

9.18 - SCMT309

- Chapter 3 - Global Dimensions of Supply Chain Management
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- - Three Eras of Globalization
 - The first era was initially driven by countries (1400-1800) seeking materials and goods not available in their own land.
 - The second era of globalization (1800-2000) was driven by companies seeking goods and materials, labor, economies of scale, and markets
 - In the 3rd era of globalization.....
- - Global Logistics - Factors influencing a firm to enter international markets
 - Stage of the product life cycle - 's' curve
 - Source of New Products and Ideas - iphone 6 is designed in the united states, but the components of the phone come from Japan, Taiwan, Italy, and we send all of the items to china to have it manufactured, and it is distributed worldwide.
 - Excess Capacity - chevy has a plant, the cost of that plant is 1 million dollars, the plant can make 1,000 cars per year; the cost of each car is 1,000\$; GET MORE FAMILIAR WITH EXCESS CAPACITY.
 - Geographical Diversification - Coca-Cola sells more outside of the United States than within the United States.
 - Market Potential -
 - Sourcing of Materials
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- - Supply Chains in a Global Economy - economies and companies could improve their 'wealth' by allowing specialization of tasks

- o The advantage is true as long as you can sell the increased volume that is produced. It is an important role of logistics to help extend the market area of countries or companies through improved efficiency to lower the “landed cost” in new market areas.

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- The Scope and Magnitude of Global Business -
 - o The ability to connect to individuals and companies across the globe and to connect computer information systems on a 24/7 basis has provided unparalleled opportunity for collaboration horizontally and vertically in supply chains
 - o The trade volume with China was 18.2 percent.....

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- Major Exporting Countries :
 - o China
 - o United States
 - o Germany
- Major Importing Countries :
 - o United States
 - o China
 - o Germany

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- Top Trading Countries with US
- Top 5 Countries:
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- Global Markets and Strategy -

- o The global business environment has changed significantly and become much more conducive to business activity between and among different countries.
- o Success in the global market place requires developing a cohesive strategy, including product development, technology, marketing, manufacturing, and supply chains.
- o Global Markets and strategy have 4 important characteristics:
 - Standardization reduces complexity
 - Global competition reduces the product life cycle
 - Traditional organizational structures and business models frequently change
 - Globalization introduces more volatility

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- Supply Chain Security - A Balancing Act
 - o Given the importance of global trade to the United States, a delicate balance exists between security and the efficient flow of global commerce
 - o More cargo inspections, much more paperwork, and a longer time to clear united states borders are now a reality
 - o C-TPAT (Customs - Trade Partnership Against Terrorism) is a cooperative effort to secure the global supply chain and to facilitate legitimate cargo and conveyance.

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- Ports - ports are a critical part of global supply chains and also a major focus for global security
 - o Americas ports....

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- Logistics Characteristics of Global Markets -
 - o North American Free Trade Agreement (NAFTA) - no fee for import/exports
 - Maquiladora Operations -
 - o Single European Market
 - o Eastern Europe
 - o Asian Emergence -