THE EIGHTH ANNUAL GLOBAL SURVEY OF SUPPLY CHAIN PROGRESS

Findings from a survey jointly conducted by CSC, Supply Chain Management Review (SCMR), and Michigan State University, with assistance by the Council of Supply Chain Management Professionals (CSCMP) and *Supply Chain Europe* magazine

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Sample Size and Details

The results of the eighth annual ***Global Survey of Supply Chain Progress*** are now available. The 2010 survey was conducted once again by CSC, *Supply Chain Management Review*, The Eli Broad Graduate School of Management at Michigan State University, with assistance from the Council of Supply Chain Management Professionals (CSCMP) and *Supply Chain Europe* magazine.

This year's survey attracted 164 complete responses, split evenly between manufacturing and service organizations. There were an additional 35 partial responses. The replies came from every major geographical segment in the world. The principal segments include North America, Europe, Asia/Pacific, and the rest of the world. Given these sample sizes, some approximate rules have been used to decide if differences between regions were statistically significant. In some sub-questions, the sample size is further reduced, and the rules have been modified to reflect the smaller sample size.

The respondents completed a comprehensive survey questionnaire designed to gauge their present competencies and future plans in such areas as supply chain management policies and practices, supply chain continuity, and green and sustainability initiatives. The questionnaire specifically asked about results during the economic downturn. It particularly probed with regard to how supply chain initiatives and supply chain in general had played a role in reducing costs and sustaining revenues while impacting customers across the organization.

Twenty industries were represented in this year's survey, with twelve identified as containing manufacturing firms and eight representing service organizations. The respondents included both large and mid-sized companies, with sales in a range from $250 million to over a billion. The number of employees varied from less than 250 to over 30,000.

There are general comments throughout the report, which relate to the differences between firms in North America, Europe and Asia-Pacific. These comments are based on the data set available and reflect our best estimate of the subsequent findings and conclusions, given the size of the sample of respondents. The total number of respondents is somewhat low when the data set is grouped into regions. Therefore, in terms of drawing statistically valid conclusions, there is a certain degree of vagueness which has to be accepted.

Executive Summary

This year, the respondents completed a comprehensive survey questionnaire designed to gauge their present competencies and future plans in such areas as supply chain management policies and practices, supply chain continuity, and green and sustainability initiatives. The questionnaire specifically asked about results during the economic downturn. We were also interested in what firms did during these times by introducing changes to organization structure and business focus.

The first finding from the survey is that supply chain management (SCM) is now perceived by the vast majority of respondents as being of core business importance. There is also no question that during the recent economic downturn, companies turned to SCM for help. As might be expected, they did so while receiving a mixed bag of results with a fairly wide variation to impact on costs, revenues, internal adjustments and customer satisfaction. One of the differing results from previous surveys was a reported drop in the amount of overall cost savings coupled with lower increases to revenues. There were significantly less firms reporting the upper ends of cost and revenue benefits, while a much larger percent in 2010 said they had found no savings or were not able to report such benefits. Importantly, there was a sharp difference in performance between firms that considered themselves to be leaders in supply chain competence and others. Supply chain leaders and followers generated about the same levels of cost savings from their investments. However, leaders reported twice as much revenue gain as the followers.

Firms apparently did what they must to hang onto the best customers, most likely acceding to pressures for lower prices. These customers were looking for external help, as they tried to use the recession to put their internal houses in order; that is, they applied pressure to suppliers for cost concessions, while also looking for supplier help combined with internal changes designed to cope with a difficult economy. Again, there was a sharp contrast in the ways that leaders and followers addressed these difficult times. Followers were more likely to scale back on product and service offerings, whereas leaders were more likely to have reconfigured their global networks to adjust to changing conditions. Strategic flexibility is the hallmark competence of the supply chain leaders. Their abilities to anticipate and react to the dynamics of the downturn allowed them to weather, and in some case, thrive in tough times.

Generally, it appears that buyers were able to get bargains as there were significant reports of costs being reduced on the buy side. At the same time, it was tough to be a supplier as the buyers were looking for lower costs along with supply chain help, particularly to product development and reducing cycle times. There were reports of some shifting in the customer base for firms, with leaders concentrating on shoring up market shares by satisfying the best customers, apparently taking shares away from less adept competitors.

Green supply chain initiatives continued to show lukewarm results, with the positive improvements reported mainly by supply chain leaders. While, as a whole, respondents were somewhat skeptical of their green supply chain efforts so far, a significant number reported 3 to 4 percent annual savings, especially in areas of energy, transportation, and packaging.

Preliminary Conclusions

This year's survey results suggest that most firms are at or near the bottom of the economic trough and slowly coming back to more favorable conditions. As expected, the leaders are coming back faster than the followers and laggards. From other information we have used to augment our conclusions, we find hiring is still conservative and there continues to be a focus on cost reduction. Large companies remain conservative in their investments, foregoing new capital and concentrating on fixing existing capital. In that scenario, SCM becomes one of the major means to find cost improvement — right behind reductions in staff. Thus there may be a conflict of purpose by reducing staff that disables some of the ability to pursue cost reductions.

Key Findings

A few of the key findings include:

- We observed the amount of cost savings reported, as the number of firms that reported no savings or not sure of savings rose from 13 percent in 2009 to 20 percent in 2010. The firms reporting 11 to 20 percent savings fell from 20 percent in 2009 to 10 percent in 2010.
- We observed a reversal in previous trends in the reported revenue increases due to supply chain efforts. Firms reporting no increases or not able to find increases rose from 30 percent in 2009 to 47 percent in 2010. Clearly, the down economy took its toll on what had been consistent improvements in both areas — costs and revenues — for 7 consecutive years.
- When asked what happened to the emphasis on SCM in the last 12 to 24 months, 77 percent reported it **had increased**. Things might have been worse without SCM.
- Typical of the mixed results in the down economy, when asked if the downturn had resulted in changes to cost of materials, 26 percent said they went up and 47 percent said they went down. Some companies must have found the way to use tough times to cut costs, while others were faced with adjusting to higher costs.
- When asked if the downturn had resulted in changes to market share, 37.5 percent said their shares had gone up, while 22.5 percent said they went

down. Obviously, there was some shifting of the customer base, most likely to the firms able to offer better pricing and service.

- Other factors to be reported in this summary verify that SCM played an important role in at least keeping the lid on costs and helping revenue retention.

Other Findings

Other findings indicate a continued evolution in the role that SCM plays:

- When asked if supply chain management was viewed as being of core importance to the business, 82 percent replied positively. When replying to the question of how much influence SCM has on running the business, 52 percent replied to a great degree, and another 35 percent said to a moderate degree, leaving only 17 percent to ponder what effect SCM might have. Interestingly, 67 percent of European organizations feel that the SCM Organization (SCMO) have a great deal of influence in running the business, whereas this drops to 48 percent in North America.
- From past surveys, we have found a direct correlation with good results and the presence of a supply chain officer directing the functions under the SCM umbrella. The SCM leadership's relation to the CEO remained essentially unchanged: 53 percent in 2009 to 49 percent in 2010. We surmise some other officer subsumed SCM functions during the downturn. Forty-nine percent of the respondents did indicate the SCM officer reported directly to the CEO. In North America, 75 percent of organizations have a VP, Senior VP or Corporate Staff as the highest ranking official with supply chain-related responsibilities, while in Europe, this figure is closer to 36 percent.
- As we probed regarding the extent to which circumstances drove SCM organization changes, the top three responses were:
  - Change in leadership
  - Taking advantage of possible synergies
  - Structure was impeding strategies and achievement of objectives
- It has been a tough year to be a supplier. There was clear evidence that companies relied more on suppliers to help with cost control, new product development and meeting customer demands. At the same time, there was continued expectation of finding better prices, or the buyer would shift its supply base. The key for suppliers was sustaining the most important customer base by offering help in both areas.
- Green issues continue to be a part of any emerging supply chain strategy, but the actual results have a wide variance with lukewarm results being the order of the day. For example, 72 percent reported that green initiatives had resulted in no revenue increases, while in regard to cost savings, 60 percent indicated savings from green initiatives from 1 to 11 percent.

Survey Analysis

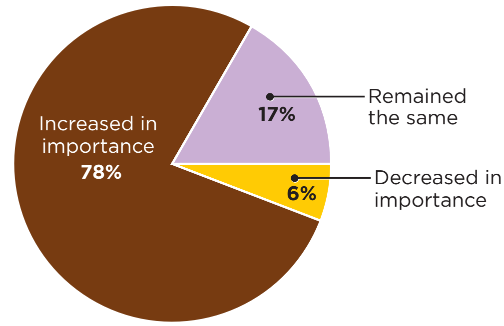
The survey contained four major sections addressing the economic downturn, and resulting changes in supply chain organizational structures, green initiatives, and procurement initiatives. In this section of the report, we present detailed findings, along with some additional demographic information.

1. Business Impact on Supply Chain During the Economic Downturn

a. Increasing Emphasis on Supply Chain Efforts

So what happened to supply chain efforts and results for the company during the economic downturn? In the first place, we asked what happened to the emphasis on supply chain and received a resounding 78 percent reporting it had increased. SCM became a logical area of concentration to try and counteract the effects of the decline. Overall, we found the economic downturn caused firms to turn to its supply chain for help. In some cases, that posture was successful and in others there was an apparent lack of capability and costs were sustained rather than reduced and market shares declined.

During the past 12 to 24 month economic downturn, what happened to the emphasis on supply chain improvements?



b. Products and Services

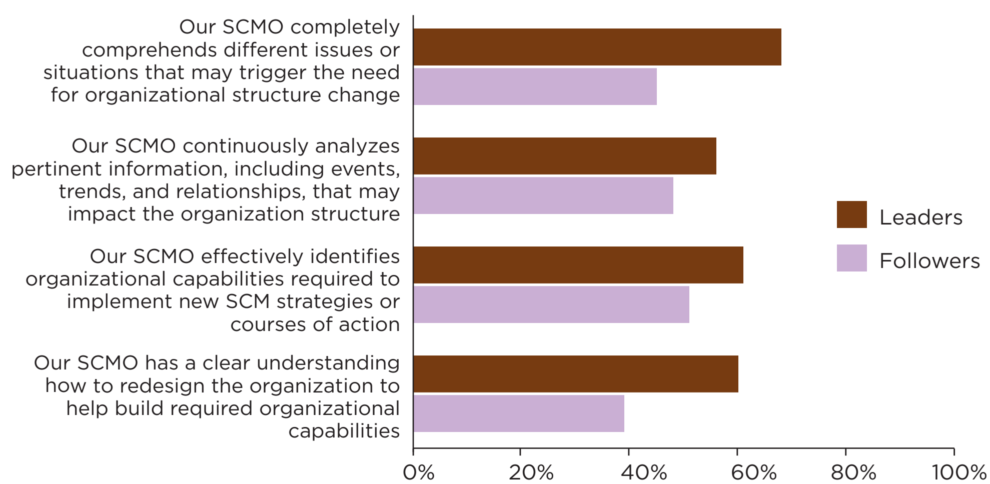
When we asked about the impact on product and service offerings, we were surprised to find 50 percent reporting no impact and another 21 percent saying it had little impact. It would appear that SCM was focused squarely on costs and internal improvements, with firms keeping the current offerings as close to prime as possible. We went further and asked how you would rate the impact on new product introductions and again found most of the responses coming in on the down side.

The need for greater logistics support came in with a bell-shaped curve and a generally normal distribution. Some firms sought help in this area while others stayed pat. The two areas receiving the most impact were the demand to shorten cycle times and the need for more help from sourcing and suppliers. This trend would be borne out throughout the survey as suppliers were expected to help pick up the slack due to lesser sales volumes. We did ask if there was an impact to the delivery of improved network design, but the answers were skewed to the low side.

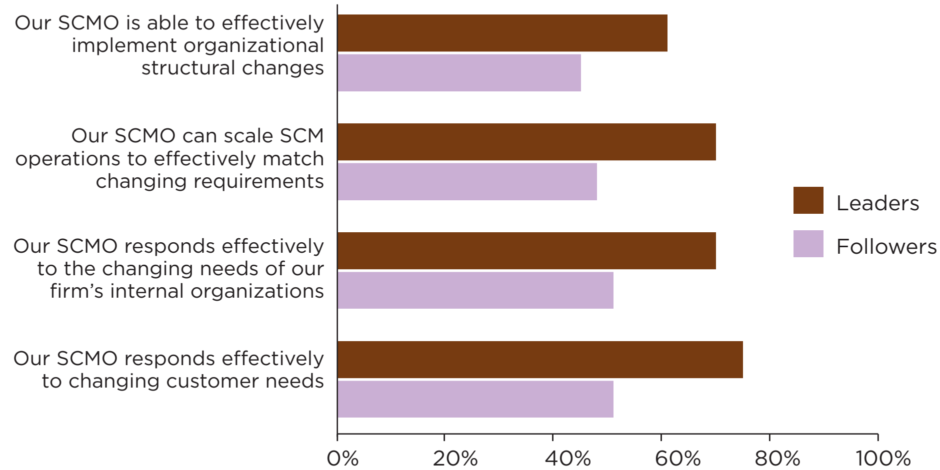
We asked specifically how the firms rated the impact of the downturn on sales and operations planning (S&OP). This has been an area of growing concentration in supply chain, especially for the leaders. Consistent with the messages delivered in 2010 was the fact that the most impact was to the "need for agile reaction to changes in customer demand," with 66 percent reporting a moderate to high degree of impact. The second highest area was the need to better balance actual supply and demand. This requirement has also been receiving consistently higher emphasis as we conclude each annual survey. The third area was the need to use advanced planning tools. Other factors such as the need to rely on inventory to satisfy demand and application of inventory management tools to decrease inventory turns came in with moderate to low responses. Apparently, there was moderate emphasis on using the downturn to cut inventories, which is something of a surprise.

c. Differences in How the Down Economy Affected Leaders and Followers

Overall, supply leaders moved to a more strategic approach in dealing with the economic downturn. Their responses indicated that they had a greater capacity to anticipate the need for change.



And the leaders were more adept at implementing needed changes.



d. Impacts on Business Performance

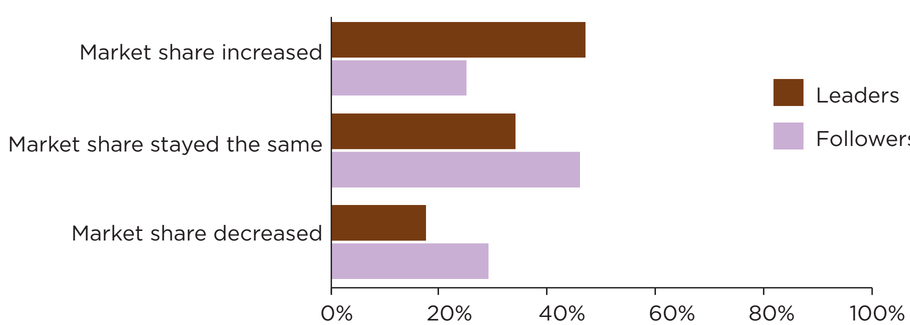
When we probed on the impact of supply chain efforts on immediate improvement to costs, only 6 percent said there was no impact, while 61 percent reported moderate to high results. In the specific area of cost of materials, 47 percent said those costs had been reduced, 26 percent said it stayed the same, while 26 percent noted an increase. Certainly, firms turned to SCM to try and control costs. In Europe, costs are reported to have increased by 16 percent but reduced by 59 percent of organizations. In North America, costs appear to have increased by 29 percent but reduced by 46 percent of organizations.

Going further, to ask how the down turn had an impact on supplier offerings, the responses indicated a fairly normal distribution, from none to a high degree of change. Some firms sought and received supplier help while others did not. Fifty-two percent, however, reported there was an increase in customer demands, not unexpectedly as the survey shows the emphasis buyers were placing on suppliers for relief.

There was a difference by region, as North American organizations reported customer demand had increased by roughly 40 percent and reduced by the same amount. Whereas, in Europe, organizations reported customer demand to have increased by roughly 61 percent and reduced by 11 percent.

Interestingly, 37.5 percent of all respondents reported their market shares increased during the tough times, while 40 percent said it remained the same and 22.5 percent unfortunately lost shares.

As a result of the foregoing differences in strategic flexibility, SC Leaders were more likely to gain market share in the down economy.

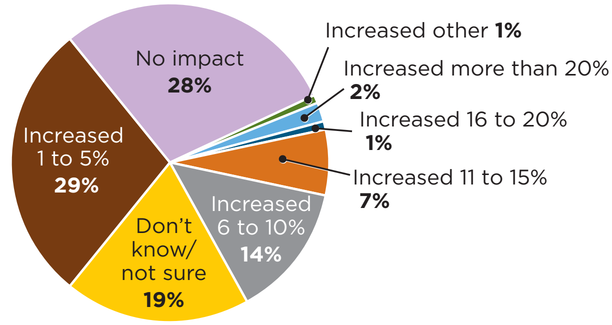


There was evidence that SCM continues to contribute to improvements to costs and revenues, but not as much as in the past. For the first time since the surveys were conducted, 2010 showed a backsliding to results.

The graph below on revenue impact shows the array of results on increased revenues over the past 3 years. When compared to 2009, the percent indicating "none or don't know, not sure" went up from 30 percent in 2009 to 47 percent in 2010. It looks like significantly more firms were not able to show positive effects to revenues.

Over the past three years, what has been the overall impact of your supply chain initiatives on revenue and costs?

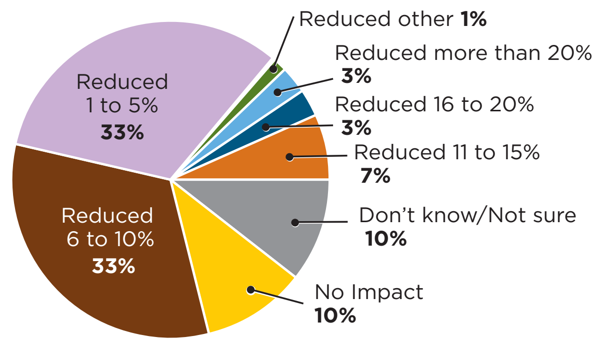
Revenue



In the area of costs, there was similar backsliding. The graph below on cost impact shows the "none or don't know, not sure" group increasing from a meager 13 percent in 2009 to 20 percent or one in five for 2010. In Europe, costs are declared to have increased by 16 percent but reduced by 59 percent of organizations. In North America, costs appear to have increased by 29 percent but reduced by 46 percent of organizations.

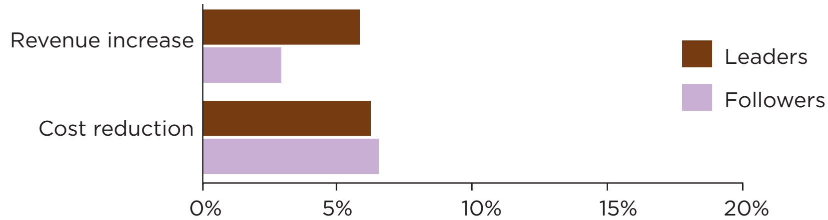
Over the past three years, what has been the overall impact of your supply chain initiatives on revenue and costs?

Cost



While overall the results were lackluster in comparison to prior years, leaders did manage to do better in growing revenues. The market share gains indicated above were reflected by increased revenues at nearly twice the rate of less accomplished supply chain firms (Followers).

Over the past three years, what has been the overall impact of your supply chain initiatives on revenue and costs?



2. Supply Chain Management Organization

a. Leadership and Management Involvement

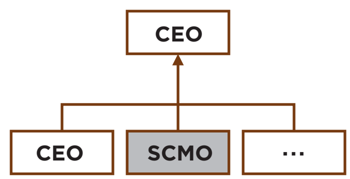
We studied three aspects of Supply Chain Management (SCM) Organizations in 2010:

- Centralization — degree to which a company's Supply Chain activities are directed by a single SCM organization
- Global control — number of regional activities that are coordinated globally
- Functional span — number of supply chain activities (e.g., logistics, purchasing, planning) controlled by a SC office

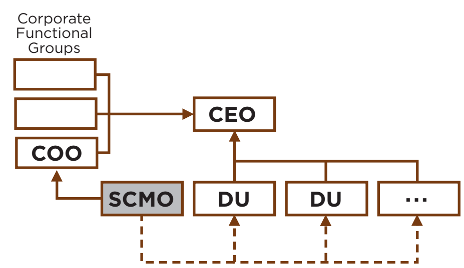
Leaders tend to have greater global control and functional span, and the results suggest that these organizational competencies are correlated with better responsiveness and lead time performance. Centralization (a move toward structures A-C shown below) seems to be a prerequisite to establishing global control and increased functional span.

Organizational structures vary widely from firm to firm. Interestingly, no European organizations reported having a Centralized Matrix SCMO whereas in North America, this figure is 20 percent.

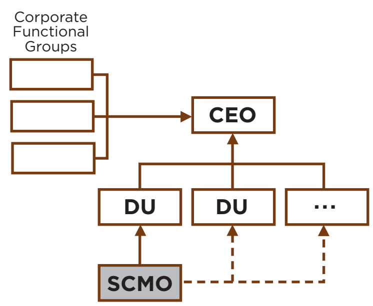
A. Functional, Integrated
Only one SCMO exists, with no divisional responsibilities



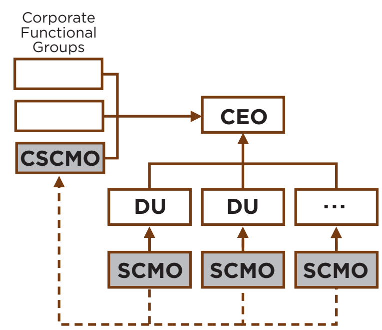
B. Centralized Matrix
One SCMO exists, controlled by a single corporate office, with dotted line reporting to the firm's DUs



C. Quasi-Matrix, Single DU Controlled
One SCMO exists, controlled by a single DU, with dotted line reported to other DUs

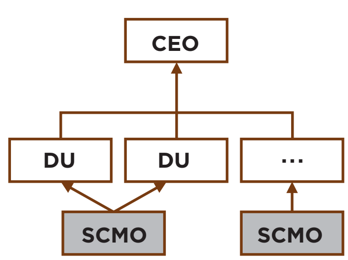


D. Loosely Harmonized Matrix
Each DU controls its own SCMO, with a centralized SCMO providing

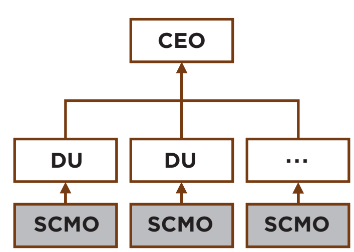


CSCMO — Corporate SCMO

E. Divisional, Partially-Shared Services
Multiple DUs share SCMO resources

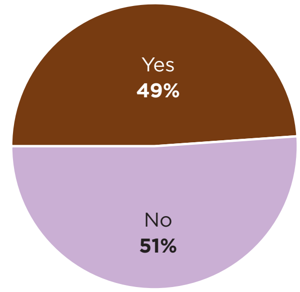


F. Divisional, "Holding Firm"
Each DU controls its own independent SCMO



This year's study was consistent with prior studies in showing that about half (49 percent) of the companies have turned the management of supply chain over to a single officer reporting to the CEO. Again, leaders are more likely to have a single officer in charge of a wide span of supply chain management activities and functions.

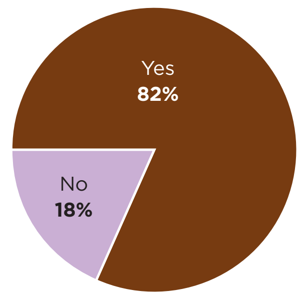
Does your firm have an executive officer who manages all supply chain functions, e.g., a Chief Supply Chain Officer or similar office?



b. Business Importance and Influence

In terms of what firms did during the downturn, when asked if SCM is viewed as having core importance, 82 percent said yes.

Is supply chain management viewed as being of core importance to your business?



We asked this year how much influence SCM had in running the business. Fifty-two percent said to a great degree and another 35 percent replied to a moderate degree. That's another 87 percent indicating the importance of supply chain in conducting the affairs of the business. The top two functions being managed by supply chains on a global basis were the same as previously: Sourcing and Purchasing and Logistics.

Approximately 60 percent of European organizations reported that their SCM organization had a clear understanding of how to redesign the organization to help build required organizational capabilities, compared to 44 percent of North American organizations.

Regarding to what extent various circumstances will drive change(s) in the SCM organizational structure in the **next 5 years:**

- Of the European organizations, 72 percent believed that changes in product/service offering would have a significant influence whereas the same was only true with 54 percent of North American organizations.
- Failure to meet performance expectations was considered significant by approximately 30 percent of organizations in both North America and Europe, whereas not one organization reported the same in the "Rest of the World" group.
- Regarding to what extent current structure may impede future strategy/goal/task achievement, 8 percent of European organizations declared this as being of little influence. In North America, this figure was closer to 31 percent.
- Not one European organization felt that responding to regulation compliance requirements would have little or no influence, compared to 21 percent of North American organizations.
- Future leadership change was reported as having a significant influence by eight out of 10 organizations in the "Rest of the World" group compared to roughly 50 percent in North America and Europe.

c. Organization and Changes

In 2010, we wanted to see what effect supply chain had on the organization, and began by asking: To what extent did specific circumstances drive SCM organizational changes. In the first place, 59 percent reported an effect from leadership change, most likely indicating new management caused by the global recession wanted something done to the SCM organization. The second characteristic was taking advantage of synergies, which comes as no surprise, as we have seen a definite trend for the breaking down of internal resistance to using best practices across the business and not just within business units or specific functions.

The third element reflects a necessary organizational change if supply chain is to be effective — a structure that impeded strategy and achievement of objectives. The fourth was the effect of a merger or acquisition or the creation of a new joint venture.

Fifty-five percent of European organizations feel that they have taken advantage of potential synergies to a reasonable extent, compared to 33 percent in North America.

Merger, acquisition or joint venture formations have had little or no influence in 44 percent of North American organizations, while in Europe, this is figure comes to roughly 29 percent.

d. Process Management

We asked a series of questions related to how much the SCM organization comprehended difficult issues that might trigger a need for organizational change, and received some interesting responses. The most important issue to which 65 percent of the respondents indicated their organization might change was with respect to responding to changing customer needs, an expected reaction during tough times, and the need to hang onto business.

That was followed by the responding effectively to changing needs of the firm's internal organizations. Up to 60 percent of the firms reported the ability of the business to react positively to such matters as analyzing pertinent information that might impact the organization structure and being able to effectively implement structural changes. We conclude from these facts and the reporting of the firm's ability to make effective changes to strategy and actions as evidence that time was taken during the downturn to get the internal house in order. We expect supply chains will generally emerge stronger in the future.

From a regional perspective, approximately 10 percent of European companies reported that failure to meet performance expectations had little or no influence, which is significantly less than the 34 percent reported in North America.

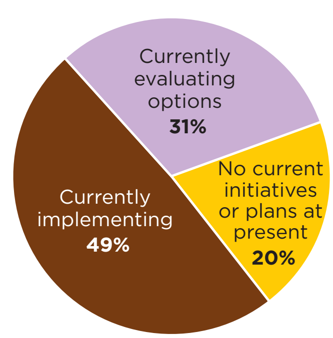
Regarding to what extent current structure has impeded strategy/goal/task achievement, 10 percent of European organizations and none of the 10 organizations in the "Rest of the World" group described this as being of little influence. In North America, this figure was closer to 31 percent.

3. Status of the Green Supply Chain

a. Organizational Approach to Evaluating and Implementing Green Initiatives

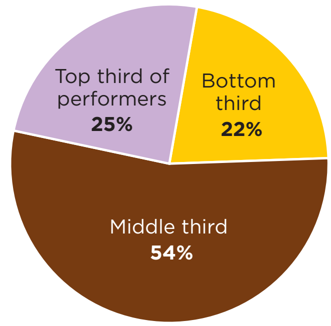
We asked the respondents to describe the organization's approach to evaluating and implementing green supply chain initiatives and found 49 percent saying they were currently implementing options and another 31 percent currently evaluating options.

Which of the following best describes your organization's approach to evaluating and implementing sustainable supply chain initiatives?



When we asked firms to rate their performance versus others in the industry, we received another bell-shaped curve, with most firms in the dead center.

How would you rate your company's performance on green supply chain management in comparison with others in your industry?



We went further and queried about the role that supply chain professionals were playing in the company's green initiatives and found little change from previous surveys, with most firms reporting leading and supporting.

Responding to environmental or social stewardship pressures has less influence in Europe with 25 percent of organizations reporting little influence compared to 44 percent in North America.

Responding to environmental or social stewardship pressures in the future is predicted to have less influence in Europe with 7 percent of organizations reporting little influence compared to 31 percent in North America.

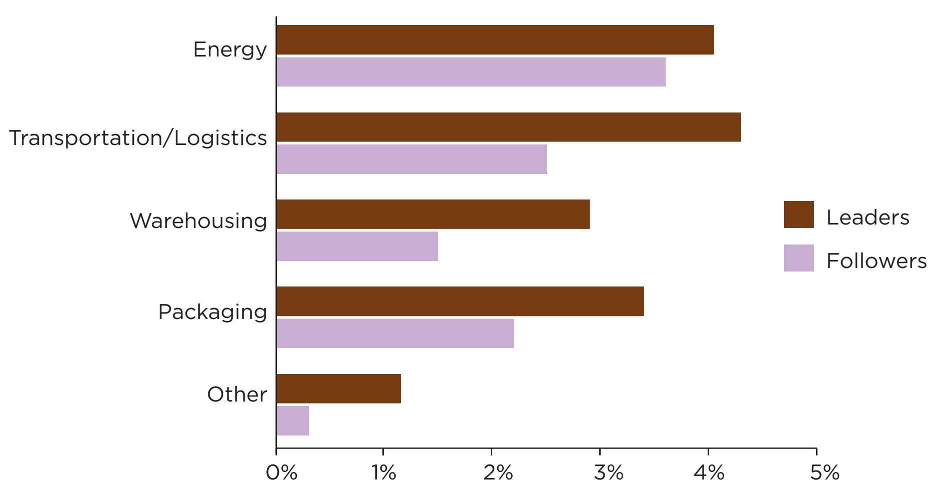
b. Issues, Initiatives and Impacts

When we asked if green had produced possible savings or quantifiable savings, we once again received low results, with 39 percent reporting none yet and another 34 percent indicating only 1 to 5 percent.

Continuing the mediocre results, when asked if green had led to an increase in revenues, 72 percent replied none yet and another 24 percent said only 1 to 5 percent. Clearly, green has a longer way to go before more positive results are achieved. Regarding the question of whether green or sustainability initiatives have led to any added revenue streams, there are differences across regions. In North America, it was found that only 24 percent of organizations had improved revenues with less than 1 percent achieving over 11 percent. As compared to 45 percent in Europe having improved revenues and although based on a small data set over 6 percent achieved greater than 11 percent.

We did find that the supply chain leaders are making greater inroads in green initiatives. They reported greater savings in all areas, especially in transportation, warehousing, and packaging.

Please indicate the amount of quantifiable savings you have identified as resulting from your green initiatives?



4. Procurement

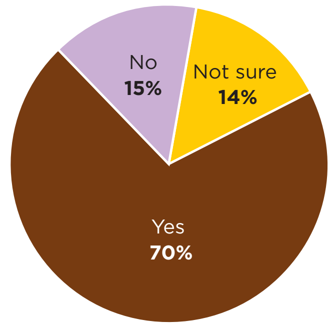
a. Sourcing Points and Re-Evaluation

We saw a definite increase in the emphasis on re-thinking sourcing points in the 2009 survey, and that trend continued into 2010, as 65 percent told us they were doing so.

b. Reactions to Economic Conditions

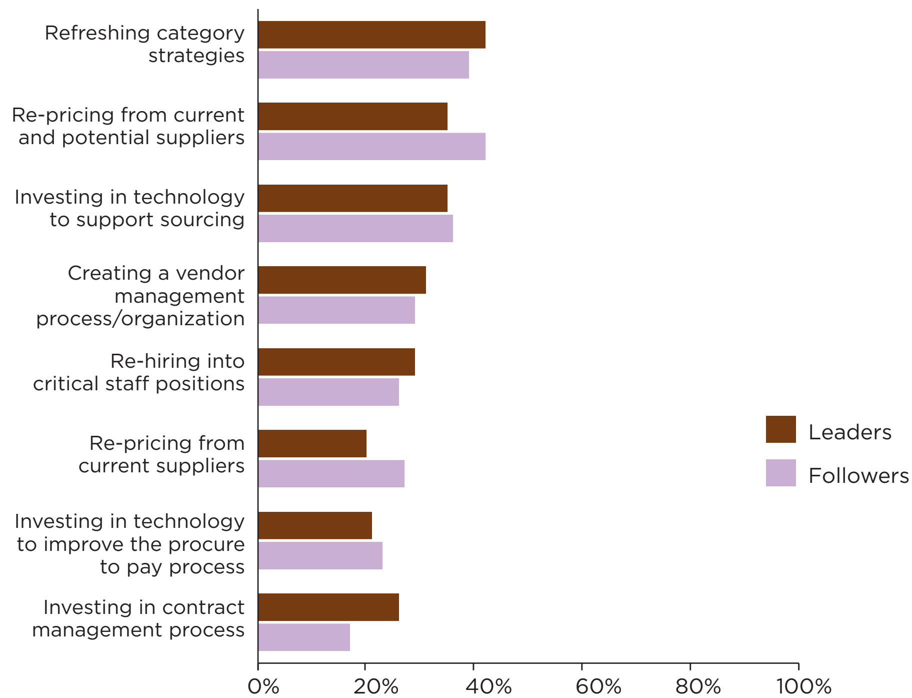
When we asked if the company had set objectives for its procurement function to generate cost savings, 70 percent replied positively. When asked by how much, the range was from a small amount to over 11 percent. Also, 66 percent indicated they had plans to improve sourcing beyond 12 months.

Has your firm set objectives for the procurement function to generate cost savings in the next 12 months?



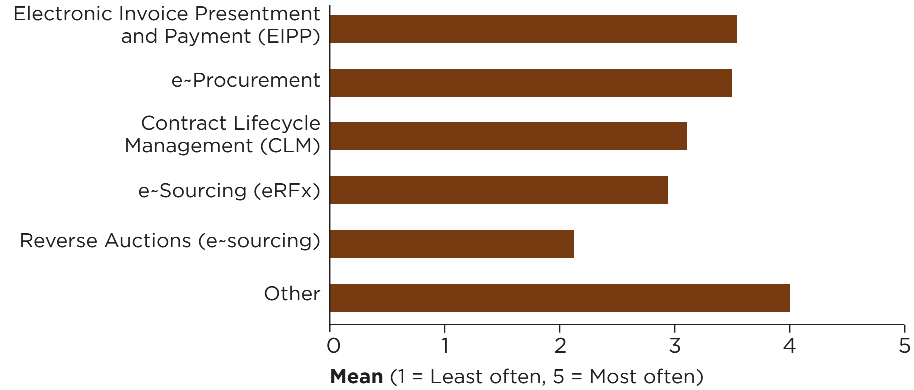
c. Critical Procurement Activities

As we begin emergence from the recent economic downturn, what are your primary focus areas?



We keep asking to what extent the firm regularly uses technology in the procurement process. Although we have found this element to be critical to the success of supply chain leaders, the responses continue to show lukewarm efforts, with 55 percent saying least often. As we went further and asked if they were using some form of e-procurement, we did receive 57 percent replying to a moderate or high degree.

To what extent do you regularly use technology in the procurement process?



The three areas of concentration receiving the highest emphasis during the downturn were the usual suspects: supplier relationship management, managing costs and total cost of ownership, reducing purchased prices, and contributing to corporate objectives.

There are a number of regional differences to the extent that organizations regularly use technology in the procurement process. In North America, Reverse Auctions are less commonly used than in Europe. However, this pattern is reversed with regards e-Procurement and Electronic Invoice Presentment and Payment (EIPP) which are noticeably more common in North America.

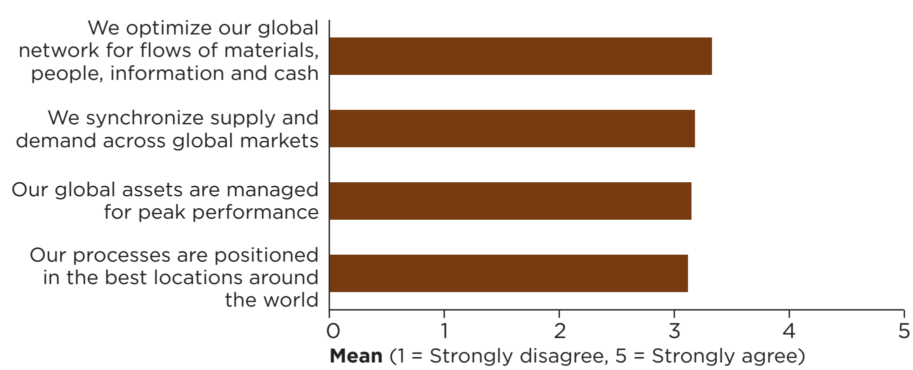
Approximately 46 percent of European organizations reported a moderate to significant influence from the application of inventory management tools to reduce inventory turns. This compares to 22 percent by North American organizations.

d. Global Network Results

We are seeing some increased interest in extending SCM impact on a global basis. We asked if the firm was optimizing its global network for flows of materials, people, information and costs, and found 49 percent reporting positively. We received lesser results when we asked if processes were positioned in the best locations around the world, with only 36 percent replying positively and most in the middle. This area appears to be the challenge. To get the supply chain optimized is going to require more work on streamlining the global locations. This fact was borne out as we went further to ask if global assets are managed for peak performance and received weak results, slightly skewed to the positive side; and when we probed about synchronizing supply and demand across global markets, where again soft results are reported.

Profit Improvement activities are considered more critical to procurement by North American organizations where 36 percent of them described it as “most important” and 11 percent felt it was “least important”. Only 14 percent of European organizations reported it as “most important” and 36 percent as “least important”.

In terms of supply chain optimization — the extent to which the firm maximizes the use of its global resources and opportunities — please rate your level of agreement with the following statements describing global optimization activities.



e. Future Focus

There appears to be a continuing emphasis on suppliers to help firms cope with adverse conditions. We see no lessening of that focus. Moreover, we expect the 2010 expectations to extend for at least another 12 months, as firms seek significant reductions to costs through pressure on suppliers and some changes to the supply base.

5. Demographics

The 2010 survey was once again representative of large businesses as Corporations took the largest portion of respondents at 58 percent, followed by Divisions or wholly-owned subsidiaries at 28 percent and Group or multiple divisions at 14 percent.

There were eight service industries and 12 manufacturing industries represented. Annual Sales were represented as follows:

- Less than $250 million — 36 percent
- $250 to $500 million — 9 percent
- $500 million to $1 billion — 14 percent
- Over $1 billion — 41 percent

The number of employees also varied, from:

- Under 250 — 26 percent
- 251 to 1000 — 15 percent
- 1000 to 10,000 — 34 percent
- 10,000 to 30,000 — 11 percent
- Over 30,000 — 14 percent

Patterns

There was a clear pattern indicating firms in general turned to their supply chains for help during difficult times. While most found some relief, there was a drift of revenues toward the more effective leaders, with a reported overall drop in the amount of cost savings.

The message is apparent: without an effective supply chain, the firm was at risk to suffer financially and to end with lower revenues. We expect the emphasis on supply chain as a savior to continue for at least the next 12 months as the recession bottoms out and moves closer to normal conditions.

Special Survey Details

The 2010 Survey was marked by its emphasis on what happened during the economic downturn. At the same time, the results were oriented around what would be expected; using supply chain as a vehicle for containing costs and making internal improvements to the organization.

Details reveal that key suppliers became an important element for the astute customer to find advantages that might otherwise have been missed.

The Renewed Call for Action

- Caution that the drive to overcome economic conditions does not destroy work that went into supplier collaboration and customer satisfaction.
- Use the downturn as an opportunity to collaborate with network partners to find areas where new values can be found.
- Leaders do not accept economic conditions as an excuse for poor performance.
- Use post-sales support for customers as an example of how to enhance relationships.
- Rid the firm of the technology paradox. Apply to create added value to the SCM effort.
- Apply lessons learned from past failures, analyzing root causes to enhance risk management.
- Develop a comprehensive understanding of the potential supply chain risks and have a contingency plan ready for action.

Conclusions

2010 survey continued to document further savings and increases to revenues:

- Efforts were affected by a shift in emphasis as firms cope with the current global economic downturn.
- Continued progress shows there is opportunity for more gains.
- Attention to the Green issues is growing and receiving some attention, but it remains a new frontier.
- Need is to overcome past practices and forge new models that make sense not just from a public relations aspect, but from sensible management.
- Ingredients for success and superior performance continue to be substantiated:
  - Strong supply chain strategy, linked directly to business results,
  - Solid professional management staff, with help from IT and the CFO,
  - Defined metrics and objectives for continued improvement, and application of collaboration and technology to derive network enhancements.
- The result is ever more progress with supply chain management maturity.

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