

# **Seven Habits of Highly Successful Supply Chains- Module 5**

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A S S O C I A T E S

# Seven Habits of Highly Successful Supply Chains

1. Understand and Communicate
2. Benchmarking and Best Practices
3. Leadership
4. Assess and Prioritize

## **5. Core Competencies**

6. Partnership
7. Continuous Improvement

# Core Competencies

- Core Functions:
  - The unique business functions that allow an organization to be successful
  - The critical activities included in an organization's vision statement that allow it to thrive

# Core Competencies: Primary and Secondary

- **Primary focus core competencies:** Those activities and processes that differentiate an organization in the marketplace
- **Secondary focus core competencies:** Those activities and processes that must be done well for the organization to retain market share but are not visible to customers

# Non-Core Competencies

- What is left in an organization after you remove core competencies?
- **Primary non-core:** Activities that, although not core, have an impact on a company's bottom line.
- **Secondary non-core:** Activities that need to be done, but unless they are really done poorly, they do not have an impact on an organization's bottom line.

# Core Competencies Matrix

	<b>Primary Focus</b>	<b>Secondary Focus</b>
<b>Core Process</b>	Things that differentiate your organization in the marketplace. The reasons customers come to you.	Things that need to be done well but are not visible to the customer.
<b>Non-Core Process</b>	Things that if not done well can have a negative impact on your customer relationship.	Things that need to be done but do not have any significant impact on the success of the business.

# Core Competencies Matrix for Chic Retailer

	Primary Focus	Secondary Focus
Core Process	<ul style="list-style-type: none"><li>• Retail Stores</li><li>• Merchandising</li><li>• Brand</li></ul>	<ul style="list-style-type: none"><li>• Procurement</li><li>• Sourcing</li><li>• Real Estate</li></ul>
Non-Core Process	<ul style="list-style-type: none"><li>• IT</li><li>• HR</li><li>• Logistics</li></ul>	<ul style="list-style-type: none"><li>• Store Supplies</li><li>• Accounting</li><li>• Landscaping</li></ul>

# Core Competencies Matrix for a Manufacturer/Distributor

	Primary Focus	Secondary Focus
Core Process	<ul style="list-style-type: none"><li>• Production</li><li>• Product Design</li><li>• Production Planning and Scheduling</li></ul>	<ul style="list-style-type: none"><li>• Procurement</li><li>• Logistics</li><li>• HR</li><li>• Maintenance</li></ul>
Non-Core Process	<ul style="list-style-type: none"><li>• IT</li><li>• Finance and Accounting</li><li>• Sales and Marketing</li></ul>	<ul style="list-style-type: none"><li>• Real Estate</li><li>• Food Service</li><li>• Landscaping</li></ul>

# Core Competencies Matrix

	Primary Focus	Secondary Focus
Core Process	Insource	Insource Outsource
Non-Core Process	Insource Outsource Contract	Outsource Contract

# Organizations and Leaders Must Focus on Core Competencies

- To achieve a highly successful supply chain, organizations must outsource.
- However, if an organization does not have a core competency of outsourcing, the outsourcing will fail and leaders will be pulled away from core competencies.
- Organizations **MUST** have a core competency in outsourcing.

# Conclusion

- This concludes Module 5. If you would like to continue on to the next module, select the below hyperlink:

<http://train.tompkinsinc.com/sevenhabits/mod6>

- If you would like to go back to the main menu, select this hyperlink:

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