

Welcome to the second lesson of the DoD Supply Chain Fundamentals module, Supply Chain Management.

In this lesson you will learn to recognize the characteristics of supply chain management.

You will be given an opportunity to test out of this lesson. If you pass the test question, you can decide to continue, or skip to the next lesson.

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

- A Communicating and decision-making flows up and down each "silo" or "stovepipe." [→](#)
- B Operating traditional business functions independently. [→](#)
- C Integrating business processes across companies. [→](#)
- D Operating each business function independently, but sharing responsibilities. [→](#)

Feedback:

The correct answer is "Integrating business processes across companies".

Where do you see the focus of management in your organization?

Does work progress only from communications between one high level manager to another?

This is a characteristic of "vertically-focused," or "silo-managed" organizations. As you read this lesson, see how closely your organization resembles the characteristics of supply chain management.

Learning Objective

- Recognize characteristics of supply chain management.

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Recall Prior Learning

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In the Supply Chain lesson, you read about the structure of the Supply Chain. In this lesson, you'll read how to manage the Supply Chain structure.

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What Is Supply Chain Management?

- Encompasses the planning and management of all activities involved in sourcing and procurement
- Includes coordination and collaboration with channel partners
- Integrates supply and demand management within and across companies
- Is an integrating function with primary responsibility for linking major business functions and business processes
- Drives coordination of processes and activities with and across marketing, sales, product design, finance, and information technology

The Association for Operations Management (APICS), defines supply chain management as:

"design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally."

Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities.

It also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers.

In essence, supply chain management integrates supply and demand management within and across companies. Supply Chain Management is an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high-performing business model.

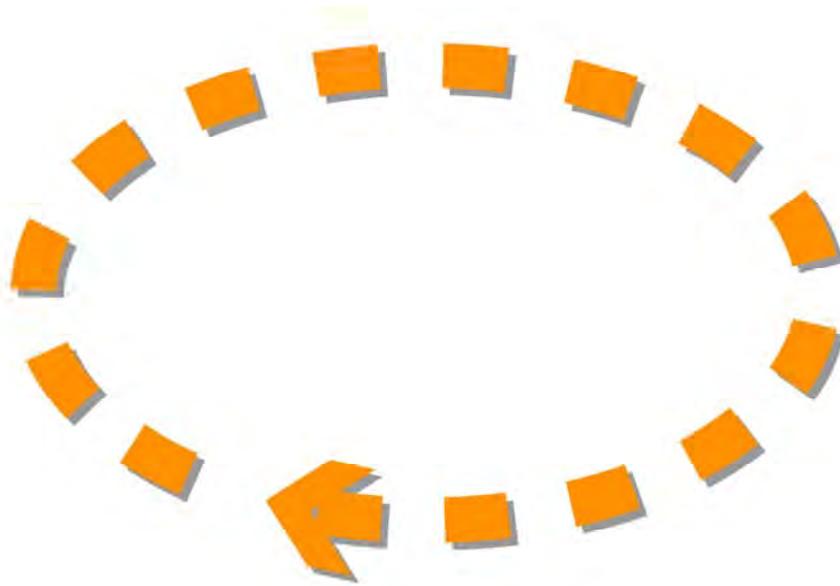
It includes all of the logistics management activities as well as manufacturing operations, and it drives coordination of processes and activities with and across marketing, sales, product design, finance, and information technology.

Product Support Business Model



Management includes the following activities for tasks within and across companies; planning, coordinating, collaborating, integrating, linking.

Managing the supply chain is what links the Product Support Providers (PSPs) together.



Seamless integration of:

- Materiel movement
- Information flow
- Financial transactions

Differs from traditional logistics management:

- Focuses on processes instead of function
- Includes all organizations in the supply chain instead of just your organization

Terminology can be confusing. Although they share a word, we must be able to specifically differentiate between supply chain management, supply, and supply management.

According to the DoD dictionary:

Supply is the procurement, distribution, maintenance while in storage, and salvage of supplies, including the determination of kind and quantity of supplies.

Supply chain is the linked activities associated with providing materiel from a raw material stage to an end user as a finished product. (See also supply; supply chain management.)

They are very, very different.

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

- A Conserving resources by responding only in reaction to customer need. >
- B Analyzing and then converting planning decisions, programming guidance, and Congressional guidance into detailed workflows. >
- C Coordinating with channel partners. >
- D Maintaining "just-in-case" inventory for surge and wartime needs. >

Feedback:

Supply Chain management includes coordinating supply and demand processes and activities with channel partners: across functions, within and across companies.

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Post-Test Introduction

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You have completed the learning portion of the Supply Chain Management 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.

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

- A Planning the life cycle of a product. >
- B Planning all activities involved in sourcing and procurement. >
- C Synchronizing the processes that identify potential new customers. >
- D Integrating all processes from analyzing customer needs through designing new products. >

Feedback:

The correct answer is, "Planning all activities involved in sourcing and procurement."

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

- A Planning the life cycle of a product. >
- B Vertically orienting business functions such as supply, maintenance, and transportation. >
- C Managing inventory for surge and wartime needs. >
- D Synchronizing supply activities with demand. >

Feedback:

The correct answer is, "Synchronizing supply activities with demand."

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

- A Planning for and developing new suppliers. >
- B Integrating market research, needs analysis, customer identification and sales processes. >
- C Linking supply and demand functions within and across companies. >
- D Managing inventory for surge and wartime needs. >

Feedback:

This was your third and final attempt, but you will be allowed to progress to other lessons and graduate. [Review This Lesson](#)

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Summary

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In this lesson, you learned about the characteristics of Supply Chain Management. Remember the following points. Management includes the following activities for tasks within and across companies; planning, coordinating, collaborating, integrating, linking. It encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities.

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What is missing from this supply chain?

Supplier's supplier -> ??? -> your organization -> customer -> customer's customer

A semi-finished material [→](#)

B supplier [→](#)

C seller [→](#)

D transporter [→](#)

Feedback:

The answer is "supplier".

You have completed the content for this lesson.

To continue, select another lesson from the Table of Contents on the left.

If you have closed or hidden the Table of Contents, click the Show TOC button at the top in the Atlas navigation bar.