

Supply Chain Thought Leaders Roundtable

June 22-24, 2007

Conference Program

Conference Chair: Hirofumi Matsuo (Kobe University)

Principal Investigator of Kobe COE Program: Tadao Kagono (Kobe University)

Sponsoring Organization:

COE Program, Graduate School of Business Administration, Kobe University
Research Institute of Advanced Management

Conference Program Committee:

Hirofumi Matsuo (Kobe University)

Daniel Corsten (London Business School)

Jan C. Fransoo (Eindhoven University of Technology)

Panos Kouvelis (Washington University in St. Louis)

Chung-Yee Lee (Hong Kong University of Science and Technology)

Conference Program Advisors:

Marshall J. Fisher (Wharton School, University of Pennsylvania)

Jan C. Fransoo (Eindhoven University of Technology)

Janice Hammond (Harvard Business School)

Hau L. Lee (Graduate School of Business, Stanford University)



Conference Theme

This conference in Kobe will be the tenth Supply Chain Thought Leaders Roundtable, and this is the first time that the members will gather in Asia. The theme of the conference is Asian perspectives on SCM. Most goods go through the supply chains that include some parts of Asia, and the Asian components of supply chains are rapidly and substantially transforming themselves. This change compels many firms to constantly review the design and management of their supply chains. In this conference, we will share our research notes on the states of supply chains, list relevant practical issues, and identify the research issues that are worthy of further investigation. To achieve this purpose, the discussion leaders in each session are asked to spend at most one third of the allotted time for their presentation, followed by participants' active involvement in discussion.

Kobe COE Program

Japan's Ministry of Education, Culture, Sports, Science and Technology launched the 21st Century COE program, which supports universities establishing discipline-specific international centers for education and research, and enhances the universities to be the world's apex of excellence with international competitiveness in the specific research areas. The Graduate School of Business Administration at Kobe University was awarded in 2003 a five year grant on the research/education program entitled, "Research, Development and Education Center for Advanced Business Systems." This program is designed to reexamine the Japanese corporations from the perspective of business systems. We specifically have looked into (1) the wisdom in business systems of long-lasting traditional Japanese firms like Sake brewery and Okiya/Ochaya, (2) the innovation in the design and management of supply chains, and (3) the collaborative business systems between Chinese and Japanese firms.



SCTLR Discussion Participants

Anupindi	Ravi	University of Michigan
Aviv	Yossi	Washington University in St. Louis
Bassok	Yehuda	University of Southern California
Chen	Fangruo	Columbia University/Shanghai Jiao Tong
Corbett	Charles	Anderson School of Management, UCLA
Corsten	Daniel	London Business School
de Kok	Ton	Eindhoven University of Technology
Fisher	Marshall	Wharton School, University of Pennsylvania
Fleischmann	Bernhard	University of Augsburg
Fransoo	Jan C.	Eindhoven University of Technology
Gaur	Vishal	New York University
Hammond	Jan	Harvard Business School
Hausman	Warren	Stanford University
Huchzermeier	Arnd	WHU Otto Beisheim School of Management
Iyer	Ananth	Purdue University
Kouvelis	Panos	Washington University in St. Louis
Lee	Hau L.	Stanford University
Lee	Chung-Yee	Hong Kong University of Science and Technology
Matsuo	Hirofumi	Kobe University
Meyr	Herbert	Technical University of Darmstadt
Ozer	Ozalp	Stanford University
Ratliff	H. Don	Georgia Institute of Technology
Roth	Aleda	Clemson University
Shapiro	Roy	Harvard Business School
Simchi-Levi	David	Massachusetts Institute of Technology
Swaminathan	Jay	University of North Carolina at Chapel Hill
Tang	Chris	Anderson School of Management, UCLA
Tsay	Andy	Santa Clara University
Whang	Jin	Stanford University
Wu	David	Lehigh University
Chang	Ka Mun	Li & Fung
Ohara	Yoko	IFI Business School
Takahiro	Fujimoto	University of Tokyo
Kagono	Tadao	Kobe University
Kanai	Toshihiro	Kobe University
Mishina	Kazuhiro	Kobe University
Nishio	Kumiko	Kobe University
Ogawa	Susumu	Kobe University
Shimada	Tomoaki	Kobe University

Conference Schedule

Friday, June 22, 2007

Store tour of Kansai Super Market Ltd. at HAT Kobe

Tour Leader: Susumu Ogawa, Kobe University

Company Host: Masaaki Ikuhashi, Kansai Super Market Ltd.

Plante tour of Panasonic Toughbook PC plant

Tour Leader: Kazuhiro Mishina, Kobe University

Company Host: Seiichi Inagaki, IT Products Division, Panasonic AVC Networks Company, Matsushita Electric Industrial Co., Ltd.



Saturday, June 23, 2007

Welcome and Kobe COE Program: Tadao Kagono, Program Leader of the COE Program, the Graduate School of Business Administration, Kobe University



Activities and Schedule Overview: Hirofumi Matsuo, Kobe University



Session 1: Port Logistics

Discussion Leaders: Chung-Yee Lee, Hong Kong University of Science and Technology, and Jan C. Fransoo, Eindhoven University of Technology

Abstract: In this session, we will first give a brief overview of the developments in global container transport. We will then identify the major consequences that require research attention. In particular, we will first focus in some port specific issues such as port capacity and competition, and empty container issue. We will then discuss the integration of port and supply chain management. Currently, global supply chains are not managed as supply chains. There are some developments in either global alliances or in shipping lines taking over terminals, but by and large these supply chain are still very fragmented and valuable time and capacity is lost as a consequence of that. Moreover, the hinterland transportation is generally completely separate. Linked to this is the balance of power development. Who are going to be dominant? Terminals, shippers or shipping lines? Competitive models could be of support to gain insight into good strategies to follow.





Session 2: Kyoto Consequences on SCM

Discussion Leaders: Charles J. Corbett, UCLA, and Ton de Kok, Eindhoven University of Technology

Abstract: The 1997 Kyoto Protocol has been ratified in December 2006. A key instrument to reduce emission is the allocation of emission rights. The debate about the effectiveness of allocation in the form of caps, i.e. maximum emissions allowed per annum, is primarily among economists. An operations perspective on the effectiveness of emission rights or taxation on emissions is still lacking. We can build on results from life cycle analysis to determine the emissions caused by various processes. The emissions can be linked to decision variables, such as lot sizes, choice of transportation modality, etc. Questions should be answered like: to whom should we allocate emission rights and what emissions should be taken into account. E.g. a company outsourcing transportation to a logistics service provider may be held responsible for emissions of this logistics service provider, or not. In our presentation, we discuss the various opinions about effective use of emission rights and formulate interesting research questions in the Operations Management field.





Session 3: Retailing SCM

Discussion Leaders: Daniel Corsten, London Business School, and **Marshall J. Fisher**, University of Pennsylvania

Research Presentation: Vishal Gaur, New York University

Abstract: In this session, we will discuss recent research development in retailing. We first give an overview of issues raised during three conferences with practitioners and academics at Wharton, Harvard and London. We then present recent empirical research on retail execution which involves the effects of inventory, employee payroll, and customer satisfaction on retail performance, and raise questions on to which degree existing knowledge from service and manufacturing environments apply in retail settings. In particular, we address the questions; what a retailer can do in the store to increase sales and customer satisfaction, how to allocate an additional \$1 for the highest return, what is the relative importance of a factory and a sales office functions of the retail store, and do more satisfied customers buy more? Finally, we present some empirical research and open questions on the intersection of operations and finance in retail settings: in particular, we discuss how analysts interpret data, how operational performance impacts financial performance, how public financial data can be used in forecasting, benchmarking and planning, and how stock market data can be used in estimating demand uncertainty, risk assessment and hedging.



Invited Session A: A New Generation SPA: Case of Honeys Co., Ltd.

Invited Speaker: Yoko Ohara, President, IFI Business School, Institute for the Fashion Industries



Session 4: Apparel SCM

Discussion Leaders: Hirofumi Matsuo, Kobe University, and **Seungjin Whang**, Stanford University

Abstract: Following the introduction of operations at Honeys by Yoko Ohara, we will present cases of another SPA business model and an apparel retailing company in Japan. We first give an update on how the operations and business models at World Co. Ltd., have evolved since Raman and Fisher wrote the case on World in 2001. We describe the multi-brand and multi-store-format strategy that this company is taking and why this may be rational. Then, we will introduce a business model of a fashion retailer, Marui, and its series of changes to achieve data-rich SCM. At the end, we raise several research issues that might be fruitful to pursue further. **Atsushi Miyake**, Managing Executive Officer of World, and **Naoaki Fujino**, Head of SCM Consulting Division of Nomura Research Institute, will participate in the session to answer the questions that participants might have.



Session 5: Empirical Research in Operations Management: Myths and Realities

Discussion Leader: Aleda M. Roth, Clemson University

Abstract: This session examines myths and realities in empirical research in OM/SCM. An overview of the range of empirical studies and their relative advantages and disadvantages will be presented. We will discuss secondary and primary data--and the challenges and implications of each approach. The role of measurement and inductive theory development and testing will be highlighted. We conclude with a discussion of opportunities for deepening our understanding of empirical research, which in turn sets the stage for improving its overall quality.



Sunday, June 24, 2007

Session 6: Architecture-Based Comparative Advantage and Supplier Management

Discussion Leader: Takahiro Fujimoto, University of Tokyo

Abstract: In this session, we will introduce his architecture-capability framework to explain the competitiveness of Toyota and other automobile manufacturers with a special attention on supplier management. Research issues addressed are how to measure and evaluate the competitiveness of automobile firms, what capabilities Toyota has, what elements are important in Toyota's supplier management, and how product architecture relates to competitiveness.



Invited Session B: Supply Chain Management: the Li & Fung Way

Invited Speaker: Mr. Ka Mun Chang, Managing Director of Li & Fung Development (China) Ltd./Li & Fung Research Centre



Session 7: Perspectives on SCM in China

Discussion Leader: Fangruo Chen, Columbia University

Research Presentation: Aleda M. Roth, Clemson University, and **Marshall J. Fisher**, University of Pennsylvania

Abstract: China is emerging as a global economic power. Its GDP ranks as the fourth largest in the world, and for the past twenty years, the Chinese economy has achieved a growth rate of 10% a year. The trade China does with the rest of the world is also growing rapidly, with both exports and imports being the third largest in the world, and the growth rate has increased sharply after China joined the WTO in 2001. Therefore, the role China plays in the global supply chain is already very important, and it will become more and more important in the foreseeable future. The purpose of this session is to highlight key issues with supply chain management in China, to identify trends and best practices, and ultimately to come away with interesting research questions. The presentation includes: "Unraveling the food supply chain: the China connection" by Aleda Roth, "Case studies" by Marshall Fisher, and "Thoughts and Observations on SCM in China" by Fangruo Chen.



Session 8: India Perspectives on SCM

Discussion Leader: Jayashankar M. Swaminathan, University of North Carolina at Chapel Hill

Research Presentation: Ravi M. Anupindi, University of Michigan, and **Ananth V. Iyer**, Purdue University

Abstract: In this session, we will cover manufacturing (automobile), service (software) and agricultural supply chain (ITC agro) issues in India. Following which we will present a video to the audience about some novel Indian supply chain cooperative operations for discussion.





Session 9: Hospitality Management a la Geisha and Ryokan

Discussion Leader: Hirofumi Matsuo, Kobe University

Research Presentation: Toshihiro Kanai and Kumiko Nishio, Kobe University

Abstract: We first introduce the Geiko/Maiko business system in Kyoto. What is the wisdom in this traditional business system, which has lasted for over 350 years? What is the basic principle of hospitality in Japan? Second, we will discuss a case of modern Ryokan. What service concept does this Ryokan deliver? What contemporary issues does this Ryokan face? In this session, we will discuss how service operations management concepts could be applied in this somewhat different hospitality management context, and what we could be learned.

