

ICS 35.240.50
CCS L67



**NATIONAL STANDARD OF THE
PEOPLE'S REPUBLIC OF CHINA**

GB/Z 26337.1-2010

**Supply chain management - Part 1: Overview and basic
principle**

供应链管理 第1部分：综述与基本原理

Issued on: January 14, 2011

Implemented on: January 14, 2011

**Issued by: State Administration for Market Regulation;
Standardization Administration of China**

Table of Contents

Foreword	III
1 Scope	1
2 Normative references	1
3 Terms, definitions and abbreviated terms	1
3.1 Terms and definitions	1
3.2 Abbreviated terms	2
4 Overview of the supply chain	2
4.1 General	2
4.2 Basic structure of the supply chain	2
4.3 Characteristics of the supply chain	2
4.4 Main types of supply chain	3
5 Supply chain management	4
5.1 General	4
5.2 Basic principles of supply chain management	4
5.2.6 The principle of rapid response	5
5.2.7 The principle of synchronized operation	5
5.2.8 The principle of dynamic reconfiguration	5
5.3 The content of supply chain management	5
6 Structure of the standards system for supply chain management	6

Foreword

GB/Z 26337, Supply chain management, comprises the following parts: Part 1: Overview and basic principles; Part 2: SCM terminology.

This part is Part 1 of GB/Z 26337.

This part was proposed by and is under the jurisdiction of the China National Institute of Standardization.

The main drafting organizations of this part are the China National Institute of Standardization, Yonyou Software Co., Ltd. and Beijing Shengxun Electronics Co., Ltd. The main drafters of this part are Wang Zhiqiang, Liu Jiangying, Nie Rong, Zou Yali, Yang Qinghai, Hong Yan and Liu Shouhua.

1 Scope

This part of GB/Z 26337 gives the basic principles of supply chain management and the structure of its standards system.

This part applies to the study of supply chain management, to product development and to application; other fields related to supply chain management may also adopt it for reference.

2 Normative references

The provisions in the following document become provisions of this part of GB/Z 26337 through reference in it. For dated references, subsequent amendments (excluding corrections) or revisions do not apply; however, parties reaching agreement on the basis of this part are encouraged to study whether the latest editions may be used. For undated references, the latest edition applies.

GB/T 18354-2006, Logistics terminology

3 Terms, definitions and abbreviated terms

3.1 Terms and definitions. The terms and definitions given in GB/T 18354-2006 and the following apply to this part of GB/Z 26337.

3.1.1 supply chain - the network structure formed, in the process of production and circulation, around a core enterprise, by linking the members involved - the suppliers of raw materials, the manufacturers, the distributors, the retailers and finally the end users - through upstream and downstream members.

3.1.2 supply chain management, SCM - the various activities and processes of planning the business flow, the logistics, the fund flow and the information flow in the supply chain comprehensively by means of information technology, and of planning, organizing, coordinating and controlling them.

3.1.3 business process - the commercial process of the transactions in the supply chain.

3.1.4 logistics - the physical process by which goods flow from the place of supply to the place of receipt. According to actual needs, the basic functions of transport, storage, loading and unloading, handling, packaging, distribution processing, delivery and information processing are combined organically. [Source: GB/T 18354-2006, definition 2.2]

3.1.5 fund flow - the process of the movement of funds that accompanies the commercial activities in the supply chain.

3.1.6 information flow - the process of the movement of information generated along with the business flow, the logistics and the fund flow in the supply chain.

3.2 Abbreviated terms. The following abbreviated terms apply to this part. SCM: supply chain management. ERP: enterprise resource planning. MRP: material requirements planning. MRPII: manufacturing resource planning. CRM: customer relationship management. SCOR: supply chain operations reference model.

4 Overview of the supply chain

4.1 General. This clause gives the basic structure, the characteristics and the main types of the supply chain.

4.2 Basic structure of the supply chain. The basic structure of the supply chain is shown in Figure 1, the network structure model of the supply chain: from the source of supply, through the supplier's supplier, the supplier, the core enterprise, the customer and the customer's customer, to the source of demand, with the information flow and the business flow running above the chain from supply through manufacture, distribution and retail to demand and the user, and the logistics and the fund flow running below it.

The business flow, the logistics, the fund flow and the information flow are the four constituent parts of the flow process, the four flows for short, and together they make up a complete flow process. The four flows exist for one another, are inseparable and act upon one another; they are both independent single series and a single combined whole.

Normally the logistics flows in the direction from the supplier to the user, the fund flow runs in the opposite direction, and the information flow and the business flow are two-way, because the demand information of the user is fed back upstream while the supply information of the supplier is passed downstream. The business flow is the starting point of the logistics, the fund flow and the information flow, and may also be said to be the precondition of the latter three flows: without the business flow, logistics, fund flow and information flow generally cannot take place. Conversely, without the matching and support of the logistics, the fund flow and the information flow, the business flow cannot achieve its purpose either. The four flows are often related to one another as cause and effect.

4.3 Characteristics of the supply chain. From the structural model of the supply chain it can be seen that the supply chain is a network structure, usually made up of the core enterprise together with its suppliers, its suppliers' suppliers, its customers and its customers' customers. An enterprise is a node, and the relation between one node enterprise and another is one of demand and supply. The supply chain has mainly the following characteristics: a) network structure - because the node enterprises making up the supply chain differ in span (level), the supply chain is often made up of many enterprises, of several types and even of several countries, so that the structural pattern of the supply chain is more complex than the structural pattern of a single enterprise; b) collaboration for mutual gain - the node enterprises of the supply chain take information sharing as the basis and the optimization of supply chain performance as the objective, make decisions collaboratively, always proceed from an overall point of view, adopt a win-win principle, trust

one another, unite and act in step, raise the flexibility of the whole supply chain and achieve the optimization of the value of the whole supply chain.

5 Supply chain management

5.2.6 The principle of rapid response. A supply chain enterprise must be able to respond quickly to a continually changing market; it must have a strong capacity for product development and for organizing production quickly, developing a continuous stream of customized personalized products that meet the diversified needs of the customer, so as to occupy the market and win the competition.

5.2.7 The principle of synchronized operation. The supply chain is a functional network made up of different enterprises, and the cooperative relations among its member enterprises are of several types. Whether the operating performance of the supply chain system is good or bad depends on whether the partnership in the supply chain is harmonious; only a harmonious and coordinated system can bring out the best efficiency. The key to supply chain management lies precisely in the close cooperation among the node enterprises on the supply chain and in good coordination among them in every respect.

5.2.8 The principle of dynamic reconfiguration. The supply chain is dynamic and reconfigurable. A supply chain is formed within a certain period, for a particular market opportunity and in order to adapt to a particular market demand, and has a certain life cycle. When the market environment and customer demand change greatly, the supply chain around the core enterprise must be able to respond quickly and to reconfigure itself dynamically and quickly.

5.3 The content of supply chain management. Supply chain management comprises five basic elements: a) planning - this is the strategic part of SCM; a strategy is needed to manage all the resources so as to meet the customer's demand for the product, and a good plan establishes a series of methods for monitoring the supply chain so that it can deliver high-quality, high-value products or services to the customer effectively and at low cost; b) procurement - selecting the suppliers able to provide the goods and services for the product and the service, establishing with them a set of processes for pricing, delivery and payment, creating methods of monitoring and improving management, and combining with them the management process for the goods and services the supplier provides, including taking delivery, verifying the invoice, transferring the goods to the production department and approving payment to the supplier;

c) production - arranging the activities needed for manufacture, testing, packaging and preparation for delivery; this is the part of the supply chain in which most is measured, including the measurement of the quality level, the product output and the productivity of the workers; d) delivery - also called logistics, this covers maintaining customer orders, building the warehouse network, taking delivery of goods and sending them into the