



For Immediate Release

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## **Supply-Chain Council Announces Winners of 2008 Supply Chain Excellence Awards**

### ***IBM, Lockheed Martin, Agilent Technologies and U.S. Air Force Recognized***

(Minneapolis—March 18, 2008) – IBM, Lockheed Martin Aeronautics Company, Agilent Technologies Inc., and the United States Air Force are the winners of the 2008 Supply Chain Excellence Awards, announced here today at the Supply-Chain World Conference & Expo.

The Supply Chain Excellence Awards are bestowed annually by the Supply-Chain Council (SCC), a global not-for-profit consortium and owner of the Supply-Chain Operations Reference (SCOR®) Model. The awards recognize organizations that understand the critical role of, and are committed to optimizing, supply chain performance.

IBM was awarded both the Award for Supply Chain Academic Excellence and Global Award for Supply Chain Excellence for its work in developing the SmartSCOR variation of the SCOR reference model. Agilent and the United States Air Force each received the Award for Supply Chain Operational Excellence—the former for its application of SCOR, Lean and Six Sigma to streamline and optimize its supply chain and the latter for its application of DCOR and SCOR to promote greater integration and collaboration among its organizations responsible for managing the lifecycle of the Air Force's products. Lockheed Martin Aeronautics Company was named winner of the Award for Supply Chain Management Technology Excellence for its development of an information technology solution for forecasting key raw materials used in the production of F-35 Joint Strike Fighter (JSF) aircraft.

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Winners are selected by the Supply Chain Council's Technical Development Steering Committee (TDSC) based on the nature and complexity of the organizations' improvement projects and their ability to demonstrate value. Recipients of the awards include some of the world's most influential organizations representing a wide spectrum of industries.

The awards are based on four principal criteria:

- Accurate demonstration of the implementation of the SCOR reference model
- Nature and the complexity of the project undertaken
- Ability to objectively demonstrate the value of the project
- Ability to characterize the project and effectively communicate its significance

"On behalf of everyone at the Supply-Chain Council, I congratulate the winners of this year's Supply Chain Excellence Awards," said Sean Simmons, executive director and CEO of the Supply-Chain Council. "We greatly appreciate their efforts, and the efforts of all past award winners, in contributing to the advancement of supply chain practices and the application of those practices in the pursuit of improved operational performance."

A discussion of 2008 award winners and their initiatives follows.

### **Award for Supply Chain Academic Excellence and Global Award for Supply Chain Excellence—IBM**

The Award for Supply Chain Academic Excellence is given to an organization that contributes superior research advancing the supply chain management body of knowledge. The recipient of this year's award is IBM, which is recognized for its SmartSCOR applied research project developed by the IBM China Research Laboratory in Beijing. This effort brought together advanced A&O (analytics and optimization) technologies, industry knowledge and standards in an integrated platform to make SCOR-based supply chain transformations "smarter." As part of the project, the IBM research team developed a comprehensive methodology to complement the technology platform and guide the effective implementation of SmartSCOR.

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Both IBM and its clients have benefited from the project. SmartSCOR has been adopted as a compulsory consulting tool by IBM's global supply chain management consulting team, which has more than 8,000 consultants. To date, SmartSCOR has successfully supported more than 100 consultant users from 29 countries for 27 projects and presale engagements. Through these projects, IBM's clients have been able to capitalize on the advanced technologies, concepts and insights in SmartSCOR to generate substantial supply chain performance improvement.

Further recognizing the significance and impact of the SmartSCOR project, the Supply-Chain Council also selected IBM as the recipient of the Global Award for Supply Chain Excellence. This award is given to the organization that is deemed to have made the greatest contribution to demonstrating or advancing the supply chain management body of knowledge within the past year through an implementation activity, research, product or methodology development, or academic research. The Global Award for Supply Chain Excellence recipient is chosen from the winners of the other excellence awards.

**Award for Supply Chain Operational Excellence—Agilent Technologies and the United States Air Force**

This award is given to an organization that operates significant components of a supply chain and has demonstrated excellence in the design, operation or improvement of that supply chain. Within this category, individual awards are made to one enterprise from industry and one organizational element of the U.S. Department of Defense.

Agilent, the industry representative, was recognized for its Malaysia operations' War on Waste (WoW) program. A premier manufacturer of test and measurement equipment, Agilent has a deep and highly complex supply chain due to the wide variety of products the company produces. The WoW program was designed to streamline and optimize Agilent's multiple supply chains across its divisions through the application of combined SCOR, Lean and Six Sigma methodologies.

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Agilent developed SCOR/Lean value-stream maps to foster a common understanding and appreciation of the different divisions' supply chains. The company analyzed these maps to identify areas to streamline and improve. After the areas of opportunity were prioritized by the benefits, risk and investment required, Agilent implemented Lean and Six Sigma tools to make the changes necessary to achieve the targeted benefits. To date, the WoW program has helped Agilent realize significant improvement in order-to-revenue conversion and supply chain productivity, as well as substantially reduced inventory levels across the company.

The United States Air Force received the award for its use of the DCOR and SCOR models as a standard framework to guide transformational projects that improve the integration and collaboration between the Air Force's Acquisition and Sustainment communities. This enables the Air Force to seamlessly link acquisition processes (research, engineering, test and evaluation, and procurement) to core sustainment processes (materials management, maintenance/repair, distribution, and product performance) to facilitate the creation of a perpetual value chain centered on continuous process improvement. With one of the most complex design and supply chains in the world, the Air Force relies on tools such as DCOR and SCOR to meet customer requirements in both peacetime and wartime by providing the right materials and equipment, to the right place, on time, every time at an affordable cost.

By uniformly applying the SCOR and DCOR frameworks, the US Air Force enables stakeholders from the Acquisition community to communicate with their counterparts in the Sustainment community using a common set of terms, definitions, metrics and data. This, in turn, helps the two groups develop a true end-to-end picture of a product's lifecycle and more effectively manage that product from concept through retirement. The DCOR and SCOR frameworks also give the Acquisition and Sustainment organizations ready access to best practices and methods for improving their performance.

### **Award for Supply Chain Management Technology Excellence—Lockheed Martin Aeronautics Company**

This award is given to the organization that develops a methodology or product that enables superior performance in supply chain operations. Lockheed Martin (LM) Aeronautics Company was recognized in this category for the forecasting technology tool it developed in support of its work on the F-35 Joint Strike Fighter (JSF) aircraft program.

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As the prime contractor for the JSF program, LM Aeronautics Company oversees a complex, multi-partner, multi-tier global supply chain moving toward producing one aircraft per day. This production rate poses challenges at every level of the supply chain, especially in the supply of key raw materials such as titanium, aluminum and composite materials. With raw material suppliers running at near capacity levels worldwide, LM Aeronautics Company needed a way to develop highly accurate forecasts to minimize the chance of parts shortages due to unavailable raw materials. The company launched and led an effort to build an information technology solution, called FoRM (Forecasted Raw Material) to gather required data from various suppliers' systems and generate a comprehensive, time-phased raw material forecast for the JSF program.

FoRM has benefited LM Aeronautics Company its partners, and its client in numerous ways. The company states the forecasts being generated by FoRM were immediately identified as having a higher level of fidelity than anything produced before. Pricing negotiations on composite and titanium were quickly undertaken. FoRM was instrumental in addressing Air Force concerns regarding out-year availability of titanium on future programs and the data was heralded as invaluable. And, the external composite raw material provider responded to FoRM's deployment by hiring a commodity manager to deal specifically with LM Aeronautics Company's needs and began investigating out-year manufacturing capacity to meet the demand calculated within FoRM.

### **About the Supply Chain Excellence Awards**

The Supply-Chain Council's Supply-Chain Excellence Awards spotlight world-class organizations that have recognized the critical role that supply chain performance plays in reaching organizational goals; are committed to optimizing their supply chain performance; and have demonstrated this commitment through the implementation of supply chain improvement projects. The purpose of the awards program is to encourage the continuous advancement of the supply chain management body of knowledge and the sharing of that information between organizations.

### **About Supply-Chain Council (SCC)**

The Supply-Chain Council (SCC) is a global non-profit consortium whose methodology, diagnostic and benchmarking tools help nearly a thousand organizations make dramatic and rapid improvements in supply chain processes. SCC has established the supply chain world's most widely accepted framework for evaluating and comparing supply chain activities and their performance. The framework – the SCOR® process reference model – lets companies quickly determine and compare the performance of supply chain and related operations within their company or against other companies. SCC continually advances its tools and educates sponsors about how companies are capitalizing on those tools. For information, visit [www.supply-chain.org](http://www.supply-chain.org); call +1 202-962-0440; or e-mail [info@supply-chain.org](mailto:info@supply-chain.org).

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