



Supply Chain Organisation as prerequisite for Supply Chain Innovations

Locker, Alwin; Council of Supply Chain Management Professionals - European Conference 2006; Brüssel; 19.5.2006



Laboratory for Supply Chain Innovation



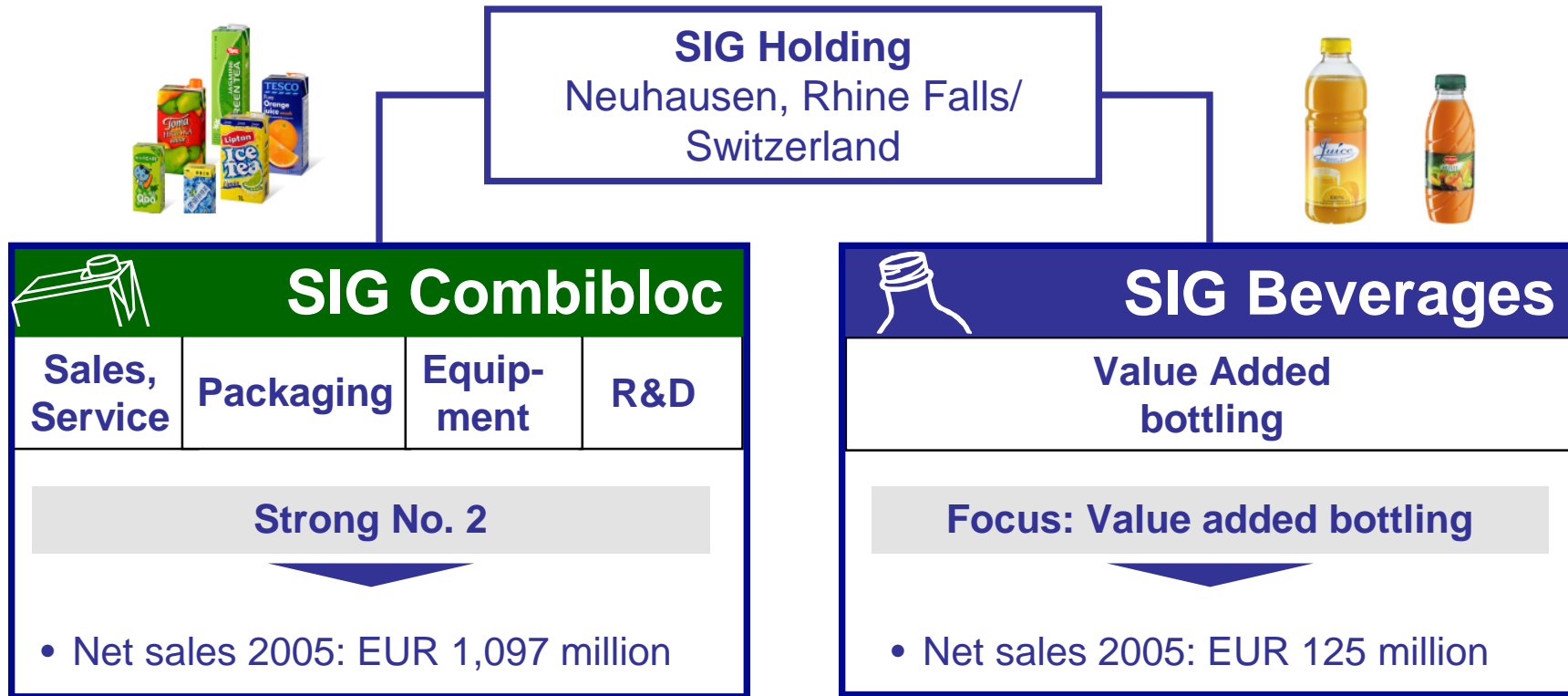
**Supply Chain Organisation as Prerequisite for
Supply Chain Innovations**

SIG Combibloc International AG

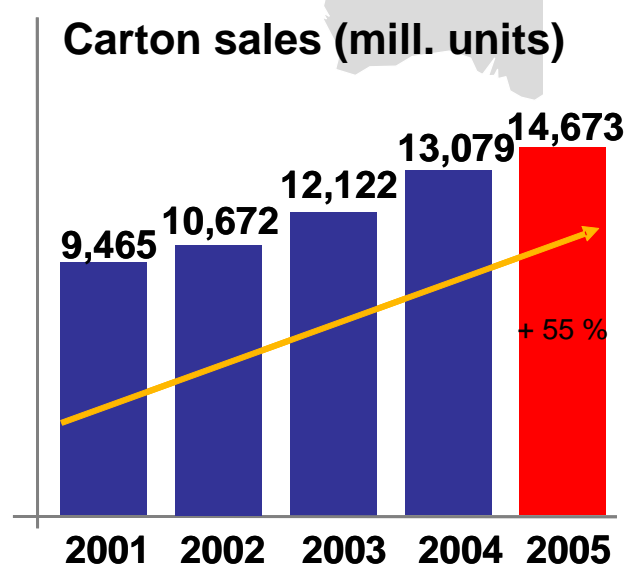
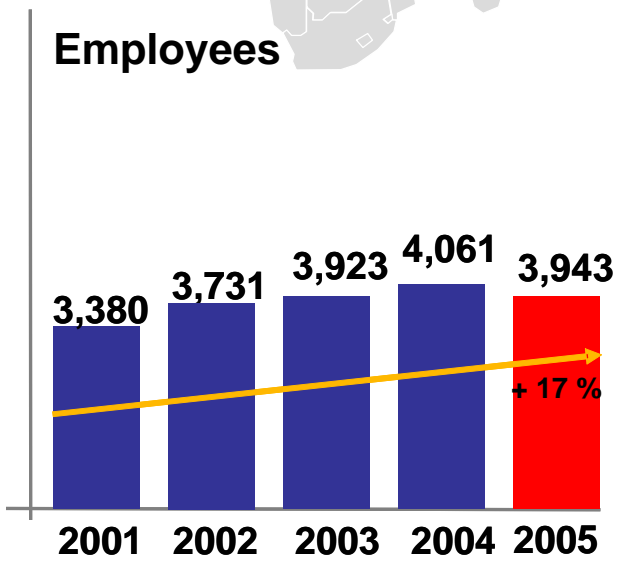
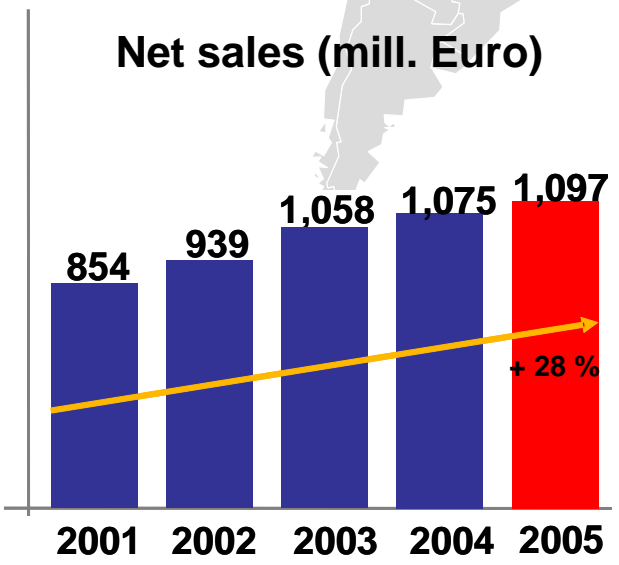
Dr. Alwin Locker

SIG Group – today

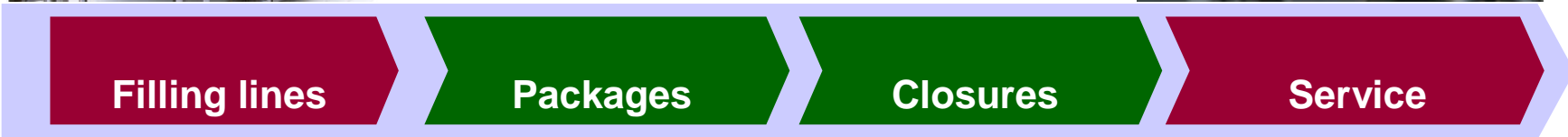
SIG Combibloc generates approx. 90% of Group Turnover



Worldwide Locations & Company Figures



SIG Combibloc „Printing Cartridge Business“



Installed basic systems

Amortisation filler / sleeves sales

Differentiation

No standstills

10% of sales

90% of sales volume

Speed of Innovations has increased

No choice for companies to participate or not to participate

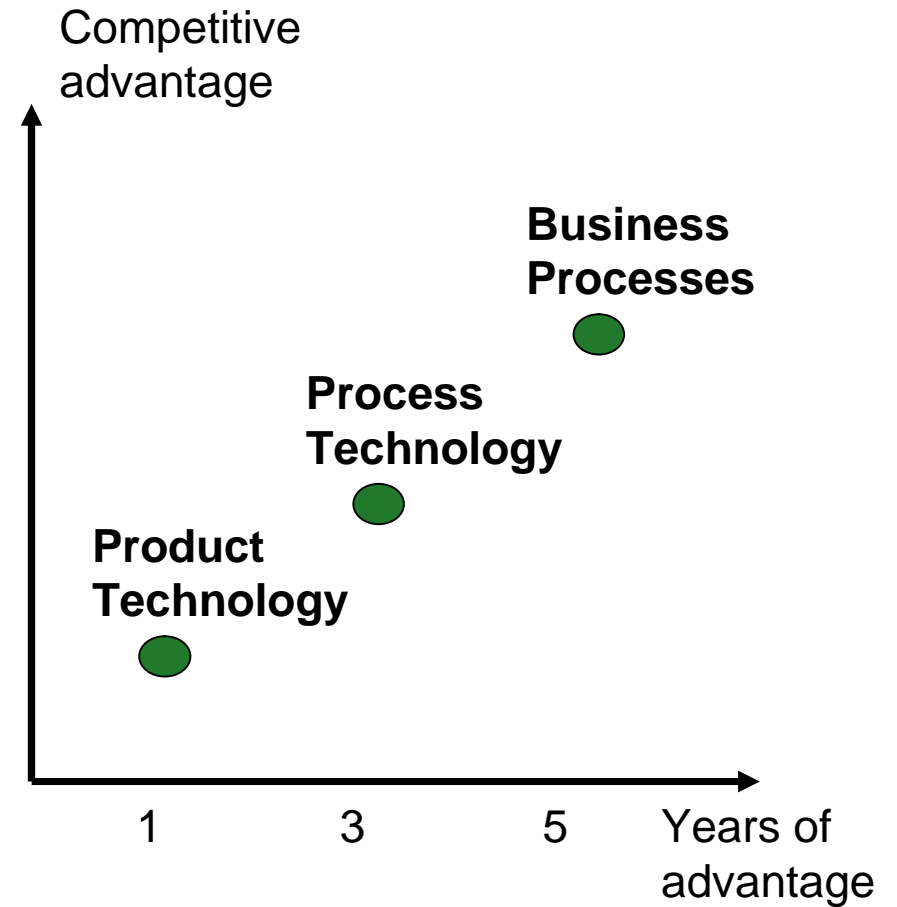
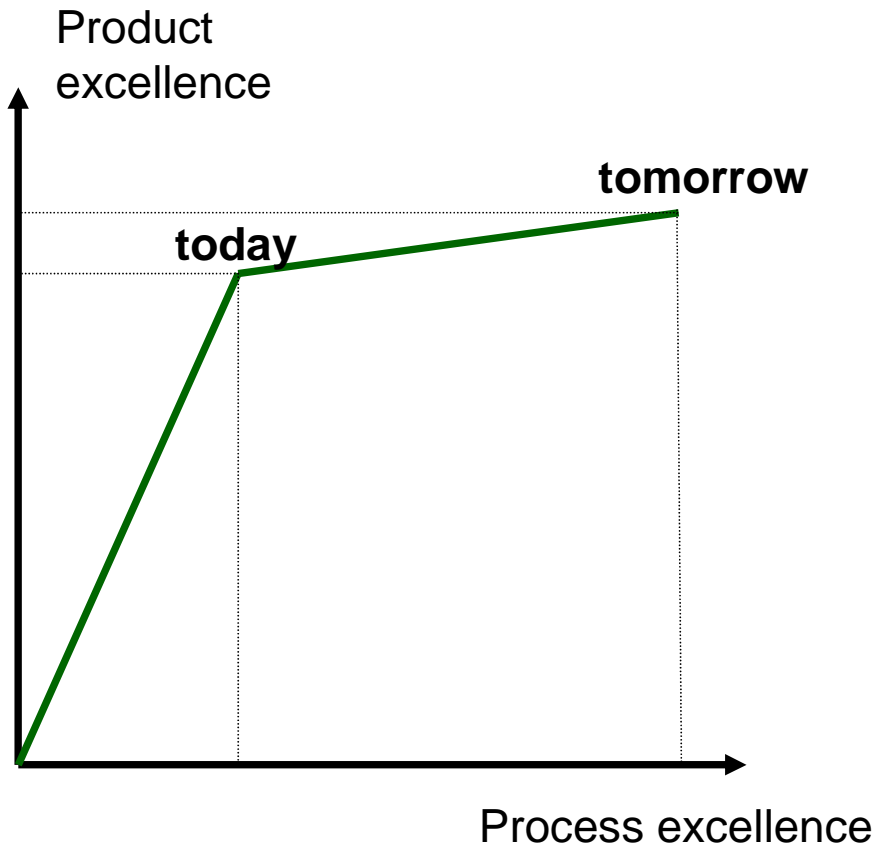
“A boy who saw the Wright brothers fly for a few seconds at Kitty Hawk could have watched Apollo II land on the moon 1969”

Arthur Schlesinger, Historian



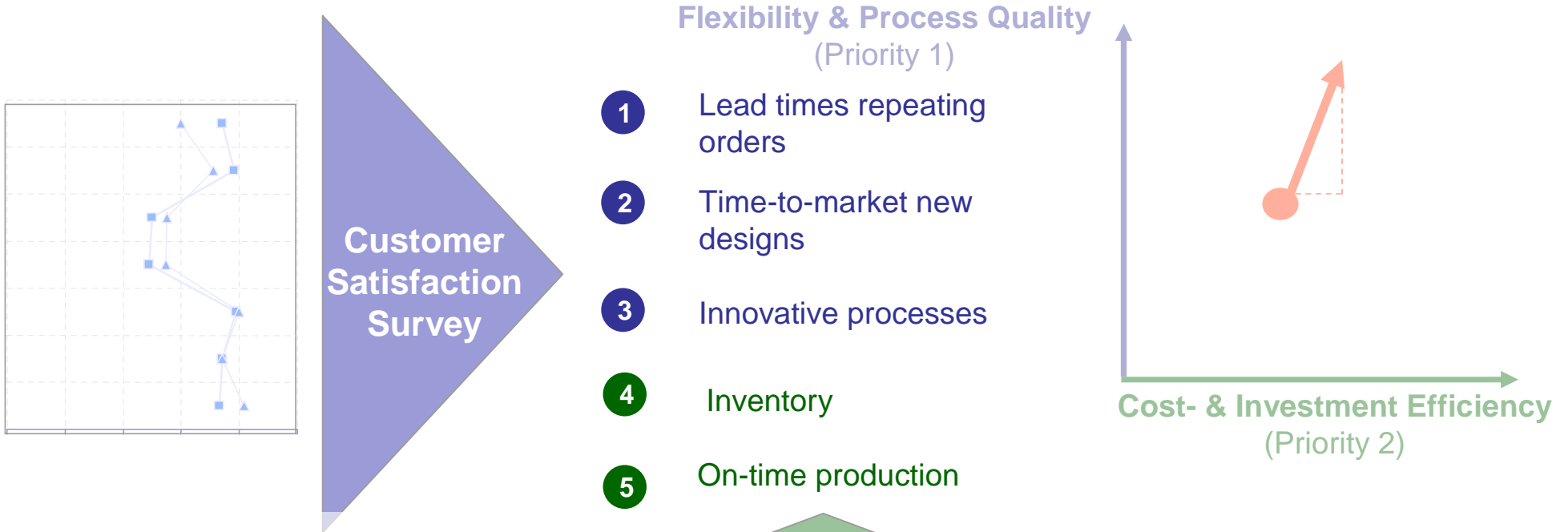
Process innovations guarantee competitive advantages

$$\text{Competitive Advantage} = \text{Product} \times \text{Process Excellence}$$

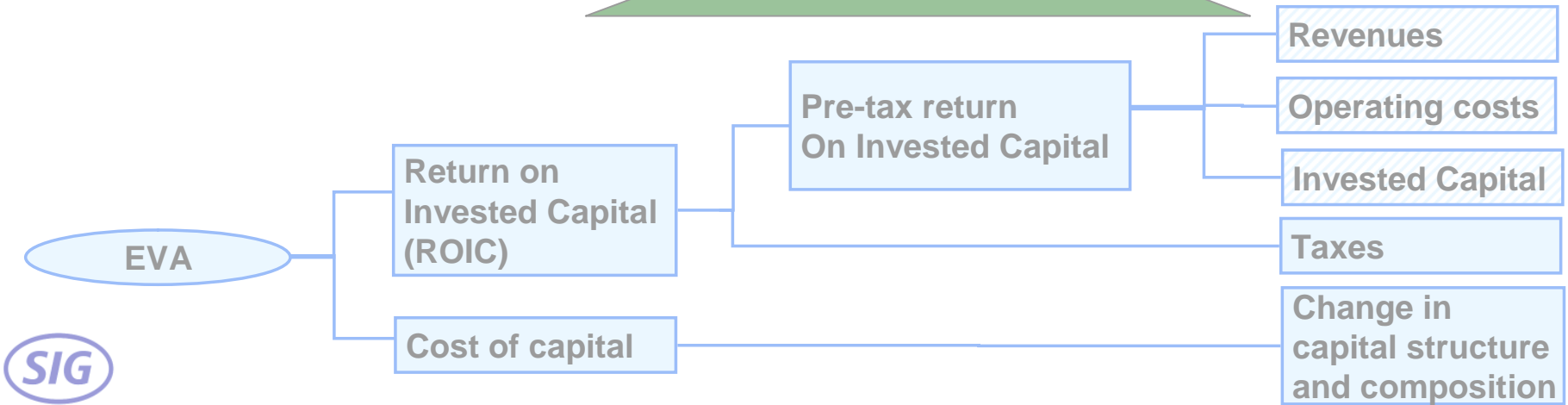


SIG Combibloc – SCM Strategy & Objectives

Customer Value Orientation as first Priority

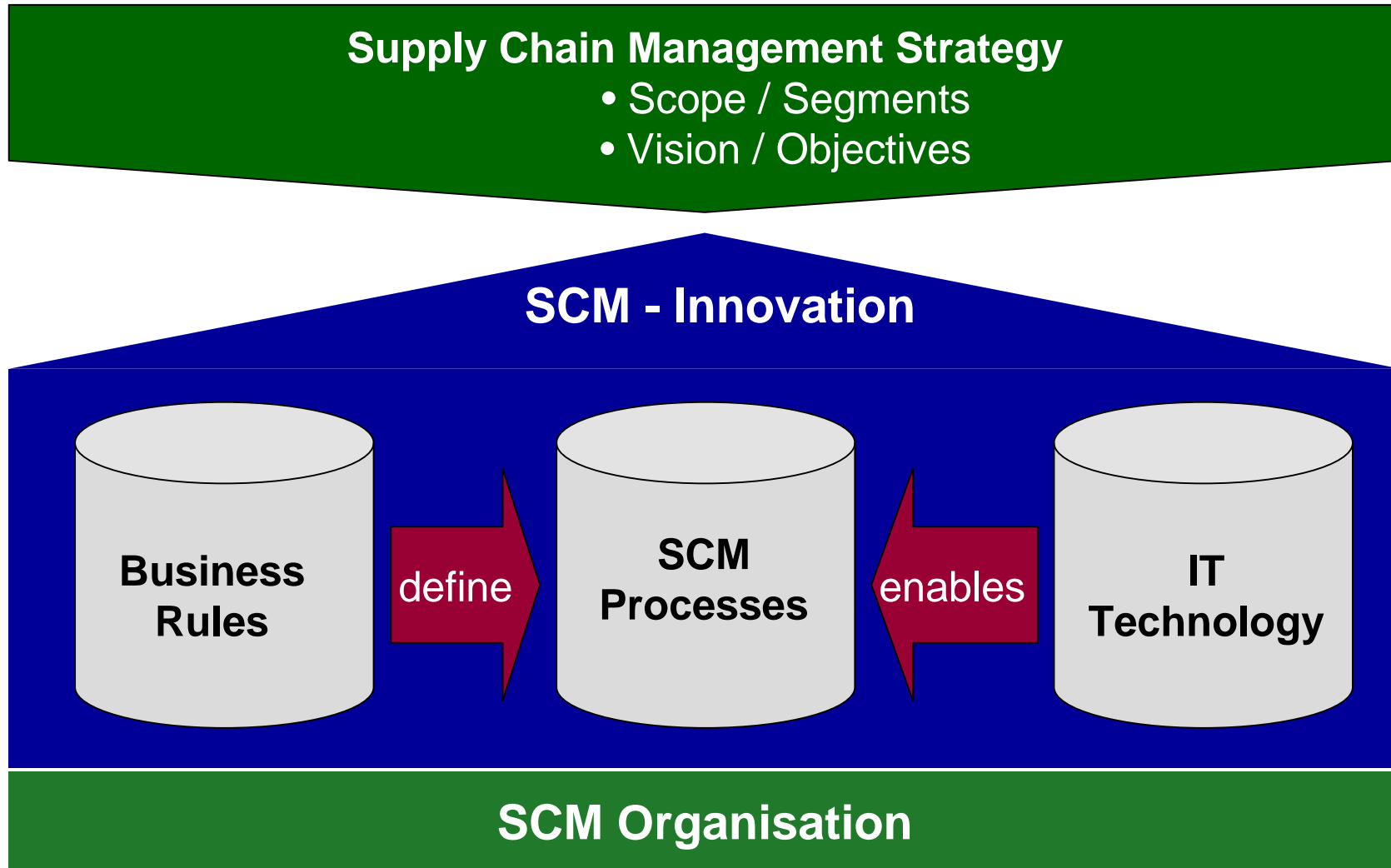


Cost and Value Driver



3 Pillars of Supply Chain Management (SCM)

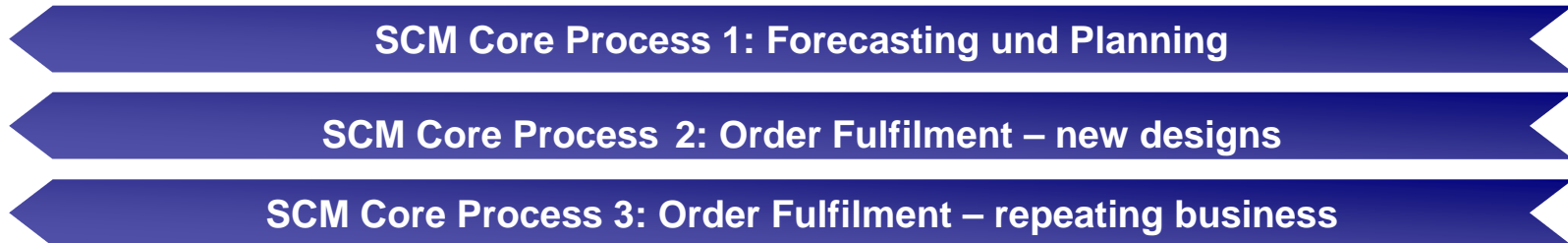
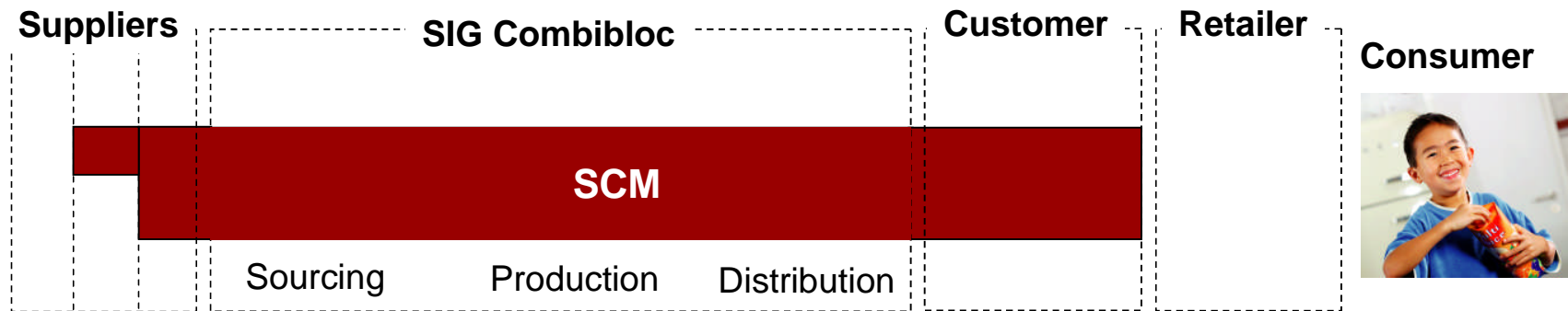
SCM Organisation as Basis



Scope of Supply Chain Management at SIG Combibloc

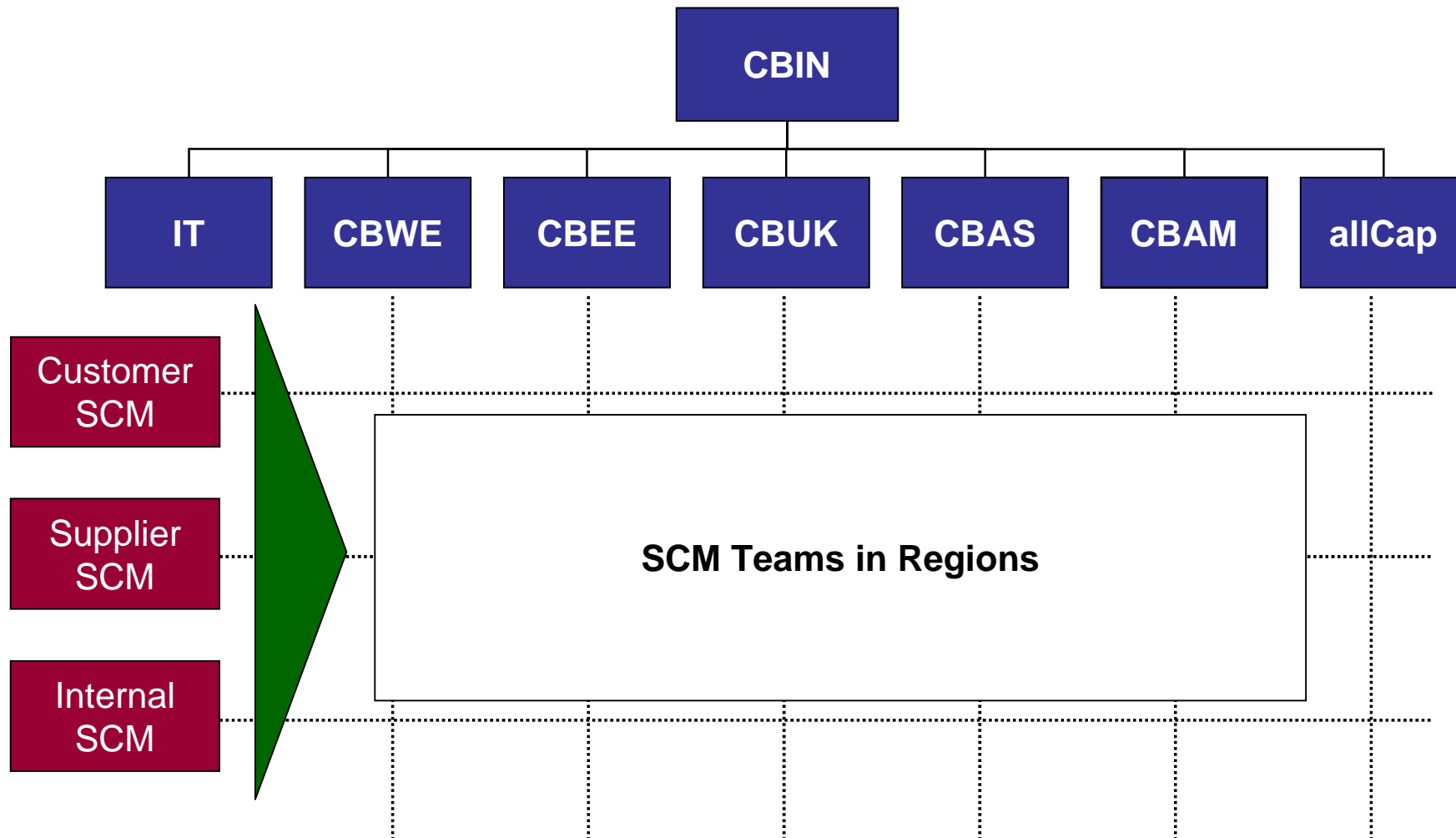


SCM covers Supply Chain from Customers to Suppliers



SCM Project Organisation 2002-2004

Use the experience of the pilot in three SCM modules

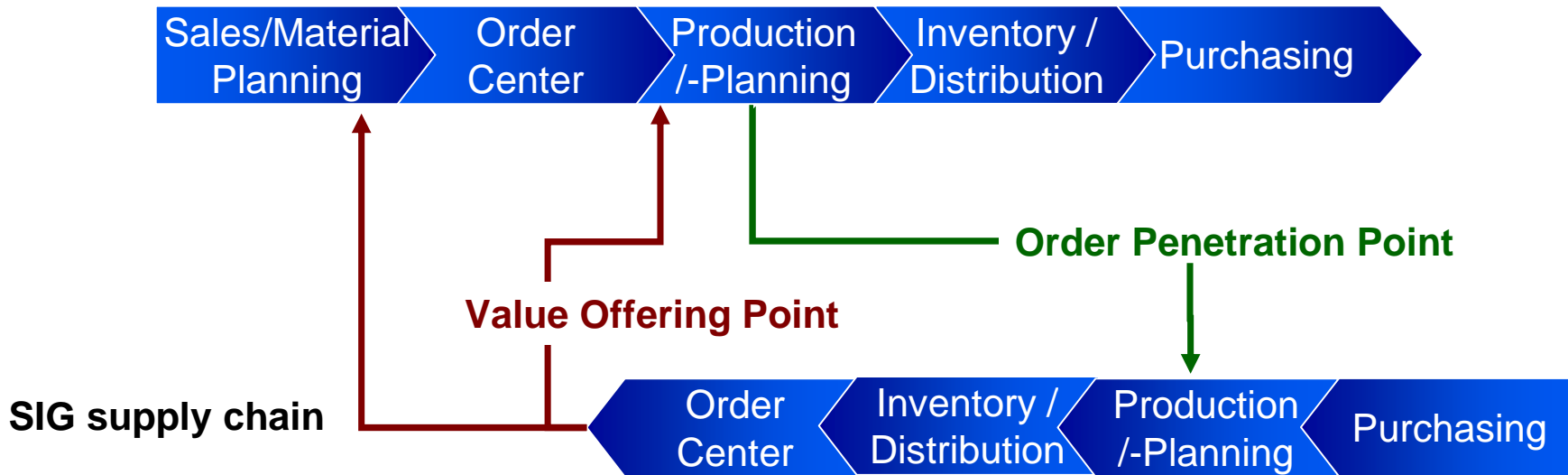


Supply Chain Integration with Customers and Suppliers



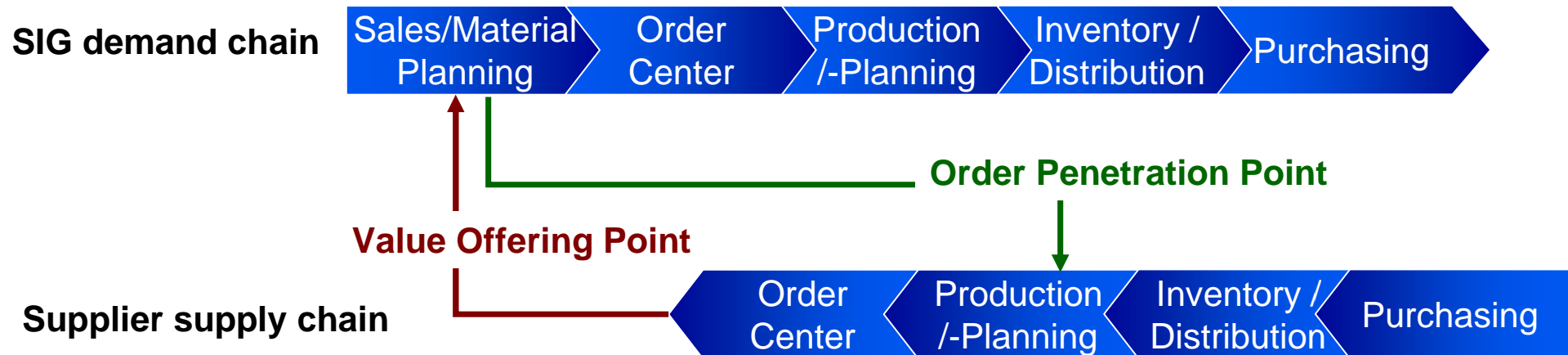
Position of Value Offering- & Order Penetration Point

Customers demand chain



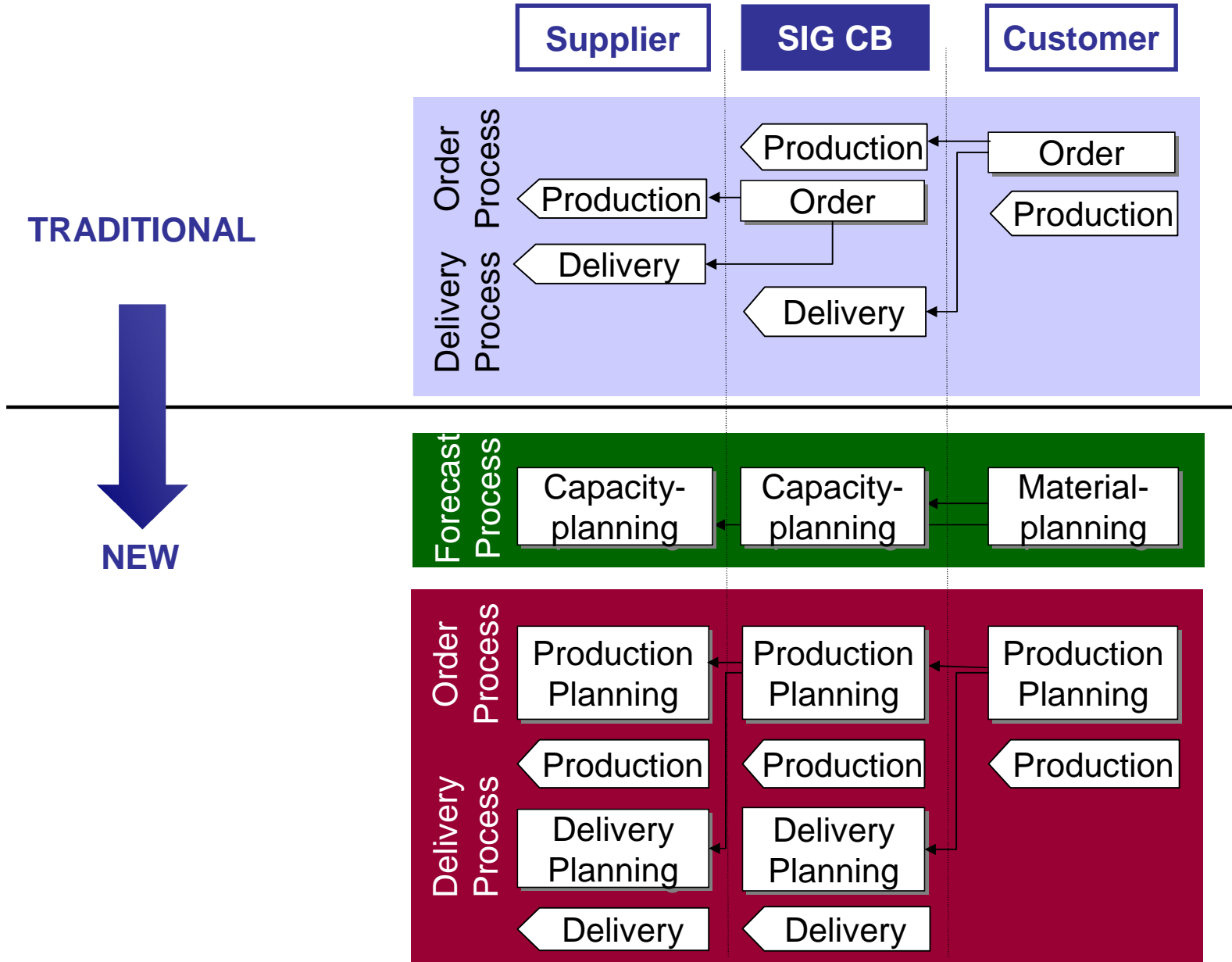
Supply Chain Integration with Customers and Suppliers

Position of Value Offering- & Order Penetration Point



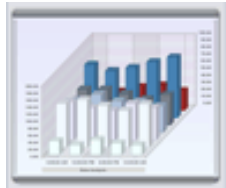
Customer- and Supplier SCM

New Processes in the Supply Chain – can be tested easily



Business Rules

Pre-requisite for the Implementation of Customer- and Supplier SCM, especially for Roll-out



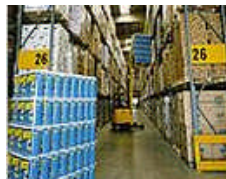
Forecast

Delivery



Production planning

New print designs

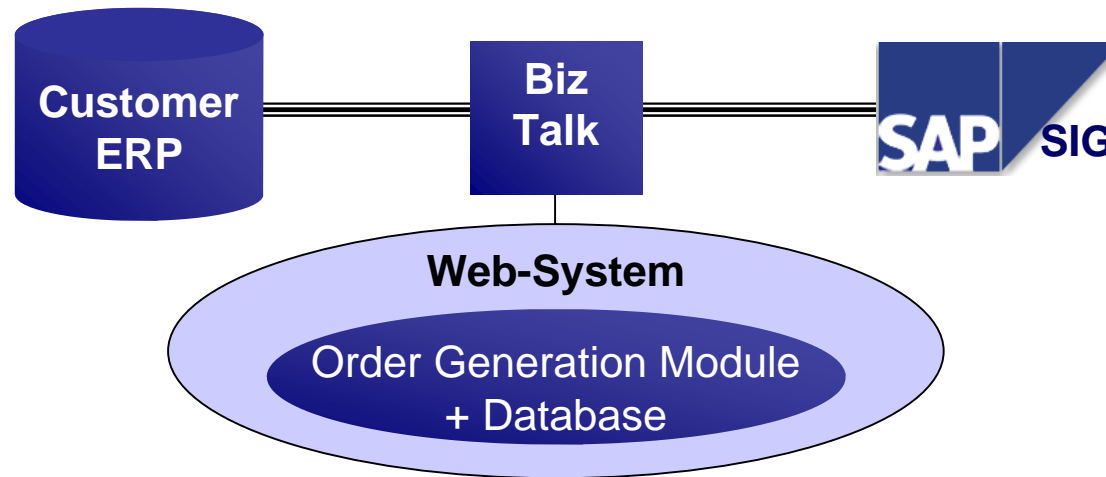


Stock planning

Customer SCM IT-Application

Two Phases – MS Prototype & SAP Serial Product

**Phase 1 –
Microsoft
Prototype**



Customer SCM IT-Application

Two Phases – MS Prototype & SAP Serial Product

Phase 2 –

**SAP
Serial
Product**

SIG Combibloc

Customer:

Date from 22.11.2004 to 31.01.2005

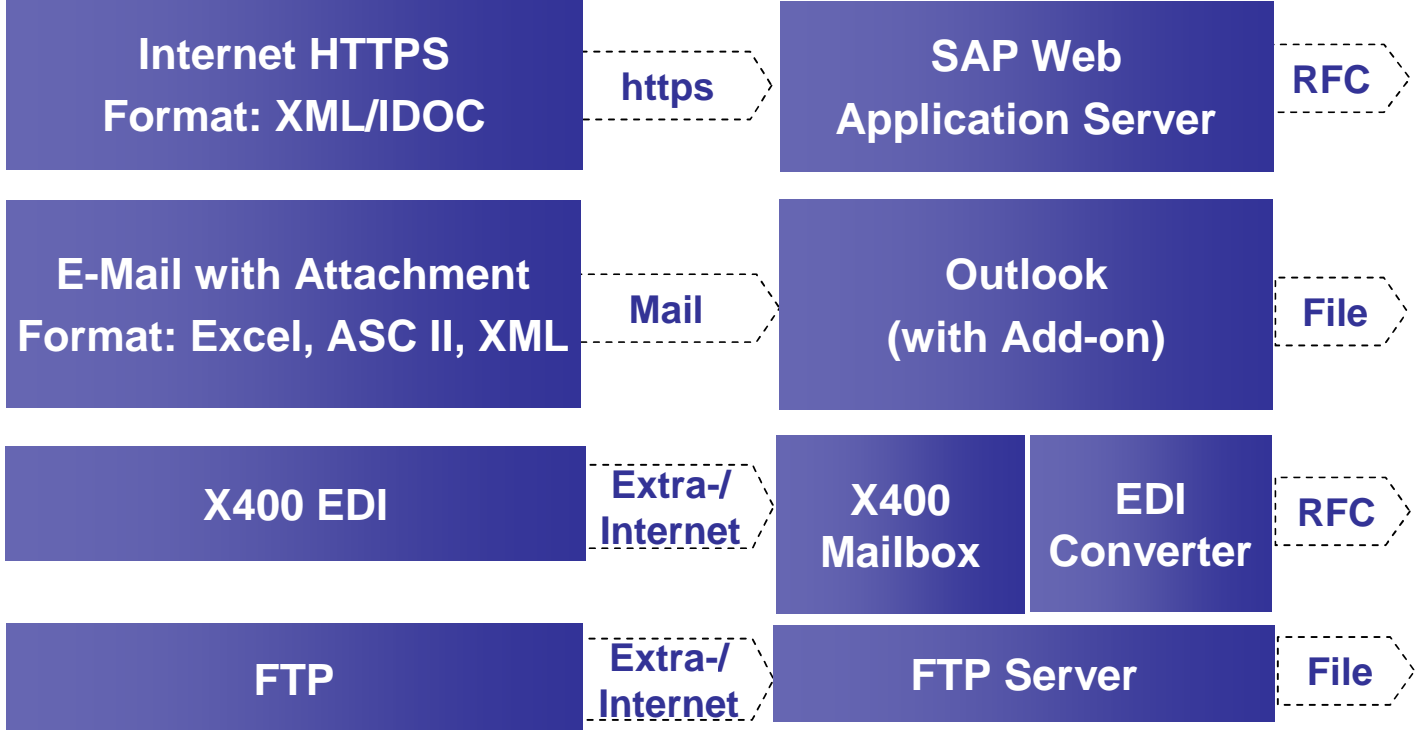
Article

Refresh data

Orders and deliveries **Stocks at Combibloc**

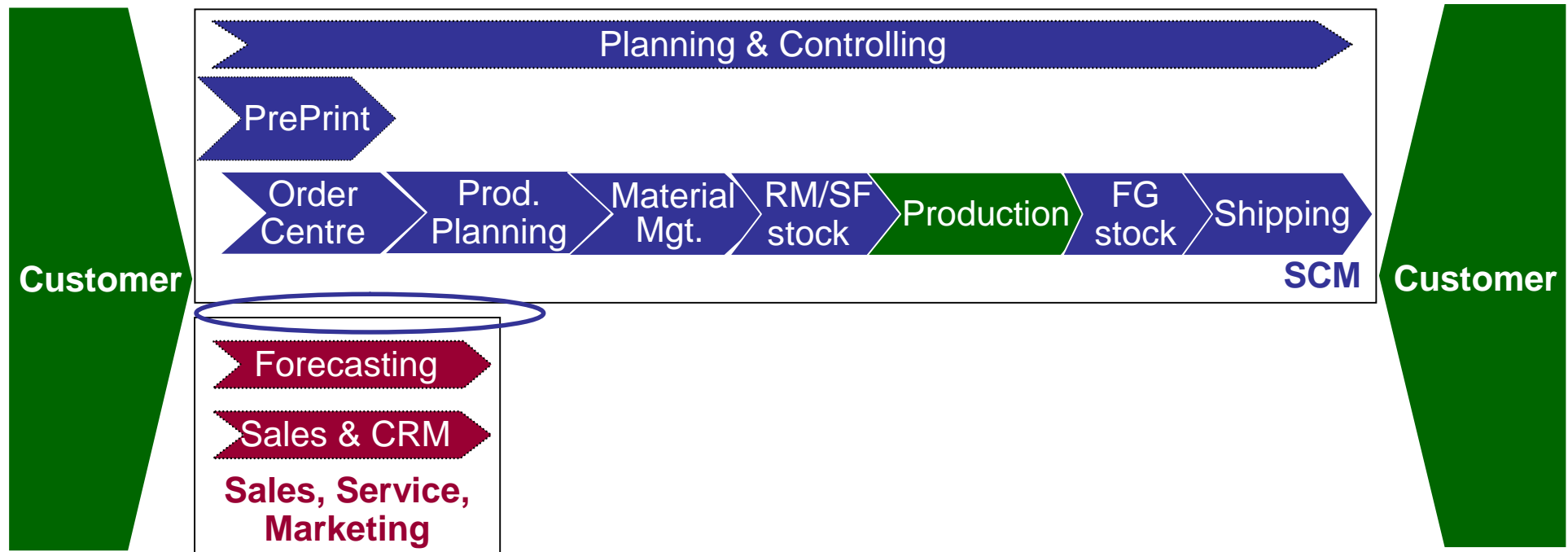
Sort

Document	Supplier	Due date	CB Matr	Material	PO Number	CB document	Quantity	Pallets
28.12.2004	Linnich Sleeves	723056301	PC070250A	Smetanka UHT 12% Lowicz XX	226L04	6394633	626.000	11,00
30.12.2004	Linnich Sleeves	723056301	PC070250A	Smetanka UHT 12% Lowicz XX	226L04	6395346	626.000	11,00
30.12.2004	Linnich Sleeves	723099301	PC060500A	Lowicz Sahne 12% XX	228L04	6395346	39.840	2,00
05.01.2005	Linnich Sleeves	719054000	PC060250A	Lowicz PL UHT Sahne 12% VVP	228L04	6395346	198.000	4,00
11.01.2005	Linnich Sleeves	719234000	PC070250A	Lowicz PL H-Vanillemilch TH	238L04	6399371	262.000	6,00
11.01.2005	Linnich Sleeves	719235000	PC070250A	Lowicz PL H-Schokomilch TH	238L04	6399371	262.000	6,00
11.01.2005	Linnich Sleeves	719236000	PC070250A	Lowicz PL H-Erdbeermilch TH	238L04	6399371	262.000	6,00
13.01.2005	Linnich Sleeves	723099301	PC060500A	Lowicz Sahne 12% XX	235L04 und 6L05	6396909	604.000	16,00
24.01.2005	Linnich Sleeves	719061000	PC060500A	Lowicz PL UHT Milch 3,2% WVP	6L05	6400908	336.000	11,00
24.01.2005	Linnich Sleeves	719065000	PC060500A	Lowicz PL UHT-Mi 2% WP	6L05	6400908	336.000	11,00
03.01.2005	Wittenberg Sleeves	718289000	PC042000J	Skipper IT Fun Ananas Ne CTWb	1L05	6397351	192.000	20,00
03.01.2005	Wittenberg Sleeves	718289000	PC042000J	Skipper IT Fun Ananas Ne CTWb	1L05	6397351	144.000	15,00
10.01.2005	Wittenberg Sleeves	710746400	PC042000A	Lowicz PL UHT-Mi 1,5% CTWb	234L04	6396907	96.000	10,00
10.01.2005	Wittenberg Sleeves	710746400	PC042000A	Lowicz PL UHT-Mi 3,2% CTWb	234L04	6396907	96.000	10,00
24.01.2005	Wittenberg Sleeves	710746400	PC042000A	Lowicz PL UHT-Mi 1,5% CTWb	6L05	6400222	96.000	10,00
24.01.2005	Wittenberg Sleeves	710746400	PC042000A	Lowicz PL UHT-Mi 3,2% CTWb	6L05	6400222	96.000	10,00
20.12.2004	CBEE Sleeves	710663009	PC031000A	Lowicz PL Lal UHT1,5% CLP3	222p04	6394633	75.600	5,00
20.12.2004	CBEE Sleeves	710664201	PC031000A	Lowicz PL UHT-Mi 1,5% CTWb3	222p04	20429795	151.200	10,00



SCM Process Organisation

SCM is responsible for complete Order Fulfillment Process



CRM = Customer Relationship Management

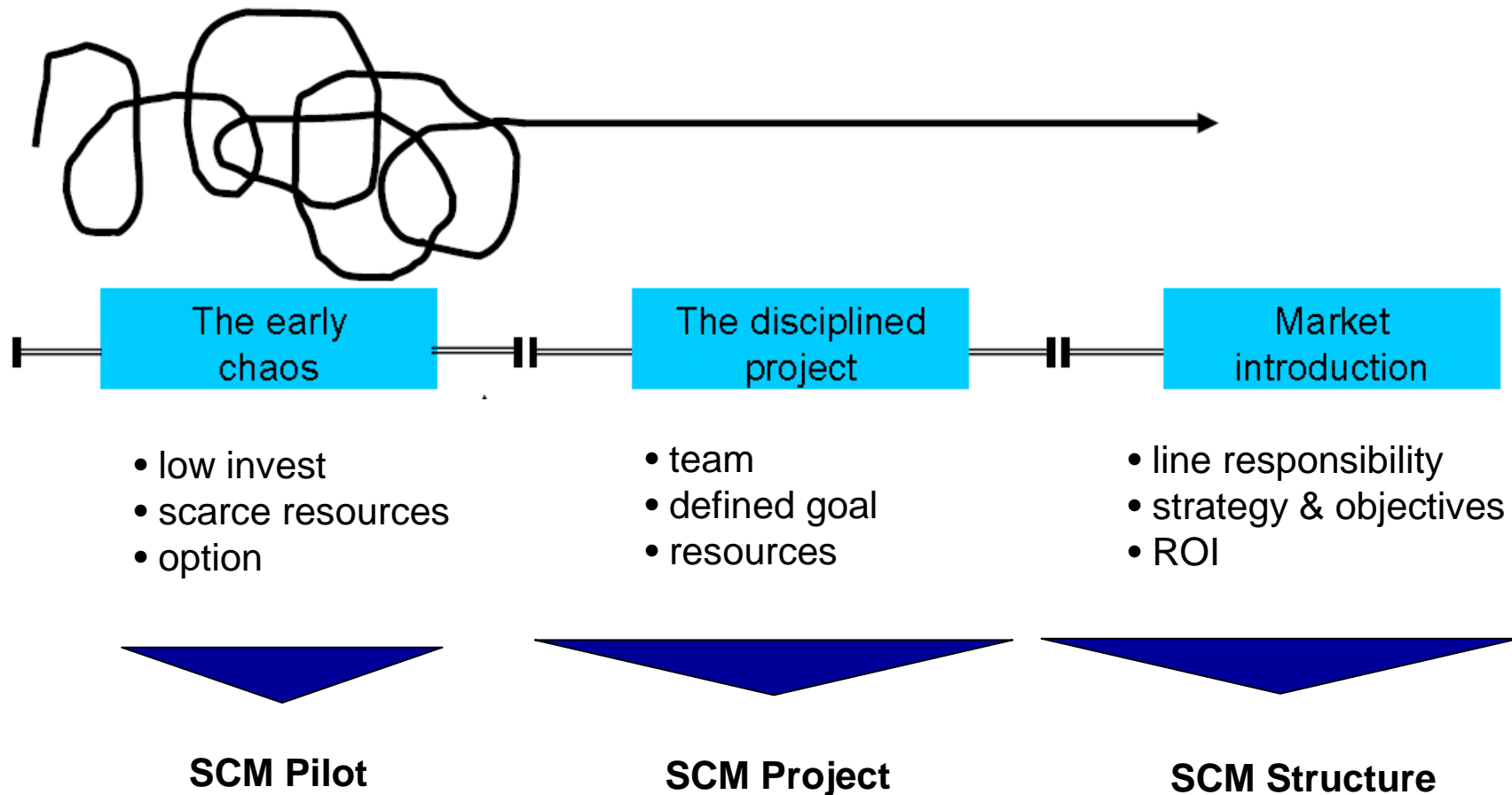
RM = Raw Material

FG = Finished Goods

SF = Semi-finished Goods

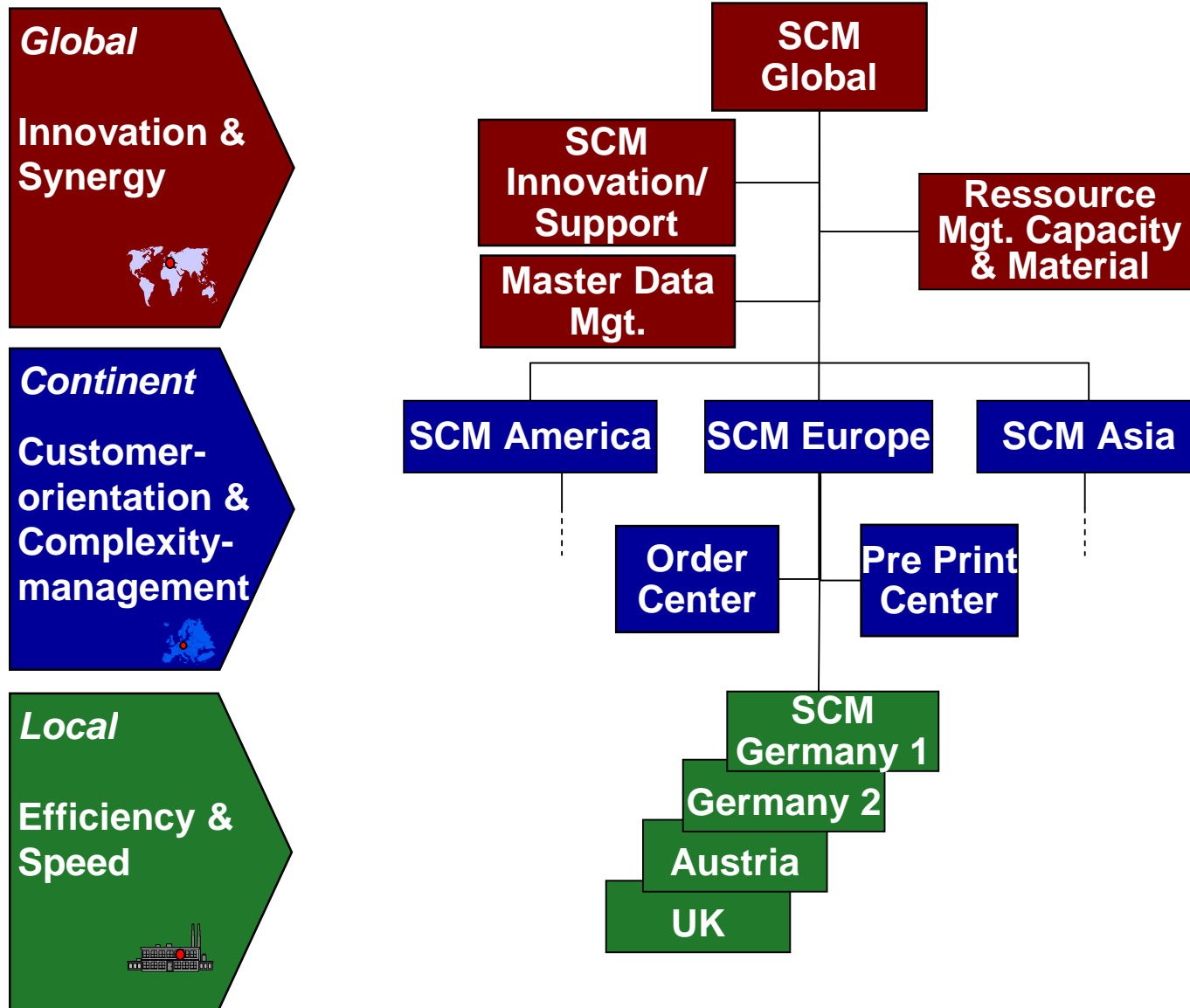
Development steps of SCM organisations

From Pilot Project to SCM Structure



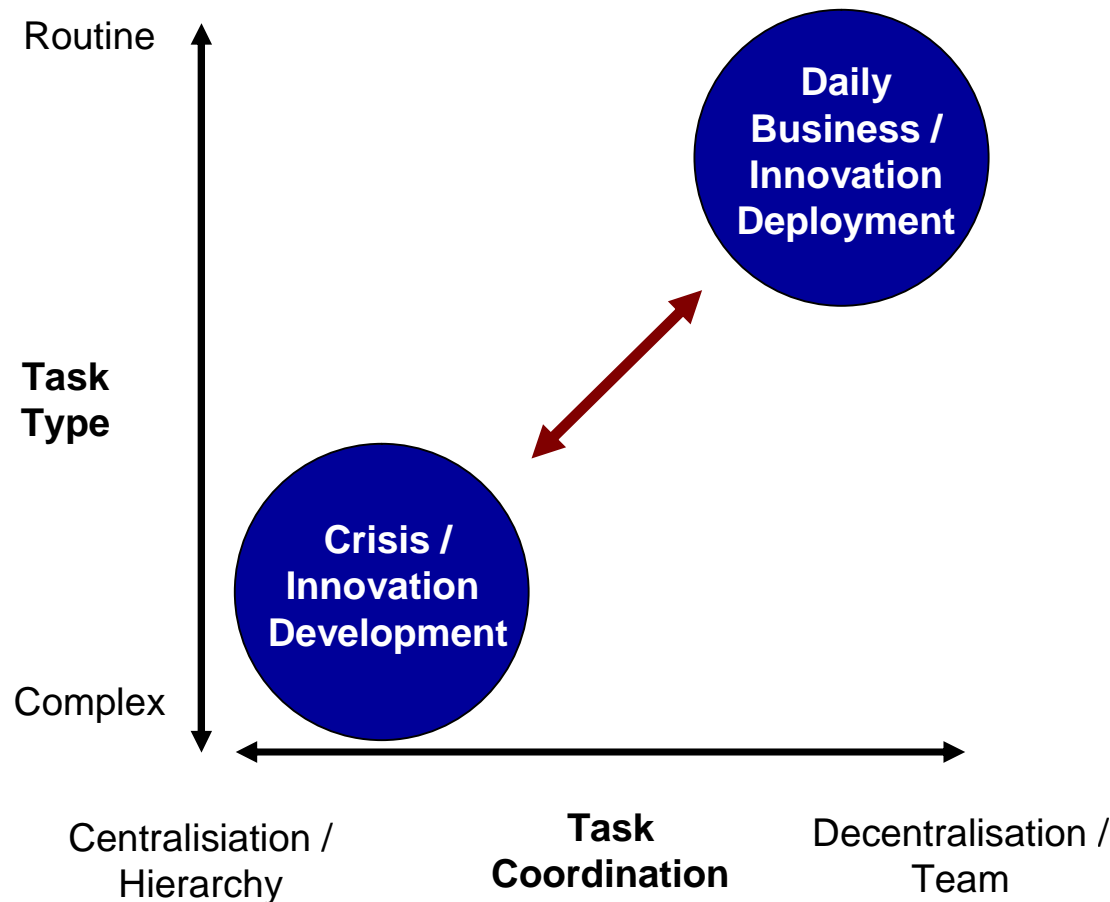
Global SCM Organisation

Tasks of organisational layers – global, continental, local



There is no one right organisation

Organisations have to fit certain Conditions at certain Times



„We are what we repeatedly do. Excellence, then is not an act, but a habit“

Aristotle

„If the ship goes down, the captain does not call a meeting, the captain gives an order“

P. F. Drucker

Summary & Conclusions

- Concentration on core processes in supply chains enables SCM innovations
- SCM innovations consists of three pillars
 - interface processes
 - business rules
 - IT
- SCM process organisation is a pre-requisite for the long-term implementation of SCM innovations

*An organising framework can never be right or wrong,
only helpful or unhelpful*

John Kay, Foundations of corporate success