



concentusTM
Technology Corporation

**A Process Approach:
*Building A High Performance Supply Chain***

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Overview

- ▶ Who we are
- ▶ Value of integrated supply chain processes
- ▶ Barriers to process integration
- ▶ The SCOR model
- ▶ Business Process Management technology
- ▶ Supply chain process opportunities
- ▶ Early BPM applications
- ▶ Manufacturing companies - at critical mass
- ▶ Summary

Who Is Conventus?

- ▶ A solutions provider
 - Business Process Management (BPM) solutions for Collaborative Supply Chain Execution
 - Focused on manufacturing
- ▶ Supply chain solutions offering management an unprecedented degree of
 - visibility
 - collaboration
 - command and control
 - process execution efficiency
- ▶ Focused on top-line and bottom-line results
 - Highly valuable end-to-end business processes
 - People processes focused on collaborative activities
 - Quick deployment for fast ROI

Key Supplier Issues

- ▶ Core business issues:
 - Manufacturing quality
 - Delivered costs
 - On-time delivery
- ▶ B2B supply chain issues:
 - Demand
 - Forecasting
 - Substitution
 - Quality specifications
 - Supply
 - Unit costs
 - Availability

What is the Value of Integrating Supply Chain Processes?

- ▶ 25% - 50% reduction in total supply chain costs
- ▶ 25% - 60% reduction in inventory holding costs
- ▶ 30% - 50% improvement in order fulfillment cycle time
- ▶ Gap between best-in-class and average performer on total supply chain cost:

6% of Revenue

SOURCE: PRTM

Barriers To Process Integration

- ↗ Differing definitions of supply chain processes
- ↗ Lack of common metrics for supply chain performance
- ↗ Insufficient visibility across enterprises
- ↗ Uncertain “fit” of packaged applications to processes
- ↗ High cost/long duration for implementations of enterprise applications
- ↗ Risks in sharing data, processes

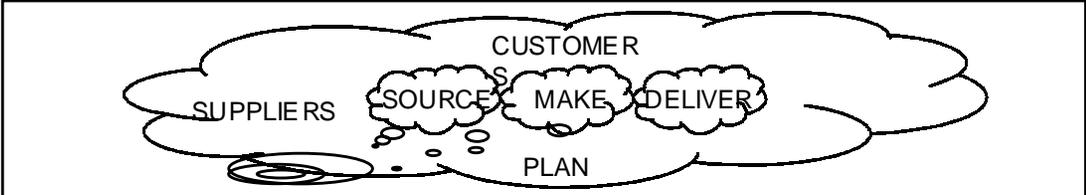
A Process Approach to Integrating Supply Chains

- ▶ Supply Chain Management is a process challenge - beyond single software application
- ▶ Apply BPM technology to achieve visibility, collaboration, control and integration for near term ROI, internally and within SC relationships.
- ▶ Leverage the Supply Chain Council process standards, metrics and best practices.
- ▶ Evolve SCM through your BPM technology
 - new software components for improved capabilities
 - more supply chain partners, and deeper relationships
 - improved processes, best practices.

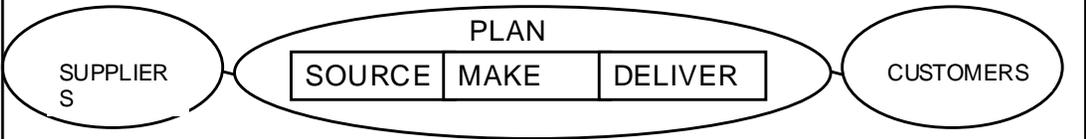
Supply Chain Maturity

Five Levels

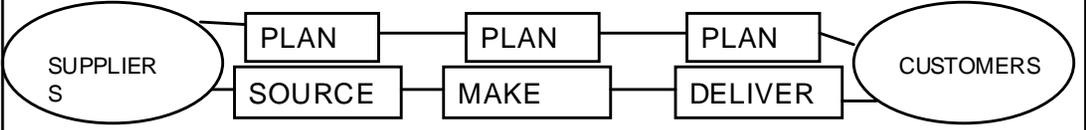
Extended



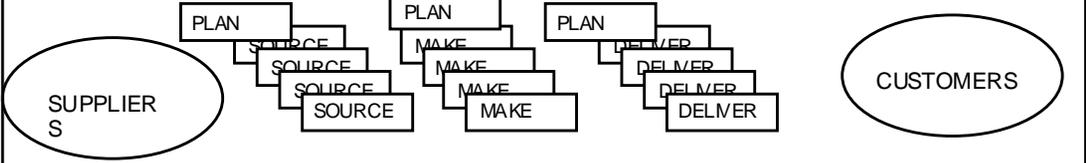
Integrated



Connected



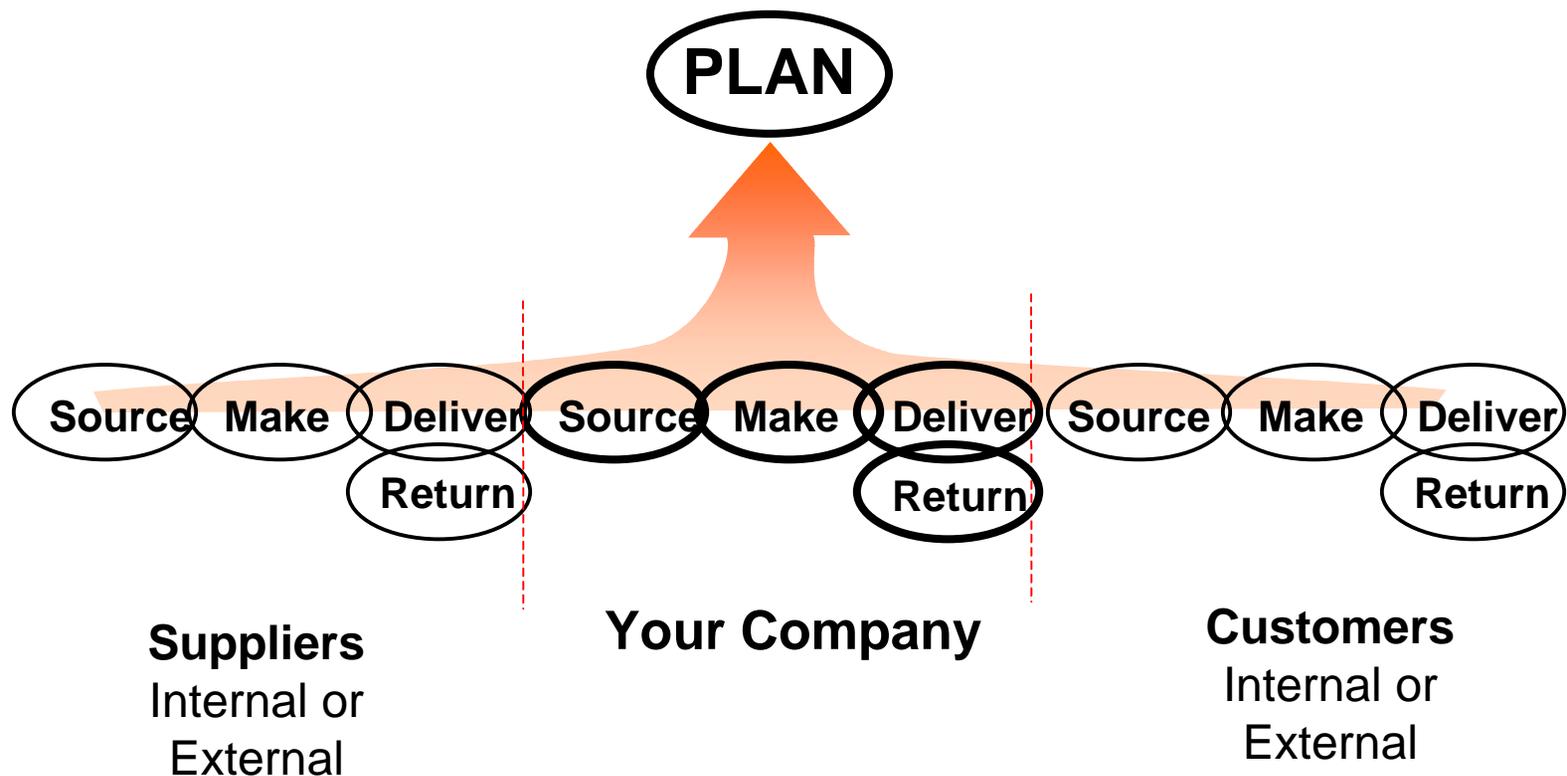
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Ad Hoc



Supply Chain Processes (SCOR)

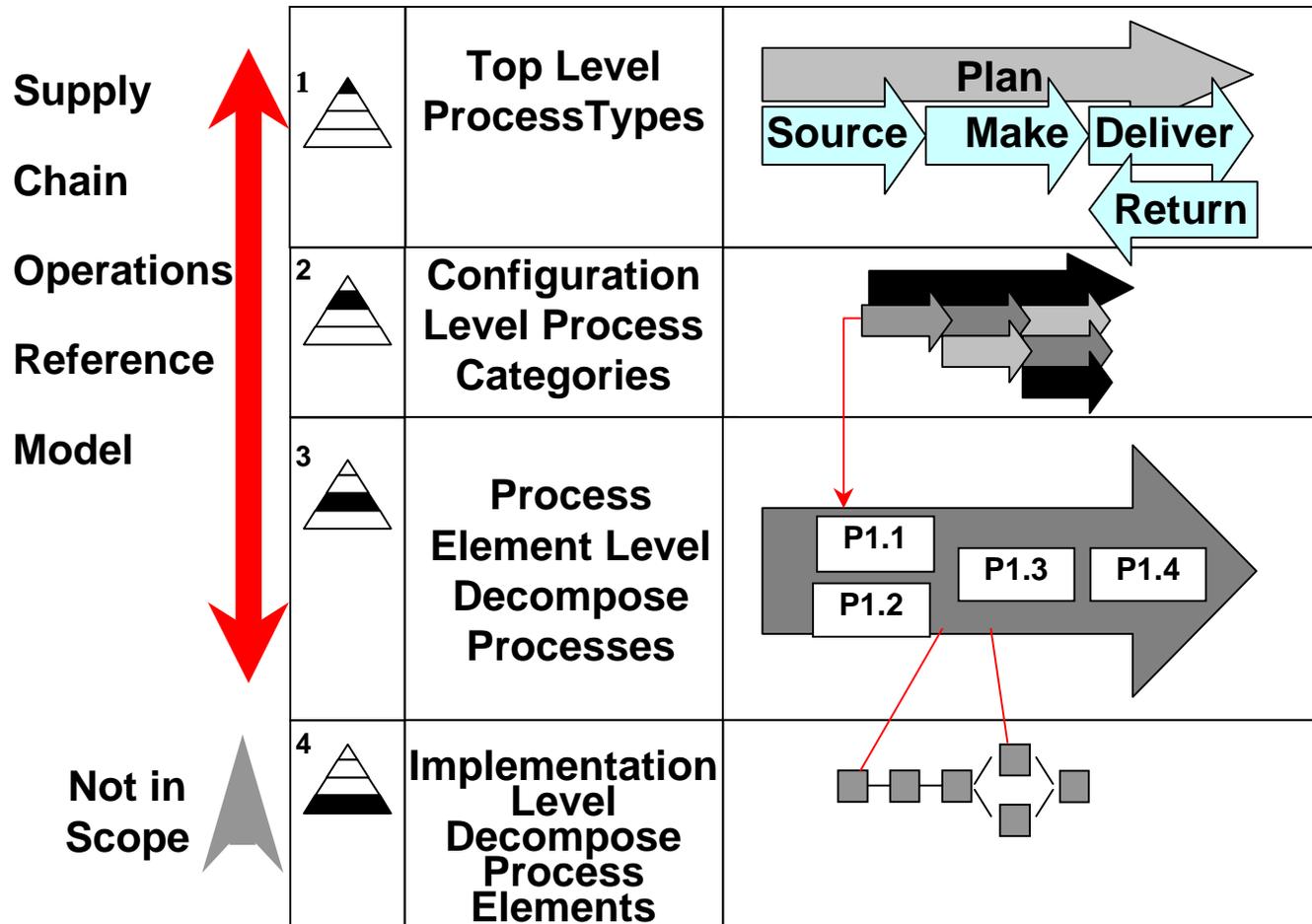


Source: Supply Chain Council

SCOR Model Components

- ↗ Standard descriptions of management processes
- ↗ Framework of relationships among standard processes
- ↗ Standard metrics to measure process performance
- ↗ Management practices that product best-in-class performance
- ↗ Standard alignment to features and functionality

Supply Chain Operations Reference Model (SCOR)



Source: Supply Chain Council

SCOR Opportunity

- ▶ Complex supply chain processes can be:
 - Described unambiguously and communicated
 - Measured, managed, and controlled
 - Tuned and re-tuned to a specific purpose
 - Implemented purposefully to achieve competitive advantage

What Is Business Process Management Technology?

- Model: Define, discover, and graphically display processes; capture relationships among people, applications and data
- Execute: Collaboration, coordination, and control of people, applications, and data; automation of shared activities and information. Focused on *people* not *data*.
- Track: Capture and report real-time event information.
- Adjust: Event response and process optimization

