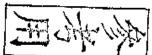
國立中央大學八十九學年度碩士班研究生入學試題卷

[95] 所別: 工業管理研究所 丙組

個案評述

共乙頁第/頁



In the landmark work - Reengineering the Corporation: A Manifesto for Business Revolution (1993), Dr. Michael Hammer and co-author James Champy introduced the business world to the compelling notion of reengineering - a business approach since adopted by many of the world's most successful organizations. The following is a documented interview, titled "Reengineering the Supply Chain", with Dr. Hammer [Supply Chain Management Review, 1998].

Acting as if you are a reporter of a local management magazine of Taiwan, your task is to summarize and comment this interview in Chinese with no more than 1,000 words. (各段名占10%)

1 Q: In your writings and course offerings recently, you've emphasized the supply chain and supply chain management. Why is this so important?

Hammer: The supply chain is really the cutting edge of contemporary reengineering. Reengineering started with a set of processes inside companies, typically for order fulfillment and its cousins, manufacturing and procurement. Many companies have made a lot of progress reengineering these processes, and that work continues. The next wave builds on that work in various directions. One, for example, is integrating the back office with the front office - extending reengineering into sales and marketing. Another critical area is supply chain. Now, I should be clear about what I mean by "supply chain." Unfortunately, the term has been tossed around so widely of late, it's become almost devoid of meaning in some cases. To me, supply chain does not primarily refer to intra-company activities, such as procurement, or scheduling, or logistics. They are all good things, but that's not what I mean by "supply chain." When I say supply chain, I mean inter-company processes and relationships--how pairs of companies, or even larger groups of companies, coordinate their individual activities to make things better for everybody. That's phenomenally important because there is a limit to how much you can achieve within your own four walls. The next big wave of opportunity lies in knocking down the walls between you and your customers, and between you and your suppliers.

2.Q: In Beyond Reengineering, you enumerated a set of core principles of business reengineering. Do those same principles apply to supply chain management?

Hammer: There is one very important principle that we have to remember in supply chain reengineering. I'd put it very simply: Work should be done by whoever is in the best position to do it. That is a very mild-sounding assertion, but it's really quite revolutionary. In traditional situations, work is done by whoever directly benefits from it. Or work is done by everyone, repeatedly. The principle should be that, in thinking across an extended supply chain, work should not be done more than once. And the person doing the work should be the one who is best positioned to do it—whether or not he or she is the one who immediately benefits from it. Let's take something as simple as retailer inventory management. Traditionally, it's the retailer's inventory, so he should manage it. Yet the whole principle of vendor-managed inventory holds that the vendor actually is in a better position than the retailer to manage the inventory, so the vendor should do it. The basic premise of supply chain reengineering is that if you improve the total system, everybody comes out ahead.

3.Q: How do you break down those tough internal and external walls and build the inter-enterprise processes with your suppliers and customers so necessary for supply chain reengineering?

Hammer: Your question can be interpreted in many ways. Let me try one approach: The hardest part is changing attitudes and behaviors. I think the most important thing you can do is to realign measurements and rewards. For example, there are numerous cases where, again, vendor-managed inventory has been hard to implement. One of the reasons is that the sales reps are still being measured and rewarded on volume. But when you go to a vendor-managed inventory situation, your short-term volume might decrease. On the other side, the purchasing agents are being measured on cost of goods. Now total landed costs will go down with a reengineered supply chain, but not the purchase costs. Yet the purchasing people are not being measured on total landed cost. So you have a wonderful new system, except everybody's incentives are pushing against it. I know of one pharmaceutical company that had a lot of success by redefining its sales reps' bonuses. They are no longer based primarily on volume or profit. The number one factor now is achievement of customer objectives. In the beginning of the year, the customer would say, "Here are the objectives that I want to achieve." At the end of the year, the vendor would go back and see how well the customer had achieved those objectives. The sales rep would then be rewarded on that basis. All of a sudden, the reps become focused on what really counts, which is supporting the strategy and enabling the customer. This is in contrast with the old behavior, which is just pushing product even though that is not in the customer's interest.

1.Q: You emphasize that processes need to give real value to the customer. How do you determine which supply chain processes have customer value and which do not?

Hammer: One technique that is widely used is to simply map the process end to end, including both what you do and what the customer does. Then ask yourself, Are there redundancies here? Is anything being done more than once? What could be eliminated without affecting the ultimate outcome? Are there things that have only indirect value and need to be minimized?

5.Q: What are some of the skills and attitudes required to be an effective supply chain professional today?

Hammer: A lot of skills, knowledge, and attitudes are required. On the knowledge side, people have to understand the overall business. It is not enough to know your job. You really have to understand the value proposition you're offering the customer, what the customer's needs are, what the competition is doing, where the money goes, and what the cost structure is. You've got to know enough about the larger environment so that you can make good decisions. A supply chain professional today is no longer just a "spear carrier," someone who performs a particular role. You really have to be--and you used the right word--a "professional" who assumes broad responsibility. To support that responsibility, you need a lot more breadth of knowledge and expertise. The skills required are things like problem analysis, problem solving, and decision making. Teamwork is a critical skill both within the company and with customers or suppliers. These are skills that we haven't had occasion to develop all that much in the past. In terms of attitudes, you need to really care about results ... a sense of responsibility, a customer focus, a self-starter. These are some of the characteristics needed if you are to make a larger contribution, as opposed to merely doing a job.

國立中央大學八十九學年度碩士班研究生入學試題卷196 所別: 工業管理研究所 內組 科目: 機能評議 共 2 頁 第 2 頁

6.Q: Are most people who have grown up under the old organizational structure able to make this transition?

Hammer. This is one of my favorite questions. I ask it in all of my seminars. The attendees and I together will work out the characteristics needed the new environment, and then I ask them just that question. "What percentage of the people in your organization have what it takes to thrive in it kind of environment?" The answer we usually come up with is that there are really three groups broken down into 20-60-20 percent. The first percent are already there; they can't wait for the changes and are champing at the bit. They're frustrated. They want to make it happen and they wat to do it now. There are another 20 percent who will never, ever get it. And it is not because of any genetic defect. Rather, it's because they have be so thoroughly acculturated in the old ways of doing things that they can't let go. Then there are the 60 percent on the fence. They have the potentiabut aren't there yet--and they need a lot of help. They need reassurance, education, support, coaching. I often quote Casey Stengel on this: "To secret of managing is to keep the guys who hate you away from the guys who haven't made up their minds." That is the 60 percent in the middle.

7.Q: We talk and write so much about the supply chain's competitive advantage. Can an effective supply chain, in fact, give you a competitive edge the marketplace?

Hammer: That is not a simple question. I would answer that there is no such thing as a lasting competitive advantage for two reasons: the wor changes and competitors catch up. So, can a superior supply chain offer you a lasting competitive edge? No. However, if you implement a best supply chain than your competition, that can put you in a better position, competitively, for the short term. You'll have structurally lower costs, fast cycle times, lower inventory numbers. But at the same time, every company has to realize it cannot rest on its laurels. Vendor-managed invento was a real slick thing a few years ago. Now it has become strictly required. So, yesterday's competitive advantage is today's competitive necessity.

8.Q: How effectively are companies using the outsourcing option in their supply chain strategy?

Hammer: They have barely begun. Most organizations have a whole set of anxieties when it comes to outsourcing. A few have been able to overcome them. Chrysler, for example, has done some very interesting things in giving more responsibility to its trucking partners. The carriers at not just picking up and delivering, but taking responsibility for coordinating the whole movement of the freight from the vendor to the production. Ryder, to give another example, does more than just deliver copier machines for Xerox. The Ryder driver actually installs the equipment an trains the customer. It's a rather remarkable idea. That is the kind of cutting-edge thing you need to be doing.

q.Q: Will supply chain relationships of the future look different from today's?

Hammer: I think so. More and more, we're going to be seeing a change in the billing and payment cycle. It will become an increasingly automate and even outsourced activity. Instead of my having to have a receivables organization and you having to have a payables organization, we can operate so that EDI transactions automatically trigger payment that's under control of the third party. Somebody on the network will be observing the order that you send me, the ASN I send you, the acknowledgment that you send me. And when they notice the acknowledgment, 28 days later the debit your account and credit my account. I never send you a bill, you never send me a check. We concentrate on what's important to us and get ri of the whole financial side. I also see manufacturers' production increasingly being driven by customers' consumption. In other words, I drive m manufacturing scheduling not on my sales forecast, but on your actual utilization. This is an extension of the pull approach. We've already made progress in moving from push to pull, but now you are not really even going to order from me. I'm going to observe your usage pattern or your sale pattern, and use that to drive not only my delivery to you, but also my whole production cycle. Looking forward, I also see vendor-manage inventory being extended to the consumer--an idea I've discussed with a number of consumer-goods companies. As a manufacturer, I would have profile of you and your household and I would know how much of various products you use. Let's say that once every three weeks a box of product with toothpaste, shampoo, and so forth automatically shows up at your doorstep without your having to make a choice. It is automatically charged t your credit card and you don't have to go shopping for the stuff. Now, unless I make a mistake, I have you as my steady customer. Think of it as, say a "Toothpaste of the Month" club. There is a whole set of basic products whose consumption can be effectively modeled in this way. We are starting to see some delivery services implementing this, but much more needs to be done. Now, this isn't strictly supply chain, but I think it is related ... see a revolution in pricing, whereby pricing is increasingly going to become highly contingent. I think we're going to see the end of list prices. If sell you something, it is going to be based on today's production and today's demand. And tomorrow it might be quite different.

10,Q: What about the Internet's role in tomorrow's supply chain?

Hammer: Technology like the Internet will be the enabler for a whole new generation of supply chain changes. More changes will happen in the supply chain over the next five years than have occurred over the last 15.