quantities
in the **RIGHT** condition
delivered...
to the **RIGHT** place
at the **RIGHT** time
for the **RIGHT** cost.



Source: JSI. *The Supply Chain Management Handbook*.
supplychainhandbook.jsi.com



2 Recap - Supply Chain Challenges

Many of the challenges raised focused in on capacity and information

- Low capacity for supply chain staff (for demand planning, warehousing, distribution and stock management)
- Inadequate distribution and clarity of responsibilities among responsible persons.
- Supply chain workforce and material shortages
- Lack of an electronic/digital system for correct forecasting and distribution planning
- We buy things, materials, services and etc. as DDP incoterms. That's why for now I've never encountered any SC challenges

3

Supply Chain Operating Models - Governance

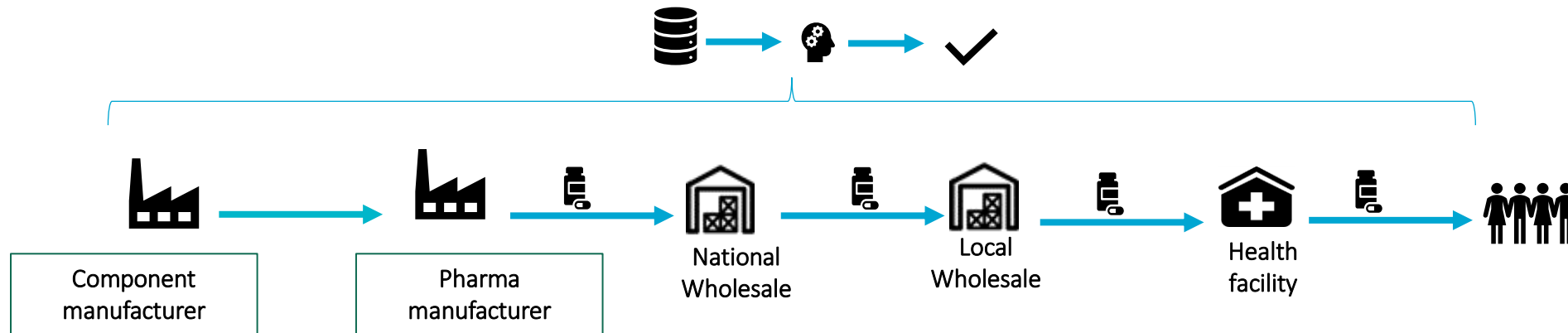
OPERATING MODEL	EXAMPLE	GOVERNANCE
Government Owned & Operated	Government operates the supply chain: from sourcing and procurement to product delivery	Government staff are responsible for all supply chain activities
Government Outsourced to Contractor	Government procures but outsources the storage and distribution to a third party logistics partner (govt may or may not own the infrastructure ie warehouse)	Government responsible for procurement and contracts 3PL for customs clearance, storage and distribution activities. A Service Level Agreement is used to monitor performance
Government Procured i.e. DDP	Government procures using DDP Inco terms where supplier responsible for product delivery	Government responsible for procurement and transitions stewardship of the supply chain to their Supplier who is responsible for product delivery final destination. A procurement contract is used to monitor performance

3

Supply Chain Operating Models – Skills & Information

OPERATING MODEL	EXAMPLE	CAPACITY DEVELOPMENT & DIGITAL
Government Owned & Operated	Government operates the supply chain: from sourcing and procurement to product delivery	The skills required and information needed varies depending on the Governance Model
Government Outsourced to Contractor	Government procures but outsources the storage and distribution to a third party logistics partner (govt may or may not own the infrastructure ie warehouse)	i.e. government owned and operated activities require warehousing and distribution skills and transactional information regarding the activities
Government Procured i.e. DDP	Government procures using DDP Inco terms where supplier responsible for product delivery	i.e. government procurement via DDP terms requires supplier management skills and information regarding product delivery and quality

3 Digitization – E2E visibility enables empowerment and agility



- Technology to enable “end-to-end visibility”
- Sharing of data provides transparency and empowers all levels
- Empowering gives agility, cost savings and short reaction times
- Local manufacturing, local ties to global support resources improve

Opportunities to align regionally on data standards, master data, etc

THANK YOU

MAEVE MAGNER – PROCUREMENT & SUPPLY CHAIN ADVISOR
mmscmlc@live.com