

Ptak Prize for Supply Chain Excellence

Manufacturing companies today face challenges like never before. Recent events cause us to examine the continued rise in productivity worldwide and question how a competitive advantage can be won and maintained. USA employment in manufacturing peaked at 19 million in 1979 and has been on a downward trend since. The most common cause cited is outsourcing and offshoring to countries like China and the Far East. However the real situation is more globally pervasive. Between 1995 and 2002 over 31 million factory jobs disappeared from the top 20 global economies. During those same years global productivity increased by 30%, while American productivity increased 20%.

This pattern has been seen before in the agriculture industry. In 1810 the population in the US was 11 million with 85% of people in agriculture – it took 9 million people to feed 11 million plus providing substantial exports. In 2001 only 4.8 million US agricultural workers fed 290 million while continuing to provide substantial exports. In addition to this continued rise in manufacturing productivity, significant capacity has been added in China, Korea, Malaysia, Thailand, Vietnam, and the eastern European countries. (Data source: US Census Bureau and Rochester Center for Economic Research)

The world of scarce capacity in the mid 1990's has been turned upside down, and now manufacturing capacity is plentiful around the world. At the same time technology, specifically the Internet, has eliminated most transactional friction. Now it is possible for a company to source anywhere in the world with little trouble. Manufacturers today are in a precarious position of customers dictating what they want, how they want it and what price they wish to pay. Due to plentiful world capacity, if the manufacturer does not comply the customer can quickly move to another supplier.

Within this reactive environment, there are companies who have taken the proactive approach. These companies have developed and executed successful strategies to not only survive but thrive in this hypercompetitive world. Their vision identifies the unique capability of the company and then exploits it to deliver significant value to their customer. This manufacturer becomes the supplier of choice since this unrefuseable value proposition solves a real business problem for the customer. This vision then sets the context for necessary business practices and technology to address the limitations preventing the company from achieving its goal. The Ptak Prize for Supply Chain Excellent identifies and recognizes these companies.

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The criteria for consideration are:

Vision

- ✚ What is unique about the company?
- ✚ What is the customer business problem that this company can solve?
- ✚ How is this different than competitors?

Business Practices

- ✚ How have the business practices changed to align the company to the vision?
- ✚ What continuous improvement process is in place and how are these projects focused on what will provide the highest return on investment?
- ✚ What changes have been made in business practices to exploit the new technological capability?

Technology

- ✚ How has technology been used to address the limitation that the company is facing to achieving its goal?
- ✚ What technology has been put in place to systematize the changes in business practices?
- ✚ How has the technology changed to adapt to needed business practices?

General

- ✚ What impact has the company demonstrated on the bottom line?
- ✚ How has this value proposition with the customer been flowed back to suppliers?
- ✚ How has the company educated and trained its employees to sustain this success?