Supplementary Exercises for

Chapter 12　Long Live the Revolution

I. Questions on the text:

1. How do define the supply chain? Can you give some examples to illustrate it?
2. The word “revolution” reminds us of “the Great Cultural Revolution” in the 1960s and 1970s as well as “the Communist Revolution” before the founding of the People’s Republic of China. What do you know about these two revolutions? How much impact did they have on our lives?
3. According to the writer, what are two revolutions that took place in supply chain?
4. How does the change in the supply chain result in revolutionizing the competitive structure of industries?
5. What does the writer intend to illustrate with the example of the personal computer industry?

II. Read the following text and choose the best sentence from A to F below to fill in each of the gaps in the text.

Supply Chain Management

Effective value chain and supply chain are the keys for an enterprise's success. In today's competitive business environment and economic pressures, companies need to effectively reduce cost and increase value. Chain Supply Chain Management (SCM) solution enables companies to achieve this dual objective. 1) _____

Supply Chain Management module enables the system to create production and procurement plans based on demand forecasting. 2) _____ The forecasts consist of anticipated requirement over a given time frame for each independent requirement. The forecast periods can be split using time buckets such as daily, weekly or monthly. The demands could be either forecast based or forecast and sales order based. The system creates master demand schedule (MDS) and master production schedules (MPS) for independent requirements for a given time period. 3) _____ MRP explodes the bill of material of all the independent and dependent requirements and calculates the quantity required, date required, generates work orders and purchase requisitions considering he lead times for manufacturing or procurement. The capacity requirement planning (CRP) also can be done using input from routing for each item. The system also allows Distribution requirement planning (DRP) thereby enabling inter organizational planning.

4) _____ Chain web based solution makes aggregation of forecasts from Companies, Customers, Suppliers, and Historic Data very flexible and effective. Chain enables planning for the whole enterprise with a single plan. 5) _____ The planner's time is freed up which can be very effectively used in analyzing the plan suggestions. Capacity Resource Plan is in built with Demand or Production Schedule to analyze the capacity bottlenecks.

Chain SCM helps in scheduling of sales orders. This adds extreme value to the customers as the promised date is analyzed with the supply-demand picture and the schedule dates will not be missed unless there is a Blackout on the Production facility. Chain SCM handles rescheduling of all sales orders or selective ones through Linear Programming (LP). 6) _____ Optimized constrained model is also available. The SCM engine is same for all SCM modeling and the engines are multi threaded so multiple engines can run at the same time.

A. This module also allows creation of calendars for work scheduling.
B. Chain SCM can handle MRP, DRP and DRP with constrained model on Material, Resource or both.
C. This results in reduced maintenance as well as very less manual intervention for executions of plan.
D. Using the MPS system, we can do material requirement planning (MRP).
E. Chain SCM effectively uses the web technologies to bring all value chains such as company, customers, suppliers, contract manufacturers and freight carriers together on the SCM exchange.
F. Chain SCM has efficient Demand Schedule model aggregated from forecasts and sales orders.

III. E-C Translation:

1. What are the lessons we can learn from the PC industry? First, change in the architecture of computers coincided with a shift in supply chain strategy and a reorganization of the industry. Second, e-commerce can lead to lower costs, enhanced service and higher profit margins. The computer industry has already experienced the type of revolutionary change other industries are now going through.

2. Technological innovation opens the door to new business models, and such models eventually lead managers to develop new processes for matching demand with supply. As a result, changes occur in the supply chain that lead to major shifts in the competitive structure of industries.

3. Data compiled by the European Venture Capital Association track venture capital activity in 17 countries. In 1996, over 5,000 separate investments were recorded,

with total disbursements exceeding $8.5 billion and 18-percent increase over 1995. The United Kingdom leads Europe in both the number of venture-backed investments made and the amount invested in U.K. companies during 1996 (33 percent and 44 percent, respectively). France, Germany, and the Netherlands follow, in that order.

IV. Key to Exercises

Exercise II

1 E,　2 A,　3 D,　4 F,　5 C,　6 B

Exercise III

1. 我们能够从个人电脑产业得到什么样的启示？第一，计算机设计的变化与供应链战略的改变和产业重组不谋而合。第二，电子商务能够降低成本，提高服务质量和带来更高的利润。电脑产业业已经历了其他产业即将经历的革命性的变革。

2. 科技创新为创建新型企业模式创造了机会，这种模式最终会使管理人员采用新的方法确保供给和需求的平衡。由此，导致产业竞争性结构发生重大变化的供应链最终会发生变化。

3. 欧洲风险资本协会汇编的数据涵盖了 17 个国家的风险资本投资活动。1996 年有 5000 多种投资，投资总额超过 85 亿美元，比 1995 年上升 18％。在 1996 年间，英国在风险投资的数额和投资于英国公司的金额上居欧洲首位（分别是 33％和 44％）。法国、德国和荷兰分别居于第二、三和四位。