



SCM Efficiency in Korea for Global Commercial Trade Facilitation

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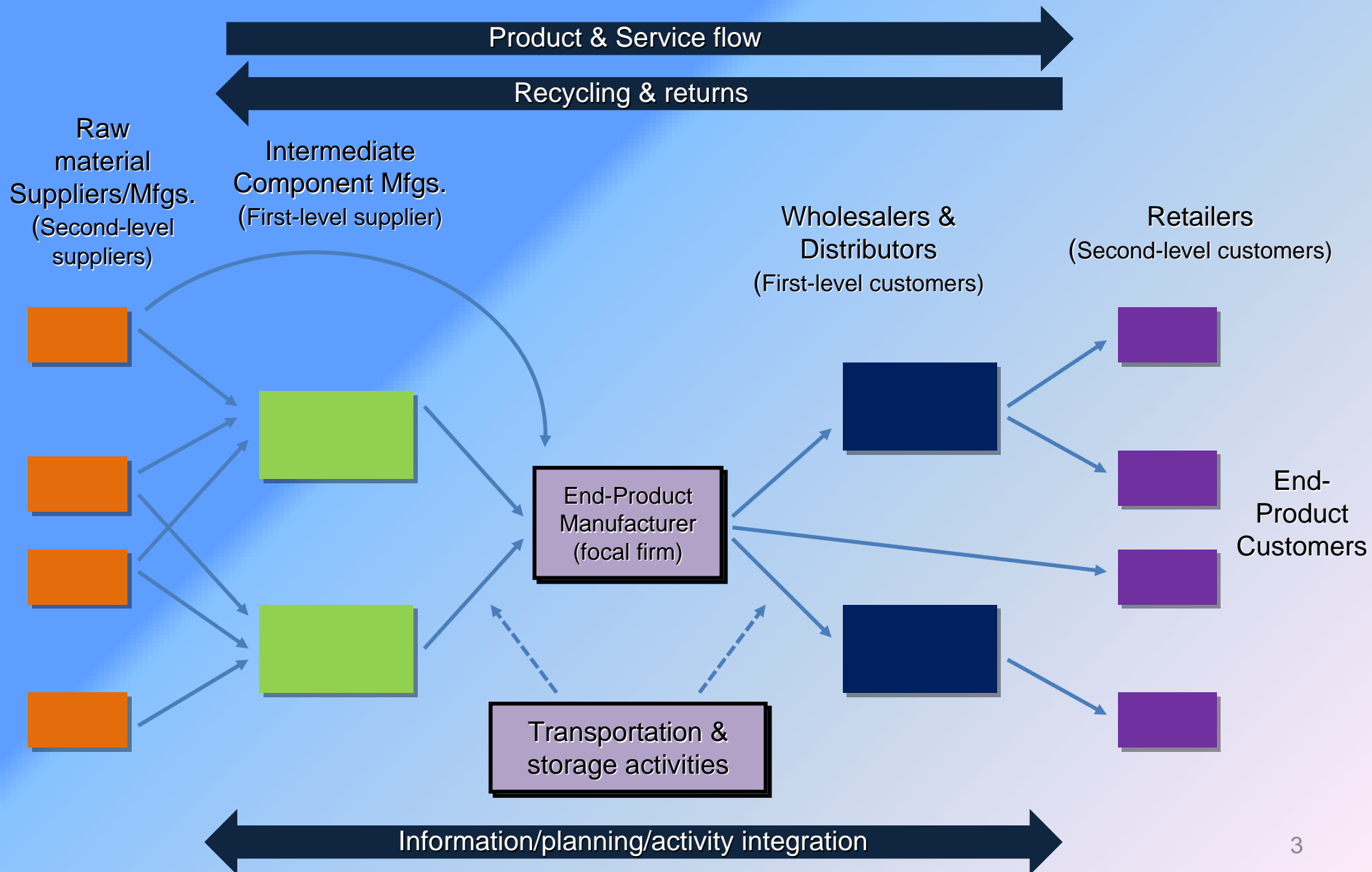
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What is Global Supply Chain Management?

“the design and management of seamless, value-added process across organizational boundaries to meet the needs of the end customer” (Institute for Supply Management)

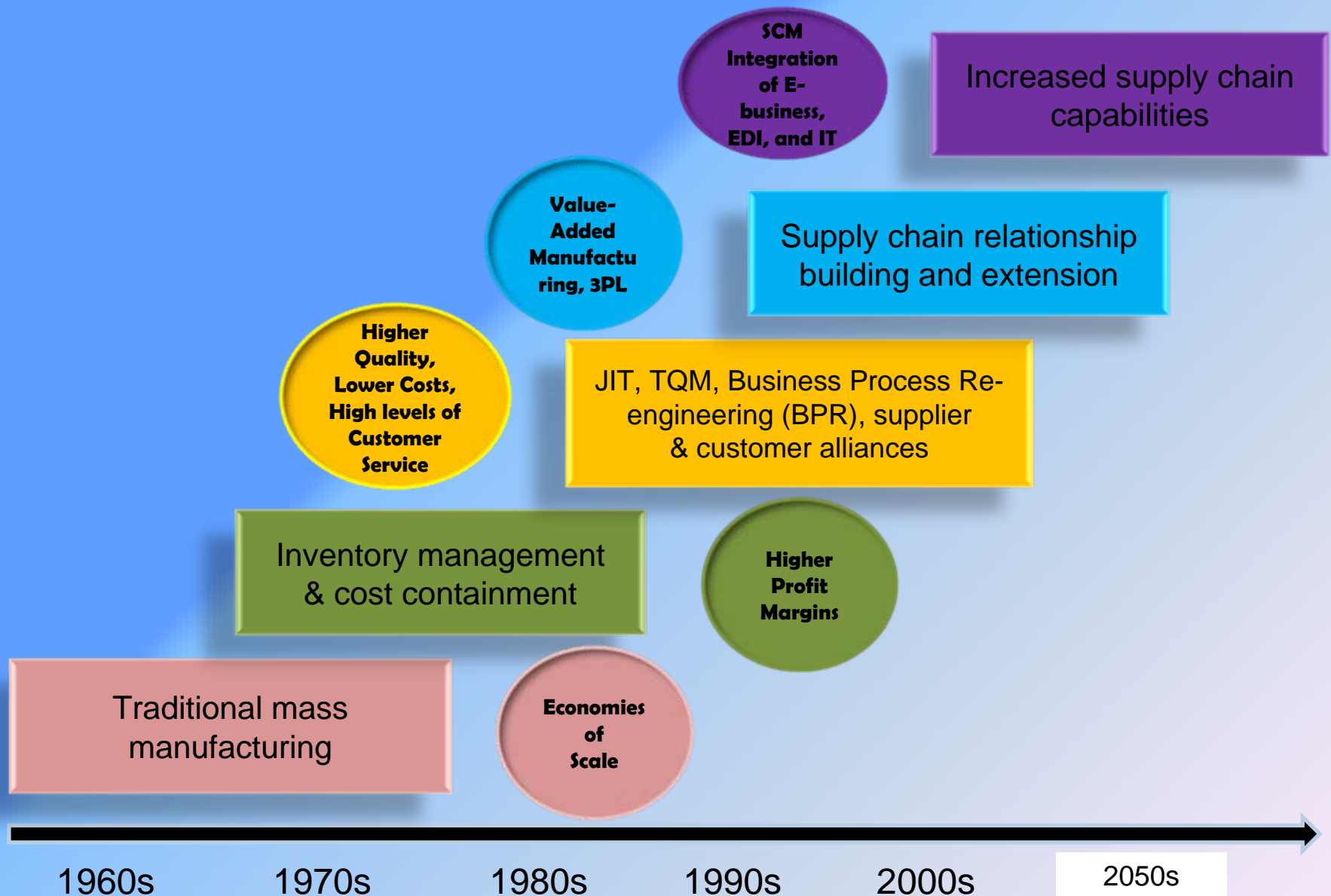
The Business Supply Chain: A Generic Model



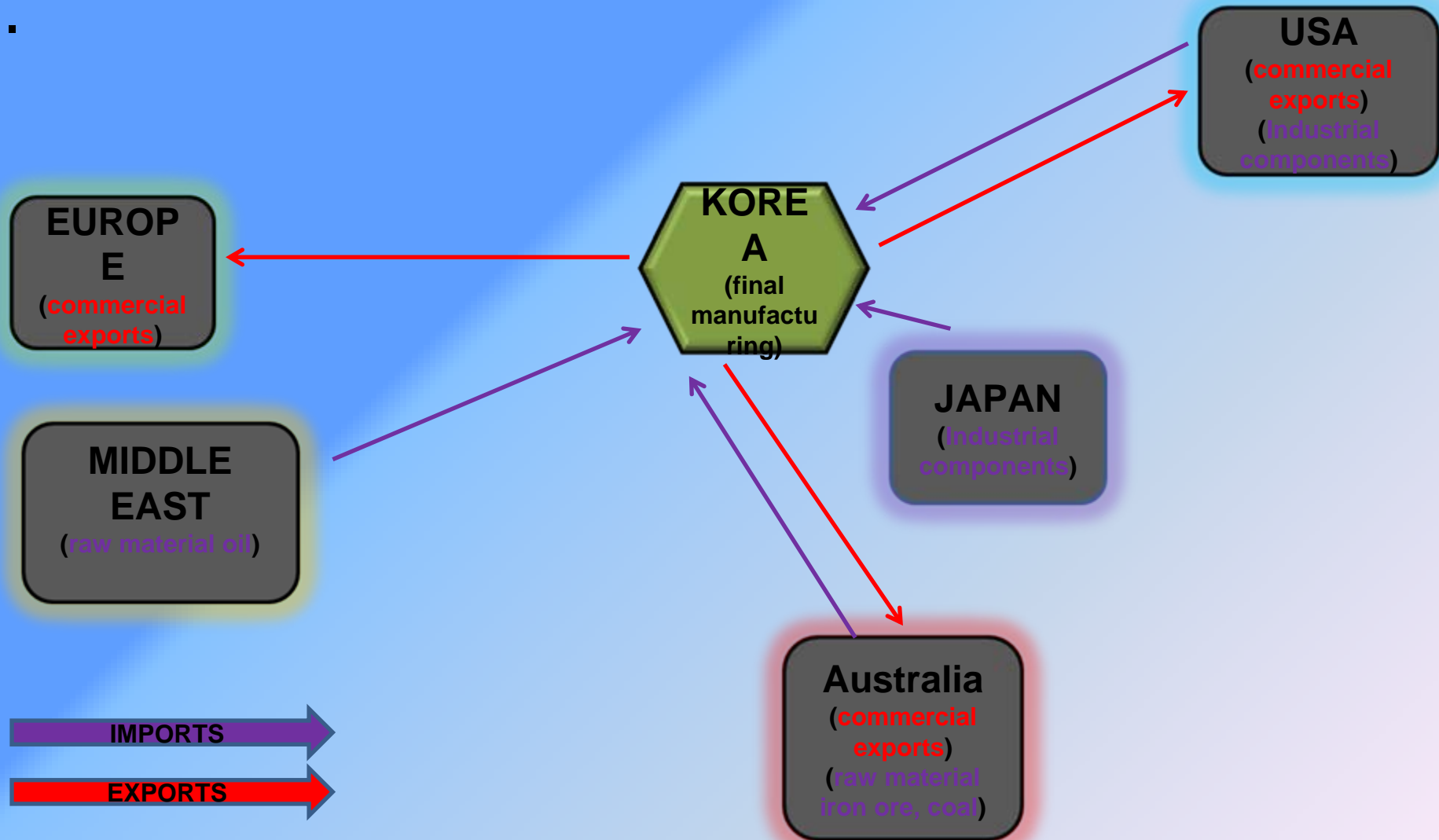
Why Do Korean Companies Build SCM?

- Korean business has become highly globalized whereby Korean firms partner with multiple companies in different geographic regions to produce and sell their products.
- As a result, Korean business has built SCM that can accommodate B2B and B2C supply chains that reach farther and deeper into global regions, more than ever before.
- Advanced SCM allows Korean business to:
 - 1) increase overseas market-share thru information sharing with business partners
 - 2) reduce inventory & logistics management costs thru B2B networking
 - 3) quickly adapt to continuously changing customers' needs

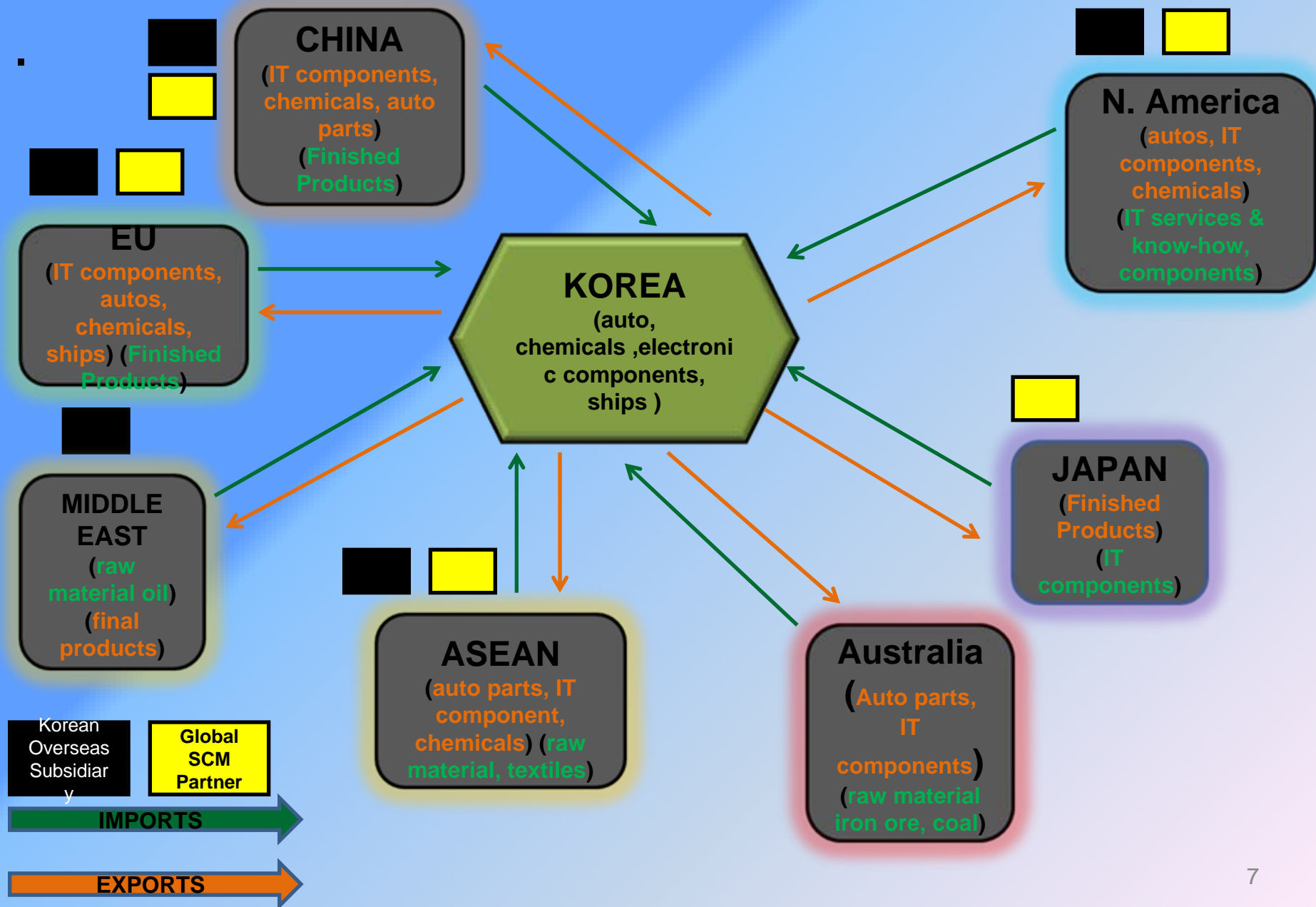
Business Evolution of SCM in Korea



Traditional Korea Trade Model (1960-1990)



The New Korea Trade Paradigm (1990-2000s)





How Does SCM Benefit Korea's Global Trade

- **✓ Quick Response from Supplier to End-User**

- **✓ Enhanced Customer Satisfaction**

- **✓ Cost-Down in Inventory & Reverse-Logistics Management**

- **✓ Improved Business Partnerships and Business Performance**

Current Advanced Stage of Global SCM (Supply Chain Relationship Building and Extension)

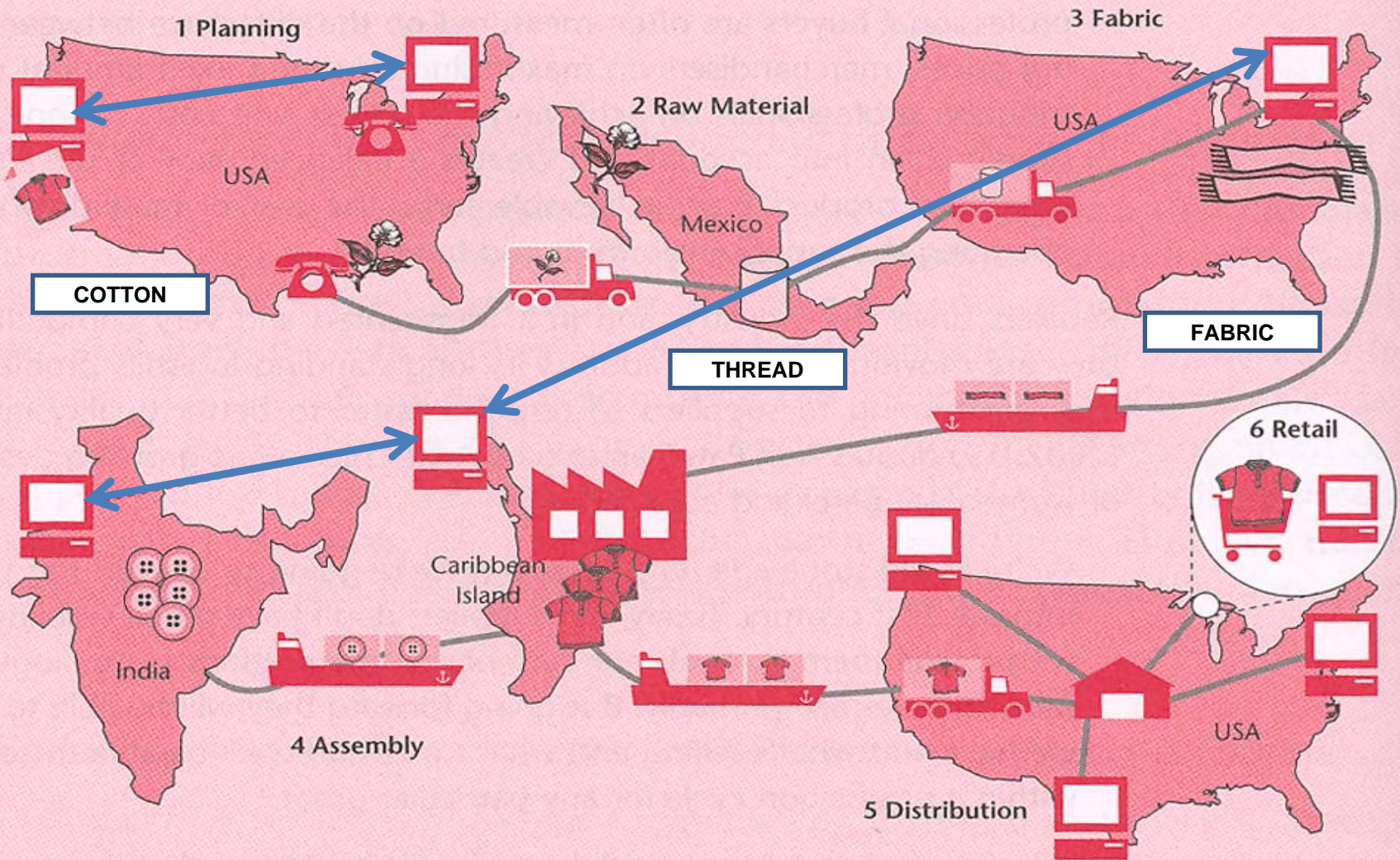
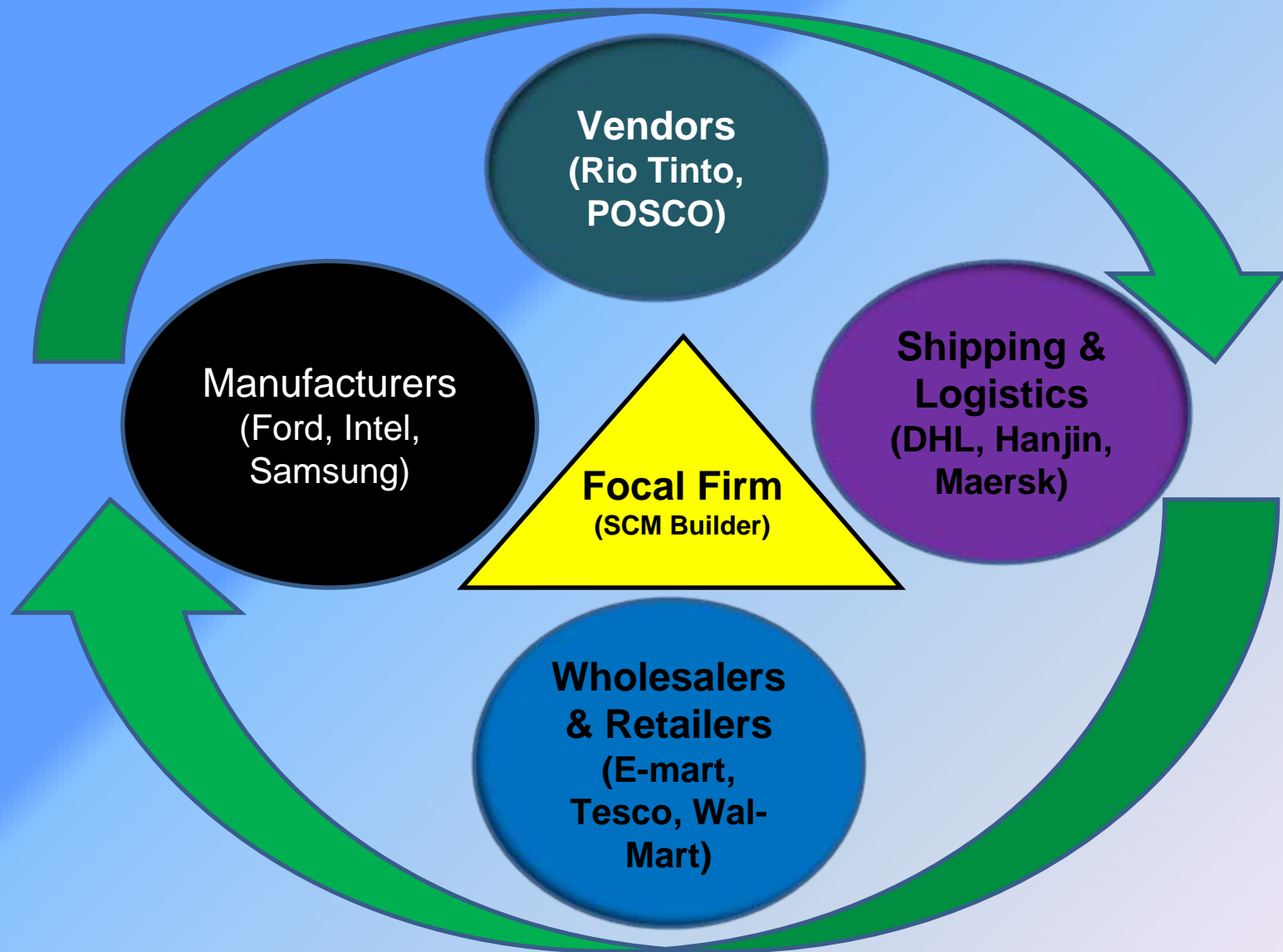


Figure 8.2 Continuous replenishment in the apparel industry

(Source: After Kuhel, 2002)

SCM Business Partnering & Information Sharing





Conclusion

Korean companies require having advanced SCM to successfully compete in Global markets.

Advanced SCM requires business partnering with overseas vendors, overseas subsidiaries, and overseas distributors.

Building an advanced SCM increases business export competitiveness thru faster response times, reduced costs, stronger business partnering, and greater customer satisfaction.



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