

Book Review: Handbook of Global Supply Chain Management

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Abstract: This handbook where each chapter was written by the people most qualified and the overall handbook is edited by a team was the best approach. In keeping with the global theme and the goal of a handbook, the editors tried, in as many chapters as possible, to have international scholars and practitioners involved. The editors hope the result is a handbook that addresses, for each topic, the global extent theory needed by scholars who teach and research in this area and the specifics needed by practitioners. The editors hope this book brings clarity and comprehensive insight to the phenomenon of global supply chains and their management. For students, this handbook aids in understanding the scope and specifics. For practitioners, this handbook provides additional insights into the nuances of managing global supply chains. For researchers, this book generates additional questions, the answers to which will continue to enrich our understanding of and ability to manage global supply chains.

Keywords: Global supply chain, Supply chain management, GSCM, SCM

1. Introduction

Global supply chain management (GSCM) represents a central area of focus for many businesses and business schools today. Although the extraordinary growth of GSCM attests to its robustness and practical importance, the field is diffuse and complex. Many methods and perspectives on GSCM have merged from logistics, operations, marketing, management, economics, sociology, personnel, information systems, and international relations. Their diversity and rapid growth make it hard to keep abreast of significant developments.

Moreover, many of these approaches have evolved with relative independence, paying little attention to

how they relate to existing methods or interrelate with each other. This makes it difficult to accumulate wisdom in the field and to develop a coherent knowledge base to guide research and practice.

Thus, this handbook is aimed at providing a comprehensive understanding and assessment of the field of GSCM. In each chapter, the authors describe and critically examine the key perspectives guiding GSCM, taking stock of what we know (and do not know) about them. They identify emerging developments and delineate their significance to the practice of GSCM. The chapters are not intended to be exhaustive summaries of all the relevant literature and research, but emphasize basic knowledge and understanding of the field. They pay particular attention to identifying connections among methods and perspectives and exploring how they contribute to integration of knowledge in GSCM.

The handbook maps the broad terrain of GSCM from multiple viewpoints seeking to explain what is already known, what new developments are occurring, and how different methods and approaches are interrelated. For each chapter, we tried to select the most knowledgeable and prominent practitioners and scholars in the global arena to represent the key perspectives in the field. These contributors share their unique perspectives and insights within the broad parameters of this handbook. The result, we believe, is a handbook that offers a comprehensive, yet in-depth, examination of GSCM. Thus, it is intended for all relevant audiences in GSCM. For researchers, the handbook provides a broad inventory of what is currently known about GSCM and identifies significant knowledge gaps and issues that need to be addressed. It provides a fertile ground for future research. Advanced students should use the handbook to gain a solid foundation in GSCM. It will help them understand and appreciate the multiple perspectives that guide the field and show them where GSCM is

likely headed. For thoughtful practitioners, the handbook provides a valuable reference and source of ideas and methods for developing organizations. It also provides them with conceptual frameworks for understanding GSCM practice and for creating new methods and techniques.

2. Review of the Book

This handbook is divided into five major parts: (1) Understanding Global Supply Chains, (2) Managing the Functions, (3) Resource Management, (4) Managing the Relations, and (5) Making It Happen.

2.1 Understanding Global Supply Chains

Understanding the environment in which the firm will operate is critical to strategy development and implementation. Nowhere is the truer than in the global environment. The chapters in this part address the following areas essential to understanding global supply chains: global supply chain management strategy, assessing the global environment, value and customer service management, demand management, knowledge management, and process orientation.

Chapter 2 - Global Supply Chain Management Strategy:

In this chapter, the strategic management literature is reviewed to provide an underpinning for GSCM strategy (GSCMS). In addition, literature from logistics, operations management, purchasing/procurement, and marketing are reviewed to specify external environmental characteristics and internal processes and capabilities that are critical to establishing a sustainable competitive advantage through GSCMS.

Chapter 3 - Assessing the Global Environment:

In this chapter, the authors discuss the environmental conditions influencing global supply chain decisions and effectiveness – that is, those conditions that need continuous assessment by managers. Most important, this discussion takes place in the context of a post 9/11 marketplace, where GSCM depends on effective manipulation of, and preparation for, increasingly volatile environmental conditions.

Chapter 4 - Value and Customer Service Management:

In this chapter, the authors take a closer look into value management based on the idea of value chains. After that, what customer service means to value creation is discussed.

Chapter 5 - Demand Management:

The authors first explore the implications of independent and derived demands, followed by a model of the demand management function in GSCM, and then move on to the role of sales forecasting management within demand management.

Chapter 6 - Knowledge Management:

In this chapter, the authors discuss the components of knowledge management competence and provide real-world examples of how these components work in global supply chains.

Chapter 7- Process Orientation:

In chapter 7, the authors argue that core processes decide the competitiveness of the firm, and they differentiate between successful and less successful organizations. Core processes should be targeted to the unique features of different business strategies, environments and customers.

2.2 Managing the Functions

The traditional business and logistics functions must be coordinated and managed within the context of the global supply chain. Thus, the chapters in this part address the following topics: marketing and sales management, product management and global product launch, operations management, integrated logistics management, inventory management, transportation management, warehouse management, supply management, and personnel.

Chapter 8 - Marketing and Sales Management:

The goal of this chapter is to explain how to make effective sales force and sales program decisions for maximum marketing efficiency and effectiveness in a global supply chain environment.

Chapter 9 - Product Management:

In this chapter, the authors detail the role of product management, with particular emphasis on managing the global product launch.

Chapter 10 - Operations Management:

In this chapter, the authors examine the current perspectives of operations management and provide projections for its future development in the global economy. Toward this end, operations management is defined, its decision-making scope discussed, significant points in its historical development are used to differentiate between the functional and process perspective of operations management, factors that are rapidly changing the role of the operations manager are identified, and several key operations management success factors for the future are proposed.

Chapter 11 - Integrated Logistics Management:

In this chapter, the author examines logistics in the context of GSCM, explores the benefits of integrated business processes, and presents a framework and guidelines for the design and implementation of integrated logistics management.

Chapter 12 - Inventory Management:

The authors review the most widely applied models for planning and controlling independent demand inventory, identify the environmental parameters driving each one, indicate the appropriate application of each, and discuss a variety of emerging supply chain inventory strategies that are being implemented by leading firms to tackle the complexities associated with increased product variety, demand for higher levels of customer service, and the globally expanding marketplace.

Chapter 13 - Transportation Management:

In this chapter, the authors explore the global environment for transportation management, surveying the cost and service aspects of transportation operations, opportunities for collaboration among shippers and carriers, and key global transportation issues, and they review the decision scope of transportation-related decisions in logistics and SCM.

Chapter 14 - Warehouse Management:

In this chapter, the author provides an overview of the role of the warehouse in the global supply chain process, describing the rationale for warehousing, activities performed in the warehouse, the relationship of warehousing to other supply chain functions, the

technology applicable to warehousing operations, and key warehousing business issues.

Chapter 15 - Supply Management:

In this chapter, the authors introduce the standardized, step-by-step approach to strategic supply management. As part of this process, a classic approach to commodity segmentation is also presented. This chapter ends with a presentation of cutting-edge supply management trends.

Chapter 16 - Personnel:

The goal of this chapter is to identify and discuss the core principles for developing and supporting employees in the new and dynamically competitive global supply chain environment, with the ultimate goal of leveraging resources for their tangible and intangible supply chain value.

2.3 Resource Management

To remain competitive, companies in global supply chains must efficiently and effectively manage their resources. Thus, the topics addressed in this part are lean supply chains, financial management, risk management, and interpretation systems.

Chapter 17 - The Lean Supply Chain:

In this chapter, the authors identify the importance of matching the time interval for demanding the product mix with all upstream execution time intervals.

Chapter 18 - Financial Management:

In this chapter, the author explores the connection between financial performance and SCM with a three-step top-down approach.

Chapter 19 - Risk Management:

In this chapter, the authors explore several global supply chain risks and how to manage them.

Chapter 20 - Interpretation Systems:

The authors of this chapter suggest that managers can benefit from viewing supply chains as interpretation systems. Specifically, managers need to recognize that creating and maintaining fit across knowledge

elements and strategy can help ensure supply chain success.

2.4 Managing the Relations

Much of the emphasis of GSCM centers on the relationships between supply chain partners and between functions within a given company. This, the topics addressed in this part are relationship management, logistics outsourcing, international sourcing, negotiating throughout the supply chain, interfunctional coordination, intercorporate coordination, and global supply chain control.

Chapter 21 - Relationship Management:

In this chapter, the authors discuss the emergence of supply chain relationships and how this shift has changed and will continue to change the role, processes, and strategies of firms.

Chapter 22 - Logistics Outsourcing:

In this chapter, the authors highlight the business case for global logistics outsourcing and provide a guide for the outsourcing process. The specific case of global logistics outsourcing is considered, and keys and barriers to success are identified.

Chapter 23 - International Sourcing:

The authors propose that there is a negative curvilinear relationship between the extent of international sourcing and the performance of the firm, such that firms should neither keep all their activities at home nor outsource everything to faraway locations. With this model in hand, the authors discuss the variables that predict the extent of international sourcing firms ought to engage in, and examine some practical implications of the model.

Chapter 24 - Negotiating Throughout the Supply Chain:

All the elements of negotiation process are critical to creating successful negotiation outcomes and are discussed in this chapter, along with seven types of supplier and customer relationships.

Chapter 25 - Interfunctional Coordination:

In this chapter, the authors define interfunctional coordination and its essential elements:

communication, collaboration, and an organizational climate that supports the two. Once the groundwork has been laid, the authors explore important dimensions for effective interfunctional coordination within the company.

Chapter 26 - Intercorporate Coordination:

In this chapter, the author highlights the various strategic behaviors involved in global supply chain coordination efforts and environmental issues that support more effective global supply chain coordination.

Chapter 27 - Global Supply Chain Control:

The authors analyze the characteristics of the controller's strategy, the dimensions of the strategy's control requirements, and the implications for implementation effectiveness from institutional arrangements and environments.

2.5 Making to Happen

Strategy means little if it cannot be implemented. Thus, this part is how companies make global logistics and SCM happen and, as a result, create competitive advantage. The specific topics addressed are supply chain innovation, global supply chain security, diagnosing the supply chain, and change management.

Chapter 28 - Supply Chain Innovation:

In this chapter, the authors discuss the notation of innovation as strategy, innovation in supply chains, what constitutes supply chain innovations, and processes for being innovative. They then discuss these concepts and implications within a global context.

Chapter 29 - Global Supply Chain Security:

This chapter presents various disasters of complex global supply chains. Global supply chain manager must have a basic understanding of disasters and their likely effects on the supply chain, plus knowledge regarding the process of disaster preparedness.

Chapter 30 - Diagnosing the Supply Chain:

In this chapter, a variety of tools for diagnosing potential problems in a supply chain are reviewed and discussed. These diagnostic tools vary in terms of format, complexity, and cost. Quantitative approaches

as well as some qualitative diagnostic tools are described.

Chapter 31- Change Management:

In this chapter, authors discuss change management that involves two very different critical processes: training and the buy-in-process.

3. Discussion

The editors' intention in producing this handbook is to facilitate the evolution of a thought process among both academic researchers and practicing managers that recognizes at once the complexities of a global, cross-functional, cross-enterprise view of business and fosters an appreciation for key dimensions that contribute to success within this new environment. The layout of the book, as highlighted above, is designed to guide the reader through five distinct "layers" of thought regarding GSCM.

The first part, "Understanding Global Supply Chains", provides a broad perspective on GSCM that can be used to frame and scope the phenomenon, as well as provide general insights into the issues that managers and researchers engaged in GSCM must confront. The second part, "Managing the Functions", is designed to provide in-depth insight into how specific functional areas must change to conform to a GSCM perspective. The third part, "Resource Management", highlights the critical need to link functional activity management to strategic resource allocation and provides guidance as to how to approach this complex task. Part IV, "Managing the Relations", illuminates issues related to the management of the essential enablers of effective GSCM-internal functional and external organizational relationships. Finally, Part V, "Making It Happen", provides guidance on four key processes that are vital to implementing GSCM strategy.

The editors' hope toward his handbook becomes a tool to which readers can refer frequently along their journeys toward a better understanding of the business world of the 21st century.

4. Conclusion

This state-of-the-art handbook provides a comprehensive understanding and assessment of the

field of global supply chain management (GSCM). Editors John T. Mentzer, Matthew B. Myers and Theodore P. Stank bring together a distinguished group of contributors to describe and critically examine the key perspective guiding GSCM, taking stock of what we know (and do not know) about them. Key features:

- *Identifies emerging developments and delineates their significance to the practice of GSCM:* The Handbook explains what is already known about GSCM, what new developments are occurring, and how different methods and approaches are interrelated.
- *Maps the broad terrain of GSCM from multiple viewpoints:* This handbook is divided into five major sections: Understanding Global Supply Chains, Managing the Functions, Resource Management, Managing the Relations, and Making It Happen.
- *Employs top-flight international contributors from both academic and practice:* Each chapter is authored by the most knowledgeable and prominent practitioners and scholars in the global arena to represent the key perspectives in the field. These contributors share their unique perspectives and insights within the broad parameters of this volume.

This handbook is a valuable resource for graduate students, researchers, and practitioners, bringing clarity and comprehensive insight to the phenomenon of global supply chains and to their management.

Reference:

Mentzer, John T., Myers, Matthew B. and Stank, Theodore P. (editors), "Handbook of Global Supply Chain Management", SAGE Publications, 2007, ISBN: 978-1-4129-1805-3