

The missing link in Supply Chain Management

Michael W. Campbell

Demand Management, Inc

150 N. Meramec Suite 400

St. Louis, MO 63105

Phone 314-727-4448

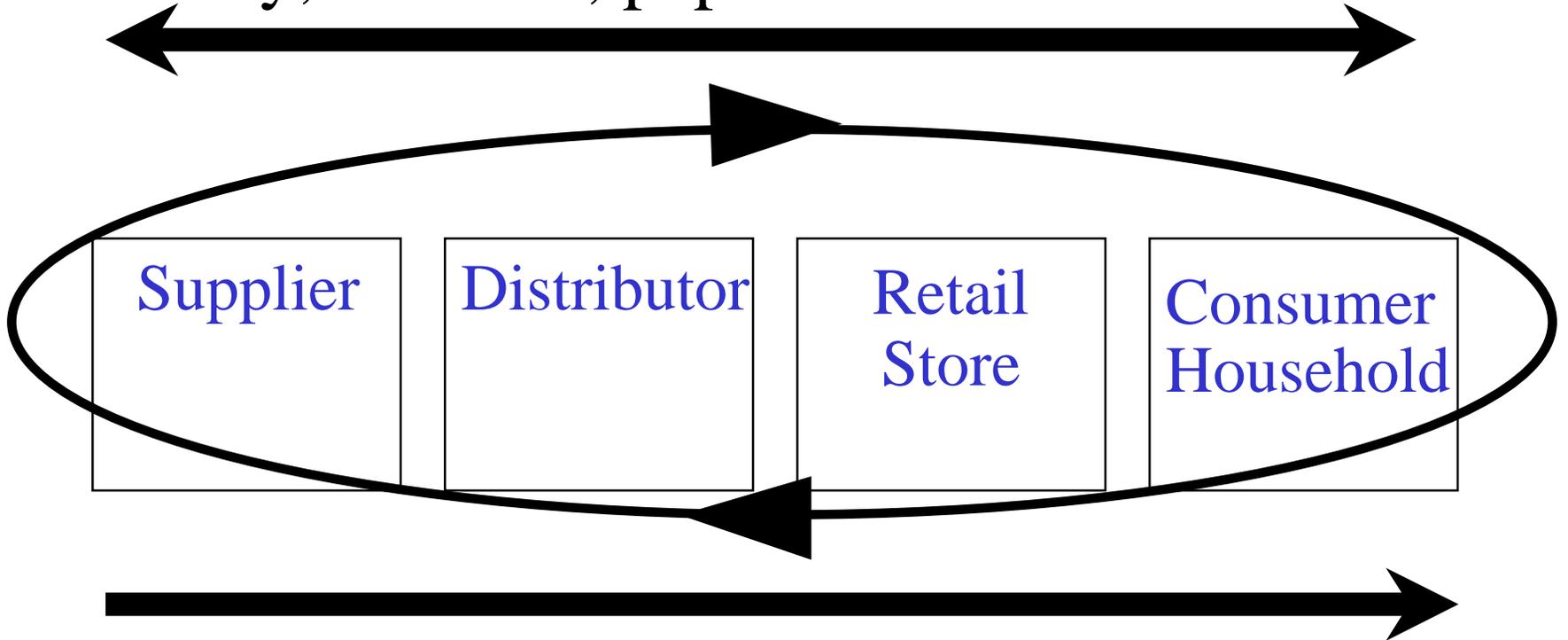
E-mail: mcampbell@demandsolutions.com

The Missing Link in Supply Chain Management



The Vision

Timely, accurate, paperless information flow



Smooth, continuous product flow

Matched to consumption

The Value

Timely, accurate, paperless information flow

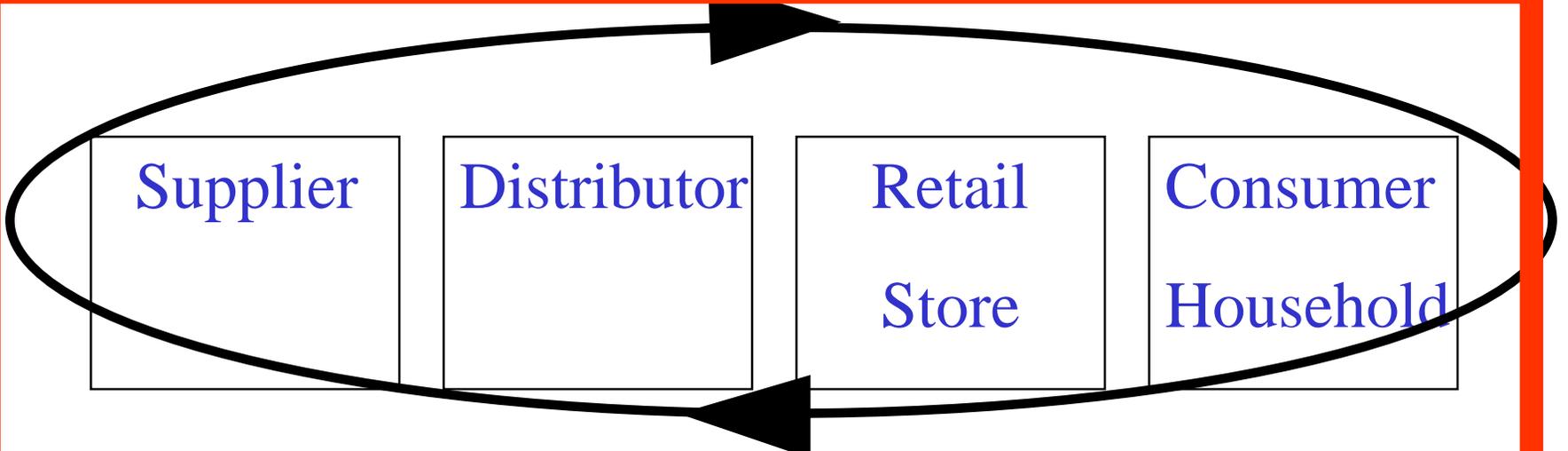


Supplier

Distributor

Retail
Store

Consumer
Household



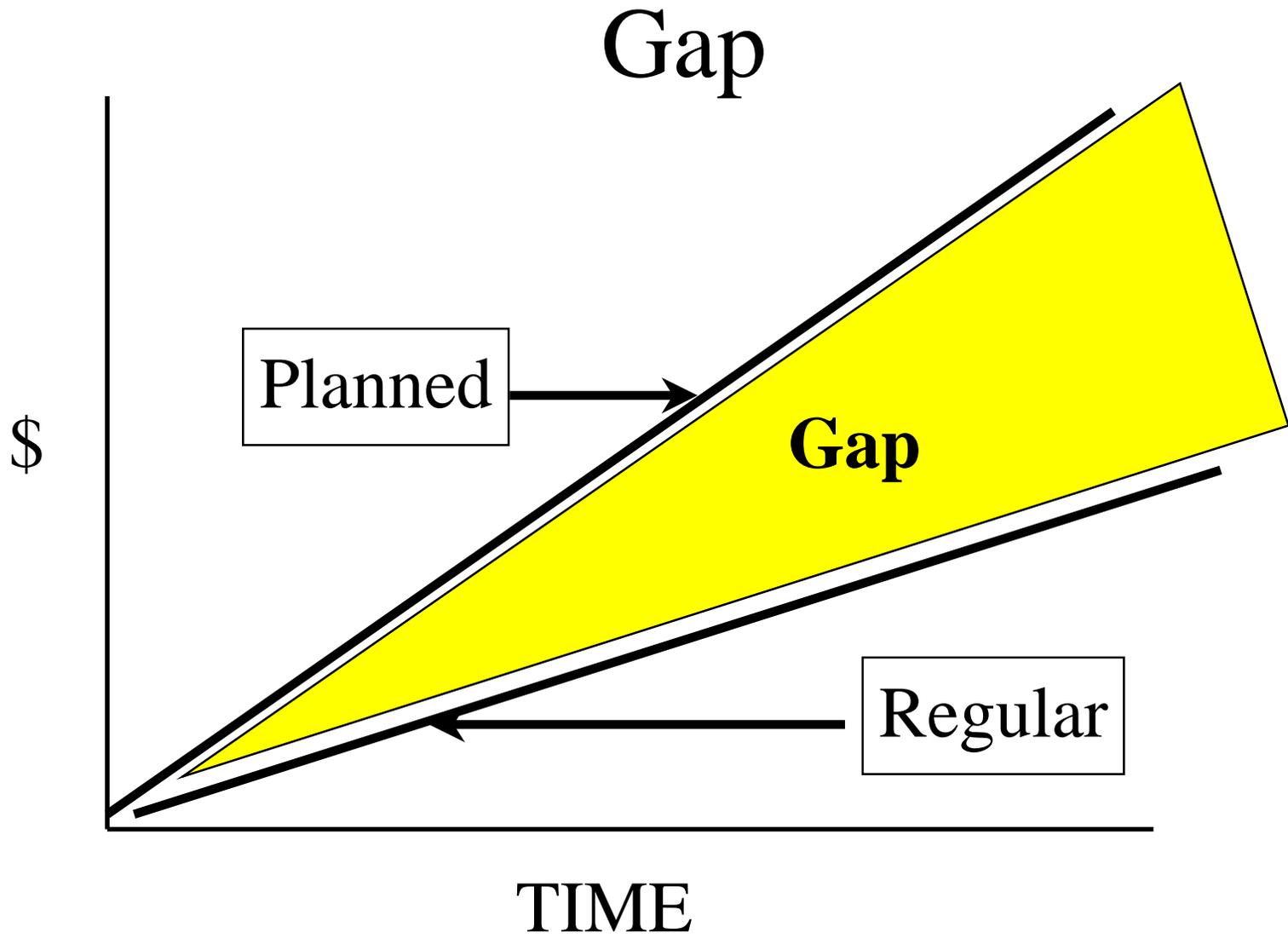
Smooth, continual product flow
matched to consumption

Influences on Demand

- Supply
- Promotions (price)
- Competition
- Product Life Cycle
- Fad and Fashion

Influences on Demand

- Customer Pressure (VMI)
- Product Development
- Economics
- Planning
 - Top Down vs. Bottom Up
 - Gap



Consequences of Not Managing Demand

- Inventory Spirals Upward
- Increased Pressure on Production
- Quality Declines
- Service Levels Decline
- Less Competitive
- Increased Cost Pressure

The Magic Answers

- Supply Chain Management
- Demand Driven Just-in-Time Replenishment
- Sell One, Ship One
- Collaborative Forecasting
- WEB-based Technology

THE INTERNET



The Goals



Increased Sales

Improved Customer Service

Improved Inventory Turns

Improved Profitability

The Requirements

- Visibility
- Manageability
- Flexibility
- Planning process
- Communication

Communications

Finance

Executive

Customers



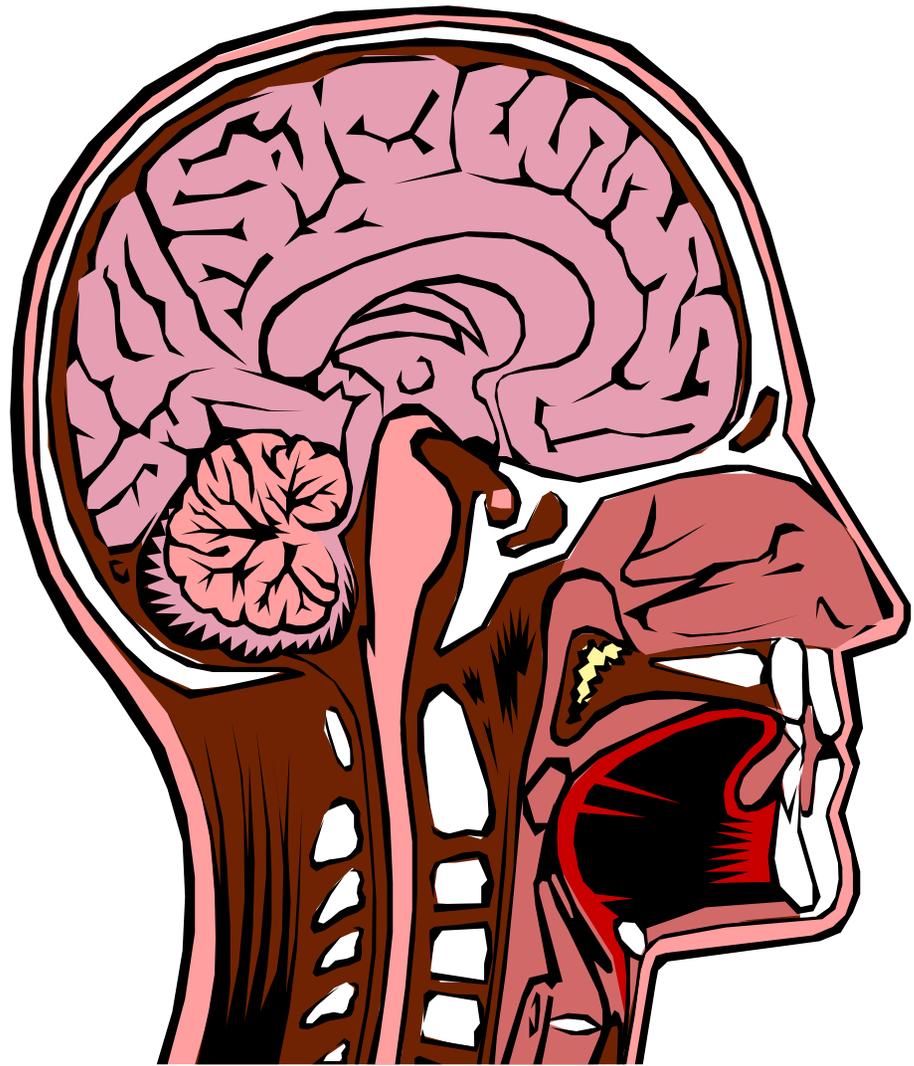
**Manufacturing/
Purchasing**

**Sales/
Marketing**

Vendors

Announcing: A New System

- When provided with all the data, can process decisions in pico-seconds.
- Learns from mistakes.
- Voice activated with audio output.
- Rules based with instantaneous parameter adjustment.



The Solution

- A planning system that:
 - uses people to solve problems
 - is easily understood from the user level to the executive.
 - is easily implemented.
 - can communicate up and down the supply chain.
 - ties demand management together

The Pieces of the Puzzle

- Interface Inputs from Other Systems
- Forecasting
- Replenishment Planning
- Interface Outputs
- Executive Overview
- Links to the Customer

Remember:

Demand Management is a process, not an event!
Plans must be made at a point in time for
production/distribution and must be executed until
a new plan is developed at the next point in time.

Collaborative Planning, Forecasting and Replenishment

- CPFR is the sharing of forecasted requirements between supplier and customer with the goal of achieving a mutually agreeable forecast and plan that will drive a replenishment system.

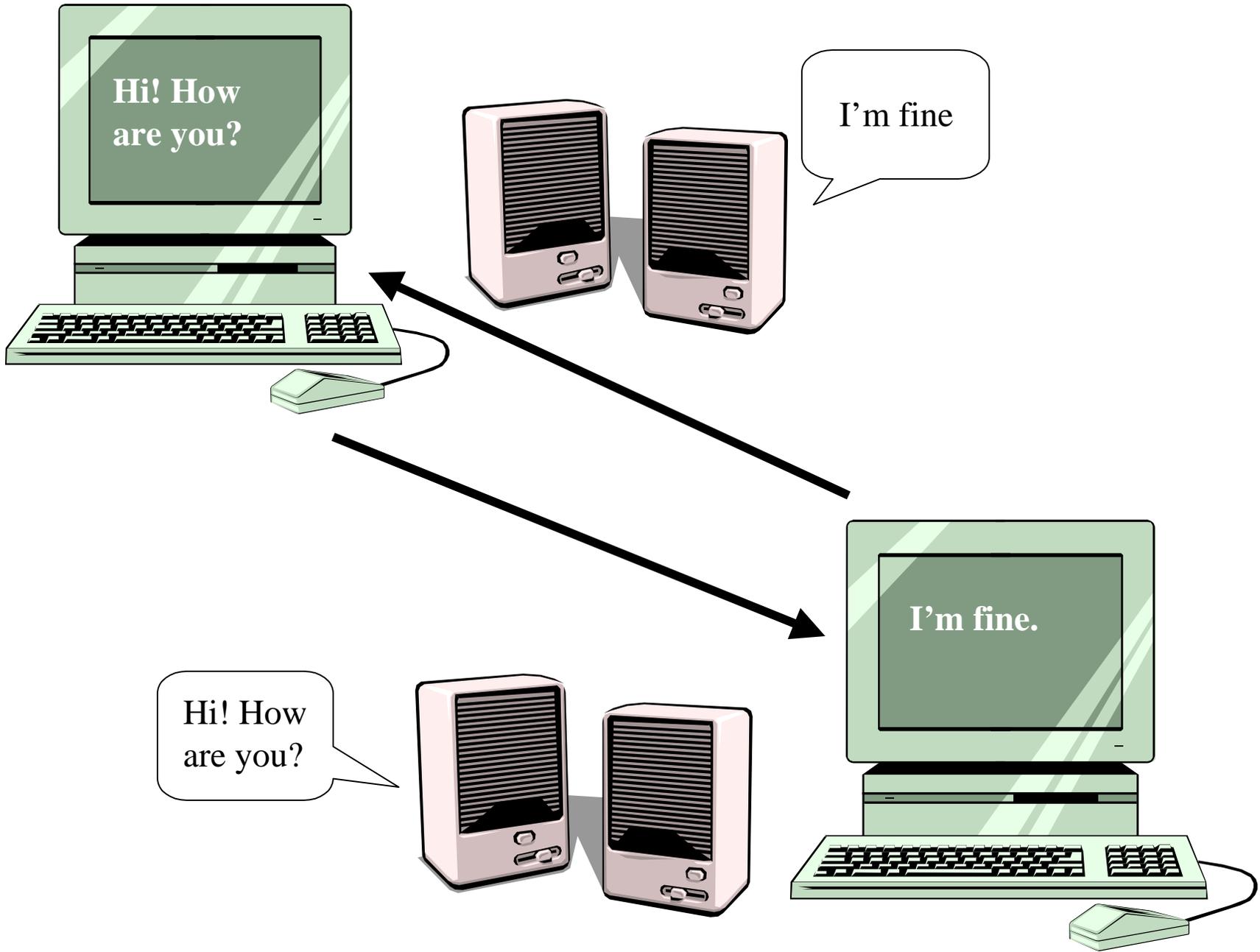
It Takes Two

- One in control
- One in consultation
- Agreement is key
- All the information must be shared
- Not in real-time

Technology

Where does it fit?

How do I take advantage?





Are we digressing?

Lest we forget...



...it still takes people!

Where does the WEB fit?

- Communications
 - Customer
 - Supplier
 - Sales Staff
 - Marketing Response Measure
- Expectations
 - Immediate Delivery
- Managing
 - Just Another Customer

Return on Investment

- Increased customer service
- Reduced inventories
- Increased Sales
- Smoother production
- Increased competitiveness
- Firm customer partnerships
- Excellence in the eyes of the customer