AMR Research Announces Rankings of Its 2010 Supply Chain Top 25

Material Handling Industry of America

AMR Research, a Gartner, Inc. company, has released the findings from its sixth annual Supply Chain Top 25. The goal of the Supply Chain Top 25 research initiative is to raise awareness of the supply chain discipline and how it impacts business.

"By embedding product and process innovation in supply chain operations and consciously managing and shaping demand from a customer, production and fulfillment standpoint, the companies included in our Top 25 are doing a lot more than just shipping," said Kevin O'Marah, group vice president at AMR Research.

"Twenty years ago, a typical product company had supply chain reporting to manufacturing, with responsibility mainly for inbound materials management and outbound shipping," said Debra Hofman, research vice president at AMR Research. "New data shows that supply chain reports to manufacturing in only 6 percent of companies surveyed, while 61 percent have the head of supply chain reporting directly to the CEO, general manager or president of the business. It seems clear that supply chain has grown up and the business has taken notice."

Apple held onto the No. 1 position for the third year in a row. This is the first time a company has been ranked No. 1 for three consecutive years in the Supply Chain Top 25 research. Analysts attribute Apple's success to its ability to consistently bring both operational excellence and innovation excellence to bear in some of the most competitive markets in the world. Apple has broken new ground in transforming a supply chain into a value chain by starting with the consumer experience and designing its network to serve that master first and foremost.

Second-placed Procter & Gamble (P&G) is the only company to have been in AMR's Supply Chain Top 25 for six years running, and it still commands tremendous respect among its peers, according to AMR Research. As one of the original pioneers of demand-driven principles in supply chain, P&G remains at the forefront of areas such as specialized production operations in emerging markets and has established new beachheads of leadership in other areas, including its use of innovation networks to tap external expertise for at least 50 percent of its new product ideas.

Cisco Systems has climbed steadily in AMR's rankings for five straight years, moving up two slots to No. 3 this year, while five companies — Research In Motion (RIM), Amazon.com, McDonald's, Microsoft and Inditex — joined the Top 25 for the first time in 2010.

"Many companies focus primarily on supply chain execution," Ms. Hofman said. "With ever-increasing unpredictability of demand, leaders also focus on improving their ability to sense changes and patterns in their environment — changes in demand, design, supplier risk and more — earlier than their competition."

"In designing your own supply chain strategy, take a cue from the leaders: Work outside-in, starting with your customers and working your way back and around your network of trading partners to design a profitable response," Mr. O'Marah said. "Remember that one size does not fit all, define how many supply chain types you have, and design a customized response for each."

Complete results and more detailed analysis is available in the report “The AMR Supply Chain Top 25 for 2010” [1].

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