

Syllabus

Name:			
Supply Chain Competition			
Responsible:			
Professor Richard Pibernik, Chair of Logistics and Quantitative Methods			
Program:	Type:	Term:	ECTS:
Master	Seminar	Summer/Winter	6 CP
Contents & Objectives:			
<p>The components of a value chain are traditionally seen and administered as separate entities: the operations manager tries to optimize processes in production and warehousing, the purchasing manager wants to minimize purchasing prices, the sales manager's efforts are aimed at maximizing revenue, while, hopefully, a supply chain manager tries to coordinate this complex array of tasks and incentives.</p> <p>However, current practices very often ignore how the decisions taken by these different managers may inadvertently impact the overall performance of a different "area" – value chains are complex systems, where changing the value of one variable affects the functioning of the whole system. A synergetic approach would thus be more effective, along with incentives promoting overall results as opposed to individual performance. Today, many companies have realized the value of a better coordination of different functions and tasks in the Value Chain and have launched projects to change organizational structures and incentives to improve cross-functional alignment. In this context, practitioners often refer to a concept called integrated sales and operations management (S&OP).</p> <p>Unfortunately, designing such systems has proven to be a very complex task: the "traditional" functional view of the Value Chain is deeply embedded in most organizations. Better alignment requires a better understanding of how decisions of different functions impact each other and the performance in the Value Chain. Also, new incentive schemes need to be established.</p> <p>The objective of this course ties directly into this subject: it aims at giving students an understanding of how they can best coordinate their efforts with other areas, as potential future employees and/or managers operating in a specific area of an enterprise. Thanks to the game "The Fresh Connection", they will be assigned to the role of either purchasing, operations, supply chain or sales manager; as objective, they will be requested to improve the performance (measured by Return on Investment) of "The Fresh Connection", a producer of fresh fruit juice, through a series of sequential decisions.</p> <p>"The Fresh Connection" is a business simulation, a powerful and innovative learning method applied by many business schools and companies around the world, aimed at replicating a real business environment in a classroom setting. You can obtain further information under: www.thefreshconnection.eu.</p> <p>At the end of the course, the participants will develop a deep understanding of the intricate interdependencies between the variables governed by each area-manager in a typical medium-to-big firm, as well as having a general overview of how each area contributes to total value added. Finally, they should be able to recognize when and where this knowledge will and may be practically relevant, in order to avoid negative deviations from optimal performance caused by lack of coordinated incentives.</p>			
Prerequisites:			
This is a capstone course that combines aspects of Purchasing, Logistics, Production & Supply Chain Management. Ideally, participants have attended a number of lectures in these fields.			
Course structure:			
Session	Content		
1	Introductory event: participation in workshop; Assignment to Groups		
2	2 Intermediate workshops to discuss planning approaches and results		
3	Presentation Workshop: presentation and active participation in discussion of all topics		

Literature:
[1] https://www.thefreshconnection.biz/
Grading:
The final report of each group will be graded.
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