Case Studies:

Real-world Solutions to Real-world Challenges

Challenges are quick, difficult and never ending for supply chain professionals. They know that an information source that examines what their colleagues did to overcome similar problems is invaluable.

SupplyChainBrain presents today's most complete and in-depth real-world case studies. These reports detail the specific nature of the problem to be addressed. They describe how and why given solutions were chosen. They exhaustively track the implementation, including what problems occurred during the process. And, they examine the quantifiable and sustainable results in terms of cost savings, revenue generation and/or customer satisfaction.

Reporting is based on exclusive interviews with the company affected and any supply chain partners involved in the project. Tasked with meeting daunting schedules and deadlines while containing costs, logistics and supply chain professionals need an information source with case studies that give them real-world solutions to real-world challenges.





CASE STUDY

Combining All Catalogs Into One Warehouse Boosted Productivity At Redcats UK

CASE STUDY

Best Buy's Journey To a Best-in-Class Supply Chain

CASE STUDY

Levi Strauss Revamps Value-Channel Supply Chain to Keep Pace With Outlet Shoppers

CASE STUDY

CooperVision Scales Up Logistics Operations To Keep Pace With Rapid Growth

CASE STUDY

For Ford Motor Co., the Aftermarket Is No Longer an Afterthought

Hershey Kisses Its Supply-chain Inefficiency Good-bye

The Hershey distribution network began to fragment.

CASE STUDY

Brash High-Tech Start-up Matures Into a Profitable Unit of Siemens

CASE STUDY

Philips Consumer Electronics Revamps Distribution With Outsourced Solution

CASE STUDY

Home Depot Turns Its Attention to Supplier Performance Management

CASE STUDY

From Spreadsheets to Supply-chain Planning Implementation: How Sweet It Is!

CASE STUDY

Scotts Cultivates a Customer-Centric Supply-chain Strategy

CASE STUDY

For RadioShack, A Unique Business Model Is No Shield Against Competition

CASE STUDY

Supply Chain Transformation At Sara Lee Foods Presents 'One Face to the Customer'

HP Invents New Framework for Managing Supply Chain Risk

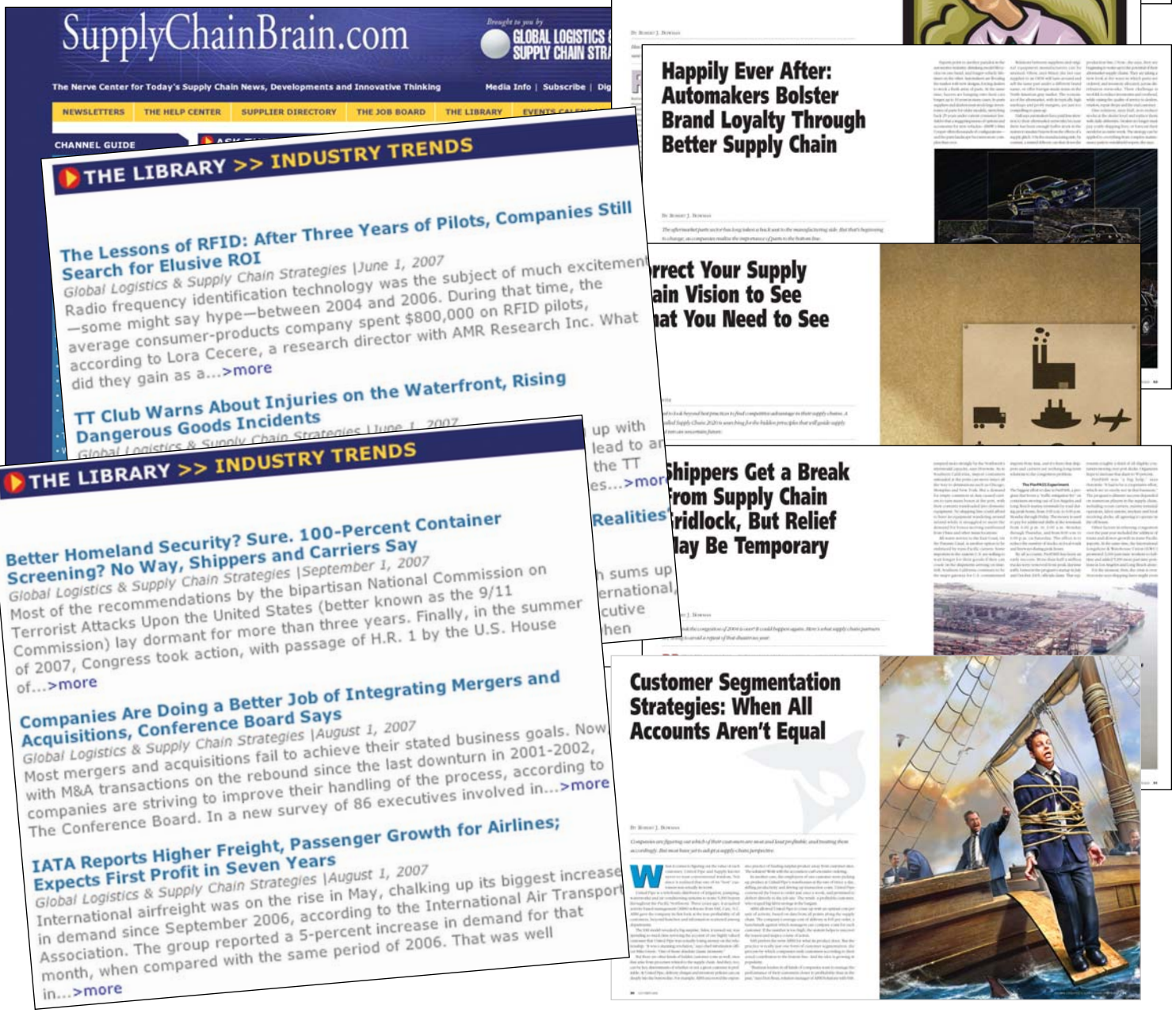
Ideas & Trends:

The Latest in Supply Chain Thinking

Change and innovation are two of the most important words in the supply chain lexicon, and supply chain professionals must keep abreast of the evolution in their world.

They must understand the impact of change and how to accept or counteract it. And they need detailed intelligence on the most innovative ideas.

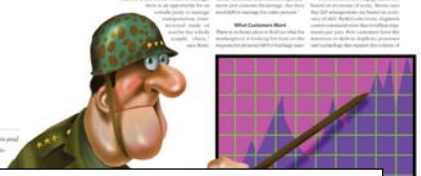
SupplyChainBrain is dedicated to presenting the latest in supply chain thinking.



Multi-Echelon Supply Chains: Multi-Inventory, Multi-Problems



Lead Logistics Providers: Time to Fall in Line



Successful Outsourcing Starts with Finding The Right Partner



Inventory Optimization Tops 'Most Wanted' Technology List For the Second Year



LTL Carriers Find a Big Role to Play on the Global Stage



New EPC Standard For Information Services May Breathe Life Back Into RFID Market



Best Tools for Warehouse Management Are Hiding In Plain Sight



Moments of Truth In the Retail Supply Chain Are All About Return on Inventory



Global Trade Management: An Ever-Moving Target



Logistics Services Contracts, and How to Negotiate Them



3PLs Help Clients Define and Deliver The Perfect Order



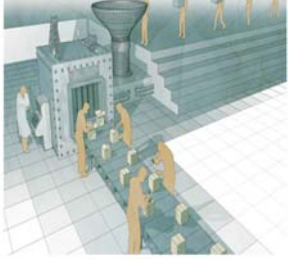
Supply Chain Management: The Perils of Going Global



Risky Business: The True Cost of Supply Chain Disruptions



Take a Comprehensive Approach to Boosting Warehouse Productivity



Research & Analysis:
Actionable Intelligence

SupplyChainBrain has partnered with analysts at some of the world's top supply chain management research organizations, including Aberdeen Group and AMR Research. Their thoughts on logistics and SCM appear in interviews and stand-alone reports in *Global Logistics & Supply Chain Strategies* magazine, in white papers on the SupplyChainBrain.com web site, and in our wide range of newsletters.

Other publishers quote analysts, but none have developed the deep collaborative relationship with these respected analysts that the editorial staff of SupplyChainBrain has. Research and analysis—intel our audience can act on.



AMR Lists the 25 Best-Run Supply Chains in the World

By Thomas A. Foster

The list recognizes those companies that have done the most to bring IT together with what AMR Research calls the demand-driven supply network. This year's standing won just leaders tripled and the rarity of some new companies.

There are many ways to define what makes an outstanding supply chain. For AMR Research that is viewed as a formula—literally.

The Boston-based technology research firm generally calculates various financial and operating measures for Fortune Global 500 companies including return on assets (ROA), inventory turns and revenue growth. It then relates one metric for the manufacturer operations and those of high-level supply chain professionals. The result is a list of the world's best run supply chains ranked from one to 25 based on a weighted formula (see the table on page 68 and 69 for the complete list of companies).

"This model is based on a strategic connection between a business's financial performance and the operational capabilities of activities for companies in an innovation and supply capability that is driven by the demands of customers," says CP Skroch, "How close is a business to where it says it is? What companies are actually building?"

Harvard and operations guru Robert Kaplan is the pad of the dataset driven approach.

Buy Supply Chain Top 25 companies, for example, have outperformed the Standard & Poor's 500 index by more than 40 percentage points since 1998. Kaplan Research has developed numerous processes to identify the winners' areas. Building a clear connection between supply chain activities and financial performance participants and create cash (rather than) shares (of stock). It's not simply a matter of saving costs."

A new element to the ranking this year is peer opinions, which accounts for 20 percent of the total scores. According to O'Neill, this subjective component is necessary because a business can excel across many factors that customers value but still not be considered a leader. "Long-term leadership is also about reputation and mindset. It's not simply a matter of saving costs."

Supply chain leadership selects for five groups including creative, non-adaptive collaborators, largely sophisticated demand modelling, and software platform strategies with deeply into the supply chain ecosystem," says O'Neill. "What's next for the companies in this group? Better integration with their demand and supply networks."

Those life science companies are ranked by the supply chain Top 25, including Johnson & Johnson at No. 10, Abbott Laboratories at No. 11 and Medtronic at No. 12. Johnson & Johnson's supply chain has been recognized by Time Consulting Group for its flexibility, mixed responses for customer service, and high performance and flexible manufacturing, and mission service supply chain innovation with worldwide.

Supply chain leadership selects for five groups including creative, non-adaptive collaborators, largely sophisticated demand modelling, and software platform strategies with deeply into the supply chain ecosystem," says O'Neill. "What's next for the companies in this group? Better integration with their demand and supply networks."

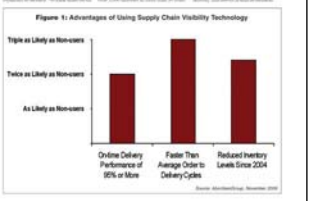
Those life science companies are ranked by the supply chain Top 25, including Johnson & Johnson at No. 10, Abbott Laboratories at No. 11 and Medtronic at No. 12. Johnson & Johnson's supply chain has been recognized by Time Consulting Group for its flexibility, mixed responses for customer service, and high performance and flexible manufacturing, and mission service supply chain innovation with worldwide.





"Our key pressure is coordinating the diversity of forwarders and suppliers delivering a wide collection of merchandise."

— CIO of mid-market retailer





The AMR Research Supply Chain Top 25 for 2007

Company	Peer Opinion* (20%)	Inventory Turns* (20%)	Asset Turns* (20%)	Inventory Score* (20%)	Revenue Growth* (20%)	Composite Score*	Comments
1. Nokia	713	496	19.5%	179	28.2%	4.78	As a pioneer in value-chain strategy, Nokia has led in supplier development, R&D, and collaborative product development.
2. Apple	673	263	11.4%	90.6	30.6%	3.90	Apple's unparalleled demand-shaping capability can be a model. Other recent spectacular results without stealing were the new iPhone ads.
3. Procter & Gamble	1462	120	6.4%	0.3	20.2%	3.48	By modernizing Gillette, P&G proved that it knows how to integrate its value-chain crown. Raising corporate profits.
4. IBM	848	471	9.2%	18.8	5.3%	3.44	IBM, which has led the demand-driven revolution within its own manufacturing, has been less invested in the sale of IT for many other Top 25 companies.
5. Toyota Motor	1303	125	4.8%	10.1	13.4%	3.28	Becoming the world's No. 1 automaker through lean manufacturing, Toyota has created the "Toyota Production System" for North 20th century. Would IT philosophy? IT has other precepts in living as it's best?
6. Wal-Mart Stores	1377	405	7.5%	138	11.7%	3.16	With Wal-Mart leadership in supply chain is more than just removing fee errors—its technology investments have driven new process in the industry's most successful retailer.
7. Anheuser-Busch	452	371	12.3%	14.8	4.5%	4.40	Anheuser-Busch has a unique supply chain. Nearly half of its sales are in the peak summer season, and it has to make sure it has enough beer to meet demand. Its supply chain is also unique because it has to get its product to market quickly before it goes bad.
8. Tesco	401	14	7.3%	18.1	10.9%	4.78	Tesco executives aggressively, a store operations and inventory, positioning itself as a global player as the consolidating grocery sector.
9. Best Buy	515	196	9.6%	6.4	12.9%	4.62	Best Buy has been a leader in customer service, merchandising, and store-by-store experiments with in-store use of RFID. Best Buy is a pioneer of demand-driven practices.
10. Samsung Electronics	333	200	13.7%	13.2	6.3%	4.38	Samsung's grassroots manage technology initiatives, which began in the mid-1990s, have helped it become a global powerhouse. Samsung's operational has improved its initiative on corporate strategy.
11. Cisco Systems	424	102	12.9%	13	14.3%	4.23	As one of the first technology giants to use contract manufacturing extensively, Cisco has a deep understanding of the networked value chain.
12. Motorola	336	280	8.5%	9.5	21.6%	4.00	Motorola's supply chain leadership has been huge change and improvement in its operations. With a CIO having been in a competitive edge, the position as decommissioning leadership is high.
13. The Coca-Cola Company	335	227	17.5%	5.6	4.3%	4.00	As the world's most valuable brand, Coke has an advantage, and its efforts to improve its supply chain have been impressive. Coke's bottling network has been coupled with better operations with previous big returns to shareholders.

Source: AMR Research, 2007

The AMR Research Supply Chain Top 25 for 2007

Company	Peer Opinion* (20%)	Inventory Turns* (20%)	Asset Turns* (20%)	Inventory Score* (20%)	Revenue Growth* (20%)	Composite Score*	Comments
14. Johnson & Johnson	465	272	71.7%	37	5.6%	3.28	As it has historically relied on superior products rather than operational excellence to drive top results, its the world's shift from supply chain to value chain, an area that J&J already does.
15. PepsiCo	412	116	16.8%	8.2	7.9%	3.24	PepsiCo, operating out of Purchase, New York, has been a leader in its sophisticated product forecasting model for resellers.
16. Johnson Controls	220	142	8.7%	14.1	12.3%	3.16	Johnson Controls, based in Milwaukee, Wis., has a unique supply chain. It's a manufacturer of automotive batteries, but it also has a significant business in supply chain planning. It combines in advance of the auto industry's supply chain.
17. Texas Instruments	237	89	31.2%	4.8	10.2%	3.12	One early use of sophisticated collaboration in supply chain planning. TI combines in advance of the auto industry's supply chain.
18. Nike	423	134	14.7%	4.8	6.8%	3.12	Nike figures Nike.com brand and design to create value that supersedes any offering in the eyes of both the consumer and its traditional IT partner supply chain processes. However, Nike's supply chain has been further hurt by sub-standard distribution.
19. Lowe's	403	217	11.2%	4.2	6.1%	3.12	Lowe's emphasized the shopping experience for consumers but managed to keep supplies and prices very strong. Demand visibility helps both Lowe's and its suppliers.
20. Hewlett-Packard	903	58	21.1%	3.1	7.2%	3.04	By taking a strong product portfolio, HP's supply chain has been able to take advantage of this and reach into the lead in guaranteeing the final fit for the product.
21. Lockheed Martin	63	31	5.6%	27.5	6.4%	3.04	HP has aligned Compaq and successfully integrated it into its supply chain. Its PC and server offer, and can't claim the lead in guaranteeing the global supply chain. Welcome back to the Top 25.
22. Merck	63	31	5.6%	27.5	6.4%	3.04	With perceptive innovations like performance-based logistics, Lockheed has taken advantage of its unique position as a defense giant. Its supply chain is also industry-specific that's a relatively quiet and private company.
23. Publix Super Markets	38	42	14.8%	11.7	5.3%	2.96	Publix is a leading grocery chain in the Southeastern U.S. Its supply chain is also industry-specific that's a relatively quiet and private company.
24. Procter & Gamble	1	21	5.3%	10.8	17.0%	2.88	Merck is an outstanding pharmaceuticals company. Its supply chain is also industry-specific that's a relatively quiet and private company.
25. AstraZeneca	105	48	28.3%	2.3	10.3%	2.88	Its UK, AstraZeneca benefits from financial results that shine. Less to earn but more instructive. The company's supply chain is also industry-specific that's a relatively quiet and private company.

Source: AMR Research, 2007

Born on the Assembly Line, Lean Principles Begin to Take Hold in the Supply Chain

By Robert J. Bowman

Ways of slashing waste in manufacturing can be applied to supply chain processes, although progress is slow. Second of a two-part series on continuous improvement.

Like many of the best ideas for business success, it started in America. Henry Ford's Model T is often cited as the beginning of quality, and W. Edwards Deming, as well as the assembly line practices of Ford Motor Co., as two key figures in the Japanese Miracle. Among other things, the 1950s saw Japan's automotive industry rise to create Lexus, Infiniti and Acura, which became a pioneer of demand-driven practices.

Toyota took grassroots leverage technology to help it build its supply chain, but Deming's ideas were largely neglected until the Japanese had established an unparalleled lead in quality.

Many of the first technology giants to use contract manufacturing extensively. Cisco has a deep understanding of the networked value chain.

Successful supply chain leadership has been huge change and improvement in its operations. With a CIO having been in a competitive edge, the position as decommissioning leadership is high.

As the world's most valuable brand, Coke has an advantage, and its efforts to improve its supply chain have been impressive. Coke's bottling network has been coupled with better operations with previous big returns to shareholders.

Source: AMR Research, 2007



Lean manufacturing principles—which can be applied throughout the supply chain, especially in dealings with external partners—have been a mainstay of quality gurus W. Edwards Deming, as well as the assembly line practices of Ford Motor Co., as two key figures in the Japanese Miracle. Among other things, the 1950s saw Japan's automotive industry rise to create Lexus, Infiniti and Acura, which became a pioneer of demand-driven practices.

Toyota took grassroots leverage technology to help it build its supply chain, but Deming's ideas were largely neglected until the Japanese had established an unparalleled lead in quality.

Many of the first technology giants to use contract manufacturing extensively. Cisco has a deep understanding of the networked value chain.

Successful supply chain leadership has been huge change and improvement in its operations. With a CIO having been in a competitive edge, the position as decommissioning leadership is high.

As the world's most valuable brand, Coke has an advantage, and its efforts to improve its supply chain have been impressive. Coke's bottling network has been coupled with better operations with previous big returns to shareholders.

Source: AMR Research, 2007

The Top 25 Global 3PLs: Is Bigger Really Better?

By Bernie Hoecker and Thomas Foster

Mergers drive rapid expansion among the world's largest logistics service providers, but organic growth is what produces fluent-ful success.



Buy Supply Chain Top 25 companies, for example, have outperformed the Standard & Poor's 500 index by more than 40 percentage points since 1998. Kaplan Research has developed numerous processes to identify the winners' areas. Building a clear connection between supply chain activities and financial performance participants and create cash (rather than) shares (of stock). It's not simply a matter of saving costs."

A new element to the ranking this year is peer opinions, which accounts for 20 percent of the total scores. According to









Can Certain Specialists Serve Their Verticals Better than Global 3PLs?

By Thomas Foster

A leading electronic components distributor, a car-offering logistics and supply chain management service, argues that the industry is too gas-tailored for 3PLs with only general expertise.



Executive Interviews:

Views from the Top

In exclusive interviews, top SCM executives of the best and most innovative companies discuss their complex supply chain challenges, and how they overcame them.

Through candid conversations with the *GL&SCS* and SupplyChainBrain staff, these executives walk readers through the problems faced by their companies, and then through the analysis and decision making process needed to solve them.

No other supply chain management media company has the attention of top-level logistics and supply chain professionals- or the lineup of top-flight interviewees- like SupplyChainBrain.

