

**DIXIÈME RENCONTRE INTERNATIONALE DU GERPISA
TENTH GERPISA INTERNATIONAL COLLOQUIUM**

La coordination des compétences et des connaissances dans l'industrie automobile
Co-ordinating competencies and knowledge in the auto industry

6-8 Juin 2002 (Palais du Luxembourg, 15, rue Vaugirard, 75006 Paris, France)

**STRATEGIES AND INTEGRATED COMPETENCIES IN SUPPLY CHAIN
MANAGEMENT OF THE AUTO INDUSTRY**

Sílvio R. I. PIRES

*Methodist University of Piracicaba (UNIMEP) – Brazil
Nucleus of Advanced Manufacturing (NUMA-USP) – Brazil*

Luiz Felipe SCAVARDA

*Industrial Engineering Dept. (PUC-Rio) – Brazil
Fraunhofer Inst. Manufacturing Engineering and Automation - Germany*

Silvio HAMACHER

Industrial Engineering Dept. (PUC-Rio) – Brazil

During the last decade the competition in manufacturing has increased in all of the industrialized regions of the globe and today, even for the current leading or lean organizations, it is not possible to assure a long term solid position in the market place. External and internal discontinuities and the increasing expectations of customers and stakeholders continually threaten established market positions and also create new territories for achieving competitive advantages. In this context, Supply Chain Management (SCM) has been recognized as a new major forefront for effective competition.

News practices in SCM have been implemented world wide in an attempt to simplify and improve the supply chain effectiveness. This has been conducted in a competitive context characterized mainly by the consolidation of a globalized economy and the existence of a new set of competitive needs, which have introduced new barriers and standards for competition (i.e. customized products, environmental questions, rapid development and delivery of new products, conciliation of higher quality with lower price, etc.). This environment of hyper competition has demanded a clear definition of company focus and priorities, as well as the development and maintenance of distinctive competencies in the whole supply chain. SCM can also be understood as an upgraded extended and holistic vision of the traditional material management embracing the

entire supply chain in an integrated management approach. It presupposes that companies must redefine their competitive and functional strategies with regard to their position (as suppliers and/or customers) in the supply chain in which they are inserted.

The basic objective of SCM is to maximize the synergy between all of the parts of the supply chain in order to serve the end consumer more effectively, either by reducing costs or by enhancing value. In order to reach this purpose, companies have search to align and join distinctive competencies in the entire supply chain. From this perspective, competition is currently being focused on supply chains, instead of on companies. In other words, this means a change of competitive model to a “virtual business unit” model and this virtual network can provide many of the benefits of vertical integration without the losses in cost and flexibility. It is essential that the participant business units (companies) establish a strategic alignment including the business goals along the whole supply chain, in a consistent and integrated way. This means that it is necessary to focus on the supply chain core business through the correct determination of the business unit’s core and integrated competencies. This implies a new configuration for the relationships among supply chain members to allow these companies to integrate SCM capabilities from their upstream and downstream connections. In this direction, the application of concepts such as partnership, outsourcing, mass customization, Early Supplier Involvement (ESI), Efficient Consumer Response (ECR), Vendor Managed Inventory (VMI), In-plant representatives and Postponed Manufacturing have growth significantly, mainly in the auto industry.

The corporation’s supply chain represents a complex array of business processes, decisions, partnerships and resource commitments that should be viewed in a strategic way, beginning with the customer’s needs, and culminating with its fulfillment. Therefore companies should make compatible their corporate strategies with the ones for the supply chain that they belong to considering the many implications towards a successful SCM.

Together with the recent growth of interest concerning the SCM, the interest about several strategic decisions embraced by the SCM has increased. For some authors, the alignment of corporate strategy of a company and its SCM strategy is a critical factor in the company’s success. The corporate strategy should drive the SCM strategy and, on the other hand, the SCM strategy should support the corporative strategy. There should be an alignment between each company’s supply chain strategies with the ones of its supply chain partners. This alignment should be obtained by involving the supply chain members in order to establish common goals along the entire chain.

In this context, this article presents two basic purposes with an analytical focus:

1. to provide a review and analysis about the contemporary concept of SCM strategy, focusing (firstly) on the auto industry word wide and (secondly) in the Brazilian recent auto industry case, and
2. to provide a review and analysis concerning to the development of new competencies along the supply chains in the auto industry, mainly to support its SCM strategies.

The analysis presented in the article is based on relevant contributions to the theme provided by the related literature illustrated and enriched by actual examples found in the auto industry world wide and in some state-of-the-art Brazilian automotive plants.

A basic conclusion from the article is that the definition and revision of a company's SCM strategies and its implications in the company's supply chain competencies, that now are not just inside the individual companies but between them, is becoming a frequent subject within the agenda those professionals responsible by the SCM in the auto industry.