

Welcome to the third lesson of the DoD Supply Chain Fundamentals module, SCOR Overview.

In this lesson you will learn to recognize the characteristics of the SCOR Model.

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 the "SCOR Model?"

- A Supports communication among design chain partners. >
- B Reference model for streamlining product development. >
- C Includes Plan, Source, Make process descriptions. >
- D Employs commercial off-the-shelf (COTS) software for operations simulation. >

Feedback:

The correct answer is "Includes Plan, Source, Make process descriptions."

Is your organization already using the SCOR model? If not, has your organization discussed application of the DoD Supply Chain Materiel Management Regulation (DoD 4140.1-R)? This regulation directs DoD components to use SCOR reference processes, and this lesson provides an overview of the model.

Note: SCOR is a registered trademark of the Supply Chain Council, Inc. and is used by DAU under the license granted to SCC member organizations.

Learning Objective

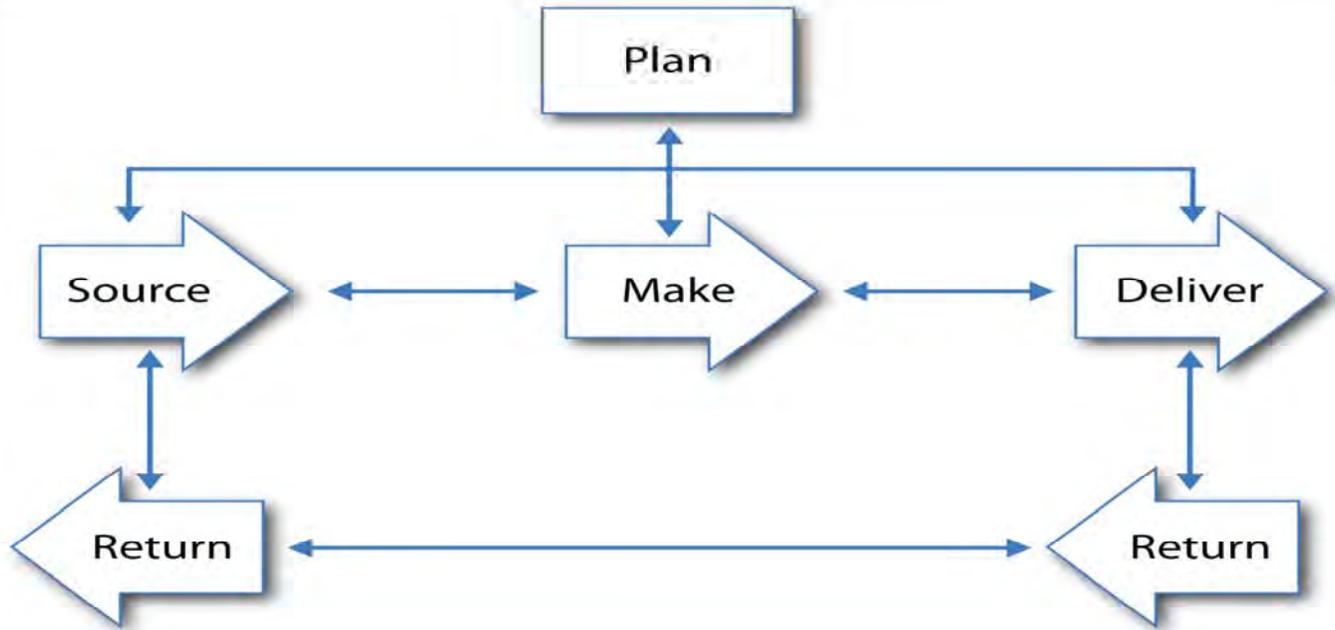
- Recognize characteristics of SCOR® Model.

In the Supply Chain lesson, you read about the structure of the Supply Chain. The previous Supply Chain Management lesson described processes for managing this structure. In this lesson, you'll read more details about the Supply Chain structure, where it came from, and those processes it describes and does not describe.

The Supply Chain Operations Reference (SCOR®) model has been developed to describe the business activities associated with all phases of satisfying a customer's demand.

The model itself contains several sections and is organized around the five primary management processes:

- Plan
- Source
- Make
- Deliver
- Return



Level 1 defines the scope and content for the SCOR® Model. Here the basis of competition performance targets are set.

By describing supply chains using these process building blocks shown on the slide, the SCOR® model can be used to describe supply chains that are very simple or very complex using a common set of definitions.

The Plan processes describe the activities associated with developing plans to operate the supply chain. The Plan processes include the gathering of requirements, gathering of information on available resources, balancing requirements and resources to determine planned capabilities and gaps in demand or resources and identify actions to correct these gaps.

The Source processes describe the ordering (or scheduling of deliveries) and receipt of goods and services. The Source process embodies the issuance of purchase orders or scheduling deliveries, receiving, validation and storage of goods and accepting the invoice from the supplier. With the exception for Sourcing Engineer-to-Order goods or services, all supplier identification, qualification and contract negotiation processes are not described using Source process elements.

The Make processes describe the activities associated with the conversion of materials or creation of the content for services. Conversion of materials is used rather than production or manufacturing as Make represents all types of material conversions: Assembly, Chemical processing, Maintenance, Repair, Overhaul, Recycling, Refurbishment, Remanufacturing and other common names for material conversion processes. As a general guideline: These processes are recognized by the fact that one or more item numbers go in and one or more different item numbers come out of this process.

The Deliver processes describe the activities associated with the creation, maintenance and fulfillment of customer orders. The Deliver process embodies the receipt, validation and creation of customer orders, scheduling order delivery, pick, pack and shipment and invoicing the customer. The D4 Deliver Retail process provides a simplified view of Source and Deliver processes operated in a Make-to-Stock-only retail operation.

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Return

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The Return processes describe the activities associated with the reverse flow of goods. The Return process embodies the identification of the need to return, the disposition decision making, the scheduling of the return and the shipment and receipt of the returned goods. Repair, recycling, refurbishment and remanufacturing processes are not described using Return process elements. (See Make.)

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- The SCOR® Model was created and is maintained by the Supply Chain Council (SCC).
- The SCC is an independent, not-for-profit, trade association.
- Membership is open to all companies and organizations.
- Focus is on research, application and advancement, and advancing state-of-the-art supply chain management systems and practices.
- The SCOR® is a cross-industry standard for supply chain management.

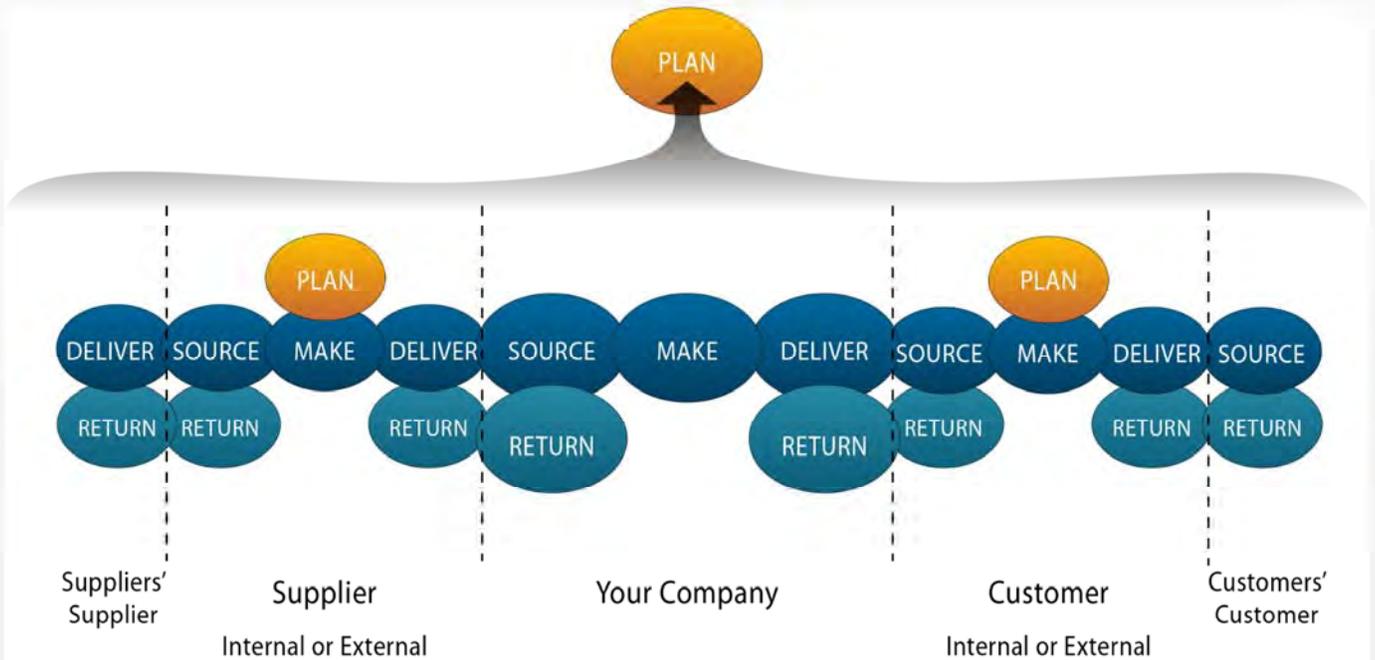
The Supply Chain Operations Reference model (SCOR®) is the product of the Supply Chain Council (SCC), an international, non-profit consortium with chapters throughout the world whose methodology and diagnostic and benchmarking tools help organizations make dramatic and rapid improvements in supply chain processes.

SCC established the SCOR® process reference model for evaluating and comparing supply chain activities and performance.

The SCOR® model captures the council's consensus view of supply chain management. It provides a unique framework that links business process, metrics, best practices, technology and personnel skills into a unified structure to support communication among supply chain partners and to improve the effectiveness of supply chain management and related supply chain improvement activities.

- Offers Training, Certification, Benchmarking, Research, Team Development, Coaching, and Cross-standard Integration focused on the SCOR® framework
- Founded in 1996
- Approaching 1000 association members
- Chapters in North America, Europe, Japan, South Africa, Latin America, Australia / New Zealand, South East Asia and Greater China, with developing chapters in India and the Middle East.

SCC membership is open to all companies and organizations interested in applying and advancing the state-of-the-art in supply chain management systems and practices.



SCOR® spans customer and market interactions.

It does not attempt to describe every business process or activity.

Because SCOR® represents activities, as opposed to organizations, it is "boundary less." You can, in effect, look all the way from a grain of sand to a finished computer.

As a metaphor, SCOR® looks from "cow to cone" for ice cream.

Key points:

- **Standard names**
- **Standard interconnects**
- **Boundaries only defined by process start/stop points**

You have the ability to truly optimize the performance of very, very large systems, cutting waste and cycle time and improving cash consumption.

The SCOR® reference model consists of four major components:

- **Performance:** Standard metrics to describe process performance and define strategic goals
- **Processes:** Standard descriptions of management processes and process relationships
- **(Best) Practices:** Management practices that produce significant better process performance
- **People:** Standard definitions for skills required to perform supply chain processes

SCOR® is a reference model. The purpose of a process reference model, or business process framework, is to describe your process architecture in a way that makes sense to key business partners. Architecture in this sense means the way processes interact, how they perform, how they are configured, and the requirements (skills) of staff operating the process.

One unique feature about SCOR® as opposed to most frameworks is that it is not simply a list of processes, practices, or metrics. It combines all three and adds pre-defined relationships between processes in terms of material, information, and work flows.

These pre-defined relationships are the result of the research and collaborative definition that all participants in the SCOR® development have contributed. It's not perfect — it doesn't represent all business flows — but it is quite valuable for hitting 95% of most business flows in supply chain.

There are many process frameworks: Most consulting houses have their own process framework for working with clients (Accenture, Deloitte, PRTM). There are specialized industry frameworks. eTOM (enhanced Telecom Operations Map) and NGOSS (Next Generation Operations Support System) are useful for Telephone Networks.; ITIL (IT Infrastructure Library) is useful for Information Technology.

The SCOR® model does not attempt to describe every business process or activity. Specifically, the model does not address:

- Sales and marketing (demand generation)
- Product development
- Research and development
- Some elements of post-delivery customer support

The SCOR® model focuses on the supply chain.

There are other models in various stages of development that concentrate on other areas. For example, the Design Chain Operation Reference (DCOR) model is a framework to support communication among design chain partners. Likewise, the Customer Chain Operations Reference (CCOR) model is a framework that focuses communication among supply chain partners in terms of the customer.

Which of the following is a characteristic of the "SCOR model?"

- A Describes business process architecture. >
- B Quantifies potential benefits from integrating with supplier's suppliers. >
- C Identifies gaps in sales efforts. >
- D Determines benchmark metrics for product design. >

Feedback:

The SCOR® model describes business process architecture. It is not used in sales or product design business processes. It is not used for quantifying the benefits of using a supplier's supplier.

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Post-Test Introduction

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You have completed the learning portion of the SCOR Overview 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 the "SCOR model?"

- A Describes all business processes and activities. >
- B Spans customer and market interactions. >
- C Includes the improvement processes of "Plan, Do, Check, Act." >
- D Supports communication among design chain partners. >

Feedback:

The correct answer is, "Spans customer and market interactions."

Which of the following is a characteristic of the "SCOR model?"

- A Describes benchmark metrics for product design. >
- B Implements Enterprise Resource Planning (ERP). >
- C Includes these process building blocks; Return, Deliver, Make. >
- D Applies new technology to old processes. >

Feedback:

The correct answer is, "Includes these process building blocks; Return, Deliver, Make."

Which of the following is a characteristic of the "SCOR model?"

- A Focuses on research, development, sales, and marketing of supply chain management systems.
- B Represents organizations, not activities.
- C A reference model for evaluating all business processes.
- D Describes business activities associated with satisfying customer demand.

Feedback:

The correct answer is, "Describes business activities associated with satisfying customer demand."

In this lesson, you learned about the characteristics of the SCOR model. The SCOR® model includes the following five processes of the Supply Chain; Plan, Source, Make, Deliver, Return. It does **not** describe sales and marketing, product development, research and development, and some elements of post-delivery customer support.

Can you recall a characteristic of "supply chain management?"

- A focus is on integrating processes
- B monitors and controls actions between program managers
- C includes only your organization
- D focus is on functional efficiency

Feedback:

The answer is "focus is on integrating processes."

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.