

**Module 1**

*Section A: Supply Chains, the Environment,  
and Strategy*

**Term**  
Business plan

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Competitive advantage

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Competitive analysis

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Core competencies

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Core process

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Corporate culture

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Downstream

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Environmental scanning

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The advantage a company has over its rivals in attracting customers and defending against competitors. Sources of the advantage include characteristics that a competitor cannot duplicate without substantial cost and risk, such as a manufacturing technique, brand name, or human skill set.

1) A statement of long-range strategy and revenue, cost, and profit objectives usually accompanied by budgets, a projected balance sheet, and a cash flow (source and application of funds) statement. [It] is usually stated in terms of dollars and grouped by product family. [It] is then translated into synchronized tactical functional plans through the production planning process (or the sales and operations planning process). Although frequently stated in different terms (dollars versus units), these tactical plans should agree with each other and with [this concept]. See: long-term planning, strategic plan. 2) A document consisting of the business details (organization, strategy, and financing tactics) prepared by an entrepreneur to plan for a new business.

Bundles of skills or knowledge sets that enable a firm to provide the greatest level of value to its customers in a way that is difficult for competitors to emulate and that provides for future growth.

An analysis of a competitor that includes its strategies, capabilities, prices, and costs.

The set of important assumptions that members of the company share. It is a system of shared values about what is important and shared beliefs about how the company works. These common assumptions influence the ways the company operates.

That unique capability that is central to a company's competitive strategy.

A process used to expose an organization's potential strengths, weaknesses, opportunities, and threats. Many experts emphasize opportunities and threats because the tool is primarily external.

Used as a relative reference within a firm or supply chain to indicate moving in the direction of the end customer.

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Five-forces model of competition

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Functional product

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Key success factors

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Macro environment

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Manufacturing planning and control system (MPC)

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Mission

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Mission statement

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Product life cycle

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Mature products that tend to have a low profit margin and a predictable demand.

A methodology for analyzing competitive pressures in a market and assessing the strength and importance of each of those pressures.

The environment external to a business including technological, economic, natural, and regulatory forces that marketing efforts cannot control.

The product attributes, organizational strengths, and accomplishments with the greatest impact on future success in the marketplace.

The overall goal(s) for an organization set within the parameters of the business scope.

A closed-loop information system that includes the planning functions of production planning (sales and operations planning), master production scheduling, material requirements planning, and capacity requirements planning. Once the plan has been accepted as realistic, execution begins. The execution functions include input-output control, detailed scheduling, dispatching, anticipated delay reports (department and supplier), and supplier scheduling. A closed-loop MRP system is one example of a manufacturing planning and control system.

1) The stages a new product goes through from beginning to end (i.e., the stages that a product passes through from introduction through growth, maturity, and decline). 2) The time from initial research and development to the time at which sales and support of the product to customers are withdrawn. 3) The period of time during which a product can be produced and marketed profitably.

The company statement of purpose.

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Product positioning

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Resource

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SWOT analysis

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Service industry

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Strategic plan

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Strategy

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Supply chain

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Supply chain management

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Anything that adds value to a good or service in its creation, production, or delivery.

The marketing effort involved in placing a product in a market to serve a particular niche or function. Syn.: service positioning.

1) In its narrowest sense, an organization that provides an intangible product (e.g., medical or legal advice). 2) In its broadest sense, all organizations except farming, mining, and manufacturing. The service industry includes retail trade; wholesale trade; transportation and utilities; finance, insurance, and real estate; construction; professional, personal, and social services; and local, state, and federal governments.

An analysis of the strengths, weaknesses, opportunities, and threats of and to an organization. Useful in developing strategy.

For an enterprise, identifies how the company will function in its environment. Specifies how to satisfy customers, how to grow the business, how to compete in its environment, how to manage the organization and develop capabilities within the business, and how to achieve financial objectives.

A plan for how to marshal and determine actions to support the mission, goals, and objectives of an organization.

The design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand, and measuring performance globally.

The network of suppliers that deliver products from raw materials to end customers through either an engineered or transactional flow of information, goods, and money.

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Trading partner

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Upstream

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Value chain

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Value chain analysis

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Vision

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Vision statement

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Used as a relative reference within a firm or supply chain to indicate moving in the direction of the raw material supplier.

Any organization external to the firm that plays an integral role within the supply chain community and whose business fortune depends on the success of the supply chain community.

An examination of all links a company uses to produce and deliver its products and services, starting from the origination point and continuing through delivery to the final customer.

The functions within a company that add value to the goods or services that the organization sells to customers and for which it receives payment.

An organization's statement of its vision. See: vision.

The shared perception of the organization's future—what the organization will achieve and a supporting philosophy. This shared vision must be supported by strategic objectives, strategies, and action plans to move it in the desired direction. See: vision statement.