

Best Practices In Supplier Relationship Management And Their Early Implementation In The Air Force Material Command

[#Supplier Relationship Management](#) [#SRM Best Practices](#) [#Air Force Material Command](#) [#Defense Procurement](#) [#Supply Chain Optimization](#)

This article explores the foundational best practices for Supplier Relationship Management (SRM), detailing their effective implementation. It specifically examines the early adoption of these crucial strategies within the Air Force Material Command, highlighting the significant benefits for enhancing procurement efficiency, fostering robust supplier partnerships, and improving overall operational effectiveness in a critical defense context.

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Best Practices in Supplier Relationship Management and Their Early Implementation in the Air Force Materiel Command

In 2002, the Air Force initiated a program called Supplier Relationship Management (SRM), which seeks to manage relationships with suppliers to reduce the total cost of logistics operations and improve their performance. This report reviews the literature on best practices in SRM, assesses how the Air Force has implemented SRM, and recommends actions, based on lessons from the private sector, that the Air Force could take to improve its SRM program.

Procurement and Supply Chain Management

Procurement and Supply Chain Management, 10th Edition, by Farrington is the most comprehensive and accessible textbook on procurement and supply chain management currently available. It is the ideal textbook for those aspiring to be leaders in the profession, and for those who are engaged in professional studies for the Chartered Institute of Procurement and Supply examinations (at both the foundation and professional stages). It is also of value to specialists in other fields who require understanding of the role and influence of this area of business performance. Using extensive real-life ex.

Implementing Purchasing and Supply Chain Management

The U.S. Air Force plans to improve procurement through the implementation of additional purchasing and supply chain management practices. To emulate the success of commercial enterprises, the Air Force is establishing commodity councils to develop proactive, enterprise-wide strategies for purchasing key Air Force goods and services. This monograph helps the commodity councils approach the market research task. This monograph is organized around the process for conducting market research. It begins with background information, proceeds through the how-to steps for conducting market research, and ends with recommendations for next steps. The authors highlight lessons learned from both a literature review and from interviews with personnel at leading commercial enterprises.

Air Force Journal of Logistics

However, the model may be useful both with other factors and for estimating the benefits of other initiatives."--BOOK JACKET.

Department of Defense Business Systems Modernization and Financial Management Accountability Efforts, S. Hrg. 109-915, November 16, 2006, 109-2 Hearing, *

Because the U.S. Air Force spends over one-third of its budget on nonweapons purchased goods and services, such purchases are a prime target area in which to seek performance improvements and cost savings. Prompted by a need for improved performance from its supply base, the Air Force has become increasingly aware of the advantages of using market research, contract consolidation, supply base rationalization, and other leading purchasing and supply management (PSM) practices in its dealings with suppliers. To aid the Air Force in its PSM efforts, RAND examined how innovative commercial firms implement such practices in their purchases of goods and services. After a review of the academic and trade literature, the study team conducted a series of elite interviews using a structured questionnaire to gather primary data from "best in class" commercial firms. The key findings are that (1) innovative commercial firms are moving to a strategic, goal-oriented approach to PSM, (2) implementing new PSM practices can take a number of years and often requires significant, permanent change throughout the organization, and (3) the Air Force needs strategies to sustain continuity of support for serious PSM change from one leadership team to the next.

Department of Defense Business Systems Modernization and Financial Management Accountability Efforts

This report presents a construct for organizing Air Force (AT) acquisition and purchasing activities to execute Purchasing and supply Management (PSM). This design incorporates best commercial practices, information from interviews with Air Force personnel the Air Force Spares Campaign and results of our analysis of the current commercial PSM practices. The Spares Campaign was chartered by the Deputy Chief of Staff for Installations and Logistics to review the Air Force spare parts supply process. The report draws on spares Campaign process-based analysis supporting the decision to implement PSM and suggests organizational options for implementing PSM to better align contracting and logistics functions with process changes in procurement and strategic supplier supply base, and supply chain management. PSM is defined as a strategic, enterprise-wide long-term multi-functional, dynamic approach to selecting suppliers of goods and services and managing them and the whole value network from raw materials to final customer use and disposal to continually reduce total ownership costs, manage risks, and improve performance (quality responsiveness reliability and flexibility). The most basic tenets of PSM, listed below, support the integration of purchasing with supply management: * Supply base management (availability capacity and competitiveness) * Supplier management (performance measurement and improvement and collaboration) * Supply chain management (design and integration).

Estimating the Benefits of the Air Force Purchasing and Supply Chain Management Initiative

The authors describe spend analyses they conducted in 2002 for the first phase of a purchasing and supply management demonstration at the Oklahoma City Air Logistics Center for of F100 jet engine spares and repair services and jet engine bearings. The authors detail required data and processes for a spend analysis and discuss the implications of their findings for F100 purchasing and supply-chain management for future spend analyses.

Headquarters Air Force Material [sic] Command Customer Relationship Management

As part of GAO'S continuing effort to review the Department of Defense's (DOD) inventory management practices, GAO compared the Air Force's management of its \$33 billion reparable parts inventory with the operations of leading-edge private sector firms to identify opportunities where costs could be reduced and service improved. The review was done at the request of the Ranking Minority Member, Subcommittee on Oversight of Government Management and the District of Columbia, Senate Committee on Governmental Affairs. This report focuses on (1) best management practices used in the commercial airline industry to streamline logistics operations and improve customer service, (2) Air Force reengineering efforts to improve the responsiveness of its logistics system and reduce costs, and (3) barriers that may stop the Air Force from achieving the full benefits of its reengineering efforts.

Implementing Best Purchasing and Supply Management Practices

"In recent years, procurement of weapon systems and other goods and services, rather than personnel costs, have accounted for most U.S. Army expenditures. This means that the Army's ability to get the most out of its budget will depend strongly on how well it manages its suppliers. Because supplier relationship management (SRM) is so important, U.S. Army Materiel Command (AMC) asked the RAND Corporation to identify leading SRM practices, examine SRM practices in the AMC, and suggest ways to improve the Army's approach to SRM. In particular, this study focused on how the Army can gain better performance and reduce total costs by improving its management of and partnering with large defense suppliers that span a range of products and major commodity groups." --preface

Organizational Concepts for Purchasing and Supply Management Implementation

This research is based on a series of interviews with commercial sector purchasing professionals who are respected by their peers for their successful creation and implementation of what are widely accepted as best purchasing and supply management practices, particularly in the area of service acquisitions. The authors also examine such practices through conference participation and a review of the business literature. They find that commercial firms rely on results-oriented metrics that focus on how acquisition activities support corporate objectives to manage their service acquisition activities. While not a commercial firm, the Air Force can learn from commercial firms' experiences in managing its service acquisitions. The authors recommend a balanced portfolio of performance metrics for the Air Force based on the five major categories of results-oriented metrics that appeared most often in their research: cost, quality, supplier satisfaction, implementation of new initiatives, and special interest items. Commercial firms indicated that in addition to the results-oriented metrics, internal management metrics that track internal customer satisfaction, personnel training and retention, and ethics violations are also important. Selected metrics are reported to top-level executives on a regular basis.

The F100 Engine Purchasing and Supply Chain Management Demonstration

The authors review Air Force purchases of "low-demand" parts, analyzing how much the Air Force spends on such parts and the types of parts that have a low demand. They then identify and synthesize best commercial purchasing and supply chain management practices used for developing supply strategies for such items, concluding with recommendations for the Air Force to improve its supply strategies for such items.

Best management practices reengineering the Air Force's logistics system can yield substantial savings

The Department of Defense (DoD) is the largest consumer of energy in the federal government. In turn, the U.S. Air Force is the largest consumer of energy in the DoD, with a total annual energy expenditure of around \$10 billion. Approximately 84 percent of Air Force energy use involves liquid fuel consumed in aviation whereas approximately 12 percent is energy (primarily electricity) used in facilities on the ground. This workshop was concerned primarily with opportunities to reduce energy consumption within Air Force facilities that employ energy intensive industrial processes—for example, assembly/disassembly, painting, metal working, and operation of radar facilities—such as those that occur in the maintenance depots and testing facilities. Air Force efforts to reduce energy consumption are driven largely by external goals and mandates derived from Congressional legislation and executive orders. To date, these goals and mandates have targeted the energy used at the building or facility level rather than in specific industrial processes. In response to a request from the Deputy Assistant Secretary of the Air Force for Energy and the Deputy Assistant Secretary of the Air Force for Science,

Technology, and Engineering, the National Research Council, under the auspices of the Air Force Studies Board, formed the Committee on Energy Reduction at U.S. Air Force Facilities Using Industrial Processes: A Workshop. The terms of reference called for a committee to plan and convene one 3 day public workshop to discuss: (1) what are the current industrial processes that are least efficient and most cost ineffective? (2) what are best practices in comparable facilities for comparable processes to achieve energy efficiency? (3) what are the potential applications for the best practices to be found in comparable facilities for comparable processes to achieve energy efficiency? (4) what are constraints and considerations that might limit applicability to Air Force facilities and processes over the next ten year implementation time frame? (5) what are the costs and paybacks from implementation of the best practices? (6) what will be a proposed resulting scheme of priorities for study and implementation of the identified best practices? (7) what does a holistic representation of energy and water consumption look like within operations and maintenance?

Supplier Relationship Management at Army Life Cycle Management Commands

This briefing summarizes research on how the Air Force might use an analysis of its spending to develop better supply strategies, improve its relationships with suppliers, and better manage its supply base. Best practices offer many ways by which the Air Force can improve performance and save money. Such techniques include consolidating multiple contracts with existing providers, selecting the best providers and offering them longer contracts with broader scopes of goods and services, and working with selected strategic partners to improve quality, responsiveness, reliability, and cost. There are many challenges to conducting an Air Force-wide spend analysis, primarily the lack of detailed, centralized data on all expenditures as well as questions about data quality for those data that are available. Nevertheless, the data that do exist point to many prospective sources of savings and performance improvements. The authors analyze the most complete centralized source available on Air Force expenditures, known as DD350 data. Transactions in the DD350 data constitute 96 percent of all Air Force contract dollars spent directly. Among the actions that the Air Force might wish to take are: consolidation of a large number of contracts with similar or the same supplier; grouping contractor ID codes having multiple contracts with the Air Force and many purchase office codes associated with the same contractor, so that the Air Force does not have to pay for the contractor's repetitive bidding and contract administration costs; examining contracts for goods or services available from only one supplier, which gives the Air Force only limited opportunities to gain leverage over such suppliers. Conducting a detailed Air Force spend analysis would require information on the needs, preferences, and priorities of commodity users not available in the DD350 data. Because the Air Force needs to balance prospective savings, performance improvements, risks, socioeconomic and other goals, and other regulations not always present in the private sector, not all best commercial practices may be appropriate for it.

Air Force Supply Management Handbook

To assist the Air Force in the process of significantly changing the way it purchases goods and services, this monograph reviews related commercial-sector activities and skills, suggests models for training programs, and includes a framework of metrics to track progress and refine procurement-workforce-development efforts over time.

Air Force Service Procurement

The Air Force is under pressure to maintain or improve performance while reducing costs so that it can pay for new weapon system

Best Practices in Developing Proactive Supply Strategies for Air Force Low-demand Service Parts

Performance measurement has long been a matter of debate in logistics. However, in the recent past, there has been a renewed emphasis as AF leaders continue to seek funding for weapon system spares despite marginal improvements in mission capability. The Chief's Logistics Review, Logistics Transformation Program, AFMC Constraints Assessment Program, the Spares Requirement Review Board, the Spares Campaign, and the Depot Maintenance Reengineering and Transformation all represent efforts to find and implement effective answers (RAND, 2003:ix). And, while there appears to be a consensus that better performance measures are needed, there is little agreement on exactly what should be measured, and how. Many performance management plans have been developed and recommended. In 1999, the Logistics Management Institute (LMI) published Supply Chain Management: A

Recommended Performance Measurement Scorecard to guide senior DoD logistics managers. Then, in 2001, the AF logistics Management Agency developed a set of aggregate or strategic level metrics, Measuring The Health of USAF Supply, at the request of AF/ILS. Most recently, in November of 2003, the Supply Management Division published the AFMC Supply Chain Metrics Guide. However, each of these performance measurement plans each is distinctly different. This research seeks to determine how and why these performance measurements plans differ, and to examine what such differences might reveal about the nature of performance measurement in AF logistics systems.

Energy Reduction at U.S. Air Force Facilities Using Industrial Processes

In recent years, the Air Force and its suppliers have adopted a variety of practices that have improved efficiency and effectiveness but have also made supply chains more brittle and increased risks of supply disruption. This document seeks to help the Air Force develop a strategy for managing supply chain risks during sustainment. In it, the authors review literature on supply chain risk management (SCRM), examine current Air Force practices for and guidance on SCRM, and describe emerging commercial best practices for SCRM. They find that many supply chain risks are not considered directly within the Air Force sustainment community and that, while others are acknowledged, there is little or no strategy in place to mitigate them. They recommend that the Air Force establish an enterprise-level organization to proactively manage supply chain risks.

Using a Spend Analysis to Help Identify Prospective Air Force Purchasing and Supply Initiatives

Purchased goods and services are an increasingly large proportion of public and private enterprise budgets. Historically, purchased goods and services have accounted for less than a third of an enterprise's budget, but today many enterprises spend more than two-thirds of their budgets on purchased goods and services. Similarly, the Air Force and the Department of Defense (DoD) spend nearly half their budgets for purchased goods and services and an additional sixth on weapon procurement (with only a third going to military and civilian personnel costs). (See pp. 1-6.) Because of the growing importance of purchasing, many enterprises have sought to develop supply strategies for their purchased goods and services. This monograph is intended as a resource for procurement personnel developing supply strategies for the Air Force or DoD. It does not analyze current military procurement practices but rather synthesizes academic, business, and professional literature on developing and applying supply strategies. Its core is a synthesis of nearly a dozen different processes found in the literature.

Background Material on Economic Aspects of Military Procurement and Supply

In its performance-based services acquisitions activities, the Air Force focuses on telling a provider what the Air Force needs rather than how the provider should meet that need.

Cost/schedule Control Systems Criteria, Joint Implementation Guide

Managing in a contemporary world has become increasingly more complex. It has evolved from a manufacturing setting with little to steer managers but a single, financial indicator to managing a greater percentage of intangible assets through numerous leading and lagging indicators. The industry has also evolved from centrally located and managed to decentralized, multi-national companies. In response to these changes, a new strategic management tool was developed called the Balanced Scorecard (BSC). This management tool has proved extremely successful throughout the last decade. In 2001, Air Force Materiel Command (AFMC) implemented a Balanced Scorecard (BSC). The purpose of this research was to evaluate the implementation and use of AFMC's BSC. To guide this effort, both meta-synthesis and historical methodologies were employed. First, a meta-synthesis approach was used to synthesize qualitative BSC data that resulted in eleven keys to successful BSC implementation and use. Secondly, an historical methodology was employed to review AFMC's BSC history within each of these key areas. Once the literature and AFMC's history were compared, perceived gaps were identified and recommendations provided. Finally, the significance of the research and recommendations for future research were also provided.

Air Force Procurement Workforce Transformation

Quality Cost Analysis Implementation Handbook

