

# Achieving Competitive Advantage Through the Supply Chain [L5M7]

**Target Audience:** Provides senior buyers, contract and supply chain managers with the expertise to improve organisational procurement and to fulfil organisational objectives. It gives you the knowledge base to reduce cost, improve quality and timescales, manage the supply chain and deal with legal issues

**Hours:** 60 Hours

**Pre-requisite:** You will need to have achieved the CIPS Level 4 Diploma in Procurement and Supply.

## 1.0 Understand the dynamics of supply chains

### 1.1 Compare supply chains, supply network and supply

chain management

- Defining supply chains, supply networks and supply

chain management

- The use of supplier tiering and network sourcing

### 1.2 Analyse the added value that effective supply chain

management can deliver for the organisation

- Improving quality
- Reducing prices and total costs
- Reducing time to market and achieving deliveries to required timescales

- Creating innovation

- Reducing risk and supply chain vulnerability

### 1.3 Analyse the relationship between organisational

infrastructure and process management in supply

chain management

- Theoretical perspectives on added value
- Aspects of organisational infrastructure: culture, organisational structure and systems
- Process management: the sourcing process in procurement and managing stages of the process
- Process mapping techniques
- Value chain analysis

#### 1.4 Compare approaches to improving supply chains

- The spectrum of relationships in a supply chain
- The collaborative model of supply chain

management: partnering and strategic relationship

management

- The competitive model of supply chain management
- The outsourcing of work or services
- Off shoring, global procurement and low cost

country sourcing

## 2.0 Understand improvement methodologies that can be used in supply chains

#### 2.1 Compare approaches to total quality management for supply chain improvement

- Defining quality and total quality management
- Approaches to quality: quality inspection, quality assurance and total quality
- Quality versus risk
- The importance of relationships in quality management

#### 2.2 Analyse the use of statistical methods to achieve supply chain improvement

- Collating data for performance measurement
- Developing key performance indicators (KPIs) on aspects of supply performance
- Analysing data and an introduction to statistics
- The use of the normal distribution
- Developing statistical process control
- The 6 sigma improvement methodology
- Creating continuous improvement

#### 2.3 Critically appraise processes that can be used for supply chain improvement

- Just-in-time (JIT) supply processes
- The application of JIT in the service sector
- The development of lean thinking and lean supply
- Lean thinking compared with agile
- The 5S methodology

2.4 Examine how business process re-engineering (BPR) and benchmarking can be used for supply chain improvement

- The development of business process re-engineering (BPR)
- BPR in contrast to total quality
- The use of benchmarking in supply chains

## 3.0 Understand measures required to achieve competitive advantage in supply chains

3.1 Evaluate sources of competitive advantage

- Competitive advantage based on lowest cost of supply
- Competitive advantage achieved through sources of differential advantage such as innovation, range of products, brand image and customer care

3.2 Analyse pricing arrangements that can be used to achieve competitive advantage in the supply chain

- The use of fixed pricing, variable pricing and cost plus arrangements
- The use of open book costing and cost transparency
- The use of incentivisation in pricing and gain share (risk/reward) mechanisms

3.3 Analyse cost reduction activities for a supply chain to achieve competitive advantage

- Supplier rationalisation and aggregation of

requirements

- The risks and benefits associated with single sourcing arrangements

- Negotiating reductions in prices and costs
- Collaborative and competitive models of supply
- Value analysis and value engineering

3.3 Assess methods to promote greater collaboration

in supply chains to support the achievement of competitive advantage

- Strategic versus operational suppliers
- Creating partnership sourcing arrangements
- Building trust with suppliers
- The relationship life cycle