



How Does Your Supply Chain Strategy Rate?

A quick assessment based on the Supply Chain Council's M4SC framework

By Peter Bolstorff

The journey to Supply Chain Excellence is a lot like trying to solve a Rubik's Cube; the objective of the puzzle is to twist layers of colored squares until each of the cube's faces contains all the squares of a single color.

I have to admit, I never solved the puzzle; I could always get to a point where two faces of the cube were aligned, but in assembling the third I would disrupt the first two. That's why the puzzle is such a strong analogy to supply chain strategy. Too often, prioritizing one thing "unprioritizes" another.

And as you already know, you only win when you get all four colors aligned.

Research¹ and experience suggest that there are 18 dimensions of supply chain strategy, which can be arranged in a matrix format (Figure 1).

In the columns of the matrix, there are three performance factors:

1. Setting appropriate goals;
2. Utilizing effective design techniques;
3. Managing performance measures.

The rows are defined by six performance layers:

1. Your trading partners;
2. Your organization;
3. Network;
4. Process;
5. Technology;
6. Job performers.

The [Supply Chain Council](#) recently introduced a new supply chain management framework called [M4SC](#). It provides a standard language for your supply chain team and a blueprint of the key activities needed to manage effective supply chains (Figure 2).

SCC member feedback has been consistent. The first question generally is: Where does my company stand? The next question is: How do I

Figure 1: 18 dimensions of supply chain performance

| M4SC Layer | Performance Factors | Goals | Design | Measurement (Management) |
|------------|---------------------|---|------------------------------|--------------------------|
| Strategy | Trading Partners | Define Segments, Requirements, and Capabilities | Relationships and Agreements | Joint Metrics |
| | Organization | Competitive Requirements | Global Organizational Design | Level 1 SCORcard |
| Network | Physical Flow | Supply Chain Network Goals | Network Design | Level 2 SCORcard |
| Process | Process Flow | Supply Chain Process Goals | Process Design | Level 2 SCORcard |
| Resources | Technology | Technology Requirements | Technology Architecture | Level 3 SCORcard |
| | People – Jobs | Job – Task Requirements | Job Design | Job Level KPIs |



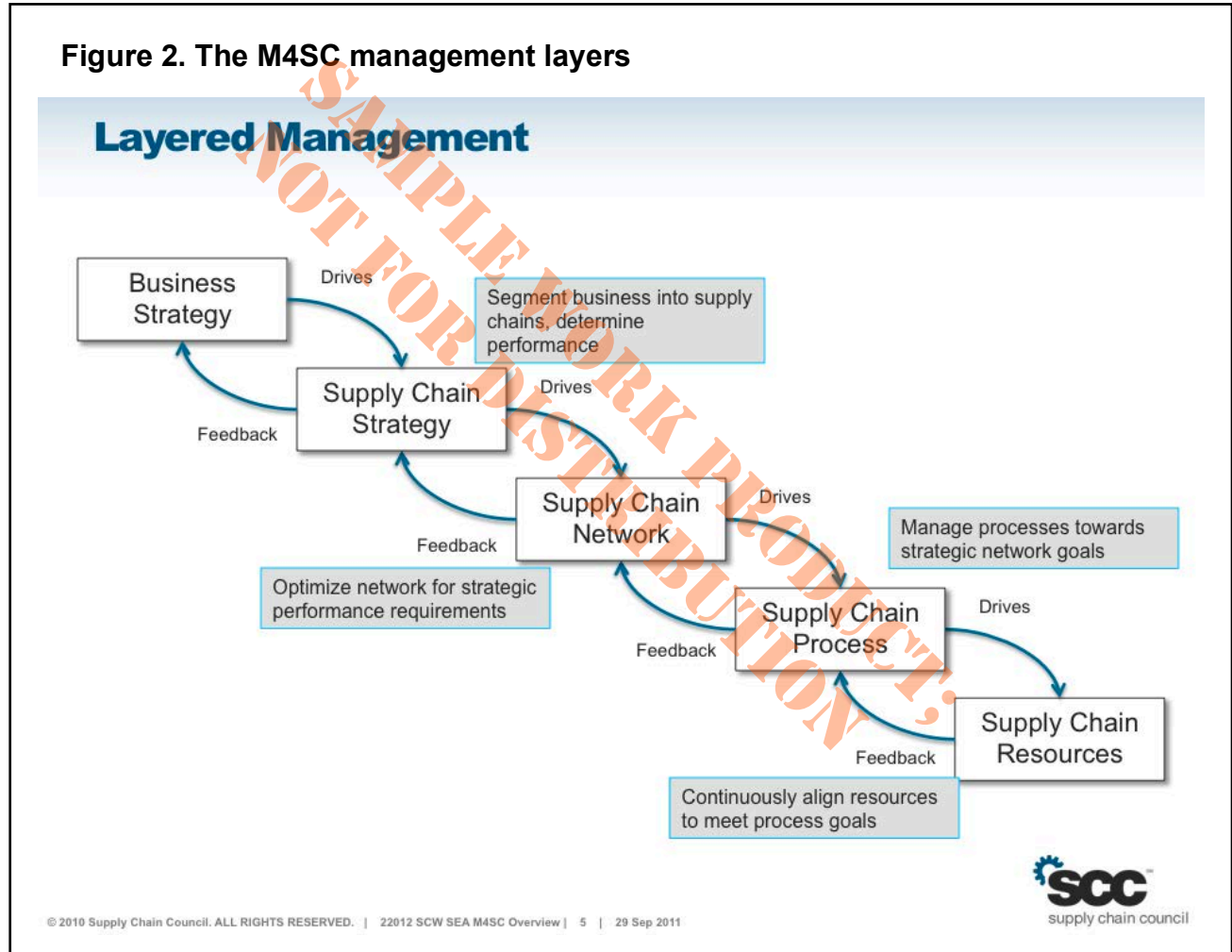
start?

What follows is a quick, consensus-based maturity survey whose format and questions have been adapted specifically for M4SC. It can address both questions: Where your organization stands,

and where it should begin on the road to more effective supply chain management.

So, what is your level of maturity? Take the survey to find out.

Figure 2. The M4SC management layers



M4SC Quick Maturity Assessment Survey

This survey can be conducted and tabulated on an interactive spreadsheet available for free download at <http://www.scelimited.com/m4sc-quick-assessment/>. (See Figure 3 on page 5 of this document for an example.)

In the following Quick Maturity Assessment Survey, enter a score for each question.

- If your response to the question is **YES**, give yourself a score of **2**.
- If the answer is **PARTIALLY**, score **1**.
- If the answer is **UNSURE** or **NO**, score **0**.

**Section 1 of 3: Goals**

1. Trading Partner: Have you incorporated as part of your supply chain strategy direct requirements from customers, and capabilities of suppliers?
Score: ____
2. Organization: Have you defined or segmented your supply chains in terms of product groups and customer groups?
Score: ____
3. Physical Flow: Have you defined supply chain network requirements for each supply chain and/or customer group?
Score: ____
4. Process Flow: Have you defined supply chain process requirements to support network and organizational goals?
Score: ____
5. Technology: Do you have appropriate technology (functionality) that supports the supply chain process blue print to PLAN, SOURCE, MAKE, DELIVER, and RETURN?
Score: ____
6. People/Jobs: Is there a human resource strategy that is integrated with your supply chain organization?
Score: ____

Section 2 of 3: DESIGN

7. Trading Partner: Do you effectively collaborate with targeted customers and targeted suppliers?
Score: ____
8. Organization: Is your formal supply chain organization structure effective?
Score: ____
9. Physical Flow: Is your current network design efficient and effective?
Score: ____
10. Process Flow: Do you have integrated PLAN, SOURCE, MAKE, DELIVER, and RETURN processes in the form of a blue print?
Score: ____



11. Technology: Did you configure your system based on the business requirements defined in a TO BE process Blue Print?

Score: ____

12. People/Jobs: Are all the supply chain job classifications aligned globally?

Score: ____

Section 3 of 3: MEASURES (MANAGEMENT)

13. Trading Partner: Do you have collaborative agreements in place that define requirements, success factors, and communication plans?

Score: ____

14. Organization: Do you have an enterprise or, at least, organizational supply chain scorecard that balances internal versus external measures?

Score: ____

15. Physical Flow: Does your organization scorecard (and metric definition) cascade to your sites, functional areas, and/or logistics services suppliers?

Score: ____

16. Process Flow: Does your organization scorecard (and metric definition) cascade to your process performance?

Score: ____

17. Technology: Have appropriate technology performance measures been identified?

Score: ____

18. People/Jobs: Do the performers understand the job goals (outputs they are expected to produce and standards they are expected to meet?)

Score: ____

Total score: ____

Percentage score: ____
(divide total score by .36)

Letter grade: ____ A >= 90% B >=80% C>=70% D>=60% F<60%

The M4SC Quick Assessment is an abridged version of a more detailed assessment that is available as a paid service offering from SCE Ltd. The detailed **M4SC Strategic Maturity Assessment** involves consideration of 90 attributes, and delivers a detailed management blueprint for improved supply chain performance. More information about the detailed assessment is available at SCE Ltd. (<http://www.seclimited.com/services>).



Figure 3. Example of an M4SC Quick Assessment downloadable score

| | A | B | C | D | E | F |
|----|------------------|----------|-----------------|--------|--------|-----------------------|
| 1 | Raw SCORE | | | 10 | 9 | 9 |
| 2 | 28 | | | Goals | Design | Measures (Management) |
| 3 | 2 | Strategy | Trading Partner | 1 | 1 | 0 |
| 4 | 5 | | Organization | 2 | 1 | 2 |
| 5 | 6 | Network | | 2 | 2 | 2 |
| 6 | 6 | Process | | 2 | 2 | 2 |
| 7 | 4 | Resouces | Technology | 2 | 1 | 1 |
| 8 | 5 | | People - Jobs | 1 | 2 | 2 |
| 9 | | | | | | |
| 10 | Percentage SCORE | | | 83.3% | 75.0% | 75.0% |
| 11 | 77.8% | | | Goals | Design | Measures (Management) |
| 12 | 33.3% | Strategy | Trading Partner | 50.0% | 50.0% | 0.0% |
| 13 | 83.3% | | Organization | 100.0% | 50.0% | 100.0% |
| 14 | 100.0% | Network | | 100.0% | 100.0% | 100.0% |
| 15 | 100.0% | Process | | 100.0% | 100.0% | 100.0% |
| 16 | 66.7% | Resouces | Technology | 100.0% | 50.0% | 50.0% |
| 17 | 83.3% | | People - Jobs | 50.0% | 100.0% | 100.0% |
| 18 | | | | | | |
| 19 | Grade SCORE | | | B | C | C |
| 20 | C | | | Goals | Design | Measures (Management) |
| 21 | F | Strategy | Trading Partner | F | F | F |
| 22 | B | | Organization | P | F | P |
| 23 | A | Network | | P | P | P |
| 24 | A | Process | | P | P | P |
| 25 | D | Resouces | Technology | P | F | F |
| 26 | B | | People - Jobs | F | P | P |
| 27 | | | | | | |

Understanding the downloadable score

Scores in Column A (Figure 3 above) represent raw score, percentage score and letter grade for each of the six performance layers (Trading Partner, Organization, Network, Process, Technology, People).

Scores in Rows 1, 10 and 19 represent raw score, percentage score and letter grade for each of

the three performance factors (Goals, Design, Measures).

Grades for each layer/factor pair (bottom right of the matrix) are Pass/Fail based on the small amount of data provided. ▲

Peter Bolstorff is president and CEO of SCE Limited (www.scelimited.com), which supports “do it-yourself” supply chain performance improvement through education, coaching and process expertise. He has been involved with development of the SCOR® model since its inception, and is co-author of **Supply Chain Excellence: A Handbook for Dramatic Improvement Using the SCOR® Model** (Amacom, 2003), now in its 3rd edition.

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¹ Rummler, G. A. and Brache, A. P. (1995). *Improving Performance: How to Manage the White Space on the Organization Chart, 2nd Edition*. Jossey-Bass: San Francisco