

**LEADING Practice: Value Based Design for Supply Chain**

Value Model		Performance Model	Business Model			Operating Model		
Strategies & Objectives	Critical Success Factors	Key Performance Indicator	Business Model Level	Business Competency Area	Business Competency	Operational Business Competency	Business Competency Owner	Operating Model Strategy
			Supply Chain Cost Efficiency	Optimize Cost, Cash Flow and Capital	Optimized asset related costs		1. Strategic	Operations Supply Chain Support
		Improve balance between buy and lease	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain sourcing guidelines, standards and	CFO/VP of SCM	Variable
		Improve effectiveness of plant maintenance	2. Tactical	Operations Supply Chain Support	Supply Chain Safety	Supply Chain regulations and compliance	COO/VP of SCM	Focused
		Increase use of leased product/service equipment	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	COO/VP of SCM	Variable
		Divest low-utilization infrastructure	2. Tactical	Operations Supply Chain Support	Supply Chain assets	Asset maintenance	CFO/CIO	Focused
		Improve preventive equipment maintenance	2. Tactical	Operations Supply Chain Support	Equipment & Plant Maintenance	Supply Chain maintenance, plan and schedule	COO/VP of SCM	Resilient
		Increase utilization of product/service equipment	2. Tactical	Operations Supply Chain Support	Supply Chain assets	Assets guidelines, rules and standards	COO/VP of SCM	Focused
		Reduce number of data centers, branch offices, dealerships, retail outlets, etc.	2. Tactical	Operations Supply Chain Support	Supply Chain assets	Asset maintenance	COO/CIO	Focused
	Reduce Supply Chain Administration Costs	Consolidate company real estate/facilities	1. Strategic	Operations Supply Chain Support	Asset allocation	Asset allocation	COO/VP of SCM	Resilient
		functions	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	COO/CRDO	Variable
		Service Flow development for service design, development and deployment	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	COO/CRDO	Variable
		Service Flow development for operations and maintenance services	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	COO/VP of SCM	Variable
		Service Flow development for procurement functions	1. Strategic	Operations Supply Chain Support	Operations Supply Chain Support Planning	Operational support business planning	CPO	Variable
		Service Flow development for property management functions	1. Strategic	Operations Supply Chain Support	Operations Supply Chain Support Planning	Workload and resource forecast	CFO/VP of SCM	Variable
		Consolidate order fulfillment functions	2. Tactical	Supply Chain & Logistics	Order Fulfillment	Order management planning	COO/VP of SCM	Variable
		Manage procurement for MRO on a national or global basis	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Procurement processing	CPO	Resilient
		Outsource partner administration activities	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	CFO/VP of SCM	Variable
		Reduce fixed cost by paying for usage, not for availability	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain sourcing guidelines, standards and	CFO/VP of SCM	Variable
	Reduce Reduce Cost of goods sold (CoGS)	Refine/align logistics and Supply Chain & Logistics strategies	1. Strategic	Supply Chain & Logistics	Supply Chain & Logistics Planning	Supply Chain & Logistics network planning	COO/VP of SCM	Responsive
		Improve Service Flow development for service and support operations	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	COO/VP of SCM	Variable
		Improve purchasing on a national/global basis	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	CPO	Focused
		Increase emphasis on designing and packaging for Supply Chain & Logistics	2. Tactical	Supply Chain & Logistics	Supply Chain & Logistics Planning	Plan Supply Chain & Logistics requirements	COO/CRDO	Responsive
		Service Flow development for end-user-support	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	COO/CIO	Variable
Lower Supply Chain Risk (SC Governance/Risk/Compliance)	Ensure Compliance	Improve monitoring and management of regulatory compliance	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	CFO/VP of SCM	Resilient
		Improve physical security of people	2. Tactical	Operations Supply Chain Support	Supply Chain Safety	EHS guidelines, rules and rewards	CRSO	Resilient
		Compliance with environmental standards	2. Tactical	Operations Supply Chain Support	Supply Chain Safety	Supply Chain regulations and compliance	COO/CIO	Resilient
		Compliance with health standards	2. Tactical	Operations Supply Chain Support	Supply Chain Safety	Supply Chain regulations and compliance	CHRO/CIO	Resilient
		Improve focus on internal controls and regulatory compliance	2. Tactical	Operations Supply Chain Support	Supply Chain operations	Information management	CFO/VP of SCM	Resilient
	Improve Risk Insight & Intelligence	Improve analysis of managerial information	1. Strategic	Operations Supply Chain Support	Supply Chain operations	Information management	CFO/COO	Responsive
		Increase emphasis on continuous, proactive performance management	1. Strategic	Operations Supply Chain Support	Supply Chain Quality	Quality audits and control	CFO/COO	Responsive
		Improve tracking and communication of program/project progress	2. Tactical	Operations Supply Chain Support	Supply Chain operations	Information and knowledge management plan	CFO/COO	Responsive
	Improve Risk Management	Align internal audit practices with business and risk objectives	1. Strategic	Operations Supply Chain Support	Supply Chain Quality	Quality guidelines and standards	CFO/VP of SCM	Resilient
		Improve assignment of resources to projects	2. Tactical	Operations Supply Chain Support	Supply Chain assets	Supply Chain asset traceability	CFO/COO	Responsive
		Improve company-wide monitoring and management of risks	2. Tactical	Operations Supply Chain Support	Supply Chain Quality	Quality audits and control	CRSO	Resilient
		Improve management of vendors/service providers	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	CFO/COO/CPO	Focused
		Improve monitoring and protection of assets, people, infrastructure, etc.	2. Tactical	Operations Supply Chain Support	Supply Chain Safety	EHS guidelines, rules and rewards	CFO/VP of SCM	Resilient
		Increase emphasis on quality management and benchmarking	2. Tactical	Operations Supply Chain Support	Supply Chain Quality	Quality audits and control	COO/VP of SCM	Focused
		Strengthen and communicate governance policies and procedures	2. Tactical	Operations Supply Chain Support	Supply Chain Quality	Quality training	CFO/VP of SCM	Resilient
	Improve Risk Planning	Build values and ethics into corporate culture	1. Strategic	Operations Supply Chain Support	Operational Security	Supply Chain security incident and issue management	CHRO	Responsive
		Improve effectiveness of program/project governance models	2. Tactical	Operations Supply Chain Support	Supply Chain Quality	Quality audits and control	CFO/COO	Resilient
		Improve/implement internal control frameworks and policies	2. Tactical	Operations Supply Chain Support	Supply Chain Quality	Quality audits and control	CFO/COO	Resilient
Improve Supply Chain Competitiveness	Improve Customer Interaction	Improve due-date reliability	1. Strategic	Supply Chain & Logistics	Scheduling	Supply Chain Schedule	COO/VP of SCM	Responsive
		Improve incentives around order management efficiency	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	CHRO/COO	Focused
		Improve order management methods and tools	1. Strategic	Supply Chain & Logistics	Order Fulfillment	Order processing	COO/CIO	Responsive
		availability	1. Strategic	Supply Chain & Logistics	Scheduling	Scheduling planning	COO/VP of SCM	Resilient
		Improve pick, pack and ship processes	2. Tactical	Supply Chain & Logistics	Transportation	Operate outbound transportation	COO/VP of SCM	Responsive
	Improve Customer Satisfaction & Loyalty	Improve services and delivery	2. Tactical	Supply Chain & Logistics	Order Fulfillment	Order processing	CMO/COO	Responsive/Resilient
	Strengthen Supply Chain Innovation	Better settings for innovation to flourish	1. Strategic	Operations Supply Chain Support	Supply Chain operations	Information management	CRDO	Focused
		Pursue joint-venture, partnership and OEM arrangements	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	CRDO	Focused
Improve Operational Supply Chain Excellence	Improve Supply Chain Services	Fast and smart decision making tools and process	1. Strategic	Operations Supply Chain Support	Supply Chain operations	Information management	CFO/COO	Responsive
		Improve asset management processes	1. Strategic	Operations Supply Chain Support	Supply Chain assets	Assets guidelines, rules and standards	CFO/VP of SCM	Responsive/Variable
		Improve collaboration with vendors	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	CPO	Focused
		Leverage breadth of vendor relationships to lengthen payment cycles	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Sourcing oversight and monitoring	CFO/VP of SCM	Variable
		Utilize national/global purchasing power	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	CPO	Variable
		Improve service procurement processes	2. Tactical	Operations Supply Chain Support	Supply Chain Safety	EHS implementation and support	CPO	Responsive
		Improve terms on equipment and supplies	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	CPO	Variable
		Improve terms on purchased and leased assets	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	CFO/CIO	Variable
		Improve terms with corporate service providers	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	CIO	Variable
		Improve terms with third-party product/service and service providers	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	COO/VP of SCM	Variable
		Leverage credit rating to lengthen payment cycles and reduce interests rates	2. Tactical	Operations Supply Chain Support	Supply Chain assets	Supply Chain asset traceability	CFO/VP of SCM	Variable
	Improve Supply Chain Information Management	Better data and privacy protection compliance	2. Tactical	Operations Supply Chain Support	Supply Chain operations	Information and knowledge management plan	CFO/CIO	Resilient
		Improve Data control processes and tools	2. Tactical	Operations Supply Chain Support	Supply Chain operations	Information control, audits and reports	CFO/COO	Resilient
	Improve Resource Management	Improve skills of sales & marketing staff	2. Tactical	Operations Supply Chain Support	Supply Chain education	Supply Chain training	CHRO/CMO	Responsive/Resilient
	Improve Supply Chain Delivery	Develop low-inventory business models	1. Strategic	Supply Chain & Logistics	Supply Chain & Logistics Planning	Supply Chain & Logistics strategy	COO/VP of SCM	Focused
		Divest low-demand/ obsolete inventory	1. Strategic	Supply Chain & Logistics	Finished Goods Inventory	Supply Chain stock control	COO/VP of SCM	Focused
		Improve design/ structure of Supply Chain & Logistics networks	1. Strategic	Supply Chain & Logistics	Supply Chain & Logistics Planning	Supply Chain & Logistics strategy	COO/VP of SCM	Focused
		Improve terms on leased service assets	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Vendor and supplier relationship management	COO/VP of SCM	Variable
		Improve transport and delivery processes/algorithms	1. Strategic	Supply Chain & Logistics	Supply Chain & Logistics Planning	Supply Chain & Logistics strategy	COO/VP of SCM	Responsive
		Improve utilization of logistics service staff	1. Strategic	Supply Chain & Logistics	Supply Chain & Logistics	Assess Supply Chain & Logistics planning performance	COO/VP of SCM	Responsive
		Rationalize material order quantities and timing	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	CPO	Responsive
		Reduce procurement cycle times	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Procurement audits	CPO	Responsive
		Improve logistics performance management methods and tools	2. Tactical	Supply Chain & Logistics	Supply Chain & Logistics Planning	Supply Chain & Logistics strategy	COO/VP of SCM	Responsive
		Improve logistics/Supply Chain & Logistics efficiency	2. Tactical	Supply Chain & Logistics	Order Fulfillment	Manage order fulfillment progress	COO/VP of SCM	Responsive
		Improve material performance management methods and tools	2. Tactical	Supply Chain & Logistics	Supply Chain & Logistics Planning	Create materials plan	COO/VP of SCM	Responsive
		Improve retrieval processes	2. Tactical	Supply Chain & Logistics	Order Fulfillment	Perform reverse logistics	COO/VP of SCM	Responsive
		Improve terms on equipment purchases	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Procurement audits	CPO	Variable
		Improve terms on material	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Sourcing oversight and monitoring	CPO	Variable
		Improve terms with logistics service providers	2. Tactical	Supply Chain & Logistics	Supply Chain & Logistics Planning	Supply Chain & Logistics plans and policies	COO/VP of SCM	Variable
		Improve use of national/ global purchasing power	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Supply Chain Sourcing strategy	CPO	Responsive
		Improve workforce planning dispatch and assignment of processes and tools	2. Tactical	Supply Chain & Logistics	Supply Chain & Logistics Planning	Supply Chain & Logistics network planning	COO/VP of SCM	Responsive
	Strengthen Supply Chain Service Development	Improve terms on materials purchases	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Procurement audits	CPO	Variable
		Rationalize order quantities and timing	1. Strategic	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Procurement audits	COO/VP of SCM	Responsive
		Improve collaboration with vendors	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Procurement audits	CPO	Focused
		Improve coordination with business partners	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Procurement audits	COO/VP of SCM	Focused
		Improve incentives around procurement efficiency	2. Tactical	Operations Supply Chain Support	Supply Chain Sourcing & Procurement	Sourcing oversight and monitoring	CHRO/CPO	Focused
		Provide staff with better product/service, service and contract information	2. Tactical	Operations Supply Chain Support	Supply Chain operations	Information and knowledge quality	COO/VP of SCM	Responsive