Manufactures & service providers are facing tremendous problems in integrating their business due to increasing complexity and interdependence. The existing pool of management concepts, key performance indicators and reference frameworks fail to address adequately this challenge.

Manufacturing firms are increasingly becoming dependent on business services. Owing to such factors as cost reductions and a greater focus on core competencies, manufacturers have been constantly outsourcing their processes to external service providers. Services have proven their potential to not only contribute to the growth of the economy but have significantly depicted their importance for manufacturing. This fact has been duly acknowledged and highlighted by the European Commission stressing the strong and growing reliance of manufacturing on business services. Business related services (BRS) constitute the largest sector of the economy – nearly 55% of total employment in the EU market economy and representing around 70% of EU GDP. Nearly one third of BRS are consumed by the manufacturing sector directly, illustrating the vital nature of this dependence [European Commission].

Since business related services are the dominant player in the European market economy, their most important feature is their presence and integration into every stage of the value chain. Nonetheless, although BRS is growing, the productivity in BRS is stagnant and lags productivity growth in manufacturing, a matter of concern given their growing importance in the economy.

Within this context, the InCoCo-S initiative was proposed to enhance the European leadership in the service - supply chain domain by enabling coordination models & standards. InCoCo-S specifically focused on operation & integration of BRS in supply chains by developing a Service Oriented S-SCOR Reference Model. The vision of the project was the increase and sustainment the Overall Performance and Competitiveness of both Manufacturing Supply Chains and their Service Providers by means of this model.

Driven by this vision a very strong consortium of research institutes and industry was established to address these key concerns. Firstly, coordination concepts and best practices were developed in order to integrate the planning of manufacturers with that of service providers. For the moment, there are no such supporting tools suitable for this domain. Furthermore, InCoCo-S developed a Service Oriented Reference Model. This model integrates and standardizes new coordination procedures, performance metrics and decision support systems for enhancing the interactions between service providers and manufacturing supply chains. The Service performance measurement system (SPMS) constitutes a pool of Performance Indicators (PIs) organised in a hierarchical structure. By means of these PIs the performance of BRS-providers can be measured. The gained transparency helps both service providers and customers (manufacturing companies) in integrating their business.
In order to exploit the project results different approaches have been taken. Various consortium partners disseminate the Reference Model via consulting & training services. Additionally, FIR prepared a Public Available Specification (PAS) together with the German standardisation body DIN. Both processes and key performance indicators were validated by ten logistics companies. Finally, the formation of a non-profit organisation called Service Chain Council is supposed to facilitate the adjustment the reference model to new needs and disseminate the results to interested groups and industries.

Acknowledgement

This work was partly funded by the European Commission through NMP Project InCoCo-S (No. STRP-017192). The authors wish to acknowledge the Commission for their support. We also wish to acknowledge all the InCoCo-S project partners for their contribution.

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