

Implementing and Sustaining the Supply Chain Management Processes

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Overview

There are eleven management components that must be considered in order to implement the eight supply chain management processes. The management components apply to all of the supply chain management processes. In this chapter, we describe each of the management components as well as how they can be used to coordinate implementation of the supply chain management processes and institutionalize the processes once they have been implemented.

Introduction

Supply chain management is the integration of key business processes across the supply chain and the processes can be linked successfully only if the relationships with the other members of the supply chain are managed properly. To implement the processes, a number of management components are necessary.¹ The management components provide guidance for implementation of each process and are divided into two groups: structural components and behavioral components. The structural components include planning, control methods, knowledge management, workflow structure, organization structure, and communication structure. The behavioral components include management methods, power and leadership, risk and reward, culture and attitude, and trust and commitment. The behavioral components are often not as visible as the structural components, but they are essential for the successful implementation of the eight supply chain management processes. Quite often, when managers try to implement business processes, they only focus on the structural components. These efforts have a high failure rate because even though the right structure is put in place, the right behaviors are not encouraged. There is evidence from studies of business process reengineering that the behavioral components are critical success factors.²

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¹ Cooper, Martha C., Douglas M. Lambert, and Janus D. Pagh, "Supply Chain Management: More Than a New Name for Logistics," *The International Journal of Logistics Management*, Vol. 8, No. 1 (1997), pp. 1-13.

² Teng, James T.C., Seung Ryul Jeong, and Varun Grover, "Profiling Successful Reengineering Projects," *Communications of the ACM*, Vol. 41, No. 6 (1998), pp. 96-102 and Paper, David and Ruey-Dang Chang, "The state of business process reengineering: a search for success factors," *Total Quality Management & Business Excellence*, Vol. 16, No. 1 (2005), pp. 121-133.