SCM Center & Academic Programs Flourish
Center Strategy, Class Enrollments and Faculty Recruitment Making Progress

SCMC Vision 2010: Center Strategy Launched!
by Lamar Johnson

We are excited to launch a new path forward with help from many of you! In the last newsletter, I indicated that I would spend the first few months in my new role conducting an assessment of the current state of the "Center", benchmarking it with other centers, and getting input from the constituents. In October-December, we interviewed 9 faculty and 12 member companies and benchmarked Centers at the top 20 business schools. Our findings indicate that the mission stated in the Center's charter was directionally right.

SCMC exists to support and promote scholarly research in supply chain management and related fields. The Center will bring together financial resources, executives from leading corporations, and faculty and students from multiple disciplines in the McCombs School of Business to develop and communicate new knowledge about supply chain management, conduct and publish research findings, facilitate the development of outstanding academic programs in supply chain management, enable "real world" problem solving for our industry partners, and encourage the development of future industry and academic leaders in this field. The Center will link the McCombs School of Business with industry and other centers of related activities within The University of Texas at Austin.

Our vision
SCMC will be recognized:
- As a highly valued cross discipline Center in the McCombs School, enabling research opportunities for faculty from all academic departments.
- Globally, for the strength of our industry & academic partnerships and published sponsored research.

In the MBA program, our introductory course in Supply Chain and Operations Management (SCOM) successfully transitioned into the core as a full course thanks to the hard work of Professors Edward Anderson and Uttarayan

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Overcoming Challenges & Moving Forward

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Bagchi. While there is still much work to be done revising courses, adding new electives, and developing our SCOM concentration, this program is headed in the right direction.

I am delighted to announce the hire of a new senior faculty member in SCOM. Professor Sridhar Seshadri from the Stern School at New York University (NYU) will join the McCombs School in Fall 2008 as a full professor and our first SCM Center of Excellence Fellow. He has a very impressive research record in supply chain management, risk management, and manufacturing (semi-conductor and automotive). Professor Seshadri has fourteen years of teaching experience at the Stern School and the Indian School of Business. He will bring an excellent portfolio of courses to our graduate and undergraduate programs, as well as a wealth of administrative experience.

To further enhance the Center and our academic programs, I am very pleased to announce the hire of Michael Hasler as Associate Academic Director. Michael has several years of work experience in industry and academia. Prior to pursuing his Ph.D., he was the Head of Global Materials Operations at Applied Materials. While completing his Ph.D., he worked in the McCombs’ Ford Career Center as an MBA advisor for SCOM and other programs. Michael will help manage SCMC operations and our academic programs. He will also be a lecturer in the Information, Risk, and Operations Management Department teaching various MBA and BBA courses in SCOM.

On May 14 and 15, we hosted another successful symposium. This event brought together people from Marketing, Operations, Engineering, and other business disciplines and generated rich and lively discussions around sustainability, customer insight, product design, and supply chain optimization. We hope to host more multi-disciplinary events in the future.

Please mark your calendars. Our next Advisory Council meeting is scheduled for November 6, 2008 followed by a Roundtable on November 7, 2008. We received some great Roundtable topic suggestions at the recent Advisory Council meeting which we plan to share with you soon.

Interactive Sponsors Only Session with
Dr. Bob Johansen

by Diana Busler

On March 20, 2008 the McCombs School of Business’ Supply Chain Management Center of Excellence (SCMC) and Center for Customer Insight and Marketing Solutions (CCIMS) co-hosted an interactive “Sponsors Only” session with Dr. Bob Johansen, Distinguished Fellow at the Institute for the Future (IFTF).

Dr. Johansen holds a PhD from Northwestern University, as well as a divinity school degree focused on comparative religions. He is a social scientist by training with more than 30 years experience as a forecaster exploring the human side of new technologies.

The Institute for the Future is an independent, nonprofit research group with nearly 40 years of forecasting experience. Its current clientele includes Procter & Gamble, Hallmark, Tesco, Frito Lay, Shell, Temple-Inland, Texas Instruments, Textron, Freescale Semiconductor, Dell, Chevron, Boeing, AMD, and Applied Materials.
Q&A with AMD: Improving the Supply Chain

by Lamar Johnson

Advanced Micro Devices is the 2nd largest chip manufacturer in the world, and an avid supporter of the UT Supply Chain Curriculum and Center of Excellence. We asked John Waite and Robert Benny to share their thoughts on Supply Chain Management at AMD today and into the future:

What are your role(s) at AMD?
Robert – Supply Chain Process Director leading the transformation of AMD’s supply chain program
John – Vice President of Supply Chain, in charge of client/order management, supply-demand planning and the overall transformation of the AMD supply chain.

What supply chain backgrounds do you bring to your current role(s)?
Robert – > 15 years directing supply chain transformation programs at Motorola, Freescale and now AMD. Before that I headed up the Technology Planning and Forecasting at IBM. All focused on improving supply chain performance.
John - > 25 years in semiconductor design and manufacturing. The last ten years totally focused on defining and deploying competitive supply chain solutions.

How important is supply chain improvement to AMD’s overall future success?
Very important, we are focused on improving customer loyalty by improving service and delivery while significantly improving our cash position by increasing inventory turns – all part of improving the supply chain.

Is your supply chain organization larger or smaller today than 5 years ago?
Neither of us was here 5 years ago but AMD was a much different company 5 years ago. AMD now has an end to end integrated supply chain covering the supply to market and quote to cash processes. A company creates value for customers through a robust supply chain and companies who do this well are differentiated by their financial results. AMD is very focused on creating value through the supply chain for both customers and supplier partners.

Do you expect your supply chain organization to grow in size and/or importance over the next 5 years? Why?
Probably about the same, but the difference would be that people would move from systemic non value added work to more value added activity.

Do you expect your supply chain leaders of the future to require different skills than today?
Yes, improved understanding of the entire breadth and depth of the supply chain and a thorough understanding of how a change in one piece of the chain affects the other pieces. Additionally, the global aspects of business today require all participants to work in a very horizontal way, leveraging a wide range of partners around the globe.

What are you doing internally at AMD to address the need?
A host of activities: webinars, executive speakers (internal and external), selective APICS training, operational excellence training, UT Supply Chain Center of Excellence participation, selective university education, etc.

How do you see academic institutions helping you? What do you believe they will need to do differently to develop tomorrow’s leaders?
Academia needs to focus on real company problems and solutions – stop playing the beer game and pull in companies and focus specific problems of specific companies / industries: stagnant inventory, new product introduction, how to effectively end product life, etc.

Do you see a role in future leadership development that the Supply Chain Management Center of Excellence can play? If so what?
Yes, bring a focus on the above issues and help industry solve their supply chain issues.
Joint Research Center Symposium a Success!

As the topic of sustainability permeates all aspects of business, The University of Texas at Austin explores new ways to create cross-functional, integrated design processes through the lens of sustainability.

On May 14-15, the McCombs School's Supply Chain Management Center of Excellence (SCMC) and Center for Customer Insight & Marketing Solutions (CCIMS) co-hosted a symposium on holistic product design. With support from the Cockrell School of Engineering's Advanced Manufacturing Center (AMC), this event brought together three diverse research centers allowing for a unique perspective on end-to-end design.

The symposium titled “Achieving Customer Impact by Balancing Environmental Intelligence, Supply Chain Optimization and Product Design” provided an opportunity for Supply Chain, Marketing and Advanced Manufacturing executives to look at best practices, beginning with the customer/consumer need back to raw material acquisition.

The event showcased industry success stories and panel discussions which highlight the necessary processes, organizational structure, culture and measures to implement and evaluate sustainable business practices. The symposium examined the opportunities and issues with optimizing product design to meet consumer needs, while being environmentally and socially beneficial at the lowest possible cost.

Speakers from Procter & Gamble, McDoanugh Broughn Design Concepts (MBDC), frog design, inc., The Centre for Sustainable Design (UK) and the Green Electronics Council presented a range of business strategies that emphasize cross-functional collaboration and forward thought.

The two panels included representatives from Penn State, the Cockrell School of Engineering, The Lube Stop and Applied Materials. The first panel examined customer-centric challenges and opportunities in conceptualizing and implementing sustainable product design and product supply organizational competencies. The second panel focused on the opportunities and challenges in executing supply chain for sustainability.

After the symposium concluded, a cross-functional team of participants assembled to identify and refine potential topics for sponsored research.

Three areas of interest were identified:
- Product design for multiple life cycles
- Positioning and demand generation for the green marketplace
- Aligning supply chain incentives

A “call for proposals” was distributed to faculty at the McCombs School, the Cockrell School and other academic institutions. Research will be co-sponsored by SCMC and CCIMS and the results will be made available to the Centers’ sponsors.

A summary of the presentations and panels is available on the SCMC Web site at www.mccombs.utexas.edu/scm/sponsors/presentations.asp.
Johansen Speaks on External Future Forces

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Disney, UPS, UCP, Big Sky Project, Humana, McKinsey, Unified Grocers and Deloitte. IFTF identifies emerging trends and discontinuities that will transform global society and the global marketplace. Its research generates the foresight needed to create insights that lead to action.

IFTF leverages and annually updates its core Ten-Year Forecast. Forecasting enables a sense of what is important, provides the opportunity to get there early and be ready to understand the challenges. Forecasting provokes insight that leads to action.

This session titled “Get There Early: Sensing the Future to Compete in the Present” focused on IFTF’s latest Ten-Year Forecast of global future forces and the Foresight to Insight to Action approach as it is being used in corporations, nonprofits and government agencies. Dr. Johansen’s new book of the same title guided the discussion.


Dr. Johansen’s presentation focused on the affect of external future forces on marketing and product supply. The consumer culture is moving from consumption to customization. Increased social connectivity and personal empowerment allow the consumer access to general product information, ratings, opinions and stories in the press.

Readily accessible “collective” information affects the consumer’s opinion of a store or product. Polarizing groups are very effective online. Consumers search for clarity even if the information is wrong. As the world’s networks expand wirelessly, people will be able to access information about anything from anywhere.

Companies must engage in the network, associate positive information as close to their products as possible, and rethink the movement of goods and services. Supply chains are no longer linear or mechanical and the term is evolving to supply web or network.

For more information on Dr. Johansen and the Institute for the Future, Please visit http://www.iftf.org/.

Dr. Johansen’s presentation is available in the Sponsors Only section of SCMC’s website at http://www.mccombs.utexas.edu/scm/sponsors/presentations.asp.

Note: The Sponsors Only section is password protected. If you need assistance logging on, please contact Diana Busler.
SCMC Honors 2007-08 Scholarship Recipients
by Diana Busler

To honor the 2007-2008 recipients of supply chain management scholarships, the Supply Chain Management Center of Excellence hosted a luncheon on February 12, 2008 at the University of Texas Club. Recipients, SCMC corporate sponsors and supporters, and SCMC staff were in attendance. The attendees represented a variety of experiences and points of view. This diversity stimulated rich discussion and meaningful connections.

SCMC awarded eight undergraduate scholarships. Matthew Anderson, Amanda Gass, Elaine Hsu, William Tsai and Jiacheng Yu received scholarships funded by sponsorships from SCMC corporate partners. Racel Krebs, Michael Lee and Lindsey Schmidt received scholarships fully funded by SCMC supporter, Kimberly-Clark.

The luncheon gave the students an opportunity to network with representatives from industry. Amanda Gass said, “I had an excellent time and talking to the corporate sponsors cleared up a lot of my questions about working in the supply chain field. I especially enjoyed hearing about the transition from college to the career world.”

SCMC strives to connect our corporate sponsors with the McCombs School’s top SCM students. As class enrollements thrive and our programs gain a global reputation, the demand to engage our top students will increase. SCMC’s sponsors invested in these programs and part of the return is exposure to our students. In that spirit, the scholarship luncheon will become an annual event.

“SCMC is such a great resource and I greatly enjoyed the opportunity to network with people out in the field of supply chain work. As a student just starting out with this degree, the insight from all the attendees was extremely useful,” said Lindsey Schmidt.

Pictured from left: Elaine Hsu, Amanda Gass, Lindsey Schmidt, William Tsai and Michael Lee
Not pictured: Matthew Anderson, Rachel Krebs and Jiacheng Yu

Pictured from left: Doug Morrice, Judy Wright (Freescale), Amanda Gass, Ashley Cook (Kimberly-Clark), Michael Lee, Jon Holztrager (Kimberly-Clark) and Lindsey Schmidt
Student Highlight: Gene Huang BBA ‘08
Business Goes Global
by Ashley Warren, McCombs School of Business

Student: Gene Huang
Major: Supply Chain Management (Business)
Destination: Shanghai, China
Program: Semester at Shanghai Jiao Tong University

Gene Huang had read his textbooks. He had done his homework. So by the end of his junior year, he was ready to see firsthand what was happening in the Chinese business world.

As a supply chain management major in the Engineering Route to Business program at the McCombs School of Business and a native speaker of Mandarin Chinese, Huang knew the program at Shanghai Jiao Tong University would be a perfect fit for his skills and interests.

“With all the factories and suppliers going over to China,” he says, “I thought it would be interesting for me to go and see what is really going on because that is where my future will be.”

During his six months overseas, Huang challenged himself by taking six courses, some taught in English and others taught in Chinese. One course that amplified his business acumen was “Cross-Cultural Management,” which focused on how Chinese history, culture and business habits influence business management in the country.

“In America, we value quality and merit,” Huang says. “In China, they value connections, so it’s a completely different business world. It’s a cultural difference we need to understand in order to be good managers there.”

In class, students read the works of Chinese writers and philosophers, including Confucius.

“These writings affect the way the Chinese practice life, the way they handle themselves in daily business,” Huang says.

Huang also acclimated to the culture by speaking only Mandarin Chinese during his visit. He recalls that knowing a Chinese dialect was particularly beneficial as he explored the country by train with several international classmates. While in Beijing, Huang noticed rapid changes as the city prepares for the 2008 Summer Olympics.

“We saw the Great Wall outside Beijing, and there was a huge sign next to it that said, ‘2008 Olympics.’ I thought it was interesting that a huge modern sign would be right next to the Great Wall,” he says.

However, the disparity between the rich and poor is what surprised Huang the most.

“A small concentration of people owns the majority of the wealth around town, while others barely make enough money to survive,” he says. “One minute you can be surrounded by high-rise buildings and mansions, but if you drive five minutes, people are living in shacks and hanging out on the streets. It’s a growing problem.”

While Huang may not return to China in time for the Olympics this year, he hopes eventually to secure a job there that will combine his knowledge about the United States and Chinese business environments.

“I know that I can help bridge the gap between Eastern and Western culture,” he says. “Those six months confirmed that I want to work at the international level.”
SCMC Mission:
Our mission is to bring together executives from leading corporations with Texas faculty and students to identify, document, research, develop and disseminate best practices in Supply Chain Management.

Strategic Plan Focuses on Constituents
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- As an important link to industry partners enabling student interaction, industry to industry networking and problem solving.

SCMC will be a completely self-sufficient center, operating from a budget sourced equally from industry partner memberships and endowment.

Our charter as a cross functional, total McCombs center is a competitive advantage, as well as a challenge. The advantage is that we are virtually the only center focused on a cross functional and cross college look “horizontally” at the total supply chain. The challenge is that most research publications focus on a vertical slice, usually “owned” by departments or within colleges at universities. Our industry direction is to encourage cross functional management of the supply chain and collaboration across enterprises.

Our Constituents
We identified our constituents as industry, faculty AND students, all of whom must benefit from SCMC for it to be successful. We selected goals, strategies and tactics for each constituent through the ’09/10 academic year and are in the process of executing those plans:

Industry:
Strong partnerships with industry are critical to our success and we must offer a strong benefit package that appeals to a broad cross section of companies based on their unique needs from SCMC and the university. We developed a transition plan to retain current center members and attract new support. We will recognize partners who are members in good standing by August ’08 as “Founding Members”, and grant them this unique recognition going forward. We will also seek select companies and individuals to help us fund an endowment that will eventually account for about 50% of our annual budget and enable SCMC to become the best supply chain center in the world.

Faculty:
Our core mission is to enable research and we intend to measure our progress in this critical area. We plan to focus our symposia and roundtables on key, leading edge topics, identify the 3-4 key questions that will motivate research, and fund that research within the budget of the Center. Additionally, we will explore the acquisition and management of a data base suitable for enabling faculty research across a broad range of topics. Finally, we will explore funding visiting faculty and/or industry personnel with Supply Chain expertise.

Students:
Our key student focus is to increase the number of Supply Chain undergrads and MBA concentrations. We also want to increase the number of companies seeking students in both programs. To that end, we will increase/strengthen our scholarship offerings, utilize our industry partners to help “sell” the value of a supply chain degree, and further develop and partner with student organizations.

If you attended our recent symposium on holistic design, you saw many of these strategies and tactics in action. If you were not able to attend, we will contact you to set up time to review our plans in more detail.

I am thrilled to be part of an organization with so much potential and so many great partners in place. I look forward to working with you all.