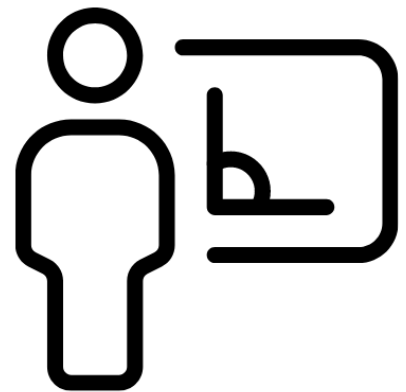


# Instructors Guide



On the following pages is a sample module from our Instructor Guide. It provides the instructor with a copy of the material and a Lesson Plans box.

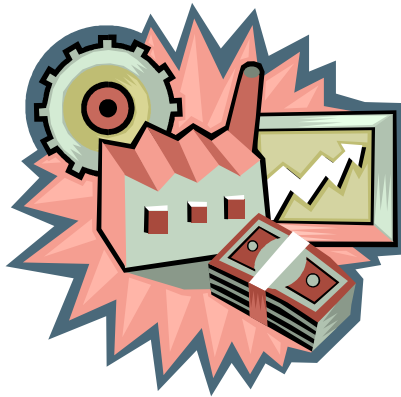
The key benefit for the trainer is the Lesson Plan box. It provides a standardized set of tools to assist the instructor for each lesson. The Lesson Plan box gives an estimated time to complete the lesson, any materials that are needed for the lesson, recommended activities, and additional points to assist in delivering the lessons such as Stories to Share and Delivery Tips.



*A satisfied customer is the best business strategy of all.*

**Michael LeBoeuf**

## Module Two: Why Supply Chain Management?



Imagine this: an entrepreneur has an idea for providing affordable organic linens to a national discount chain. But how will she get her product from a factory in South America to customers in the Midwest who will shop at one of the chain's stores? What processes are involved? Who will perform what functions? What about financing and shipping? What will she need to do to ensure satisfied customers? These are the questions answered through supply chain management.

So then, what exactly is supply chain management? It is the management of interconnected businesses involved in providing goods or services to consumers. Supply chain management involves the finances, logistics, and delivery of products or services and requires integrated behavior and cooperation among the chain's firms to be successful.

### Customer Satisfaction



Customer satisfaction is a consequence of supply chain management that reflects the value created by the supply chain firms. It comes through delivering value of what is perceived by the customer as important not the firm members. Customer satisfaction influences purchasing behavior, customer loyalty, and also serves as an indicator of the supply chain's collaborative success at creating a differential advantage. The differential advantage is what sets the chain apart from its competitors. In this topic, let's look further at how we can create value and promote high levels of customer satisfaction.

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	The learners will be able to apply a three step process to promote customer satisfaction throughout the supply chain.
<b>Topic Summary</b>	In this section, we learn how to improve customer satisfaction by doing three things: 1) Decide what your organization will provide customers, 2) Identify

	(determine) what customers really want, and 3) Deliver it. (Based on Ken Blanchard's, <i>One Minute Entrepreneur</i> ).
<b>Materials Required</b>	Flipchart Markers
<b>Planning Checklist</b>	None.
<b>Recommended Activity</b>	<p>Have learners work in groups of 3 – 4.</p> <p>Create a bubble map of customer satisfaction. Ask learners to identify 1 or 2 potential customers in their supply chain and create a bubble map using the DID model: Decide, Identify and Deliver.</p> <ul style="list-style-type: none"> <li>• At the top of the chart paper write DECIDE. Write a decide statement, e.g., Our firm will provide an online greeting card and gift service to small business owners where they can have their own signature digitally printed on cards for a personalized touch.</li> <li>• Underneath the Decide statement, draw one large circle. Write inside the top of the circle the word IDENTIFY. Leave room to list the identify items, e.g. business owners want to be able to send the greeting cards and gifts 1 – 1000 recipients.</li> <li>• Around the main circle, draw circle smaller circles and connect these to the main circle with lines. In the smaller circles, learners will write the way the firm DELIVER customers what they want, e.g., provide a large selection of greeting cards, something for everyone.</li> </ul>
<b>Stories to Share</b>	<p>Karen goes in to buy a used car, at AB Car. She receives courteous service from her salesperson Mike. He empathizes with her need to find a gas saver and doesn't try to push any particular model on her. In the end, Karen feels she has decided. Mike assures Karen she can be confident in her choice. He points out that their dealership offers free roadside assistance and oil changes for 3 years after the purchase. Karen feels even better as she signs the sales contract knowing that she gets assistance in maintaining a used car. Later on the same day, a customer service representative calls Karen to conduct a satisfaction survey for the dealership. Then one week later, Mike follows up to ensure Karen is enjoying her car and if she has any questions. Karen is happy to tell Mike that she has been recommending him and the dealership to all of her friends.</p>
<b>Delivery Tips</b>	Ask learners, "What did Mike and the parties involved in the supply chain do

	to promote customer satisfaction in this story?”  Encourage learners to share their experience of customer satisfaction.  Explore by asking, “How was the DID principle applied?”
<b>Review Questions</b>	What are some examples you have of receiving great customer service in the past year or two? What can you incorporate from those experiences?

## Improving Performance



Some decades ago, leadership and management experts Peter F. Drucker and Steven R. Covey contributed significantly to the field of performance management. Their ideas created new ways in which organizations both for- and non-profit functioned and they also set new standards for measuring both personal and professional success. Performance management is the system of activities involved in measuring and ensuring goals are met for individuals, departments, and organizations. Performance improvement is the concept of measuring processes or procedures and the changes made to improve the effectiveness of those processes or procedures. Performance improvement is a management approach. Because of the globalization of business and the rapid changes in today’s marketplace, an important aspect of the supply management puzzle is how to continually improve performance.

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	The learners will use a five step model for measuring the effectiveness of a process or procedure and devise an improvement plan for a business.
<b>Topic Summary</b>	We will examine some issues in supply chain management and learn the SPOCM model. The SPOCM is one method used to improve the effectiveness of a process or procedure and measure performance.
<b>Materials Required</b>	01-Improving Performance is Smart  Flipchart  Markers
<b>Planning Checklist</b>	Copies of 01-Improving Performance is Smart
<b>Recommended Activity</b>	Have learners work in pairs for this activity.

	<p>First, Teach the learners about the SPOCM model. This acronym stands for</p> <p>S = Strategy based on the chain firm’s environment</p> <p>P = Plan follows the strategy and prepares the firm for the inevitable</p> <p>O = Organize resources, inputs and direct action (think logistics)</p> <p>C = Control is the process of monitoring</p> <p>M = Measuring or quantifying (e.g., Supplier performance is equal to the actual inputs divided by expected inputs or <math>M = \frac{\text{actual}}{\text{expected}}</math>)</p> <p>Have learners complete Question 1 on Worksheet 1.</p>
<b>Stories to Share</b>	<p>Peter F. Drucker was a management expert, scholar, and author whose career spanned six decades. His theories influenced nearly every aspect modern business management. He is famous for performance improvement, but did not coin that phrase. A phrase he did coin was “knowledge worker.”</p>
<b>Delivery Tips</b>	None
<b>Review Questions</b>	<p>Why is performance improvement necessary? What are some parameters we can use to improve performance?</p>

## Lowering Costs



After assessing their environment, a supply chain manager might realize that they need to develop a low-cost strategy. In this case, the primary focus of this chain would be cost control. The output or end product is a major consideration in lowering cost. The gross margin (price of goods minus their costs) has to sufficiently cover overhead to turn a profit. Additionally, for cost

lowering strategies to be effective, the supply chain must lower its costs without compromising the value or quality of the end product. Cost control might entail:

- Making some tasks routine
- Producing standard products
- Practicing economies of scale
- Trimming or reducing budgets
- Implementing process engineering

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	Learners will apply at least two (2) strategies to lower cost for a business.
<b>Topic Summary</b>	In this section, we learn about cost control and how to lower cost. Further, we will apply the SPOCM model to understanding cost control.
<b>Materials Required</b>	01-Improving Performance is Smart Flipchart Markers
<b>Planning Checklist</b>	Copies of 01-Improving Performance is Smart
<b>Recommended Activity</b>	Have learners continue to work in pairs. Learners should now complete Question 2 on Worksheet 1
<b>Stories to Share</b>	<p><i>Higher Prices Hurt Campbell Soup Sales</i></p> <p>By THE ASSOCIATED PRESS</p> <p>Published: November 22, 2011</p> <p>“Campbell Soup said ... that its first-quarter net income fell 5 percent as the company worked to turn around its soup business in the United States and expand internationally.</p> <p>Profit was better than expected, mainly as a result of lower spending on advertising and fewer shares outstanding. But revenue missed expectations as volume declined on higher prices. The company, like other food makers, has raised prices to offset higher costs for ingredients and other materials.</p> <p>‘Consumers continued to be impacted by the challenges in the global economy’ during the quarter, Denise M. Morrison, its chief, said in a call with analysts.”</p>
<b>Delivery Tips</b>	None
<b>Review Questions</b>	What are some methods businesses can use to lower costs? Is a low-cost strategy the only financial strategy a business can have?

## Product Development



Supply chain management is a set of management processes in which every step of the process should be on meeting the customer's requirements. Product development is the process of supply chain bringing a new product to market. The product can be tangible (e.g., stainless steel countertops) or intangible (e.g., counseling services). The process of product development can be quite lengthy. It may involve steps such as:

- Idea generation
- Business analysis and market research
- Idea prototypes
- Beta testing
- Marketing testing
- Technical and legal requirements
- Product pricing
- Marketing and retailing

<b>Estimated Time</b>	10 minutes
<b>Topic Objective</b>	Learners will apply at least five steps to develop a new product for market.
<b>Topic Summary</b>	Since customer satisfaction is so closely linked to products. Supply firms should give careful attention to product development. In this section, we will learn how to develop a product for market.
<b>Materials Required</b>	01-Improving Performance is Smart Flipchart Markers
<b>Planning Checklist</b>	Copies of 01-Improving Performance is Smart
<b>Recommended Activity</b>	Have the learners work in pairs. Ask the class to help you create a flow diagram for product development using the bulleted items listed in the term definition above.

	Then, have the learners work in pairs to complete Question 3 on Worksheet 1.
<b>Stories to Share</b>	Did you know it takes over 1 year to bring an android device to market? A major problem is the device may not even go out with the latest software. Often there is a gap between the device manufacturers who want to send the equipment out with the latest software and developers who are constantly trying to keep track of new versions of the platform when writing apps for the devices. The real tension comes when trying to ship the product to consumers who want the latest technology.
<b>Delivery Tips</b>	Have the learners choose the product for the flow chart example above.
<b>Review Questions</b>	What are the crucial steps in product development (ones that cannot be omitted)? Is product development something that can be done quickly?

## Practical Illustration

Tim's publishing company specialized in home repair do-it-yourself manuals, and initially experiences steady growth and success. It has several very popular authors, who have a loyal following. Tim decides to enter into the eBook business, but does not sufficiently market this new product. Twelve months after the changes, the company is not making a profit. Tim calls in his board of directors for an emergency meeting. They brainstorm and look at what made their company successful, and what initially worked. They also analyzed what they are currently doing with the eBooks. Tim realizes he did very little market research before releasing the new product.

<b>Estimated Time</b>	5 minutes
<b>Topic Objective</b>	Learners will analyze and prepare a 2 minute presentation on the case study to demonstrate their understanding of the terms covered in this module.
<b>Topic Summary</b>	This section summarizes why supply chain management is important and how successful supply chains result in customer loyalty and satisfaction.
<b>Materials Required</b>	Flip Chart Markers
<b>Planning Checklist</b>	None
<b>Recommended Activity</b>	Have learners work in large groups, up to 7 or 8 participants. Each group will



	<p>receive a piece of chart paper and some markers.</p> <p>Learners will create a SPOCM model for the case study and present ideas on how the supply chain for this business can lower its cost and improve customer satisfaction.</p>
<b>Stories to Share</b>	<p>Supply chains are essential to operating in a global economy. Some people believe another term for supply chain management is logistics. Ever notice how many shipping companies have that word in their names? However, supply chain management is a lot more than shipping or logistics.</p>
<b>Delivery Tips</b>	<p>None</p>
<b>Review Questions</b>	<p>What are ways this company can make the idea of eBooks work? What are other market research ideas? Does the global economy affect this company?</p>

## Module Two: Review Questions

1.) What way does the supply chain improve customer satisfaction?

- a) **Creating value**
- b) Increasing production times
- c) Increasing costs
- d) Delaying shipping

**Correct answer: a) Creating value. Supply chains create value for the customer. This allows firms to better manage inventories, which lowers costs.**

2.) What is customer satisfaction an indicator of?

- a) Decentralized operations
- b) Expensive technology
- c) Speedy production
- d) **Collaborative success**

**Correct answer: d) Collaborative success. Supply chain firms work together to create success. When customers are satisfied, this is an indicator of their collaborative efforts.**

3.) What is Performance Improvement?

- a) **Measuring and ensuring goals are met**
- b) Financing opportunities
- c) Providing customers products
- d) Predicting outcomes

**Correct answer: a) Measuring and ensuring goals are met. Performance improvement is a method to measure activities in businesses. It measures and provides information on how well businesses are achieving their goals in different areas.**

4.) What kind of approach is performance improvement?

- a) Operational
- b) Production
- c) **Management**
- d) Research

**Correct answer: c) Management. Performance improvement is a management approach. It should be aligned with the strategic goals of the business.**

5.) What is a cost control strategy from this module?

- a) Trimming or reducing quality
- b) Producing specialized products
- c) Practicing economies of scale
- d) Implementing the latest technology

Correct answer: c) Practicing economies of scale. Companies can control cost by practicing economies of scale. Practices that increase costs include producing specialized products and implementing the latest technology. When a company reduces the quality, this act may reduce costs temporarily but in the long run it actually increases cost.

6.) What is the most important factor in lowering costs?

- a) Value
- b) Accessibility
- c) Reproducibility
- d) Flexibility

Correct answer: a) Value. When companies lower their costs; they must be concerned about how it will affect their customers. The most important criteria are being able to maintain value with cost reduction.

7.) Which activity is involved in developing a product?

- a) Beta testing
- b) Shipping
- c) Invoicing
- d) Purchasing

Correct answer: a) Beta testing. Product development can involve many activities, such as market research and testing. Beta testing is a method used to test products.

8.) What is an example of a non-tangible product in a supply chain?

- a) Raw materials
- b) Consulting services
- c) In-progress goods
- d) Finished goods

Correct answer: b) Consulting services. Consulting services are intangible “products.” Examples of other intangible products may include knowledge transfers and ideas.

9.) What type of how-to books does the company publish?

- a) Books on investing
- b) Books on cooking
- c) Books on home repairs
- d) Books on sewing

Correct answer: c) Books on home repairs. The small publishing company is known for its work on books that give how-to information on home repairs.

10.) After how many years of business does the company decide to explore EBooks?

- a) 5 years
- b) 3 years
- c) 15 years
- d) 10 years

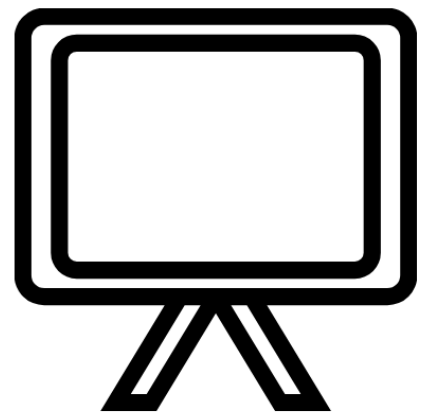
Correct answer: d) 10 years. The Company finds great success with the traditional method of publishing books and decides to venture into EBooks. At the beginning of this venture, however, it does not market it well.

# PowerPoint Slides



Below you will find the PowerPoint sample. The slides are based on and created from the Instructor Guide.

PowerPoint slides are a great tool to use during the facilitation of the material; they help to focus on the important points of information presented during the training.





“

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*Michael LeBoeuf*

## MODULE TWO

# Why Supply Chain Management?

Supply chain management involves the finances, logistics, and delivery of products or services.

It requires integrated behavior and cooperation among the chain's firms to be successful.



## Customer Satisfaction

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Customer satisfaction is a consequence of supply chain management that reflects the value created by the supply chain firms.

## Improving Performance

---

Performance improvement is a management approach.







## Lowering Costs

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Making some tasks routine

Producing standard products

Trimming or reducing budgets

## Product Development

---

- Idea prototypes
- Beta testing
- Marketing testing





## Practical Illustration



- Customer Satisfaction
- Improving Performance
- Lowering Costs
- Product Development

## Module Two: Review Questions

1. What way does the supply chain improve customer satisfaction?

A. Creating value

B. Increasing production times

C. Increasing costs

D. Delaying shipping

# Quick Reference Sheets



Below is an example of our Quick Reference Sheets. They are used to provide the participants with a quick way to reference the material after the course has been completed. They can be customized by the trainer to provide the material deemed the most important. They are a way the participants can look back and reference the material at a later date. They are also very useful as a take-away from the workshop when branded. When a participant leaves with a Quick Reference Sheet it provides a great way to promote future business.



# Supply Chain Management

## Procurement

Procurement and purchasing are similar terms. Purchasing is the process of locating a supplier, buying, negotiating, and ensuring delivery. Procurement on the other hand is a much broader term that includes purchasing. It also includes storing, transporting, receiving, inspecting incoming materials/supplies, and salvaging items. Proactive procurement is a process reflected in five outputs:



- Quality
- Cost
- Time
- Technology
- Continuity of the supply

## The Product Flow

The product flow in supply chain management involves the conveyance of goods, products, and services from the supplier to the customer. This process also includes all back end processes as well as returns. Sometimes returns are also grouped as an activity under reverse supply chains. The product flow can be one of the following:



- Basic Supply Chain
- Extended Supply Chain
- Ultimate Supply Chain

Basic supply and extended supply are quite simple and linear. They essentially include a supplier(s), a focal firm, and customer(s). However, Ultimate Supply Chains are more complex and are more like networks rather than pipelines. In addition to the same groups that basic chains have, they also include third party firms and all other entities from the initial supplier to the end customer.

## Inventory Calculator



An inventory calculator measures the inventory turnover rate. Inventory calculations provide supply chain managers important data for setting inventory levels. Inventory calculators help determine the rate inventory items are sold and replaced in a specific period of time, such as a year. Inventory calculations can also help supply chain managers determine the quality of goods and set benchmarks. The calculation for inventory turnover is:

$$\text{Turnover} = \text{Cost of goods}/\text{Average inventory}$$

Managers can use the above calculation to determine the average days in inventory using the calculation below:

$$\text{Average days in inventory} = 365/\text{Inventory turnover}$$

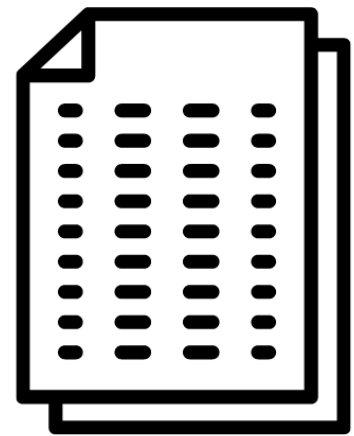
# Handouts



Each course is provided with a wide range of worksheets.

Worksheets help check your participants' understanding. If a lesson calls for a worksheet, it will be listed in the Lesson Plan box under Materials Required. All worksheets are customizable and can be found in the Appendix of the Instructor Guide and the Training Manual.

As a trainer, icebreakers give your participants the opportunity to get to know each other better or simply begin the training session on a positive note. Icebreakers promote collaboration, increase engagement, and make your training more light-hearted and fun. Below is an example from the Icebreakers folder.



## Sample Worksheet: Improving Performance is Smart

According to research, inefficiencies in supply chains can waste as much as 25% of operating costs. A bakery is one of the toughest businesses to run, Jon and Jeannine soon discovered after they quit their corporate jobs to pursue their dream of being self-employed. The pair had a number of reliable customers (coffee shops) but at the end of the day, they were still throwing away too much product. After completing a cost analysis, they realized two things:

- The process of trying to buy the majority of their products locally and organically was a huge expense and caused them to work very hard to keep up with their demand.
- Some items took a lot longer for them to prepare (labor intensive), but these items were also their best sellers.

### Task

1. Can you help Jon and Jeannine work smarter not harder? Use the SPOCM model to improve their performance.
  
2. Come up with some ideas to help Jon and Jeannine lower their costs.
  
3. Develop a new product for Jon and Jeannine (e.g., something seasonal, healthy, or unique). Remember to consider all aspects of their supply chain.

# Icebreaker One: The 10 Minute Challenge

## PURPOSE

It will help introduce the topic of time management in a fun, non-confrontational manner.

## MATERIALS REQUIRED

1. Flip chart paper
2. Markers
3. Timer or watch
4. Craft supplies if desired (colored paper and pencils, glue, sparkles, etc.)

## PREPARATION

Write out the following list on a piece of flip chart paper. Ensure that it stays covered until the end of the activity explanation.

5. Do a lap around the room (5 points)
6. Create something for the instructor to wear, such as a hat or tie (10 points; bonus 5 points if the instructor actually wears it)
7. Find out something unique about each person on the team (5 points)
8. Sing a song together (15 points)
9. Make a paper airplane and throw it from one end of the room to another (10 points)
10. Get everyone in the room to sign a single piece of paper (5 points)
11. Count the number of pets owned by your group (20 points)
12. Assign a nickname to each member of the team (5 points)
13. Create name cards for each team member (5 points; bonus 5 points if you use your team nicknames)
14. Make a tower out of the materials owned by your group (10 points)
15. Convince a member of another team to join you (20 points)
16. Name your team and come up with a slogan (5 points for the name, 5 points for the slogan)
17. Re-create the sounds of the Amazon rainforest with the sounds of your voices (10 points)
18. Make a list of what your team wants out of the workshop (15 points)
19. Form a conga line and conga from one end of the room to another (5 points; bonus 10 points if anyone joins you)

You can customize this list as you wish; just make sure there is a point value (which is completely up to you) assigned to each item.

You will also want to create a scoreboard matrix on flip chart paper that looks like this:

	TEAM 1	TEAM 2	TEAM 3
TASK 1			
TASK 2			
TASK 3			
TASK 4 (AND ON...)			
TOTAL			

This should stay hidden until the end of the activity.

#### EXPLANATION

Divide participants into teams of five to eight. Unveil the numbered list of tasks. Explain that they have ten minutes to collect as many points as possible. They must be safe and they only have ten minutes!

#### ACTIVITY

Give participants ten minutes to perform their tasks, and enjoy the show! After ten minutes, add up their points using your pre-designed matrix and announce the winner. Keep the list of tasks; you may want to tape it to the wall.

#### DEBRIEF

After the activity, discuss learning points. Possible discussion topics include:

20. How did teams decide what tasks they wanted to do? Most groups will analyze the time the task will take and/or the difficulty level, compare it with the value (possible number of points), and prioritize as a result. We do this when managing our time, too: we often choose the high-yield, low-effort tasks over the low-yield, high-effort tasks (and rightly so!).
21. Were any decisions based on task dependencies? For the name card task, for example, teams received bonus points if they used team nicknames. Performing these two tasks together would triple the points received. This often happens in life, too – batching tasks increases your results exponentially.
22. What group dynamics came into play? If participants knew each other before, they may feel more comfortable performing a personally risky activity, like singing a song. This comes into play when prioritizing tasks, too; we're more likely to stay within our comfort zone, especially if we're working in a team.

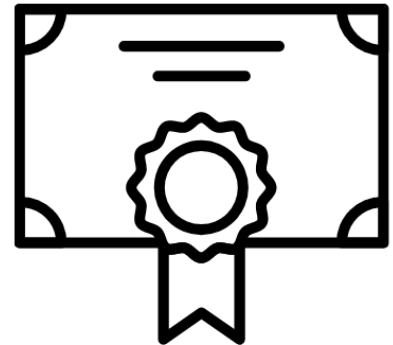


23. What skills came into play? For example, several tasks involved creativity and artistic skills. Did teams find out whether any members had artistic talent before deciding to do the task?
24. What additional information did you ask for? How did that affect your approach? Some groups will catch on to the fact that there is no rule that the whole group must perform every task, and will divide their resources and achieve more points as a result. The lesson to learn here is that you need all the information you can get before prioritizing tasks and making a plan. Some teams may have even realized this partway through the activity and adjusted their approach as a result. Kudos to them!
25. Did ethics come into play? Although “stealing” another team member was worth a lot of points, some teams are uncomfortable with the idea and avoid this task.

# Certificate of Completion



Every course comes with a Certificate of Completion where the participants can be recognized for completing the course. It provides a record of their attendance and to be recognized for their participation in the workshop.



CERTIFICATE OF COMPLETION

**[Name]**

*Has mastered the course*  
*Supply Chain Management*

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Presenter Name and Title

\_\_\_\_\_