Supply-Chain Council: Getting More from SCOR
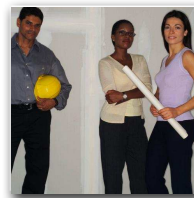
Learn   Pilot   Deploy   Mature   Renew

Webinar
Joseph Francis – CTO
Supply Chain Council

Today's Agenda

- Overview SCC & SCOR
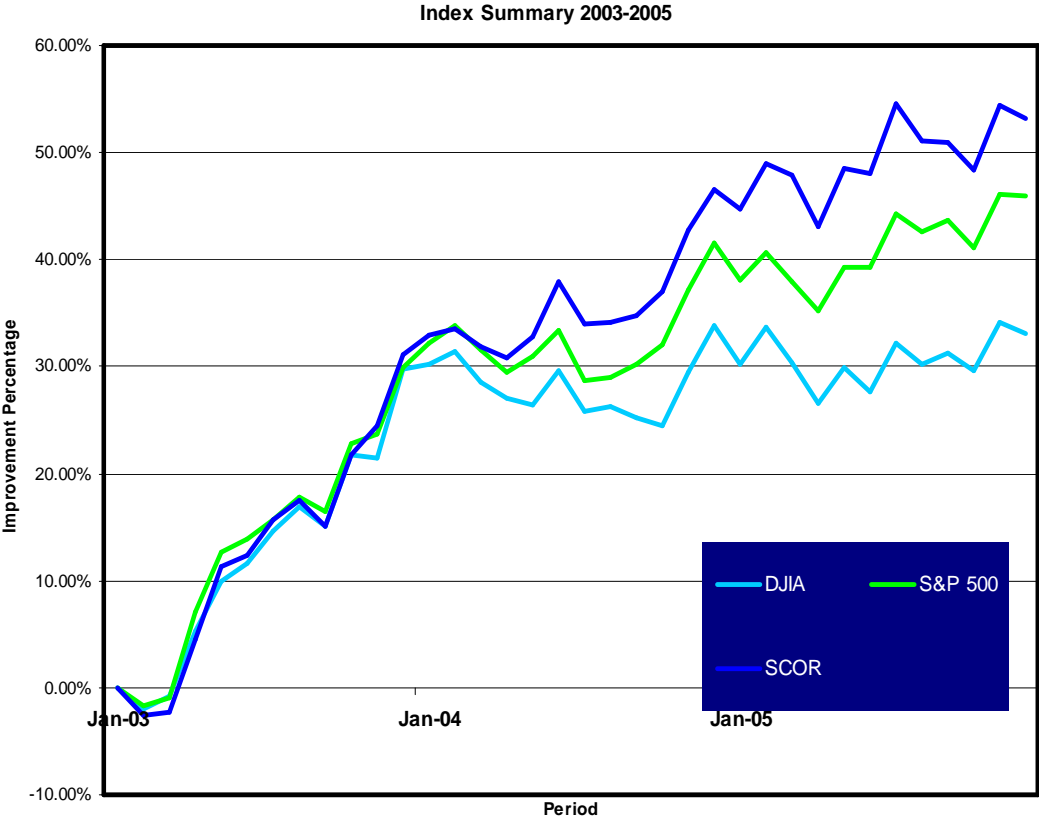
- Practitioner Lifecycle

- SCC Training Curriculum

- Customized Curricula

- Training & Certification

- Wrap-up & Questions

THE SUPPLY-CHAIN COUNCIL

By Mandate from the Board of Directors
has conferred upon

John Doe

Having completed the requirements of and
receiving the title of

Certified SCOR Master

Given at Washington, D.C. This 1st Day of
November 2006

Chief Technology Officer

Supply-Chain Council

- The SCC is an independent, not-for-profit, global corporation with membership open to all companies and organizations interested in applying and advancing state-of-the-art supply chain management systems and practices.

  - Founded in 1996
  - Over 700 Company Members
  - Cross-industry representation

  - Chapters in Australia/New Zealand, Brazil, Europe, Japan, North America, South East Asia, and China with petitions for additional chapters pending.

- The Supply-Chain Council (SCC) has developed and endorsed the Supply Chain Operations Reference model (SCOR) as the cross-industry standard for supply chain management.

The Value of SCOR

Index Summary 2003-2005

Companies with formal process management

- Are 780% more profitable than peers[1].

- Exhibit greater share growth than leading market indicators[2].
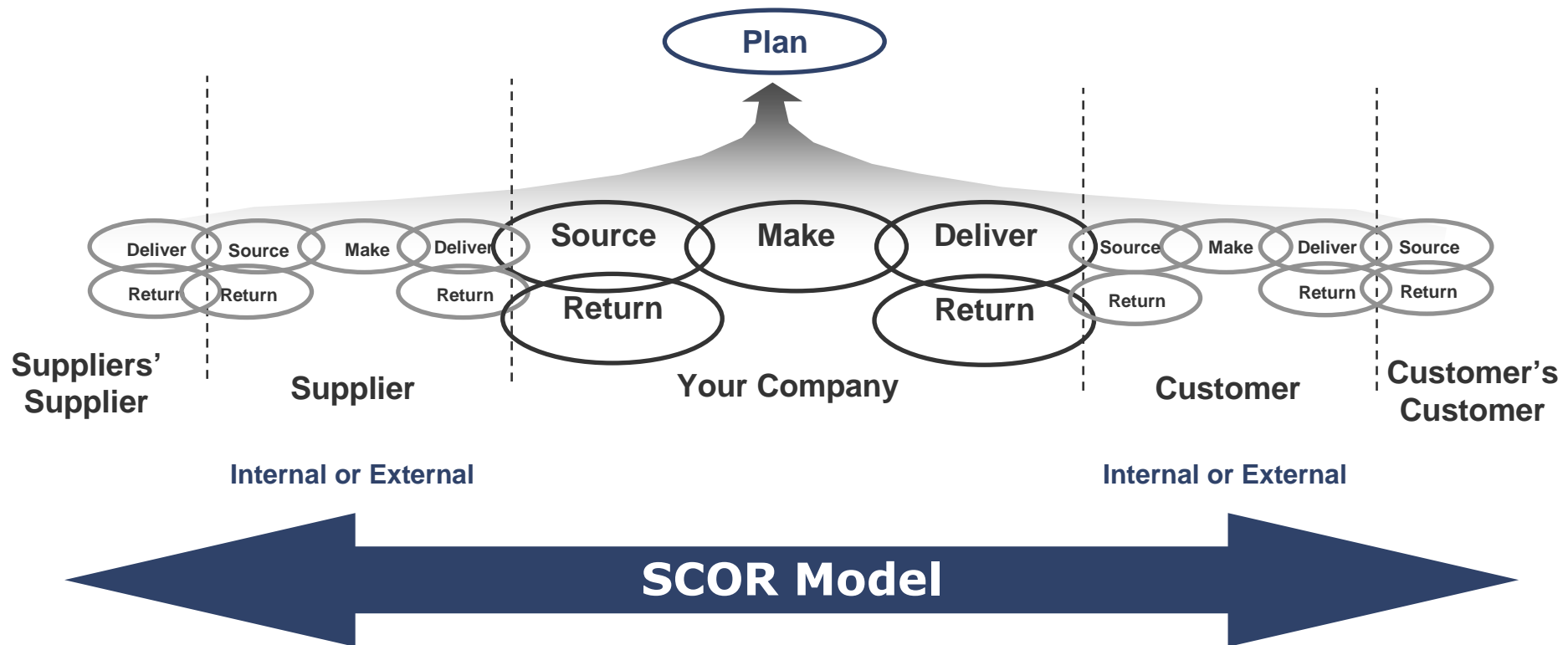
1 Supply-chain Council 2003 – profit and revenue analysis.
2 PCOR Research 2006 – SCOR company share performance – whitepaper in 2007

SCOR: End-to-End Supply-Chains

- SCOR is structured around five distinct management process which cover all work, material and information flows in borderless supply-chains.

Plan

Deliver | Source | Make | Deliver | **Source** | **Make** | **Deliver** | Source | Make | Deliver | Source

Return | Return | Return | **Return** | **Return** | Return | Return | Return

Suppliers' Supplier | **Supplier** | **Your Company** | **Customer** | **Customer's Customer**

Internal or External   **Internal or External**

SCOR Model

SCOR Hierarchy

| Level 1	Level 2	Level 3	Level 4	Level 5
Scope	Configuration	Activity	Workflow	Transactions
Supply-Chain Source	S1 Source Stocked Product	S1.2 Receive Product		EDI XML
Differentiates Business	Differentiates Capabilities	Names Tasks	Sequences Steps	Links Transactions
Defines Scope, Enterprise Strategy	Differentiates Supply-chain Strategies	Links, Metrics, Tasks and Practices	Job Details	Details of Automation
Framework Language	Framework Language	Framework Language	Industry or Company Specific Language	Technology Specific Language

Standard SCOR definitions   Company/Industry definitions

The SCOR Project Roadmap

Phase	Name	Deliverable	Resolves
Initial	BUILD	• Organizational Support	Who is the sponsor?
I	DISCOVER	• Supply-Chain Definition • Supply-Chain Priorities • Project Charter	What will the program cover?
II	ANALYZE	• Scorecard • Benchmark • Competitive Requirements	What are the strategic requirements of your supply-chain?
III	MATERIAL	• Geo Map • Thread Diagram • Disconnect Analysis	Initial Analysis – where are the problems?
IV	WORK	• Transactions • Level 3, Level 4 Processes • Best Practices Analysis	Final Analysis – where are the solutions?
V	IMPLEMENT	• Opportunity Analysis • Project Definition • Deployment Organization	How to deploy?

Training: Enables SCOR

- SCOR itself is a tool – training enables its exploitation
- Some of our milestones…
    - 10 Years of SCOR
    - 2500 companies
    - Thousands of current workshop alumni
- … Have led us to understand the need - and sources - for a vastly expanded focus on how to exploit SCOR
- Problems with existing certification (Six-Sigma, Lean) highlight need for controlled certification and training
- The best conduit to members for results from Special Interest and Research and Development with SCC Volunteer groups (e.g. Six-Sigma & SCOR, Risk Management) is through training
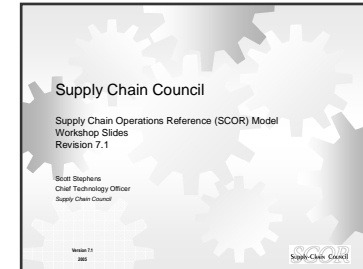
The SCOR Practitioner Lifecycle

Learn

What is
SCOR?

SCOR 8.0 Training Webinar | 9

The SCOR Practitioner Lifecycle

Learn

What is
SCOR?

Pilot

How do I
use it?

SCOR 8.0 Training Webinar | 10
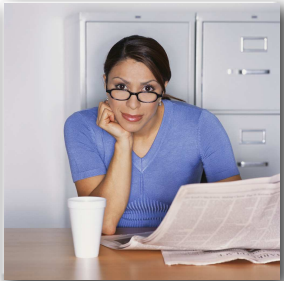
The SCOR Practitioner Lifecycle

Learn

What is
SCOR?

Pilot

How do I
use it?

Deploy

How do I
grow it?

The SCOR Practitioner Lifecycle

Learn — What is SCOR?

Pilot — How do I use it?

Deploy — How do I grow it?

Mature — How do I refine it?

The SCOR Practitioner Lifecycle

Learn	Pilot	Deploy	Mature	Renew
What is SCOR?	How do I use it?	How do I grow it?	How do I refine it?	What's Next?

SCOR Curriculum

	Learn	Pilot	Deploy	Mature	Renew
Basis Training	SCOR Framework	SCOR Implementation	SCOR Team	SCOR and Six-Sigma/Lean	DCOR
Executive Track	Executive SCOR Framework	Executive SCOR Implementation	Executive SCOR Team	Executive SCOR Business Benefit	Executive SCOR Business Trends
Advanced Track		SCOR Adviser	Advanced SCOR Modeling	SCOR for PBL	SCOR for Risk Management
			Advanced SCOR Analysis	SCOR for IT	SCOR Practices Benchmarking
			Advanced SCOR Workshop	SCOR for HR	SCOR for M&A
			Rapid SCOR	SCOR for Industries	SCOR for ISO9000
			SCOR Practicum	SCOR for Services	SCOR for SOX404
				SCOR Financials	SCOR for Management

Proposed/Future SCC offering
Available Late 2007/2008

Learning: Framework

Who
- Absolute Beginners
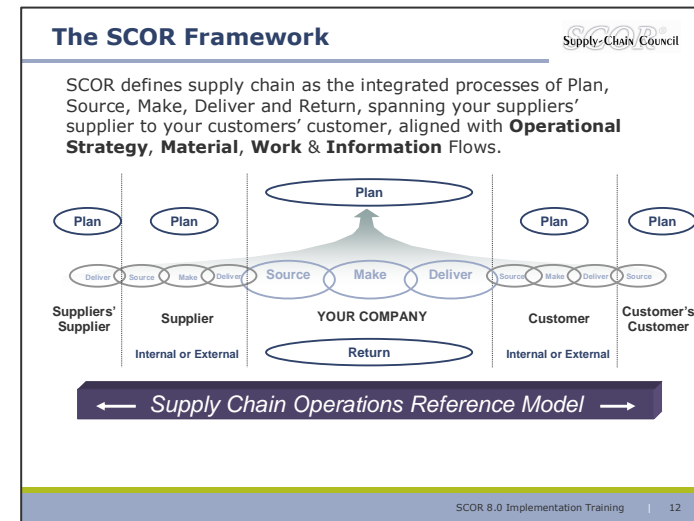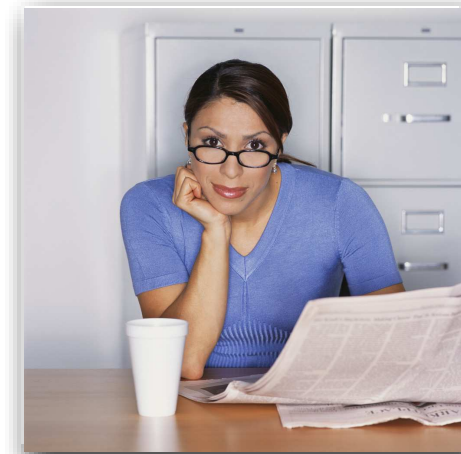- SCOR Professionals seeking a refresh

Focus
- Detailed Examination of SCOR Processes, Metrics, Practices and application.
- Walkthrough an end-to-end SCOR Implementation
- Interactive Exercises

Availability
- Global, 2006
- Public Classes Scheduled Beginning Jan 2007
- Custom Trainings Began Oct 2006

Customization
- 1-day Management Overview
- ½-day Executive Overview

The SCOR Framework

SCOR defines supply chain as the integrated processes of Plan, Source, Make, Deliver and Return, spanning your suppliers' supplier to your customers' customer, aligned with **Operational Strategy**, **Material**, **Work** & **Information** Flows.

Supply Chain Operations Reference Model

SCOR 8.0 Implementation Training | 12

Framework Processes

Focus

- Level-1 Process Descriptions
- Level-2 Process for Scoping
- Level-3 Process for Work Analysis
- All process elements and how to capture and characterize them
- Over 90 process elements in detail

Exercises

- Supply-Chain Scoping
- Geo Maps
- Thread Diagrams
- Plan, Make, Source, Deliver, and Return Level 2 & Level-3 Models

Make (Level 3)

Make-to-Stock (M1)	Make-to-Order (M2)	Engineer-to-Order (M3)
		M3.1 Finalize Production Engineering
M1.1 Schedule Production Activities	M2.1 Schedule Production Activities	M3.2 Schedule Production Activities
M1.2 Issue Material	M2.2 Issue Sourced/In-Process Product	M3.3 Issue Sourced/In-Process Product
M1.3 Produce and Test	M2.3 Produce and Test	M3.4 Produce and Test
M1.4 Package	M2.4 Package	M3.5 Package
M1.5 Stage Product	M2.5 Stage Finished Product	M3.6 Stage Finished Product
M1.6 Release Product to Deliver	M2.6 Release Finished Product to Deliver	M3.7 Release Product to Deliver

SCOR 8.0 Framework Training | 30

Framework Metrics & Practices

- Focus
  - Key Level 1 Metrics
  - Metrics Hierarchy
  - Metrics & RASC
  - Benchmarking & Data sources
    Types of Practices
  - Practices Benchmarking
  - Risk/Reward

- Exercises
  - Calculating metrics from SCOR Definitions
  - Scorecard from Public Data sources
  - Comparison of Company Priorities to SCOR KPI's

Parity, Advantage, Superior

Attribute	Metric (level 1)	Company	Parity	Adv	Superior	Parity Gap	Req Gap
Reliability	Perfect Order Fulfillment	98%	92%	96%	98%	-6%	
Responsiveness	Order Fulfillment Cycle Time	14 days	8 days	6 days	4 days	6 days	8 days
Flexibility	Ups. Supply Chain Flexibility	62 days	80 days	62 days	40 days	-18 days	
Cost	Supply Chain Mgmt Cost	10.1%	10.8%	10.4%	10.2%	-0.7%	
Assets	Cash-to-Cash Cycle Time	22 days	45 days	30 days	20 days	-23 days	

Scoping Identifies one or more targeted metrics for improvement

Parity	Median of Statistical Sample
Advantage	Midpoint of Parity and Superior
Superior	90th percentile of population

SCOR 8.0 Framework Training | 46

Framework Implementation Review

Focus

- 5 Implementation Phases
- Key Deliverables
- Template Views
- Relation to SCOR Framework for each phase

Exercises

- Brainstorm Root Cause Issues
- Prioritize Solutions
- Review Company Governance
- Review Change Management
- To-Be Models

Brainstorm Step 6

- Tool completes Fishbone and Pareto analysis by Metric

Group 1: 14% - [D2]
Manual Order Tagging to Ship

Group 2: 40% - [M2, P3]
Build-to-Plan should be Build-to-Order

SCOR 8.0 Framework Training | 51

Pilot: Implementation

Who
- SCOR Framework Class alumni
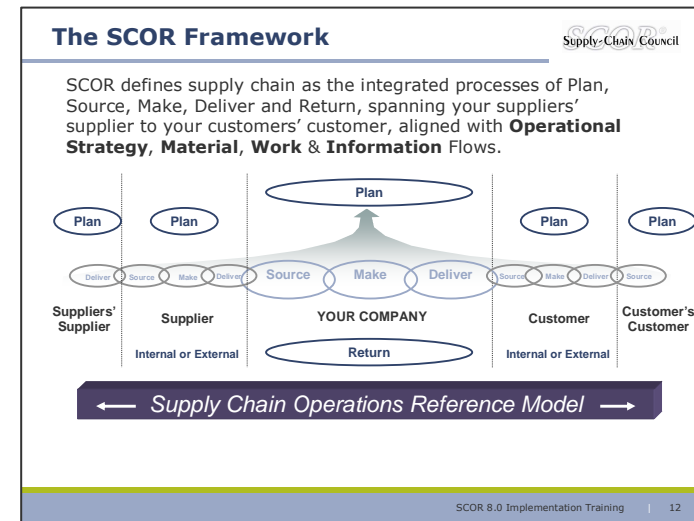- SCOR Professionals seeking a refresh

Focus
- Detailed Examination of SCOR Project Roadmap Phases
- Over 25 exercises in generating key project materials
- Using software tools for SCOR

Availability
- Global, 2006
- Public Classes Scheduled Beginning Jan 2007
- Custom Trainings Began Oct 2006

Customization
- Company-Specific Implementation Examples

The SCOR Framework

SCOR defines supply chain as the integrated processes of Plan, Source, Make, Deliver and Return, spanning your suppliers' supplier to your customers' customer, aligned with **Operational Strategy**, **Material**, **Work** & **Information** Flows.

Plan

Plan   Plan   Plan   Plan

Deliver Source Make Deliver Source Make Deliver Source Make Deliver Source

Suppliers' Supplier   Supplier   YOUR COMPANY   Customer   Customer's Customer

Internal or External   Return   Internal or External

⟵ Supply Chain Operations Reference Model ⟶

SCOR 8.0 Implementation Training | 12

Implementation: Phases

Focus

- Building Support
- Discover Opportunity
- Analyze Performance
- Capture Material Flow
- Capture Work Flow
- Implement Changes

Workshop Definitions

- Supply-Chain Scope
- Leadership
- Supply Chain Definition
- Scorecard
- Competitive Requirements
- Geographic Map
- Analytic Discussion
- Brainstorm Event
- Process Worksheet
- Project Definition

The SCOR Project Roadmap

Phase	Name	Deliverable	Resolves
Initial	BUILD	• Organizational Support	Who is the sponsor?
I	DISCOVER	• Supply-Chain Definition • Supply-Chain Priorities • Project Charter	What will the program cover?
II	ANALYZE	• Scorecard • Benchmark • Competitive Requirements	What are the strategic requirements of your supply-chain?
III	MATERIAL	• Geo Map • Thread Diagram • Disconnect Analysis	Initial Analysis – where are the problems?
IV	WORK	• Transactions • Level 3, Level 4 Processes • Best Practices Analysis	Final Analysis – where are the solutions?
V	IMPLEMENT	• Opportunity Analysis • Project Definition • Deployment Organization	How to deploy?

SCOR 8.0 Implementation Training | 15

Implementation Templates

- Focus
  - Sourcing Data
  - Executing Analysis
  - Phase-Exit Reviews
  - Use of Software Tools
- Exercises
  - Supply Chain Definition Matrix
  - Priority Matrix
  - Scorecard
  - Disconnects
  - Benchmark Data
  - Competitive Requirements
  - Geographic Map
  - Thread Diagram
  - Brainstorm Event
  - Fishbone Diagram
  - Pareto Analysis
  - Process Worksheet
  - Process Diagrams
  - RACI
  - Functional Areas Diagram
  - Level 4 Processes
  - Practices Assessment
  - Opportunity Grid

Exercise 5: Competitive Requirements

Performance Attribute or Category	Competitive Requirements					
Reliability						
Responsiveness						
Flexibility						
Cost						
Asset Management						

SCOR 8.0 Implementation Training | 63

Deploy: Teams

Who

- SCOR Implementation alumni
- SCOR Program Managers
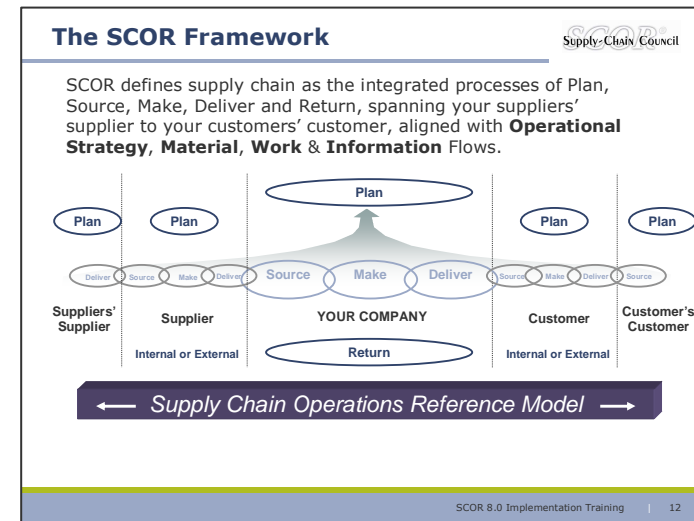- SCOR Project Team Leads seeking to establish Permanent SCOR Staff

Focus

- Detailed examination of six key team development lifecycle phases
- Exercises in analyzing company needs for team objectives, communication, operating models, tools, and deployment

Availability

- Global, 2006
- Public Classes Scheduled Beginning Jan 2007

Customization

- Company-Specific Team Examples

The SCOR Framework

SCOR defines supply chain as the integrated processes of Plan, Source, Make, Deliver and Return, spanning your suppliers' supplier to your customers' customer, aligned with **Operational Strategy**, **Material**, **Work** & **Information** Flows.

Plan

Plan   Plan   Plan   Plan

Deliver Source Make Deliver   Source   Make   Deliver   Source Make Deliver Source

Suppliers' Supplier | Supplier | YOUR COMPANY | Customer | Customer's Customer

Internal or External   Return   Internal or External

← Supply Chain Operations Reference Model →

SCOR 8.0 Implementation Training | 12

Team Phases

Focus

- Create Business Plan
- Define SCOR Execution
- Staffing & Training
- Pilot and Deploying Function
- Ongoing team Management

Exercises

- Business Plan Element Definitions
- Operating Model Definition
- Trial Communication
- Technology Review
- Staff Identification
- Training Plan Outline
- Pilot Program Selection
- Ongoing management Review

Six Stages for SCOR Teams

CREATE	• Leadership Team • Mission/Vision • Communication Plan	Set the Stage for sponsorship, buy-in, and control of critical aspects of the team
DEFINE	• Operating Models • Technical Standard • Methodologies	Organize the team's work activities, looking at people, process, and technology
STAFF	• Recruit Staff • Team Training • Program Planning	Matching resources to the organizations work is fundamental to success
PILOT	• Lead Management • Pilot End-to-End Project • Capability Review	Bootstrap the organization's by shadowing seasoned professionals
DEPLOY	• End-to-End Project • Local Team Control • Capability Review	Hand-off the execution of process control without risk of failure
MANAGE	• Measure Effectiveness • Standards Compliance • Resource Planning	Provide ongoing strengthening of capability through validation of operations

| 12

Maturing: Convergence

Who

- Seasoned SCOR, Lean and Six-Sigma Professionals

Focus

- Identifying how to use SCOR, Lean and Six-Sigma together in improvement programs
- Exercises in identifying appropriate problem-dependent methodology as well as problem selection

Availability

- Global, 2006
- Public Classes Scheduled Beginning Nov 2006

Customization

- 1-Day Management Version
- ½-Day Executive Version

Maturing: Performance-Based Logistics

Who

- Seasoned SCOR Practitioners
- PBL Contract Developers
- PBL Contract Bidders

Focus

- Identifying how to use SCOR to standardize and simplify PBL Program Implementation
- Exercises in each phase of PBL deployment using SCOR to deliver key program information
- Optimized for Defense Logistics

Availability

- US, 2006
- Global 2007
- Public Classes Scheduled Beginning Nov 2006

Customization

- Company-Specific Versions of Exercises

PBL 12-Phase Roadmap

#	
1	Integrate Requirements and support
2	Form the PBL Team
3	Baseline the System
4	Develop Performance Outcomes
5	Select Product Support Integrator
6	Workload Allocation Strategy
7	Supply-Chain Management Strategy
8	Establish Performance-Based Agreements
9	Business Case Analysis
10	Award Contracts
11	Financial Enablers
12	Implement & Oversight

SCOR 8.0 PBL | 58

Renewing : DCOR Framework

Who

- Seasoned SCOR Practitioners
- Design Professionals
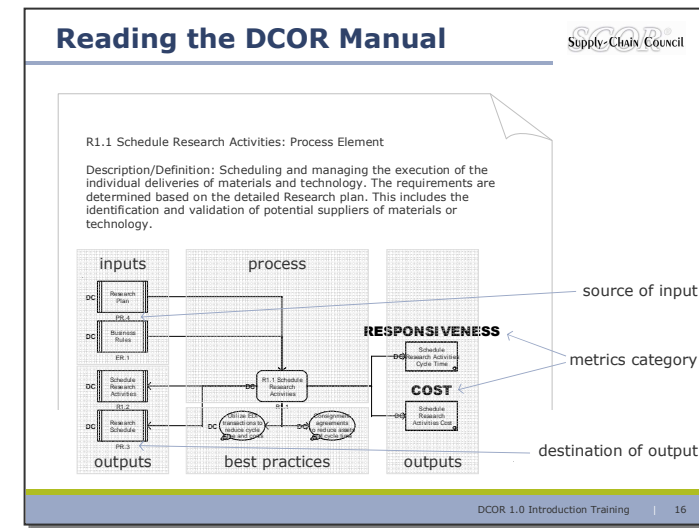- Process Management Professionals

Focus

- Detailed Examination of DCOR Processes, Metrics, Practices and application.
- Walkthrough an end-to-end DCOR Implementation
- Interactive Exercises

Availability

- Global, 2006
- Public Classes Scheduled Beginning Jan 2007

Customization

- 1-day Management Overview
- ½-day Executive Overview

Reading the DCOR Manual

R1.1 Schedule Research Activities: Process Element

Description/Definition: Scheduling and managing the execution of the individual deliveries of materials and technology. The requirements are determined based on the detailed Research plan. This includes the identification and validation of potential suppliers of materials or technology.

inputs — process — source of input — RESPONSIVENESS — metrics category — COST — destination of output — outputs — best practices — outputs

DCOR 1.0 Introduction Training | 16

Training & Certification (2007)

SCOR®
Supply-Chain Council

Level	Key Requirements
SCOR Scholar (SCOR-S)*	• SCOR University Curriculum • SCOR Level 0 Exam
SCOR Professional (SCOR-P)	• SCOR Framework • SCOR Implementation • SCOR Level 1 Exam
SCOR Expert (SCOR-E)	• SCOR-P • SCOR Project Case Study • SCOR Project Peer Review • SCOR Level 2 Exam
SCOR Master (SCOR-M)	• SCOR-E • 5 years SCM Experience • 2 in SCOR Areas • 2 years SCOR Experience • SCOR Practicum • Instruction Workshop • SCOR Level 3 Exam • Positive Training Evaluations
SCOR Subject Master (SCOR-M in…)	• SCOR-M • Subject Training • Positive Subject Training Evaluation

*reserved for University Students in SCM Studies

THE SUPPLY-CHAIN COUNCIL

By Mandate from the Board of Directors has conferred upon

John Doe

Having completed the requirements of and receiving the title of

Certified SCOR Master

Given at Washington, D.C. This 1st Day of November 2006

Chief Technology Officer

Customized Training Enabled

- Edited for Timing and Audience
  - 1-Day Managers
  - ½-Day Executive
- Edited for Relevant Content
  - Training Examples by Industry
    - Chemical, Automotive, Services, etc.
  - Benchmark Data for Similar Companies
  - Training Example by problem
    - Merger/Acquisition
    - Technology Implementation
    - Streamlining or Reorganization
- Language Localization
  - Japanese, Spanish, Portuguese, Chinese

Participant Reaction

Additional Comments: *EXCELLENT INSTRUCTOR Effectively COMMUNICATED Complex Concepts in A Simple, Understandable WAY,*

The Supply Chain Council Thanks You for Joining Us!
Fax this form to the Supply-Chain Council at +1 202-962-3939

> Excellent instructor effectively communicated complex concepts in a simple, understandable way

> Great class! Great all around details of how to approach a business issue in a structure way

Additional Comments: *Great class! Great all around details of how to approach a business issue in a structured way.*

The Supply Chain Council Thanks You for Joining Us!
Fax this form to the Supply-Chain Council at +1 202-962-3939

Additional Comments: *I think the course was paced correctly. Examples were understandable and clear. Good job. Thank you*

> I think the class was paced correctly. Examples were understandable and clear. Good Job – Thank you

> Great Material. Solid Content.

Additional Comments: *Good material, Solid content.*

Additional Comments: *GREAT MAT'L. NEED to SELL SCOR SPONSOR to IMPLEMENT*

> Great Material. Need to Sell SCOR to Sponsor to Implement

> Good Workshop!

Additional Comments: *Good workshop!*

Ask Yourself: Where are we?

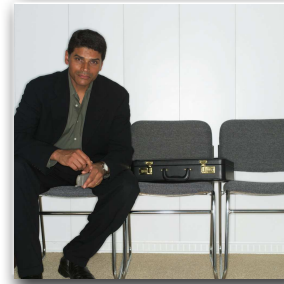| Learn	Pilot	Deploy	Mature	Renew
What is SCOR?	How do I use it?	How do I grow it?	How do I refine it?	What's Next?

What lifecycle phase is my company in?

Have we fully leveraged SCOR training?

Is my team prepared for SCOR certification?

Have we gotten the most out of SCOR possible?

SCOR 8.0 Training Webinar | 30

Curriculum Summary

	Learn	Pilot	Deploy	Mature	Renew
Basis Training	SCOR Framework	SCOR Implementation	SCOR Team	SCOR and Six-Sigma/Lean	DCOR
Executive Track	Executive SCOR Framework	Executive SCOR Implementation	Executive SCOR Team	Executive SCOR Business Benefit	Executive SCOR Business Trends
Advanced Track		SCOR Adviser	Advanced SCOR Modeling	SCOR for PBL	SCOR for Risk Management
			Advanced SCOR Analysis	SCOR for IT	SCOR Practices Benchmarking
			Advanced SCOR Workshop	SCOR for HR	SCOR for M&A
			Rapid SCOR	SCOR for Industries	SCOR for ISO9000
			SCOR Practicum	SCOR for Services	SCOR for SOX404
				SCOR Financials	SCOR for Management

Proposed/Future SCC offering
Available Late 2007/2008

www.Supply-Chain.org

jfrancis@Supply-Chain.org

The Supply-Chain Council

By Mandate from the Board of Directors
has conferred upon

John Doe

Having completed the requirements of and receiving the title
of

Certified SCOR Master

Given at Washington, D.C. This 1st Day of November 2006

Chief Technology Officer