

This is the first lesson of the CLL 037 Supply Chain Fundamentals module. In this lesson you will learn to identify the characteristics of a supply chain.

At the beginning of each lesson, you are given an opportunity to test out of the lesson. If you answer the pretest question correctly, you can decide to continue, or skip to the next lesson.

At the end of each lesson, you will be given three attempts to demonstrate mastery of the learning objective. If you are unsuccessful in the three attempts, you are still allowed to progress and graduate. You will not be penalized.

Upon completing the mobile-accessible version, you can earn full credit, and have your completion recorded in DAU student records, by logging onto the [DAU Virtual classroom site](#) from your computer, and fulfilling the short test associated with the Atlas-based version.

Which of the following is a characteristic of a "supply chain?"

- A Sourcing raw or semi-finished material. >
- B Develops new suppliers. >
- C Designing and marketing a product. >
- D Includes selling and filling customer request. >

Feedback:

The correct answer is "sourcing raw or semi-finished material".

Suppose recent Congressional legislation caused your activity to benchmark and adopt "best practices" to improve operational costs, would you become involved in the activity's effort to identify your supply chain?

Could you identify your activity's supply chain?

Do you know what constitutes a "supply chain?"

Information provided in this lesson will assist you with answering these questions.

Learning Objective

- Identify the characteristics of a supply chain.

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Recall Prior Learning

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Recall any past efforts where you've been involved in creating flowcharts of your activity's work processes from supplier to customer. The "supply chain" is more extensive, detailed, and layered than those flowcharting efforts.

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SCOR® defines supply chain as...

"the integrated processes of Plan, Source, Make, Deliver, and Return, from end-to-end or raw material to finished good delivered to the end customer aligned with Operational Strategy, Material, Work and Information Flows."

A supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request.

The supply chain includes not only the manufacturer and suppliers, but also transporters, warehouses, retailers, and customers themselves.

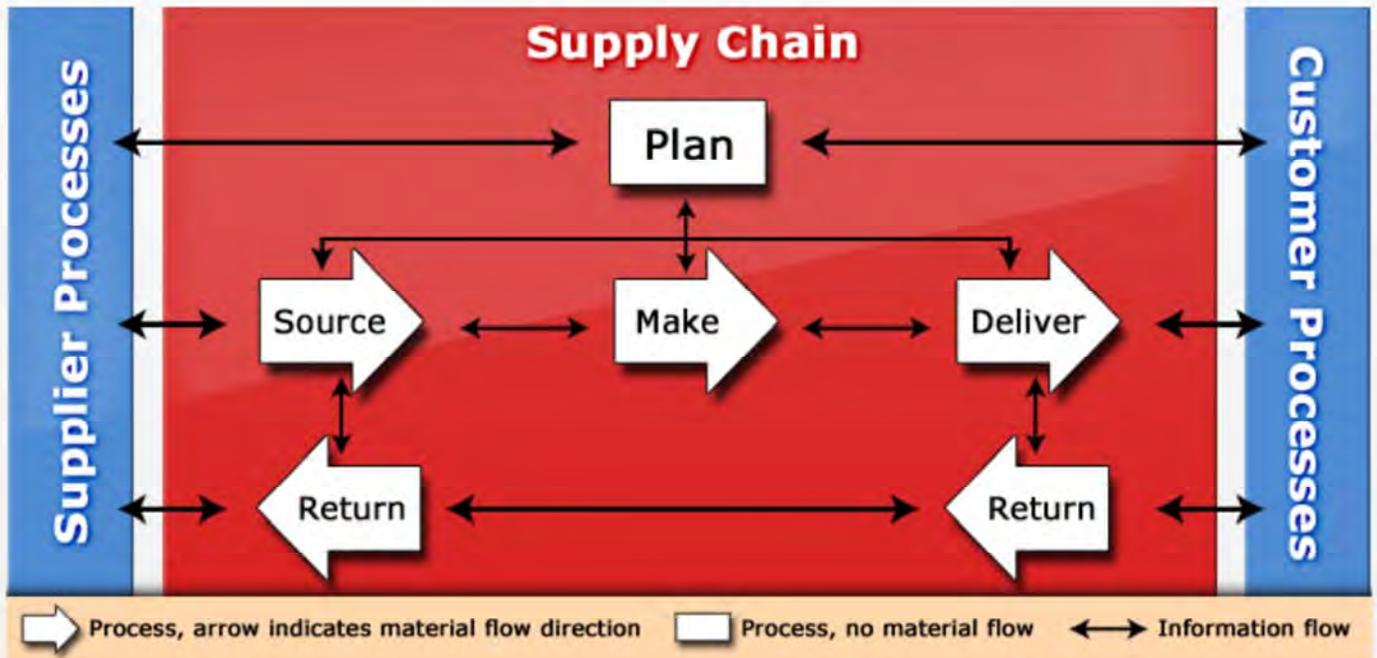
Within each organization, such as a manufacturer, the supply chain includes all functions involved in receiving and filling a customer request.

These functions include, but are not limited to:

- **New product development**
- **Marketing**
- **Operations**
- **Distribution**
- **Finance**
- **Customer service**
- **Information management**
- **Procurement**
- **Human resources**

Consider a customer walking into a Wal-Mart store to purchase detergent. The supply chain begins with the customer and his or her need for detergent. The next stage of this supply chain is the Wal-Mart retail store that the customer visits. Wal-Mart stocks its shelves using inventory that may have been supplied from a finished-goods warehouse that Wal-Mart manages or from a distributor using trucks supplied by a third party. The distributor in turn is stocked by the manufacturer (say Procter & Gamble [P&G] in this case).

The P&G manufacturing plant receives raw material from a variety of suppliers who may themselves have been supplied by lower tier suppliers. For example, packaging material may come from Tenneco packaging while Tenneco receives raw materials to manufacture the packaging from other suppliers. Obviously, this example is for products, but the supply-chain model also applies to services as well.



Please note the graphic represents processes, not departments. Flows are bi-directional.

In the Wal-Mart example, each of the locations is conducting an element of Sourcing and Delivery and some include Make. The store Sources detergent into the store and delivers it (sells it) to the customer. The warehouse sources detergent from P&G and delivers it to the stores. P&G sources raw materials from suppliers, makes detergent, and delivers it to the Wal-Mart warehouse.



The graphic illustrates that the supply chain contains work processes for "Plan," "Source," "Make," "Deliver," and "Return," that comprise a supply chain from "Supplier's supplier," to "Customer's customer."

Supply Chain Is:

- Sourcing raw or semi-finished material (Source)
- Building products or executing services (Make)
- Taking orders and scheduling activities to fulfill orders (Deliver)
- Managing suppliers
- Planning and coordinating all activities in terms of resources, materials, and demand
- Handling maintenance, repair, overhaul, and returns

Supply Chain Is Not:

- Developing new suppliers — generally happens in product design
- Selling a product, but rather taking orders — sales happens elsewhere
- Planning the life cycle of a product — that planning is generally handled in the design/marketing phase

Which of the following is a characteristic of a "supply chain?"

- A Selling. ➤
- B Planning the life cycle of a product. ➤
- C Includes transporters and customers. ➤
- D Develops new suppliers. ➤

Feedback:

Developing new suppliers happens in product design. Selling is a work process separate from the supply chain. Planning the life cycle is a work process generally handled in the design/marketing phase, and outside the supply chain process.

You have completed the learning portion of the What is a Supply Chain? lesson. Next you will be given three attempts to demonstrate mastery of the learning objective.

If you fail all three attempts, you can still progress to the remaining lessons and graduate; however, you are encouraged to restudy the lesson to increase your understanding of the content.

Which of the following is a characteristic of a "supply chain?"

- A Identifying potential new customers. >
- B Includes all processes from analyzing customer needs through designing new products. >
- C Planning the life cycle of a product. >
- D Includes all functions in receiving and filling a customer request. >

Feedback:

The correct answer is, "Includes all functions in receiving and filling a customer request."

Which of the following is a characteristic of a "supply chain?"

- A Comprises Plan, Source, Design, Make, Do, Transport, Restore. >
- B Includes transporters, warehouses, retailers, and customers. >
- C Consists of product design, sales, taking orders, and managing suppliers. >
- D Contains accounting, marketing, customer service, sales, and planning life cycle. >

Feedback:

The correct answer is: "Includes transporters, warehouses, retailers, and customers."

Which of the following is NOT a characteristic of a "supply chain?"

- A Includes all functions in receiving and filling a customer request. >
- B Comprises transporters and customers. >
- C Contains product design, sales, taking orders, and managing suppliers. >
- D Consists of transporters, warehouses, retailers, and customers. >

Feedback:

All of these are characteristics. The one correct answer that is NOT a characteristic is the following, "Contains product design, sales, taking orders, and managing suppliers."

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Summary

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In this lesson, you identified the characteristics of a "supply chain." In the next lesson you will learn about the processes for managing supply chains.

Following this slide, you will be given an opportunity to enhance your retention of supply chains.

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Can you tell what is missing from the following supply chain outline?
Supplier's supplier -> ??? -> your organization -> customer -> customer's customer

A semi-finished material [→](#)

B seller [→](#)

C transporter [→](#)

D supplier [→](#)

Feedback:

The correct answer is: "supplier".

You have completed the content for this lesson.

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