



ASCM-ENTERPRISE

Why Introduce This Designation? - Voice-of-Customer Feedback

- “We know what we want to do, but are **unsure** on how to get it done”
- “A specific designation that incorporates all elements of **CSR** throughout the enterprise does not exist”
- “This would **add to the set of benefits** we have come to expect from APICS”
- “Our board has been pushing for a more **formalized plan** to ensure our suppliers conform”
- “We as corporate leaders are **accountable**”
- “Our policies are in line with such an initiative but pushing that agenda is difficult as we can’t seem to **monetize the tradeoffs**”
- “How can we monetize the opportunity to build a compelling message for **investment decision?**”

Why Introduce This Designation? - Voice-of-Customer Feedback

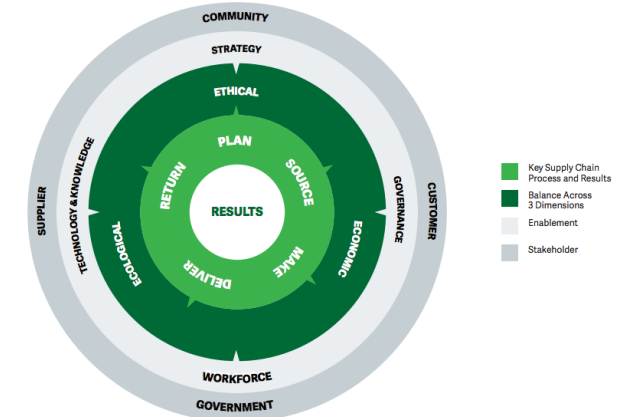
- “As our globalization extends, we feel more at **risk of violating our ethical policies . . .**”
- “A designation is nice, but figuring out a way to get these **key elements in play** is our primary concern . . .”
- “We are never sure where we stack up against our **competition**, benchmarking our efforts seems an impossible task . . .”
- “Our current team of talent **does not know how** to put sustainable, responsible supply chain practices in place . . .”
- “I feel as though we **don’t develop any innovative solutions** to our known sustainability challenges . . .”
- “There are **no standards** in this space . . .”
- “We want to lead in this space, but **how do we know** that we actually are?”

Designation Overview

Core Team Participant List

- APICS
- AT&T
- Avon
- Bill & Melinda Gates Foundation
- Boeing
- Boston Beer Works (Sam Adams)
- Ceva Logistics
- CHAINovation LLC
- Ericsson
- Intel
- Petrobras
- UI Labs

“A globally recognized designation for organizations who demonstrate the strategy, processes, governance and results of operating a ‘responsible’ supply chain that delivers the ‘ethical, ecological and economic’ elements throughout their ecosystem.”



Milestone Achievement Plan

- Project participant solicitation (March 2018) ✓
- Core Design Team established (April 2018) ✓
- Maturity Matrix Development & Survey Results (May/June 2018) ✓
- Framework Design Live Meeting (July 2018) ✓
- Designation Design (July 2018)
- Core Team & Organizational Validation Sessions (Aug 2018)
- 3rd Party Assessment Engagement Model (Aug 2018)
- ASCM-E Framework Design incl: Assessment Criteria, Metrics & Corresponding Benchmark (Sept 2018)
- Pilot Design (Sept 2018)
- Pilot Launched (Oct 2018)

22 Comparative Frameworks reviewed – full comparison done on TOP 9

3 Levels of Maturity

- Developing
- Improving
- Leading

3 Dimensions

- Ethical
- Ecological
- Economic

Target was 50 company participants - **ACHIEVED!**



Designation Framework Comparatives – No Other Framework was SC Specific and Enterprise-wide across the 3 dimensions

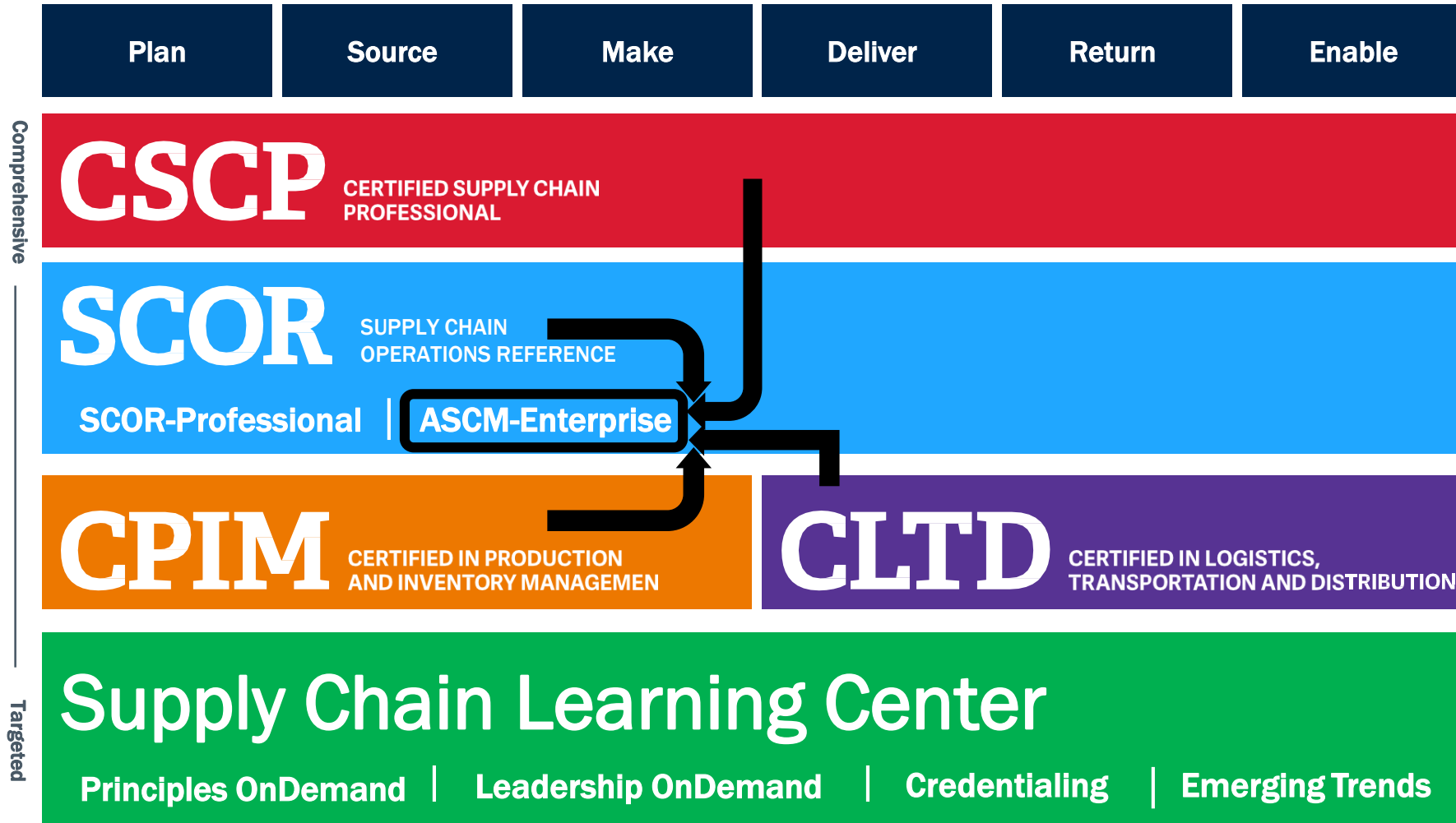
- Dow Jones Sustainability Index
- United Nations Global Compact
- Global Reporting Initiative(GRI)
- Guiding Principles of OECD
- ISO 26001, 14001, 9001 & 31000
- Baldrige Excellence Framework

Comparative Elements Reviewed

- General Concept
- Objectives
- Business Benefits / Disadvantages
- Relevance
- Process & Information Gathering
- Costs
- Documentation / Validation

APICS Body of Knowledge was fully leveraged in creating content

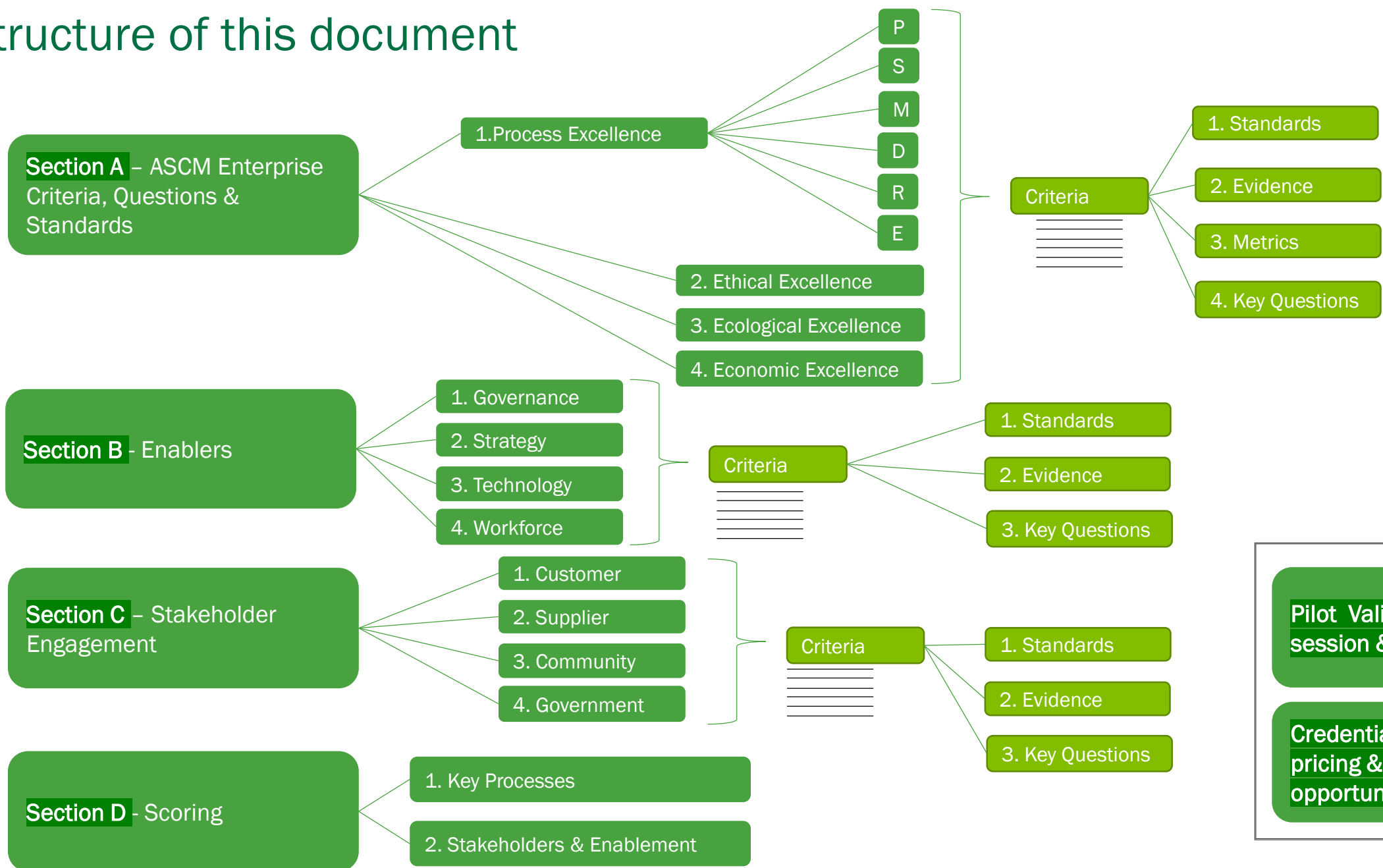
SUPPLY CHAIN MANAGEMENT



Leveraging body of knowledge from APICS and the community

- Incorporates body of knowledge from both SCOR and APICS learning systems
- Unique content with Similar structure to ISO, Baldrige, Dow Jones Sustainability Index, etc.
- Aims to empower an organization to reach it's goals, improve results, and be more competitive in today's global business world – through supply chain excellence

Structure of this document



ASCM-Enterprise (ASCM-E) Designation

Comprehensive evaluation of a supply chain results achieved across three dimensions:

Ethical

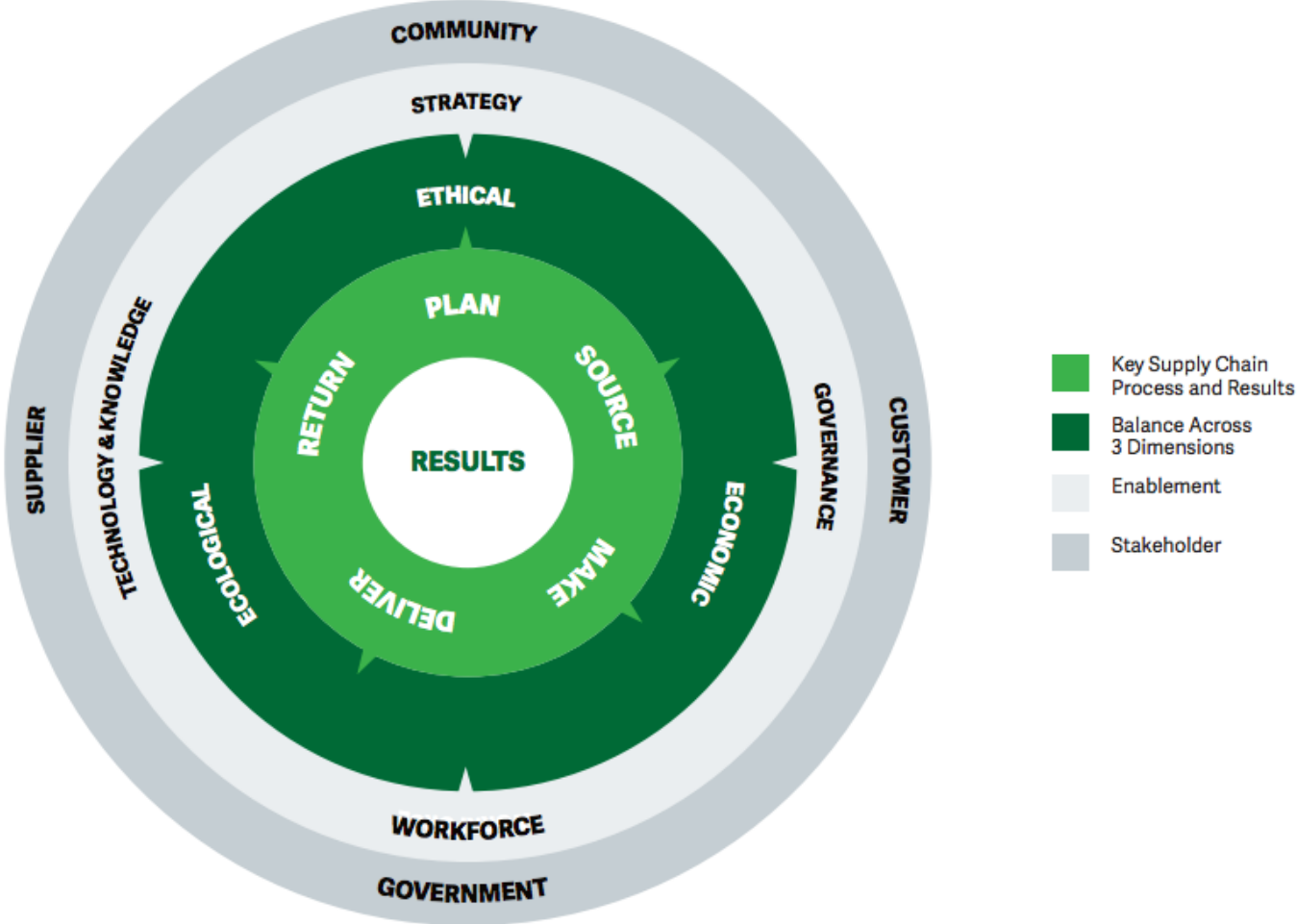
Criteria focuses on these areas of an organization’s supply chain: anti-corruption and anti-trust, codes of conduct, confidentiality of information, human rights and labor practices, intellectual property and patents, and responsible marketing and sales engagement.

Economic

Criteria focuses on business integrity and company reputation, board and corporate leadership, enterprise risk and crisis management, materiality index, responsible tax, supply chain strategy and differentiated operating models.

Ecological

Criteria focuses on these areas of an organization’s supply chain: circular economy, climate strategy, energy, water and waste, material usage, and, product life-cycle stewardship.



Process Excellence – Criteria List

1.1. Facility Master Planning

1.2. Lean Planning

1.3 Supply Network Planning

1.4 Modal Optimization

1.5 Extend Inventory Planning using Collaboration (Key Suppliers and Customers)

1.6 Supply Chain & Network Optimization

1.7 Improve S&OP process

1.8 Optimize Sourcing Decisions to Local Source Point

1.9 Supplier Research

1.10 Responsible Sourcing

1.11 Sustainable Sourcing

1.12 Total Cost to Serve

1.13 Supplier Diversity

1.14 Lean Manufacturing

1.15 Carcass Disassembly (Industry Specific)

1.16 Manufacturing Quality Improvements for Return Reduction

1.17 Waste Management & Disposal

1.18 Transportation Optimization

1.19 Process Invoice quote, receive, enter and validate

1.20 Perfect Pick Putaway

1.21 Efficient Pack Product

1.22 Load Vehicle Optimization and Digital Generation of shipping documents

1.23 Electronic Returns Tracking and Returns Management

1.24 Continuous Improvement

Process Excellence - SOURCE

1.10 Responsible Sourcing

1.10.1 Standards

- a. Minimum *ethical* standards to be demonstrated by suppliers include the following key areas*
- Compliance to laws and regulations of the ‘host’ country or overarching corporate Policy
 - Recognise and respect the right of their workforce to freedom of association
 - Prohibit the use of child labour
 - Do not tolerate inhumane treatment of their workforce, including any form of abuse or intimidation
 - Protect the safety and health of their workforce. This includes the maintenance of a healthy work environment which has a high emergency preparedness with reduced potential for occupational related diseases and injuries.
 - Make a contribution to the economic, social and educational well-being of the communities where they operate
 - Recognise the cultural heritage and traditions of indigenous communities
 - Be committed to transparency and accountability in their business dealings, supported by confidential “whistleblowing” channels.
 - Adherence to anti-corruption Policy
 - Adherence to anti-discrimination Policy
 - Adherence to anti-harassment Policy

**To be included within the assessment done for new suppliers and periodically for existing suppliers*

Process Excellence - SOURCE

1.10 Responsible Sourcing

1.10.2 Evidence

- Fair trade code of conduct
- Supplier Score card / Audit results
- Supplier selection process overview and assessment criteria document
- Contracts / SOPs with suppliers where clear assessment of ecological and ethical standards is in place / Raw Materials Sourcing Criteria
- Copy of applicable environmental / social responsibility certifications for the enterprise – E.G. ISO accreditations or proof of implementation (Quality, Environment, Risk, Social Responsibility)

Ethical Excellence – Criteria List

- 2.1 Anti-Corruption and Anti-Trust
- 2.2 Codes of Conduct
- 2.3 Confidentiality of Information
- 2.4 Intellectual Property and Patents
- 2.5 Human Rights and Labor Practices
- 2.6 Responsible Marketing and Trading Partner Engagement

Ecological Excellence – Criteria List

- 3.1 Energy, Water and Waste
- 3.2 Material Usage and Restriction
- 3.3 Climate Strategy
- 3.4 Product Lifecycle Stewardship
- 3.5 Circular Economy

Economic Excellence – Criteria List

- 4.1 Business Integrity and Company Reputation
- 4.2 Board and Corporate Leadership
- 4.3 Enterprise Risk and Crisis Management
- 4.4 Materiality Index
- 4.5 Responsible Tax
- 4.6 Supply Chain Strategy and Differentiated Operating Models

Strategy – Criteria List

- 1.1 Research and Innovation
- 1.2 Supply Chain Strategy and Execution
- 1.3 Vision and Core Values

Governance – Criteria List

- 2.1 Leadership
- 2.2 Process Governance
- 2.3 Health, Safety and Environmental Management
- 2.4 Risk Management and Transparency
- 2.5 Regulatory and compliance
- 2.6 Contracts & agreements
- 2.7 Adherence`

Workforce – Criteria List

- 3.1 Diversity and inclusion
- 3.2 Engagement
- 3.3 Empowerment
- 3.4 Skills and competencies
- 3.5 Learning and development
- 3.6 Health and Safety
- 3.7 Workforce feedback and grievance

Technology and Knowledge Management– Criteria List

- 4.1 Knowledge Management
- 4.2 Technology Management
- 4.3 Information Management

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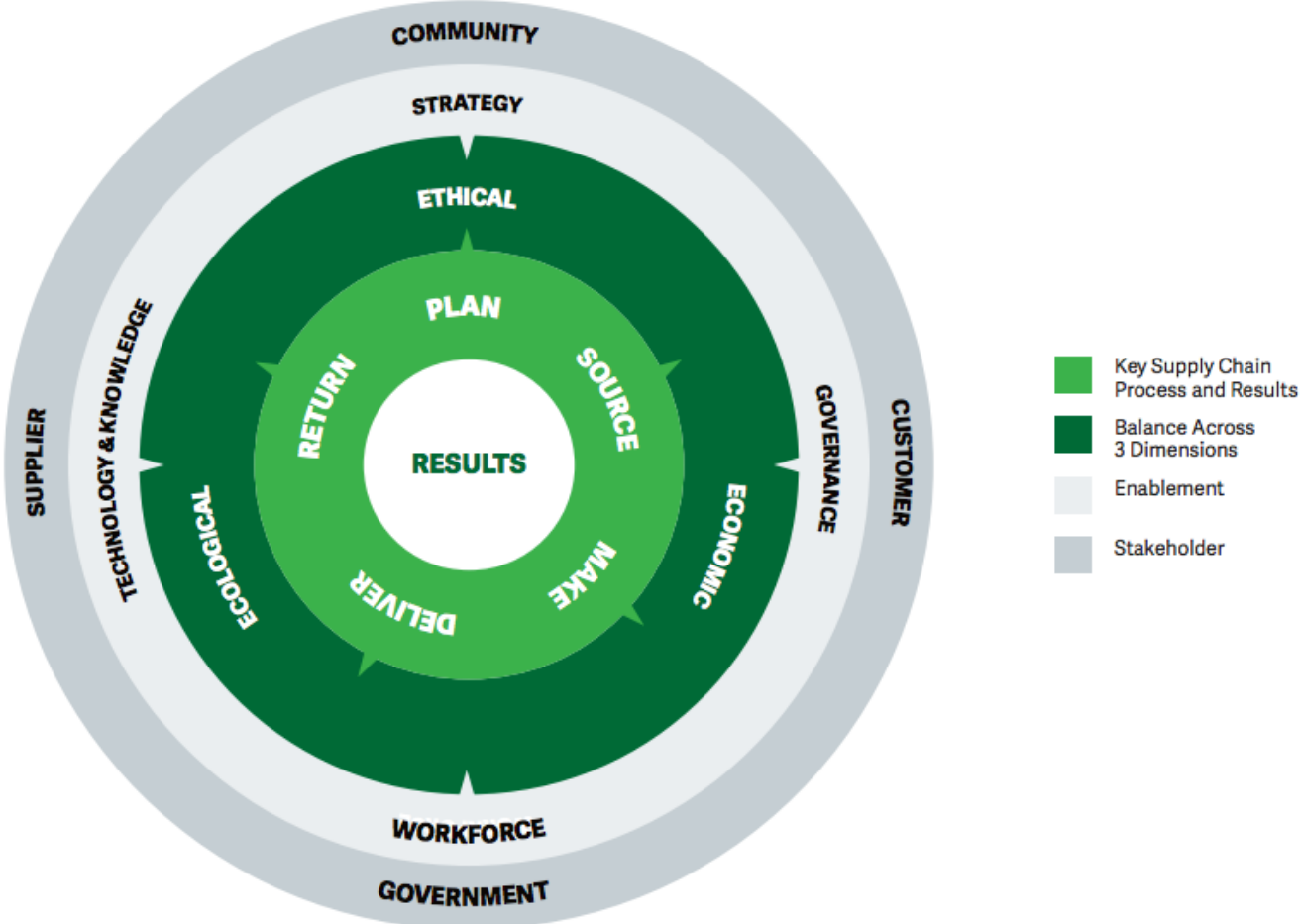
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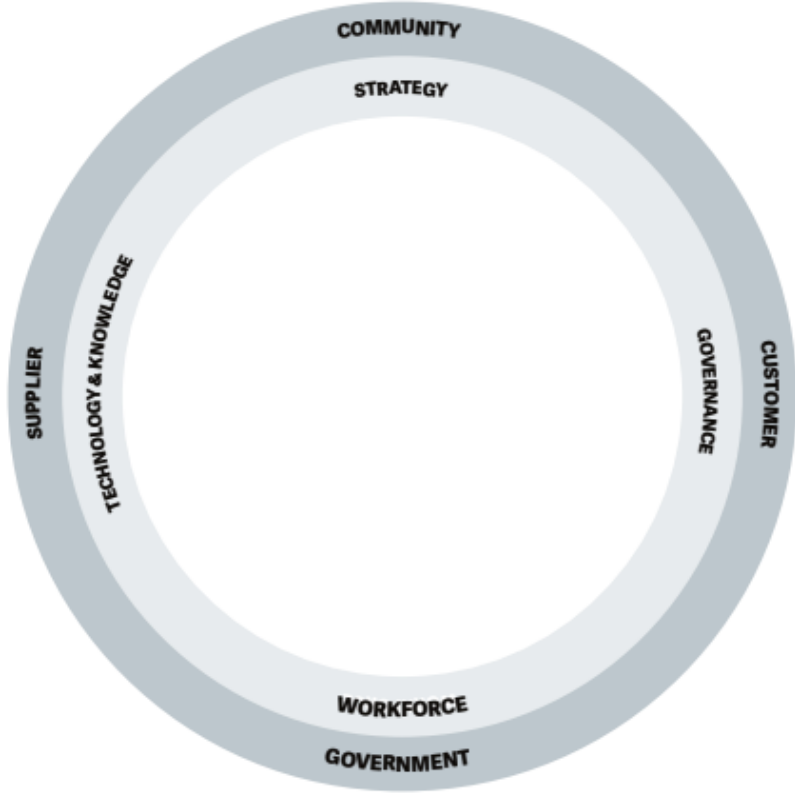


Designation Scoring



60% of Overall Score

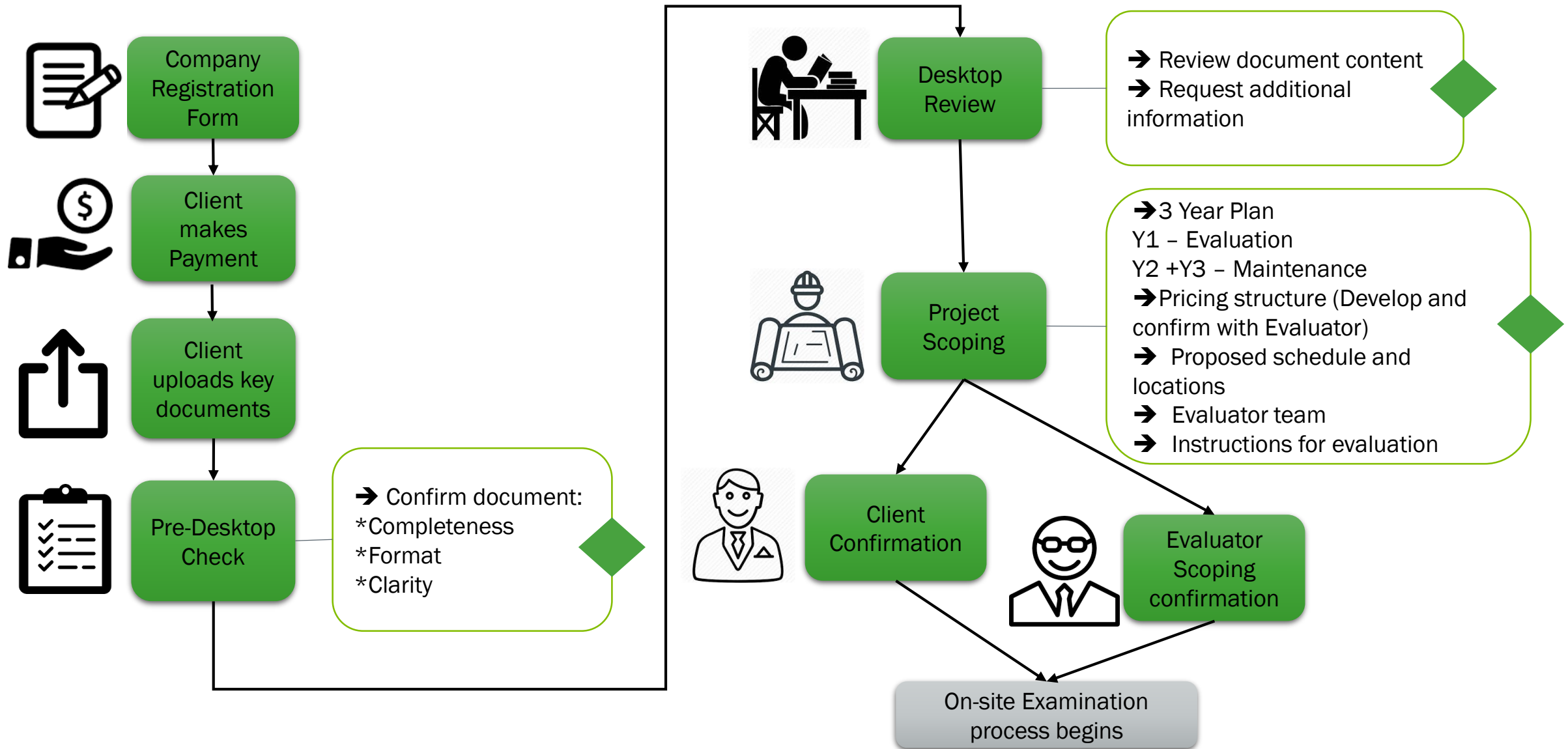
- Key Supply Chain Process and Results
- Balance Across 3 Dimensions



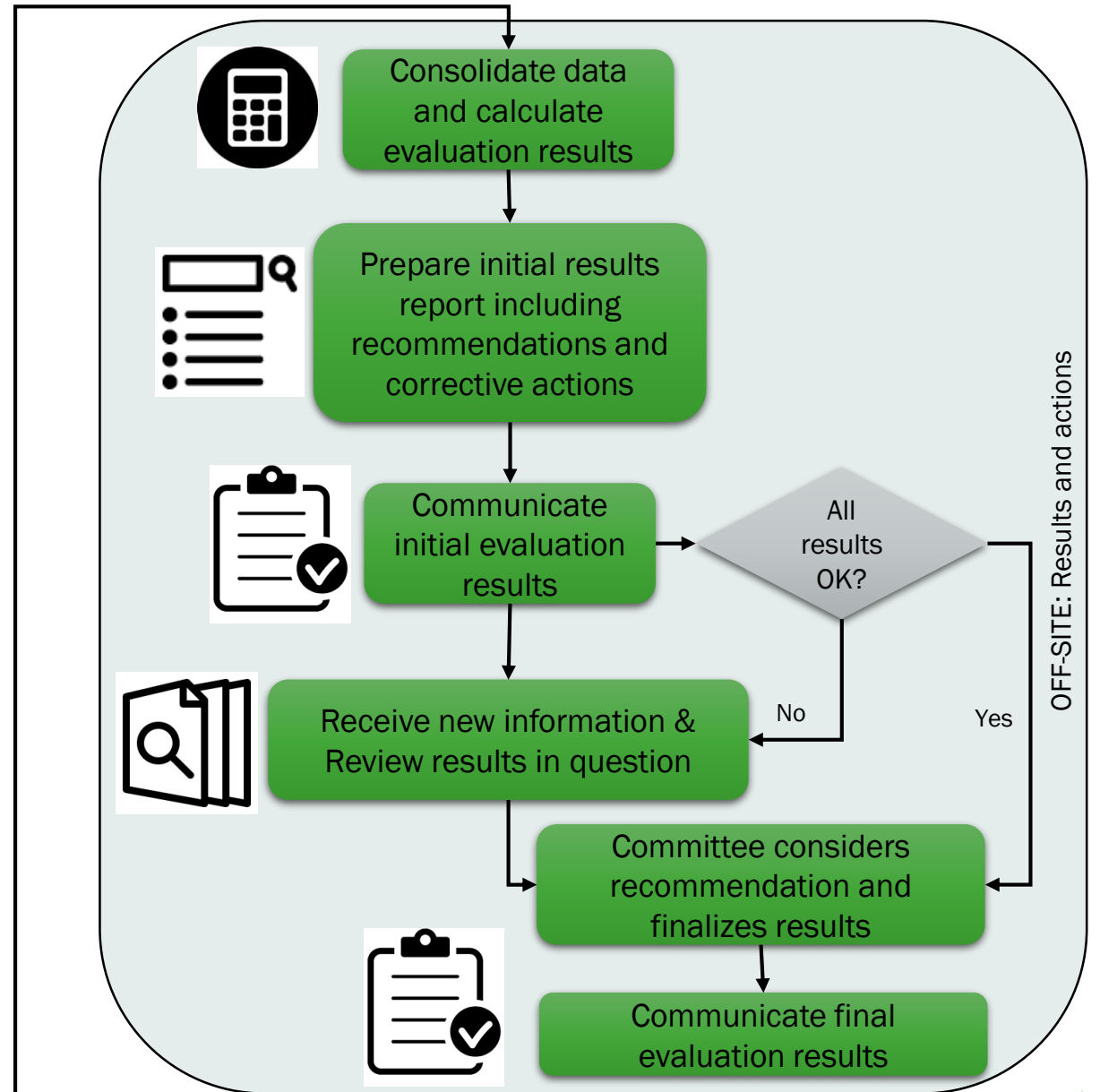
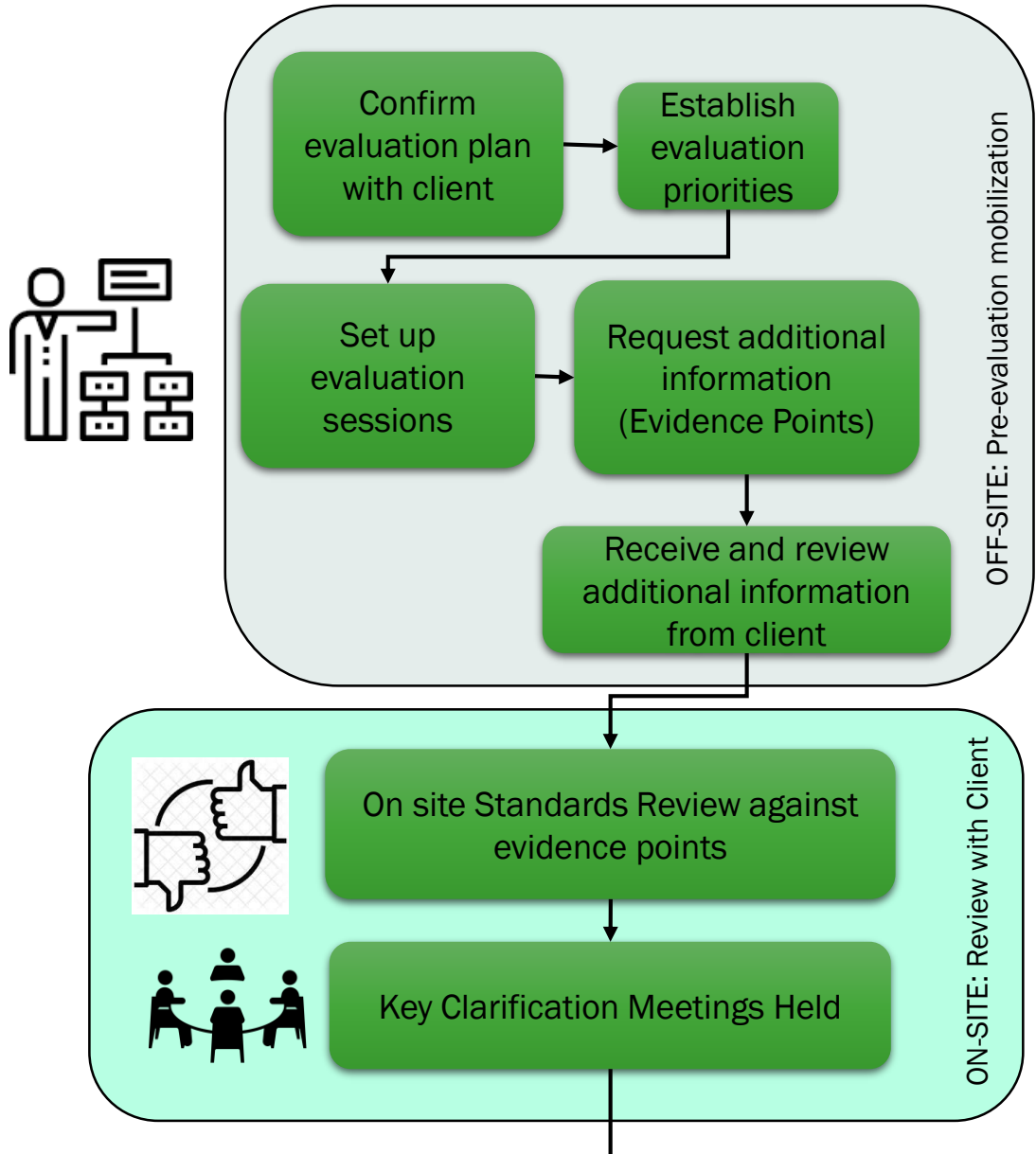
- Enablement
- Stakeholder

40% of Overall Score

ASCM-E Registration Process (Pilot)



ASCM-E Evaluation Process



IF interested in a copy of the standards –
Leave your business card with me or my
colleague, Grant

Thank you!