

## Lesson number 12. Examination of supply chain processes.

### **Purpose of the lesson:**

explore and learn to apply supply chain processes.

**Key words:** Examination , controlling business processes, supply chains

### **Main questions:**

1. Supply chain management examples
2. Optimizing price dynamically
3. Improving the allocation of available to promise (ATP) inventory
4. SCM salary
5. SCM jobs

### Supply chain management examples

Over the past twenty years, the supply chains of manufacturers and retailers have become ever more tightly linked. In many industries, retail sales trigger replenishment orders to manufacturers. Manufacturers with a well-tuned, just-in-time supply chain can automatically restock retail shelves as products are sold. As collaboration has increased, additional data from supply chain partners has enabled companies to use advanced analytics to further improve results. Examples include:

**Identifying potential problems before they occur.** When a customer orders more product than the manufacturer can deliver, the traditional response has been to short the order. This leaves the buyer feeling unimportant and convinced the manufacturer's service is poor. Manufacturers who anticipate the shortage before the buyer is disappointed may be able to offer a substitute product or other incentive to keep the buyer happy.

**Optimizing price dynamically.** Seasonal products, particularly fashion products, have a limited shelf life. Any that don't sell by the end of the season are scrapped or sold at deep discounts to empty the warehouse. Airlines, hotels, and other companies with a limited, but perishable product, adjust prices dynamically to meet demand. While this is more difficult with clothing and other products where the supply can vary widely, similar forecasting techniques can improve margins.

**Improving the allocation of available to promise (ATP) inventory.** Today's tools dynamically allocate resources and schedule work based on the sales forecast, actual orders, and promised delivery of raw materials. Manufacturers are able to confirm a product delivery date when the order is placed, significantly reducing incorrectly filled orders.

### Supply chain management metrics

Well-run supply chains are measured in a variety of ways. Metrics can help organizations focus on the most important activities and improve existing processes. Critical metrics support regulatory compliance, safety, or contractual obligations. Other metrics monitor and improve efficiency, improve service, and produce greater profits.

Common metrics include:

**Perfect orders:** The percentage of error-free orders

**Cash to cash cycle time:** Number of days between paying for raw materials and getting paid for the final product

**Order cycle time:** The time from order receipt to product delivery

**Fill rate:** The percentage of orders delivered as ordered on the first shipment.

In reality there are hundreds of supply chain metrics. The art is to find the right ones for your industry and your business.

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Supply chain management master's degrees

You can start a career in supply chain management (SCM) with a bachelor's degree, but if you're looking to climb the ladder and push your career forward, you will want to explore a master's degree in the field. SCM is becoming an important role in multiple industries, including retail, manufacturing, technology, and the federal government.

Here are ten supply chain management programs worth a look:

USC Online — [Master of Science in Global Supply Chain Management](#)

University of Washington — [Online Master of Supply Chain Transportation & Logistics](#)

Boston University — [MS in Supply Chain Management](#)

The University of Maryland - College Park (UMCP) — [Management Master's Degree with Acquisition and Supply Chain Management Specialization](#)

University of San Diego — [Master's in Supply Chain Management](#)

Michigan State University — [Master of Science in Supply Chain Management](#)

Air Force Institute of Technology — [Distance Learning Master of Science in Logistics](#)

Rutgers University Business School — [Master of Science in Supply Chain Management \(Online\)](#)

Florida Institute of Technology — [Master's in Supply Chain Management](#)

Embry-Riddle Aeronautical University — [Master of Science in Logistics and Supply Chain Management](#)

To learn more about each of these programs, including the length of the program, who they're for, whether they're offered online, and tuition rates, see "[10 best graduate programs for supply chain management.](#)"

Supply chain management certifications

SCM pros with at least one certification get paid on average 19% more than those who aren't certified, and those with two or three certifications earn salaries that are 39% and 50% higher than the median, respectively.

Whether you're already making a career in supply chain management, or want to break into the field, here are eight supply chain management certifications that can round out your resume and give you a leg up against the competition.

APICS Certified Supply Chain Professional certification (CSCP)  
APICS Certified in Production and Inventory Management (CPIM)  
APICS Supply Chain Operations Reference (SCOR-P) Endorsement  
ISM Certified Professional in Supply Management (CPSM)  
ISM Certified Professional in Supplier Diversity (CPSD)  
NCMA Certified Professional Contract Manager (CPCM)  
SCPro Council of Supply Chain Management Professionals (CSCMP)  
SOLE Certified Professional Logistician (CPL)

To learn more about these certifications, including requirements and fees, see [“The top 8 supply chain management certifications.”](#)

### SCM salary

According to data from Payscale, the [average salary for a supply chain manager](#) is \$84,020 per year with a reported range from \$56,000 to \$188,000. Entry-level supply chain managers with less than one year of experience report earning an average of \$62,664, which jumps to \$73,461 for those with an average one to four years of experience. Midcareer SCM professionals report earning an average annual salary of \$86,036, while experienced SCM professionals with 10-19 years of experience report earning an average salary of \$92,299 per year. Those with more than 20 years of experience report an average annual salary of \$94,880.

According to data from PayScale, there are also several skills associated with higher pay for SCM professionals. These include program management (40%), manufacturing process engineering (31%), financial analysis (21%), product development (18%), change management (17%), vendor management (15%), business analysis (13%), scheduling (13%), SAP Sales and Distribution (SAP SD) (12%), and strategic planning (10%).

### SCM jobs

Supply chain management jobs are typically listed under the title of supply chain manager, but there are similar roles that fall under the same category. You'll find plenty of roles that require SCM skills, whether it's in operations, product, or analytics. Maintaining an efficient supply chain will require several different professionals who help create, manage, evaluate, and monitor supply chains within the organization. You may see SCM jobs listed under titles such as:

- Connected supply chain manager
- Customer delivery manager
- Director of logistics
- Director of supply chain
- Global supply manager
- Lead analyst, SCM
- Purchasing manager
- Senior ERP analyst
- Supply chain analyst
- Supply chain engineer
- Supply chain integrations manager
- Supply chain management consultant
- Supply chain and operations manager

Supply chain project manager  
Supply chain technician  
Supply planning manager

### **Questions**

1. Give examples of supply chain management
2. What is dynamic price optimization
3. How to improve the allocation of available for promises (ATP) stocks.
4. What is the feature of SCM salary
5. What is the peculiarity of SCM Vacancies

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