APICS Supply Chain Council
SCORmark™ Orientation

Peter Bolstorff
Executive Director | APICS Supply Chain Council
February 17, 2015
Topics

- Affiliate Benchmark Benefit Breakdown
- SCOR® Implementation Roadmap
- SCORmark™ Steps to Success
- Other Learning Opportunities
Affiliate Benchmark
Benefit Breakdown
## APICS SCC Affiliate Program

<table>
<thead>
<tr>
<th>Benefit Area</th>
<th>APICS ONE</th>
<th>PREMIER CORPORATE</th>
<th>CORPORATE</th>
<th>PUBLIC SECTOR</th>
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<td>SCORMARK™ L2, L3 By Attribute</td>
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<td>Research Reports *</td>
<td>Pre-release Print and Digital</td>
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<td>Discounts on Training &amp; Certification (CSCP, CPIM)</td>
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<tr>
<td>Corporate E-Membership *</td>
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* Denotes new benefit
Top Motivations to Use SCOR®

1. Building a Technology Investment Roadmap
2. In Search of Return on Investment (ROI) for Capacity
3. Creating a Supply Chain Strategy
4. Implementing Supply Chain Performance Improvements
5. Improving Sales and Operations Planning
6. Developing Organizational Talent, Support and Competence
7. Maximizing Use of Existing Technology
8. Achieving Operational Excellence
9. Due Diligence as part of a Merger or Acquisition
10. Globalizing and Managing Business Processes
11. Integrating with the greater Value Chain
12. Integrating Lean, Six Sigma, and SCOR to Build a Better Project Portfolio
13. Defining and Building an Effective and Efficient Supply Chain Organization
<table>
<thead>
<tr>
<th>Step</th>
<th>FOCUS</th>
<th>Major Deliverables</th>
<th>Touch Points</th>
<th>APICS Enabler</th>
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</thead>
</table>
| 1    | BUILD ORGANIZATION SUPPORT                | • Sponsor and Key Stakeholder Support  
• Education                          | ORIENTATION           | Executive Brief  
Orientation Webinar  
Public SCOR-P Training  
In-house SCOR-P Training |
| 2    | DEFINE THE PROJECT                        | • Business Context Summary  
• Supply Chain Definition  
• Project Scope and Charter        |                       | SCORmark® Benchmarking  
Orientation                           |
| 3    | ANALYZE PERFORMANCE                       | • Scorecard  
• Metric Defect Analysis  
• Process Analysis                  | BENCHMARK             |                                                  |
| 4    | DEVELOP THE PROJECT PORTFOLIO             | • Project Portfolio  
• Implementation Priority                  | PORTFOLIO DEVELOPMENT | Roadmap Progress Webinar                                 |
| 5    | IMPLEMENT A PROJECT                       | • Development, Pilot, and Implementation of a Portfolio Project  
• Results                          | SATISFACTION SURVEY     | APICS Instructor List  
APICS SCC Sponsor List                           |
On Board Touch Points

Pre-Board
- Invoice
- Records

Orientation
- Introduction
- Orientation
- Training Options

Benchmarking
- SCORmark™ Orientation
- Survey Support
- SCORmark™ Readout

Portfolio Development
- Process Analysis
- Portfolio Priority
SCOR Implementation Benefits

- Average Operating Income improvement of 3% to sales (high 4.5% - low 1.5%)
- Typical inventory turn improvements of 20%
- Delivery reliability improvement of 25%
- 20% improvement in flexibility
- 30% faster system implementations with 30% more functionality
- Continuous improvement portfolios refreshed at a value of 0.5%
- Mitigation of costs associated with risk management

Source: APICS Supply Chain Council 2002 to 2014
SCORmark™ Steps to Success
## SCOR® Metrics

<table>
<thead>
<tr>
<th>Attribute</th>
<th>SCOR 11.0 Metrics</th>
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</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>RL.1.1 Perfect Order Fulfillment</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>RS.1.1 Order Fulfillment Cycle Time</td>
</tr>
<tr>
<td>Agility</td>
<td>AG.1.1 Upside Supply Chain Flexibility</td>
</tr>
<tr>
<td></td>
<td>AG.1.2 Supply Chain Upside Adaptability</td>
</tr>
<tr>
<td></td>
<td>AG.1.3 Downside Supply Chain Adaptability</td>
</tr>
<tr>
<td></td>
<td>AG.1.4 Overall Value At Risk (VAR)</td>
</tr>
<tr>
<td>Cost</td>
<td>CO.1.1 Total Cost to Serve</td>
</tr>
<tr>
<td>Asset Management Efficiency</td>
<td>AM.1.1 Cash-to-Cash Cycle Time</td>
</tr>
<tr>
<td></td>
<td>AM.1.2 Return on Supply Chain Fixed Assets</td>
</tr>
</tbody>
</table>
Steps to a Successful Benchmark

The three ingredients to a valuable benchmark experience are organizational support, the right team, and available data.

Steps to Success

1. Brief your sponsoring executives on expectations and gain support
2. Identify the right team
3. Follow the five week schedule to submission
4. Review results with team and sponsors
5. Initiate the rest of the Analyze Performance step of the SCOR® Implementation Roadmap
1 Building Organization Support

Building organization support is as much art as science. It is helpful if your core team has attended SCOR Training, defined your supply chains, selected one for analysis, and positioned the benchmarking exercise as one step in a larger performance review.

Steps to Success

1. Set the expectation that the benchmarking exercise is part of the broader Analyze Performance step of the roadmap

2. We are benchmarking supply chains from similar organizations – the comparative population will be good NOT perfect

3. Failure Modes and Effects Analysis in combination with Process Analysis are the keys to developing your project list

4. If you are planning a series of benchmark exercises, include future team leaders to help them prep ahead of time
2 Identify the Right Team

The right team typically includes roles from supply chain planning, manufacturing, logistics, finance, and IT. A black belt on the team to help prepare for next steps of FMEA is also a best practice. Typically, supply chain also performs the team leader role.

Steps to Success

1. Divided appropriately, the hours per person averages around 16 hours per week for the scheduled 4 weeks

2. The team will be supported by both APICS SCC Corporate Development and PwC

3. The assumption is that the data will be disparate and that a significant amount of time initially will be spent understanding the definition of SCOR® metrics and identifying data sources to support; it will not be a perfect science
## 3 Set the Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Task</th>
<th>Typical Owner</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Register with PwC</td>
<td>Team Leader</td>
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<tr>
<td></td>
<td>Download the SCORmark™ Survey</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Setup Survey Support Webinar</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Complete Participant, Business, and Supply Chain Profile Sections</td>
<td>Team</td>
</tr>
<tr>
<td>2</td>
<td>Initiate the Performance sections assigning metrics to the appropriate team member</td>
<td>Metrics assigned to team members</td>
</tr>
<tr>
<td>3</td>
<td>Complete the Performance Sections</td>
<td>Metrics assigned to team members</td>
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<tr>
<td></td>
<td>Hold an internal review focusing on completeness and accuracy</td>
<td>Team</td>
</tr>
<tr>
<td>4</td>
<td>Complete Practices Sections</td>
<td>Team</td>
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<tr>
<td></td>
<td>Complete any remaining Performance data</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Submit data and respond to PwC QA</td>
<td>Team Leader</td>
</tr>
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</table>
4 Review the Results

Supply Chain Assessment Study

How well do your supply chain performance and practices stack up?

Your Org. Benchmarking Results

February 2015
5 Complete Analyze Performance

Upon completion of the benchmark, the next step is to complete a Failure Modes and Effects Analysis (FMEA) for each level one metric.

Steps to Success

1. Complete a FEMA for each level one metric
2. Complete your process analysis using the SCOR level 3 blueprint
3. Link failures to SCOR level 3 processes
Summary Checklist

- Email scormark@us.pwc.com to gain access
- Identify Supply Chain(s)
- Determine Strategic Objectives
- Select Metrics/Creating a Balanced SCORcard™
- Source/Collect Data
- Submit Data
- Eligibility/Data Validation
- Receive Final Report
- Complete the Analyze Performance step
APICS and APICS SCC Members in the Fortune 1000

3M Incorporated
A. Schulman Inc.
Alticor Corporate Enterprises
ARRIS
Avnet, Inc.
BASF Corporation
Baxter BioScience
Becton Dickinson Vacutainer
Biomet3i
Boeing Company
Booz Allen Hamilton
Bristol Myers Squibb
Brocade Communication
Brunswick Boat Group
C.H. Robinson
Cabot Corporation
Cameron International
Carlisle Companies
Caterpillar, Inc.
Celanese - Ticona
Coca-Cola
Crown Equipment Corp
Cummins
Curtiss-Wright Controls Engineered Systems
Donaldson Company Incorporated
Dow Chemical Company
Edwards Lifesciences
Emerson Electric Co.
FMC Technologies
General Dynamics
General Mills
Harris Corporation
Hershey Company
Hospira, Inc.
Hubbell Incorporated
IDEXX Laboratories
Intel Corporation
Joy Global Inc. HQ
JR Simplot Company
Kellogg Canada Inc.
Kelly Services, Inc.
Kohler Co.
Kraft Foods Incorporated
L-3 Cincinnati Electronics
Lockheed Martin Corporation
McCormick & Company
McGraw-Hill Education
Medline Industries
Merck & Co
Microsoft
Mondelez International
Moog Inc.
Nortek
Northrop Grumman Corporation
Owens Illinois Inc.
Parker Hannifin
Penske Logistics LLC
PepsiCo
Philips
PolyOne Corporation
Sealed Air Corp
Sonoco Products Company
St Jude Medical
Stanley Black & Decker
Teledyne ODI, Inc.
Tenneco Inc.
Thermo Fisher Scientific
United Technologies
Valmont Industries
Verizon Communications
VWR International, LLC
Whirlpool Corporation
Wilbur-Ellis Company
WL Gore and Assoc.
Woodward Inc.
### PwC’s Supply Chain Benchmarking Database

<table>
<thead>
<tr>
<th>Company</th>
<th>Company</th>
<th>Company</th>
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<tbody>
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<td>3Com</td>
<td>Coca-Cola</td>
<td>Johnson &amp; Johnson</td>
</tr>
<tr>
<td>Avon Products</td>
<td>Colgate-Palmolive</td>
<td>Merck</td>
</tr>
<tr>
<td>BASF Corporation</td>
<td>Dow Chemical</td>
<td>Michelin</td>
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<tr>
<td>Bausch &amp; Lomb</td>
<td>Exxon Mobil</td>
<td>Mitsubishi</td>
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<tr>
<td>Bayer</td>
<td>Fujitsu</td>
<td>Motorola</td>
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<td>Bristol-Myers Squibb</td>
<td>General Motors</td>
<td>Nokia</td>
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<td>British American Tobacco</td>
<td>Hewlett Packard</td>
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<td>Campbell Soup</td>
<td>Honeywell</td>
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**Over 1,000 companies / 2,000 supply chains**
Other Learning Opportunities
Learn More About SCOR® Training

SCOR® PROFESSIONAL GROUP TRAINING: COST-EFFECTIVE, CUSTOMIZED GROUP LEARNING AT YOUR LOCATION

APICS is pleased to offer on-site training that provides in-depth understanding of the latest update of the Supply Chain Operations Reference (SCOR®) model, widely recognized as the global standard for supply chain management.

SCOR training can be delivered on-site to your supply chain group, department, or cross-departmental project team. You select the date, instructor, location, and venue.

Group training can dramatically reduce travel costs, lost work time, and the average training fees per employee. But above all, in-house training allows your employees to discuss how to adopt the tools and techniques learned in the training within your organization, dramatically increasing retention and ROI.

SCOR-P Endorsement
The SCOR Professional (SCOR-P) endorsement program establishes a global standard of excellence for applying SCOR. Certification provides a practical method for assessing the skills and competencies of your personnel and recruits, and a method for evaluating the effectiveness of training. For more information visit: apics.org/scorp

Group Training Benefits

- **Speed** – Group training allows your organization to train teams quickly, on your time, and your business schedule. Many organizations see a group training when launching a supply chain improvement program.

- **Customization** – In-house training helps attendees understand SCOR implementation directly within the context of the unique requirements and challenges of your business.

- **Group competency and relationship building** – Taking a supply chain team through training together develops consistent, learning across the team. The result: functional thinking and collaboration that develop in the training can then be leveraged to speed implementation in your organization.

- **Cost** – It is far more cost effective to conduct on-site group training than to send teams to public trainings. Typically, the cost is 30% to 50% less expensive than the total cost of public trainings.

APICS Training Descriptions

- **SCOR Framework**
  The SCOR Framework training introduces attendees to the full scope and content of the SCOR model. Participants learn the major process components (Plan, Make, Source, Deliver, Return, and Enable), and they gain an understanding of how to describe and characterize supply chains, select and measure key supply chain performance indicators, and assess the appropriate best practices.

- **Training includes:**
  - **Supply chain processes:** Describing supply chains using the standard SCOR processes and application of processes in different models;
  - **Supply chain performance metrics:** Describing the performance of supply chains using the standard SCOR metrics and application of metrics in scorecards and benchmarking;
  - **Supply chain practices:** Describing the maturity of processes and application of best practice assessments; and
  - **Example project:** Review of a comprehensive SCOR project.

Participants receive a copy of the SCOR model, a quick reference guide, and the instructor materials in printed and soft copy format.
SCOR® Training Options

APICS SCC offers training that provides in-depth understanding of the Supply Chain Reference (SCOR®) model, widely recognized as the global standard for supply chain management.

- **SCOR® Group Training:**
  Cost-effective, customized group learning at your location

- **SCOR® Training:**
  Thorough, effective, skills development in public classroom setting

2015 schedule - [http://www.apics.org/careers-education-professional-development/events/conferences/scor-professional-training](http://www.apics.org/careers-education-professional-development/events/conferences/scor-professional-training)
Upcoming Event – Shanghai

APICS 2015 SHANGHAI

16-17 April | Shanghai, China

New, global perspectives that help to address the many supply chain opportunities that exist in today’s complex world marketplace.
Visit APICS SCC online
Continue the Conversation

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Thank You!