College of Business Administration

California State University San Marcos

Supply Chain Management  BA 667

Spring 2007

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**Tentative Course Outline:**

*Disclaimer:* While the topics that I will cover and their emphasis will follow the description given below; I reserve the right to make some changes on the syllabus through the course of the semester.

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| 1       | January 23 | ▪ Course Overview  
▪ Introduction to Supply Chain Management                                      | Student Profile                      |
| 2       | January 30 | ▪ Supply Chain Strategy, Drivers and Obstacles  
▪ Distribution Networks and E-business                                              | Seven Eleven Japan                   |
| 3*      | February 6*| ▪ Tutorial on Decision Models                                                  |                                      |
| 4*      | February 13*| ▪ Distribution Network Design  
▪ Project Proposal Review                                                          | Project Proposal                     |
| 5       | February 20*| ▪ Planning Supply and Demand in a Supply Chain                                 | Spotstuff.com                        |
| 6*      | February 27*| ▪ Managing Economies of Scale in a Supply Chain  
▪ Cycle Inventory in a Supply Chain                                               | Nintendo Game Girl/Revised Proposal  |
| 7*      | March 6*   | ▪ Managing Uncertainty in a Supply Chain  
▪ Safety Inventory in a Supply Chain                                              | Delivery Strategy at Moonchem        |
| 8*      | March 13*  | ▪ Managing Product Availability and Accurate Response in a Supply Chain  
▪ Sourcing Decisions in a Supply Chain                                            | Managing Inventory at ALKO/Exercise Set 1 |
| 9       | March 20   | ▪ Coordination in a Supply Chain  
▪ Guest Speaker: Josh Tennant from IBM                                            | Video Vault/Barilla SpA (A)          |
| 10      | March 27   | ▪ Spring Break                                                                 |                                      |
| 11      | April 3    | ▪ Group Meeting                                                                |                                      |
| 12      | April 10   | ▪ Managing Transportation in a Supply Chain  
▪ Project Progress Review                                                        | Project Progress Report/Exercise Set 2|
| 13      | April 17   | ▪ E-Commerce in a Supply Chain                                                 | Merloni Elettrodomestici/Webvan      |
| 14      | April 24   | ▪ Information Technology in a Supply Chain                                    | I2 Technologies, Inc./Webvan         |
| 15      | May 1      | ▪ Project Presentations                                                        |                                      |
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* Students are supposed to bring laptop computers to these sessions. You can borrow them from Library on temporary basis. There are enough laptops on reserve in the Library for the students taking this class.
Course Description:
Supply Chain Management is about the management of material and information flows in multi-stage production-distribution networks. Driven by fierce global competition and enabled by advanced information technology, many companies have taken initiatives to reduce costs and at the same time increase responsiveness to changes in the marketplace. This course will provide students with the knowledge and the tools necessary to develop, implement, and sustain strategies for managing supply chain issues.

We will begin reviewing the basics of supply chain: Efficient Consumer Response, Postponement, Assemble to Order Systems, Vendor Managed Inventory, Cross Docking and Network Design. We will focus on the analytical decision support tools (both models and applications) as well as on the organizational models that successfully allow companies to develop, implement and sustain supplier management and collaborative strategies. The second half of the course will focus on the issues around coordination of Supply Chain Players and the incentives problems related to this topic. Finally, the course will end reviewing concepts of planning demand and supply in a Supply Chain and the role of Information Technology and E-Business in Supply Chains.

Course Objectives:

- To develop an understanding of the Supply Chain drivers and their interrelationships with other function of a company such as marketing and manufacturing.
- To become familiar with analytic tools necessary to develop solutions for a variety of supply chain management and design problems.
- To understand change management implications when executing supplier collaborative strategies.

Course Learning Outcomes

On successful completion of this course students should have improved these skills:

- Application of theory to practice in the field of supply chain management;
- Analysis of operational issues;
- Critical thinking in relation to the effectiveness of supply chain;

Method of Instruction

Students will face real life situations during the entire course and will be requested to develop solutions to current issues. Business case techniques for the adoption of tools for decision support, execution and implementation will be illustrated and used throughout the class.
**Course Prerequisite(s):** Senior students are allowed to take this course.

**Course Textbook and Case/Reading Packet:**

The course is delivered through a combination of lectures and cases. All the readings and cases are contained in the course packet and will be supplemented by class lectures. Required textbook and course pack are both available at the bookstore.

1. **Course Pack:** cases and readings.

Supply Chain Management – Strategy, Planning, and Operations (henceforth referred to as C&M) will be the main text I will follow. While I have assigned various chapters to read for every class (see detailed syllabus later), I do not expect you to read these chapters BEFORE class (especially, the technical material from Chapter 4 onwards). I expect you to read these portions during the term, preferably as we progress through the course. I will provide a detailed reading guide (giving specific sections to read, material to focus on, list of suggested problems, etc.).

**Recommended Texts:**

2. *Business logistics Management* by Ronald H. Ballou

**Course Website**

All the lecture notes will be posted on the course website–WebCT before each class. Lecture notes, as well as every other useful material and information will be posted in the course website. Students will find instructional notes on accessing this website on-line at: [http://courses.csusm.edu/resources/students/basicwebct4x.html](http://courses.csusm.edu/resources/students/basicwebct4x.html).

**Student Profile**

To serve you better, I need to know more about you. Fill in the student information form provided in WebCT under student profile. Attach your picture to the form and hand it in on **January 23, 2007**. The information requested in the form are your name; class hours; major; favorite office hours; contact information (this is optional and upon your consent will only be used in case of emergency); job experience and list of supply chain management related activities you have been involved with; and the main objectives of taking the course. Provided information will be considered and kept confidential.
Course Policies

1- Academic Honesty

Any evidence of cheating, fabrication, facilitating academic dishonesty or plagiarism will be reported to the Dean of students for appropriate disciplinary action. These offences may result in you being expelled, suspended or put on probation. You will receive a failing grade for the assignment (0%). Please refer to the General Catalog for description of these offences. It is your responsibility to know what each means. This information is also available on-line under Official Notices and Policies at: http://lynx.csucm.edu/policies/policy_online.asp?ID=25

2- Accommodations

Students acquiring reasonable accommodations because of a disability need to contact Disabled Student Services in order to make necessary arrangements.

3- Other Policies

a. Please refrain from unnecessary conversation during class.
b. During class cell phones must be turned off.
c. Please refrain from text messaging during class.
d. Please refrain from emailing or surfing the web using laptop computers during class.
e. All of the assignments and exams must be completed. Otherwise you will not receive a passing grade.

If you disrupt the class, the Dean of Students will be informed of your behavior. I may request that you be administratively withdrawn from the class.

Course Evaluation:

The course grade is made up of five components weighing a total of 1000 points. Grade components and their weighs are as follows:

Group Case Write-ups: 250 points
Group Project: 300 points
Individual Assignments: 250 points
Participation/Attendance: 100 points
Group Case Presentation and Discussion 100 points

Grading Format:

First thing to remind you is that “I do not give you grades, you earn them”. The grades will be distributed with the following format:

A: 950-1000 points, A-: 900-949 points, B+: 870-899 points,
B: 830-869 points, B-: 800-829 points, C+: 750-799 points,
C: 700-749 points, D: 600-699 points, F: 0-599 points.
Case write-up: (250 points)

There will be four group based case write-ups due during the semester. Case write-ups, together with supporting data files, should be sent to me by email at least one hour before class. Electronic files should be named using your “group members’ last names”. Bring copies for your reference during class discussion. Please keep group sizes to at most four. As most of the work is in groups, individual grades will take into account a peer review from each group member of other members in the group. “If any individual has not contributed for a particular week, the student should not append his/her name to the case report but submit a separate report on their own”.

Guidelines for Written Case Analyses:

The reports are graded for both content and presentation. A good paper should clearly and succinctly state the recommendations in the first paragraph to provide the reader with a framework. Recommendations are based on the questions asked within the case. (If a lengthy description of the recommendation seems necessary, append it to the report.) The remaining paragraphs should each present a major part of the rationale for the recommendation in terms of the desirable and undesirable consequences of adopting it. The rationale must consider capabilities that the logistics system under study needs to excel at, and how the current system either provides these capabilities or fails to provide them. Some common problems in preparing reports:

- Presentation related: A good report is NOT a chronology of analysis (i.e., answering the questions listed in sequence), but a clearly articulated statement of recommendation and support. If there are options under consideration in the case that are rejected by you, a clear rationale for your decision should be provided. Facts stated in the case need not be restated unless used to make a point. I will assume that the most important issues are raised in the report and that all else is less important to the writer. Both desirable and undesirable consequences should be factually stated and supported. In the overall evaluation of the report the discussion of all consequences of the recommendation is of the greatest importance.

- Analysis related: Other reports suffer from inadequate analysis. Analysis for a report is a time consuming and intellectually challenging task. Each case has a set of questions which are essentially a guide to help you with the analysis. The objective is to evaluate a complete range of alternatives and discuss the full consequences of your recommendation.

Reports should be typed with 1.5 line-spacing and should not exceed 5 pages, not including appendices and exhibits. Exhibits appended to the reports need not be typed, but should be neat and easy to understand.
Individual Assignments: (250 points)

There will be two exercise sets which must be completed individually. Assignments, together with supporting data files, should be sent to me by email at least one hour before class. Electronic files should be named using your last name. Bring copies for your reference during class discussion.

Class Participation / Attendance: (100 points)

In a typical class session, one or more students will be asked to summarize the topic discussed in previous session and one or more other students will be asked to begin discussion of a selected topic. I expect you to be prepared before coming to class, especially on the dates we will have a case discussion.

Criteria I will use to judge effective class participation include:

• Is the participant a good listener?
• Are points made relevant to the class discussion?
• Are they linked to the comments of others?
• Do the comments show clear evidence of appropriate and insightful analysis of the case data? Is there a willingness to participate?
• Is there a willingness to test new ideas, or all comments "safe"?
• Do comments clarify and highlight important aspects of earlier comments and lead to a clearer statement of the concepts being covered?
• Is the student arriving in class on time and attending the class consistently?

Participation grades will be assigned as follows:

• Missed more than two sessions or been late to class frequently (0 Points)
• Attended class, rarely opened mouth to engage in class discussion (30 Points)
• Attended class, participated in class discussion without being preparing for the case (50 Points)
• Attended class, participated in class discussion occasionally and added value to the class (70 Points)
• Attended class, participated in class discussion actively and added value to the class (80-100 Points)

Paper/Case Presentation and Discussion: (100 points)

There will be multiple case or paper presentations performed by students (group presentation). When presenting a case the group will be asked to begin the discussion of the selected topic.
Group Project: (300 points)

A final group project is one of the requirements for this course. This project will require applying concepts to be taught through course work to a real life situation. Each team will be required to prepare a 10-15 pages project report (both paper and email) and also to present the major findings of their project on final class meetings (35-40 minutes). All the group members are supposed to participate in oral presentation.

Project Deliverables

1. One page project proposal is due on February 13, 2007, which should describe the topic, team, specific goals, and proposed project plan.
2. One page revised proposal is due on February 27, 2007.
3. One page project progress report is due on April 10, 2007.
4. Final Project report is due on May 1, 2007.

Project Guidelines

This is a project that can be done individually or in groups (It would be best to use the same groups that you are using for class assignments. However this is not a requirement). There are three possible outcomes from a project report as follows:

- To analyze an existing logistics process and suggest any improvements that needs to be made. Examples include a study of the distribution system and store deliveries at McDonalds, design of a logistics system for a manufacturer of refrigeration equipment, and an analysis of inter-modal movement for a railroad.

- To study logistics practices in industry from the point of describing risks, benefits, best practices along with industry examples of each.

- To identify a business opportunity (for example selling furniture on line) involving a product and build a business plan with a focus on supply chain issues. The goal is to identify the business opportunity and design the ideal supply chain for it. The project should include implementation details.

My expected outlines for the three types of projects are discussed below:

1- Analyze an existing logistics process and suggest improvement

The project report should not be a detailed description of everything you have done but a specific set of observations and recommendations. It should begin with an executive summary no longer than 2500 words. All details are to be put in an appendix in the form of exhibits, tables etc. The general guidelines for the project are as follows:

a. Executive summary
b. Define the process and the context (business unit) in which it operates.

c. What is the strategy / market of the business unit?

d. What does this imply in terms of the logistics process you are studying? What must this process be able to do particularly well in terms of cost, time, quality, and flexibility? The headings mentioned here are broad. You are expected to identify specific dimensions along which the process is expected to do particularly well.

e. Describe the current process structure in terms of information, inventory, transportation, and location.

f. Discuss the process capabilities, given the current structure, in terms of the specific dimensions identified by you in 4.

g. Discuss existing problems and weaknesses in the current process. What additional capabilities does the process need to develop?

h. How should the process be restructured to develop these capabilities? Discuss why the changes suggested by you will have the desired effect along the key dimensions identified by you.

i. Discuss how the suggested changes should be implemented with a time line. Explain any resistance you may face in implementing the changes.

Please note that these are general guidelines. I am not looking for a project report with nine points in the sequence listed above. I have listed the points that I feel are important in most reports. Please feel free to add to or alter the above list as best fits your project.

2- Study logistics practices in industry

The objective here is to study logistics practices in industry such as

- Third party logistics
- A survey of the supply chain software landscape
- Cross docking and its practical implementation
- Collaborative planning, forecasting, and replenishment (CPFR)
- Supply chain issues in a specific industry: PC, Retailing, Automotive etc.

Please do not restrict yourself to the above list. It is meant simply as a starting point. In each report I expect the following:

a. An executive summary no longer than 2500 words.

b. A description of the logistical practice including its key elements and its role in the overall supply chain

c. Major benefits of the practice.
d. Major risks/cost of the practice  
e. Key issues in designing and implementing the practice  
f. Which companies is this practice ideally suited for? Which companies may it not be suitable for?  
g. Examples of companies that are successfully using the practice including best practices.  
h. Examples of companies that have been unsuccessful in their implementation of the practice and possible reasons.  

Once again, please do not feel bound by the above structure. It is simply meant to help you get started.  

3- Build a business plan with a product focus  

The objective of this report is to identify a business opportunity (preferably on the web) involving products where supply chain issues are significant. This could be done for a particular company or an industry in general. The business plan should detail the supply chain opportunity and how it will help the business position itself strategically. The report should also detail implementation issues.  

Project Evaluation: Project will be evaluated based on the final report and the presentation.  

Final Report: (80 %) Reports will be evaluated for such factors as:  
1 - Clarity defining a problem/deficiency in selected subject with supporting data  
2 - Providing case-originated, practical operations management recommendations  
3 - Accuracy of discussion  
4 - Comprehensiveness of the paper's content and depth of analysis  
5 - Clarity and mechanics of presentation such as organization, format, and grammar  
6 - Working well together  

Presentation: (20 %) Presentation will be evaluated for such factors as:  
1 - Content and Relevance: cover the key and important concepts, depth of information  
2 - Public Speaking: good posture, easy to hear, little use of notes, no “ums” or “uhs”  
3 - Organization: flow of the presentation, logical progression  
4 - Professionalism: well prepared, confident demeanor  
5 - Appearance  
6 - Visual Aids: interesting not disturbing  
7 - Working well together  
8 - Audience grasp of the topic
Detailed Course Syllabus:

For each week the case to be covered and the readings are specified. All cases must be read before the class they are to be discussed in (whether a submission is required or not). Lectures will follow the book (C&M). Chapters from C&M are assigned as background reading with the material being covered. The book chapters are best read right after the lecture to reinforce the concepts discussed. The book also provides technical details that may not be discussed in class.

January 23, 2007:

**Introduction to Supply Chain Management**

We will discuss supply chain management and its importance to the success of a firm. We will discuss different views of a supply chain and raise a variety of supply chain related questions that need to be answered by any firm. Our goal is to develop a framework within which supply chain decisions may be analyzed and appropriate tradeoffs considered. We will define key performance measures for a supply chain and establish initial links to logistical drivers that a supply chain designer or manager may control.

**Read:** Chapters 1 and 2 of C&M

**Hand in:** Student Profile

January 30, 2007:

**Strategy and Drivers of Supply Chains**

We start discussion on the issues involved in supply chain design and illustrate the strategic framework for supply chain decisions in the context of the Seven Eleven Japan case.

**Distribution Networks and E-business**

We will then begin discussion of relevant issues such as ecommerce in designing supply chain distribution networks.

**Case:** Seven Eleven Japan (at the end of Chapters 8 of C&M) - Prepare to discuss the suggested questions for the case

**Read:** 1- Chapters 3 and 4 of C&M

February 6 and 13, 2007:

**Mini Tutorial in Decision Models**

I will give you mini tutorials in linear programming and integer programming. You will also learn how to model facility location and transportation problems.

**Designing the Supply Chain Network**

We will develop a framework for facility location decisions that allows for a multi-plant, multi-warehouse network to supply a large and diverse customer base. Our objective will be to optimally structure the distribution network, considering cost and customer service factors.

**Read:** Chapter 5 of C&M

**Play with:** The Excel workbooks of Chapter 5 of C&M (Downloadable from WebCT).

**Hand in:** Project Proposal

February 20, 2007:

We will use the *Spotstuff.com* case (at the end of Chapter 5). In this context we will continue discussion of designing supply chain network.

**Planning Demand and Supply in a Supply Chain**

We will discuss and stress the importance of planning in a supply chain and provide basic tools that can be used when planning demand and supply. We will also highlight the key role that forecasting and aggregate planning play in the success of supply chain. You will also learn how to model and solve aggregate planning problems.

**Case:**
1. Sportstuff.com (at the end of Chapter 5 of C&M)
2. Specialty packaging (B) (at the end of Chapter 8 of C&M)

-------- Prepare to discuss the suggested questions for both cases

**Read:** Chapters 7, 8, and 9 of C&M

**Play with:** The Excel workbooks of Chapter 8 of C&M (Downloadable from WebCT).

**Hand in:** Spotstuff.com

February 27, 2007:

This session will start with a discussion of the Nintendo Game Girl case (at the end of Chapter 9). In this context we will continue discussion of demand planning and the use of supply as well as demand management strategies to match supply and demand in the supply chain.
Managing the Economy of Scale in a Supply Chain: Cycle Inventory

We will then start discussion on the management of inventory in the supply chain to ensure fit with stated strategic goals. Our goal is to understand the buildup of cycle inventory and managerial actions that can improve supply chain performance in terms of cycle inventory. We will focus on the link between cycle inventory and pricing. We will discuss the effect of volume discounts and short term discounts on order sizes and thus inventory and cycle times in the supply chain.

Case: Mintendo Game Girl (at the end of Chapter 9 of C&M) - Prepare to discuss the suggested questions for the case

Read: Chapter 10 of C&M

Play with: The Excel workbooks of Chapter 10 of C&M (Downloadable from WebCT).

Hand in: Mintendo Game Girl; Revised Proposal

March 6, 2007:

These sessions will start with a discussion of the Moonchem case (at the end of Chapter 10). In this context we will continue discussion of management of cycle inventory in the supply chain.

Managing Uncertainty in a Supply Chain: Safety Inventory

In this session we will focus on the discussion of safety inventory in a supply chain. We will discuss various measures of customer service such as cycle service level and fill rate. We will derive precise relationships between the various measures of service and safety inventory. We will then discuss various managerial levers for decreasing safety inventory. Our goal is to discuss strategies that allow a supply chain to provide high variety at reasonable costs. We will review the notion of pooling and its impact on supply chain inventories. We will review the concept of postponement and discuss mass customization from a design and supply chain perspective.

Case: Delivery Strategy at Moonchem (at the end of Chapter 10 of C&M) - Prepare to discuss the suggested questions for the case

Read: 1- Chapter 11 of C&M.


3- Kellogg note on Postponement (Downloadable from WebCT).

4- The Power of Virtual Integration: An Interview with Michael Dell, HBR.

Play with: The Excel workbooks of Chapter 11 of C&M (Downloadable from WebCT).

Hand in: Delivery Strategy at Moonchem
March 13, 2007:

We will start the session with the ALKO case (at the end of Chapter 11 in C&M) to discuss various factors that affect organization of inventories within the distribution system.

**Managing Product Availability and Accurate Response in a Supply Chain**

**Sourcing Decisions in a Supply Chain**

In this session we illustrate the notion of Accurate Response. We will also discuss on what is the appropriate level of service that a firm should provide. This is most appropriate for product categories with highly uncertain demand. We will discuss the role that high cost, low cycle time suppliers can play for a firm that may be competing on low cost. This will relate back to the role of a small order emergency supplier in a supply chain.

We will also discuss the role that postponement play in accurate response from a design and supply chain perspective.

We will develop the notion of Tailored Purchasing based on the uncertainty of product demand and discuss its application across different product categories as well as for a single product. This will be discussed in the context of global sourcing.

We will also discuss the role that contracts play in accurate response and actions that a supply chain can take to increase profits through accurate response.

**Case:** Managing Inventory at ALKO (at the end of Chapter 11 of C&M) - Prepare to discuss the suggested questions for the case.

**Read:**
1- Chapters 12 and 14 of C&M.

**Play with:** The Excel workbooks of Chapter 12 and 14 of C&M (Downloadable from WebCT)

**Hand in:** Exercise Set 1

March 20, 2007:

We will start the session with the Video Vault case to discuss he notion of Accurate Response in responsive supply chains.

**Coordination in a Supply Chain**
We will start discussion on the key supply chain concept of supply chain coordination. In the class, until now, we have developed the building blocks of supply chain performance. Synchronization of supply chain performance is, however, critical to leverage the drivers effectively. We will discuss causes of the bullwhip effect and countermeasures that can improve performance using the Barilla case as a context. We will discuss the response of supply chain partners to simple incentives and the impact this has on the supply chain. We will then use the Barilla, SpA case to discuss dynamics in a more complex supply chain and explore some coordination mechanisms.

**Case 1:** Video Vault: Consider the following questions for discussion

1. Is there room for both an independent video rental store such as Video Vault and a large chain such as Blockbuster in this market?
2. If you were managing Video Vault, how many copies of Heist, A.I, and Zoolander would you stock?
3. Why does Video Vault differ from Blockbuster in the number of copies movies it stocks? Would a studio that owns the title to the movie be indifferent between the stocking policies of Video Vault and Blockbuster?
4. What is revenue sharing? What impact will it have on the number of copies stocked by Video Vault, its profits, and on the profits of studios?
5. What is the role of Rentrak? Should Video Vault sign up with Rentrak?

**Case 2:** Barilla SpA (A): Consider the following questions for discussion

1. What do you think are the main causes for large fluctuations in orders observed at the Pedrignano CDC?
2. What do you think of the JITD program? What actions should Barilla take to reduce fluctuations in demand? What kind of products would such a program be best suited for?
3. Do you anticipate any problems if the JITD program is implemented? As Giorgio Maggiali, how would you deal with these?
4. As one of Barilla customers, what would your response to JITD be? Why? What would make for you worth trying it?

**Read:**

1. Chapter 17 of C&M
2. Kellogg Note on Vendor Managed Inventories (Downloadable from WebCT)
April 10, 2007:

Managing Transportation in Supply Chains

We will discuss the domestic transportation industry and consider the different modes available. We will also discuss the role of transportation in the supply chain and raise various tradeoffs that need to be considered when designing and operating a transportation network. We will motivate the link between transportation and inventory costs in the design of transportation networks. We will also consider different problems that are relevant when making transportation decisions. We will use the Merloni Elettrodomestici case to discuss the issue of transit points and cross docking.

In the context of cross-docking and transit points we will also discuss the Dabbawallah's in Bombay? How are they able to run such a responsive system so cheap? How is their distribution system structured? What characteristics of the system (besides low labor cost) facilitate its performance? Are there environmental changes that will make success harder in the future from a supply chain perspective? We will discuss the notion of Tailored Transportation and its applications. We will then summarize the entire supply chain framework and apply it to various supply chains. We will look at the choice among various delivery networks. We will look at business models and supply chain structures in different industries.

Read: 1- Chapter 13 of C&M.
2- Kellogg Note on Third Party Logistics (Downloadable from WebCT)

Hand in: Exercise Set 2; Project Progress report

April 17, 2007:

We will start the session with the Merloni case to discuss the role of transportation in the supply chain and various tradeoffs that need to be considered when designing and operating a transportation network.

E-Commerce in Supply Chains: A Basic Model

Now that we understand most of the key issues in supply chain, we will explore the role of internet in supply chains, specifically in the context of e-commerce and e-business. We will start with business-to-consumer models.
Case 1: Merloni Elettrodomestici SpA: The Transit Point Experiment. Use the following questions when preparing your case report.

[1] What are the costs and benefits of Merloni's current distribution system? Of a transit point based system?

[2] Should Merloni replace its network of regional warehouses with transit points? To focus your thoughts, consider the RDCs at Roma and Catanzaro. Which (or both) of these RDCs would you replace this with a transit-point system (assume that Roma is 175 km and Catanzaro is 600 km from the CDC).

[3] If transit-point is to be implemented, what contingency plans and support systems are necessary to support the new logistics network? If not, what changes, if any, would you recommend Merloni to make to its distribution system?

Case 2: Webvan: Consider the following questions for discussion

[1] What happened here? What are the main reasons that Webvan failed as spectacularly as it did?

[2] What was supposed to happen? How did Webvan’s founders and initial investors hope the future was going to unfold for the company?

[3] Webvan realized that its goals were ambitious, but were they too ambitious? What would you think of the quote from the Webvan’s spokesman that, “You don’t build a rocket to go halfway to Mars?”

[4] What could the company have done differently to increase their chances for success?

[5] Do you think that large number of people will buy their groceries over the Internet?


Read: Get the Right Mix of Bricks and Clicks, HBR.

Hand in: Merloni Elettrodomestici
Information Technology in Supply Chains

Until now we have discussed the first three primary drivers of supply chain performance, viz., inventory, transportation, and location. We next turn to the fourth driver, namely information. We will briefly discuss IT in supply chains specifically the evolution of ERP systems.

Case 1: i2 Technologies: Consider the following questions for discussion.

[1] Identify the factors behind i2’s success. Why is the company’s stock valued so highly by investors? Examine the company’s products, its sales and implementation process, its SOA process, etc.

[2] Hasso Plattner, co-CEO of SAP, was quoted saying, “We’re SAP. We dominate the most important category of enterprise software. We intend to control all the enterprise software our customers use. We will select a handful of partners. If our partners cross us, we will crush them into dust”. Given SAP’s ambitions, comment on i2’s future in Enterprise Application Market.

Case 2: Zara: IT for Fast Fashion: Consider the following questions for discussion

[1] How would you advise Salgado to proceed on the issue of upgrading the POS terminals? Should he upgrade to a modern operating system? Should the POS application be rewritten to include any additional functionality? If so what functionality?

[2] In your opinion, what are the most important aspects of Zara’s approach to information technology? Are these approaches applicable and appropriate anywhere? If not where would they NOT work well?

Read: Chapter 16 of C&M.

May 1, 2007: Final Presentations

This session will be used for project presentations by the class.

Hand in: Project Report

May 8, 2007: Final Presentations

This session will be used for project presentations by the class.