STRATEGIC IT DEPLOYMENT IN THE AUTOMOBILE INDUSTRY

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The Supply Chain of An Industry

Supply Chain of a Typical Original Equipment Manufacturer
SUPPLY CHAIN LIFE CYCLE
STAGES AND ACTIVITIES

- Product-related Activities
  - Product Design
  - Manufacturing
  - Product Life-Cycle Management

- Logistics-related Activities
  - Demand Planning
  - Supply Planning
  - Fulfillment
Supply Chain & Product Characteristics

- Bitability of Product
- Cost Structure
- Information Intensity
- Vertical Supply Chain Collaboration
- Standardization Benefits
- Modularity of Product and Processes
The Automobile Industry

- Supply capacity over demand, globally
- Design, quality, and cost are main drivers
  - Design: satisfying regional characteristics
  - Quality: a standard requirement/perception
  - Cost: Production and Logistics, Availability, Consumer preference.
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The Automobile Industry SC and Product Characteristics

- Bitability: increasing electronic controls.
- Cost structure: capital intensive.
- Information intensity: very rich.
- Vertical SC collaboration: high opportunity.
- Standardization benefits: structural.
- Modularity: very high. Suitable for postponement strategy.
Strategic Opportunities

- Supply Chain Life Cycle Restructuring.
  - Reduction of Lead time. Increase SC flexibility.
  - Demand-Pull driven.
  - Complete re-structuring of the Product Process.
  - Focus on total supply chain effectiveness, not only manufacturing effectiveness.

- Engagement with consumers.
  - CRM with consumers regarding product information.
  - CRM with consumers in fulfillment process.
  - CRM with consumers in Product Design.