## University of Pretoria etd $\frac{1}{82}$ Steyn, M M (2005)

#### **ANNEXURE**

Annexure A:	RISA strategic objectives	183
Annexure B:	The current RISA membership list	186
Annexure C:	A monthly breakdown of South African local sales	190
Annexure D:	A breakdown of local and international sales	191
Annexure E:	Sonopress SA price list	192
Annexure F:	Outlines for a service level agreement	194
Annexure G:	The re-ordering model	197
Annexure H:	Sales reports	200
Annexure I:	Questionnaire to players in the South African recording industry	204
Annexure J:	The scope of the SCOR processes	209

## University of Pretoria etd $\frac{1}{81}$ Steyn, M M (2005)

(and not only some) of a record company's operation logistical processes are outsourced to a third-party value-adding SCM service provider.

**Annexure A:** The Recording Industry of South Africa's (RISA) strategic objectives (www.risa.org.za/risa)

In broad terms, as discussed in Chapter 2 under point 2.5.3, RISA as an organisation is dedicated to improving the state of the South African recording industry and promoting and safeguarding the interests of all member record companies. The following seven detailed services are provided to the South African recording industry:

#### (a) Lobbying and Representation

- Provide a forum for the discussion of matters of common interest to members
- Promote dialogue between independent creative arms of the industry and address their opportunities, needs and problems, which are everchanging in the face of modern technology
- Represent the collective views of its members to the public, media, Government Departments and other organisations and persons
- Investigate and support or oppose any legislation or other measures affecting the industry at large

#### (b) Information and Research Support

- Serve as an information source, continually having available information on the state of the industry, new developments, trends and statistics (refer to the South African music sales figures discussed in Chapter 2 under point 2.7)

#### (c) Protection and Umbrella Defense

The protection and enhancement of the rights, including intellectual property rights, of members

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- The co-ordination of the industry's anti-piracy activities (discussed in Chapter 3 under point 3.8)

#### (d) Ethics and Standards

- Establishing and enforcing rules and regulations and a code of conduct for the regulation, maintenance and promotion of standards by members, their management, employees, directors and agents in their dealings with each other and with third parties
- The promotion of ethical business, to repress malpractices and investigate any other illicit activities detrimental to the industry as a whole and to settle disputed points of practice

#### (e) International Representation

- Establishing and maintaining bonds and reciprocity between the Association and similar associations elsewhere in the world
- Consultation and liaison with related bodies both on an international and national level, including Chambers of Commerce, Trade and Business and other mercantile and industrial bodies for the purpose of joint action in the interests of the industry and commerce

#### (f) Agency Services

Entering into contracts as agents on behalf of some or all of its members to promote and advance their interests

#### (g) Recognition and Awards

- Issuing of awards in recognition of music excellence by artists (refer to the South African Music Awards discussed in Chapter 2 under point 2.4.4)

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- Certification of sales achievement by record companies and artists (discussed in Chapter 2 under point 2.5.3)

#### **Annexure B:** The current RISA membership list

(www.risa.org.za/members)

<u>A:</u>

ABC Music Productions African Dream CC

African Cream Music African Meltdown Records (Pty) Ltd
Africa FTW Records Afrika Homebrew Entertainment
Ahimsa Music CC Aksie 1:8 Musiekbediening

Alpheus Music Productions CC Amanxusa Music Productions CC

Art of Joy Recording Studio CC Art Music

As-Shams Music CC AV Advertising t/a AVA Studios
Azam Khan's Recording Studios A Team Music Production CC

<u>B:</u>

Basia Music Productions

Bethu Music Productions

BFD Music Publishers and Marketing

Big Bee Music Entertainment Big Dawg Productions

Blue Horison Productions CC BMG Records Africa (Pty) Ltd

Boztor Productions CC

Buddy Electro Music CC

Bula Music (Pty) Ltd

<u>C:</u>

CCP Record Co. (Pty) Ltd CD's from Heaven

Chain Records CC Chissa Records (Pty) Ltd

Collaboration Music Colin Records, Music Publishers & Studio

CSR Cube Music

<u>D:</u>

Dagcity Music productions CC

Dalom Music Productions and Publishing

Da Most Records CC

Dashmesh International SA (Pty) Ltd

Dasmus Recording and Publication CC

David Gresham Record Co. (Pty) Ltd

Deiric Walsh Digital Cupboard

Dotted Line Entertainment CC Double Gold Music CC

<u>E:</u>

Eastcrew Music Publishers EMI SA (Pty) Ltd

EZ Music CC

<u>F:</u>

Feel Entertainment Fresh Music (Pty) Ltd

Flashlight Music CC

#### <u>G:</u>

Gallo Africa Limited Gia Records

Ghetto Ruff GMI

Grootboom Music CC Gospel Music Advancement CC

Grass Roots Studio Golden Productions
Grazioso Publishing and Distribution GRM International CC

Green House Groove City CC

GRC

<u>H:</u>

Heavy music Production and Records CC Herbron Ministeries

Hit City Records CC High Time music Enterprise

<u>I:</u>

IBM Music Productions Internet Distributors

Isaac Music Productions IPC Records

Izingane Zoma Music

<u>J:</u>

J and D Recording Studio

J.E.V. Records Music Productions

JNS Musiek Jostri Music Publishing

<u>K:</u>

Kalawa Records Kempen Music CC

Khaba Music CC

<u>L:</u>

Lee Thorp Entertainment Legend Music South Africa

Liyana Music Light Masters

Lovemore Tainments

<u>M</u>:

Machance Music Productions Macrik Entertainment CC

Makhoakhoa Music Productions CC Magrogen Marketing

Malekutu Music Productions Manetrade t/a Fuzzy Records
Marang Music CC Maranatha Record Company

Matmo Recording Company Mavuka Productions CC

MD Music Production MDK Records CC

Media Fusion Melodi Music Co.

Mike Fuller Music Records (Pty) Ltd Milestone Studios CC

Mist Records CC

MK Music CC t/a Afrikamusik

Mob Music (Pty) Ltd

Moelamash Productions CC

Moloi Chief Workz CC

Mogipa Entertainment CC Mo-Nyuku Entertainment (Pty) Ltd

Montreal Entertainment CC Moribo Music Publishers

Morning Star Music Publishing CC Mouse Mix Media CC

Mother Groove Records MP Tlama Music Productions & Records

Music For Pleasure Music Time Entertainment CC

My Flow Entertainment CC

<u>N:</u>

NC-Links Music Productions New Dimension Music

New World Music Recording CC

Nu Age Music NW Records CC

<u>0:</u>

Onixon Records CC

<u>P:</u>

Password International Patrick van Blerk Music
Phase 2 Records CC Popham Road Studios

PS Records Punana Jams Recording & Promotions

Puncho Richards Music Productions

<u>Q:</u>

Qadi Entertainment Productions Que Records

<u>R:</u>

Rampant Records Readers Digest Association SA (Pty) Ltd

Red Tomahawk Richie-S Records CC
Rhema Ministries Ancillary Risana records CC

RPM Record Company (Pty) Ltd Roopanands

<u>S:</u>

Sabsam Music Publishing CC
Sampsongs
SD Music Productions
Select Music
Seven Entertainment
Seven Words of Jesus Opostolic Church
Shandel Music

Sharirisa Music CC
Shifty Records
Sharic Church
Shandel Music
Sharide Sharide

Skratch Music SA CC Sollymans Recording Studio

Songo Records CC Sony Music Entertainment SA (Pty) Ltd
Soulman Sol Music South Coast Music and Video Productions

Sovereign Entertainment Sizoqhubeka Recording Enterprises

Sulushelo Promotions CC S.N.A.B. Music Recording Co. (Pty) Ltd
Sting Music (Pty) Ltd Sweet Sounds Music Productions CC

<u>T:</u>

Tacc Record Company TalentLab & Recording Studio

Tau Productions CC Tetelstai Multi productions (Pty) Ltd

Tequila Records TK Productions

Tlatso Makhetha Music Production Toboyi Music Publishing
Trio Records (Pty) Ltd Triple Record Company

Treasure records CC Tsop Recording Co.

<u>U:</u>

Universal Music Co. Universal Sound & Music Co.

Uthuli Music CC

<u>V:</u>

VMP Music Vision Music

Virgin Records Vuka Back to Africa

VKC Music Productions CC

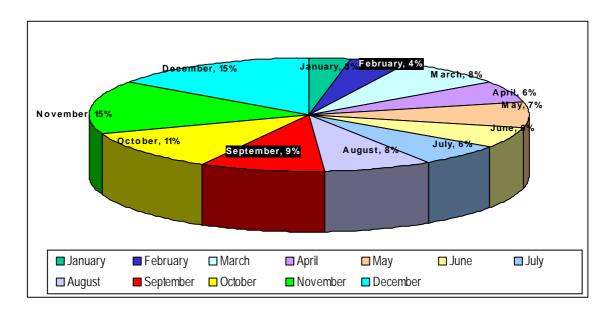
<u>W:</u>

Wolla Music 7 Entertainment

<u>Y:</u>

Y2K Music Production & Entertainment

Annexure C: An average monthly breakdown of South African local sales



**Source:** <u>www.risa.org.za</u>

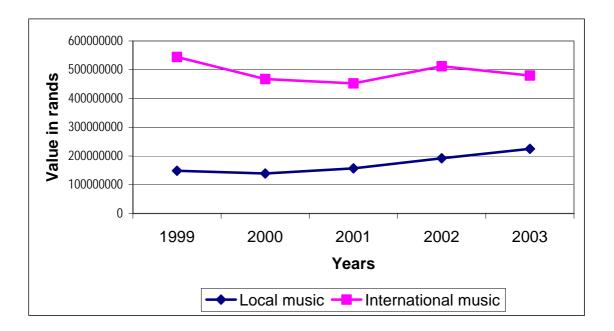
In the pie-chart above, the turn-over of the South African recording industry is broken down into a monthly sales chart, with each slice of the pie depicting one calendar month. The percentages displayed are the average percentages of the sales amounts achieved during the last three years (2001 to 2003).

Note that only sales by local South African artists are included in this chart.

Once again the strong seasonality of the music industry is displayed here. November and December represent 15% each of the total yearly sales of local music. The lowest sales occur in the months of January with 3% and in February with 4% of the sales value.

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**Annexure D:** A breakdown of local and international sales



In the graph above, the line at the top depicts the value of international music sold in South Africa over a five-year period (*i.e.* music performed by non-South Africans). Note the steady *decrease* or decline of international music sold in South Africa.

The bottom line depicts the value of local music sold in South Africa (*i.e.* music performed by South African artists and bands). Note the slight *increase* in the sales value of local music sold.

**Annexure E:** *Sonopress SA* price list

(www.sonopress.co.za)

Below is listed the criteria and prices of one of South Africa's largest compact disc (CD) manufacturers. The information is divided into three sets which depicts the three main processes of CD manufacturing.

(a) Glass mastering and Matrixing

Prior to compact discs being replicated, the master input medium as supplied by the customer, must first undergo a glass mastering process. The end product of this process is a nickel master, from which 'stampers' or moulds are made using a precision electroforming system. It is from these stampers that the discs are replicated, each an exact copy of the original medium, using an injection moulding process. In order to eliminate costly delays, it is important that all input media conform to specifications. The list of precise specifications is lengthy and can be obtained form *Sonopress* directly.

The cost for the testing and glass mastering is currently R1 550.00, and the cost for the manufacture of the stamper is R260.00 (all prices are excluding VAT). Note that these testing, pre-mastering and glass mastering charges are not charged on single-title orders exceeding 2 000 units per order.

(b) CD replication and CD label printing

The prices listed in the table on the following page are ex-*Sonopress* factory and exclude VAT and any statutory and regulatory levies or duties. Prices are based on replication with a two-colour silkscreen print on the CD - as derived from the customer-supplied artwork. Additional colours, up to a maximum of six, can be added and are charged at an extra R0.15 per colour per disc. The prices listed in the table on the next page are for audio CD's only, according to order size and in rand value.

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A varying process set-up charge, at a rate of R75.00 per CD label colour, and irrespective of order size, will also apply. Thus, the process set-up charge for a one-colour CD label is R75.00, two-colour is R150.00, three-colour is R225.00 and so on.

ORDER QUANTITY	UNIT PRICE
less than 250 units	R5.59
250 – 499 units	R4.59
500 – 999 units	R4.10
1 000 – 4 999 units	R3.79
5 000 – 9 999 units	R3.59
10 000 – 24 999 units	R3.39
25 000 – 49 999 units	R3.19
50 000 – 99 999 units	R2.99
100 000 – 249 999 units	R2.79
250 000 – 499 999 units	R2.59
more than 500 000 units	R2.53

#### (c) Packaging

To the above prices per disc, the following charges must be added as per the customer's specialised and specific packaging needs:

ITEM	UNIT PRICE			
Standard jewelcase with black or clear tray	R1.10			
Hand-packing of jewelcase	R0.10			
Overwrap / shrinkwrap of jewelcase	R0.12			
Application of customer-supplied stickers	R0.10			

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#### **Annexure F:** Outlines of a Service Level Agreement (SLA)

A Service Level Agreement is an agreement between the provider of an outsourced service and its principal or customer that quantifies the minimum acceptable service to the latter. The object of the supplier should be to maintain adequate capacity and resources to deliver the agreed performance targets for the required volumes.

Through both primary and secondary research (Rothery and Robertson 1995: 195 – 198), the following five main elements of a SLA were identified. Important aspects or points to consider under each element are also listed:

#### (a) Identification of service parameters

- Supplier availability (e.g. on weekdays, weekends and holidays)
- Turnaround or delivery lead times
- Deadline achievement
- Response time to any requests, queries or problems
- Security (of physical stock and / or intellectual property)
- Meeting the set quality levels
- Unifying the corporate goals of the customer and the outsourced function
- Committing the customer to forecasts
- Deciding on charging rates
- Controlling the impact on the users
- Determining whether the service levels reflect the business objectives and priorities
- (b) Quality indicators are useful tools in evaluating the outsourced service. Two examples are listed on the following page:

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- A comprehensive year-on-year trend analysis
- Measurements of the attainment of the key service level indicators, *e.g.* the number of objectives committed to and the number of objectives not met

#### (c) Possible elements in the SLA

- Mission statements by both parties
- Business targets
- Corporate plans
- Business analysis
- System specifications
- Service level specifications
- Service portfolio's
- Capacity plans
- Service level agreements
- Personnel and human resource policies
- (d) Regular service level reports will improve the management of the outsource deal. Reports can be drawn-up according to the customer's preferences and specifications and may include information on the following:
  - Performance management
  - Capacity management
  - Security management
  - Quality management
  - Change management
  - Problem management

#### (e) Making the SLA work

Five control systems have been developed which should all help to make the outsource relationship a success. These systems are listed on the following page:

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- Monitor and quantify the achieved service levels versus the set targets
- Hold frequent service review meetings
- Hold frequent customer review meetings
- Include accountability in the supplier's job description
- Introduce frequent supplier staff appraisals

**Annexure G:** The re-ordering model

The three re-ordering parameters, as explained in Chapter 6 under point 6.3.5 in the

thesis, are:

- The amount of units sold during the previous week (a five working day period)

- The amount of stock currently in the warehouse

- The characteristics or status of the title

Re-ordering example and calculation:

In this example, 'Artist ABC' has released a music title called 'MUSIC XYZ' through an

independent local record company. 'Artist ABC' has three previous releases and his

record company will spend a substantial amount of money on marketing this artist's

new title.

The status of this music title (the third parameter above) can thus be calculated as

follows (three individual values are awarded for the following three characteristics):

(d) The status of the releasing artists

This artist has an average local following and will be awarded with a 5, which is

an average rating.

(e) The artist has three previous releases, which is a 3 on the scale.

(f) The amount of marketing performed:

- A substantial amount of money has been spent on television, radio and

printed advertisements

An average amount of marketing collateral has been manufactured (full-

colour posters, pamphlets, T-shirts and stickers)

- The artist has received a substantial amount of free publicity from the local press
- The artist has been involved in concerts and tours around the country

The rating on this criteria (marketing performed) will be a 7.

The above three values can thus be tabulated as follows:

(a) Artists status	1	2	3	4	<u>5</u>	6	7	8	9	10
(b) Number of previous releases	1	2	3	4	5	6	7	8	9	10
(c) Marketing performed	1	2	3	4	5	6	<u>7</u>	8	9	10

When the 5, 3 and 7 are added, the total mark is 15. This value is then divided by 3 to obtain the end-value, which is a 5.

A total value of between 1 and 3 will imply a weak or poor status, 4 to 7 will mean an average status and 8 to 10 a high or excellent status. The status multiplication values are:

A status value of between 1 and 3 (weak) implies a multiplication value of 1.

A status value of between 4 and 7 (average) implies a multiplication value of 1.1.

A status value of between 8 and 10 (excellent) implies a multiplication value of 1.2.

To use the re-ordering calculation, the record company must first determine the status of the title (as explained above), then the sales for the last week and the stock on hand in the warehouse. The information for these last two parameters can be obtained from the reports provided by the SCM company.

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In this example, it is assumed that:

1. Units sold: 1 500 units in the last week

2. Stock on hand: 760 units on hand in the warehouse

3. Status of the title: a value of 5 was awarded (refer to the calculation above),

which means that the title has been awarded with an

average status and has a multiplication value of 1.1.

The re-ordering formula is:

Sales - Stock = Re-order amount multiplied by status multiplication value

 $1500 - 760 = 740 \times 1.1$ 

= 814 units to be re-ordered

The record company will thus re-order 814 units of the title 'MUSIC XYZ' by the 'ARTIST ABC'.

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**Annexure H:** Sales reports

The way in which record companies currently manage their business operations

(MODEL A), requires that the record company manage all their own logistical

processes, including the management of their own stock and sales. The record

companies also have to create their own reports which is necessary for any and all

future decision making (regarding issues such as stock procurement, repeat orders,

operations, marketing, sales and others).

In the proposed outsourced MODEL B, the record company's SCM partner company

orders and controls all inventory (including the sales and physical distribution

functions). All stock is kept in the warehouses of the SCM company and it is therefore

responsible for stock management and control, both physically as well as on the

company's Management Information System (refer to the functions of the MIS

discussed in Chapter 3 under point 3.2.2 as well as in Chapter 6 under point 6.7.1). The

MIS will generate all reports as required by both the SCM company and its record

company client.

Two different types of sales reports are shown and discussed on the following page. The

two reports contain the following information:

The 'Sales by title' report alphabetically lists all the music titles of a specific

record company. The report then includes the sales figures for each title for the

specific periods as required by the record company

The 'Sales by dealer' report alphabetically lists all music dealers in the trade (i.e.

wholesalers, retailers, independent stores and others), which are listed as debtors

of the SCM company and to which the SCM company sells the music titles of its

record company clients. The report then includes the sales figures for all titles

per dealer for the specific periods as required by the record company

## University of Pretoria etd $\frac{1}{201}$ Steyn, M M (2005)

#### 1. Sales by title report

Title	Artist	To date	Month	6 Months	
Part number	Genre	Week	3 Months	Year	
Amazing Music	Mister DJ	2887	112	669	
CD-2568	Gospel	51	285	1635	
Best of the Best	Various	12337	4872	12337	
CD-7596	Pop	1532	12337	12337	
Choir music	ZZC Church	28755	34	174	
CD-2236	Gospel	12	87	351	
Favourite songs	The Brothers	2998	2354	2998	
CD-9814	Rock	880	2767	2998	

Notes, deductions and conclusions on the 'Sales by title' report:

- (a) The first title on the report (CD-2568) was released 18 months ago, but remains a very average seller. The title is probably labelled as a 'catalogue item', which means that it is not a top-seller but has a constant flow of average sales. Manufacturing will continue as long as there are sales reflected. No additional capital will be spent on marketing the title.
- (b) The second title (CD-7596) was released less than six months ago note that the sales for the three and six month, as well as for the year to date and all time sales are exactly the same. This title has very good sales figures and will probably remain on the record company's top-seller list for a couple more weeks.
- (c) The third title (CD-2236) was release more than five years ago. When looking at the all time sales figure, it is clear to see that this was a very successful title that sold a lot of units. Unfortunately sales for the last year have been very low and production of this title will probably be terminated shortly.
- (d) The fourth title (CD-9814) was released six months ago, note that the six month and all time sales figure are the same. Initially, this title had very poor sales. It

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sold only +/- 650 units during the first five months after its release. The record company then marketed this title heavily and the performing artists undertook a nationwide tour. As can be seen in the report above, it was a very successful campaign and sales increased dramatically over the last month.

#### 2. Sales by dealer report

Dealer	Title	Artists	To date	Month	6 Months	
Address	Part no.	Genre	Week	3 Months	Year	
ABC Music	Best of the Best	Various	258	91	258	
Hatfield (Pta)	CD-7596	Pop	36	258	258	
ABC Music	Amazing Music	Mister DJ	662	35	190	
Hatfield (Pta)	CD-2568	Gospel	11	88	327	
ABC Music	Favourite Songs	The Brothers	98	31	98	
Hatfield (Pta)	CD-9814	Rock	21	43	98	
Best Records	Favourite Songs	The Brothers	46	33	46	
Hillbrow (Jhb)	CD-9814	Rock	17	39	46	
Best Records	Best of the Best	Various	241	85	241	
Hillbrow (Jhb)	CD-7596	Pop	27	241	241	
Best Records	Amazing Music	Mister DJ	545	26	180	
Hillbrow (Jhb)	CD-2568	Gospel	8	71	463	

#### Notes on Sales by dealer report:

- (a) Stores are listed alphabetically. Titles are listed according to the amount of units sold over the last week, with the title with the highest sales value listed first.
- (b) ABC Music in Hatfield, Pretoria is an average-sized independent music store. The students at the University of Pretoria are their main target market. Note that their biggest seller for the last week has been a pop album. They have also sold some gospel and rock music.

## University of Pretoria etd $\frac{1}{203}$ Steyn, M M (2005)

(c) *Best Records* in Hillbrow, Johannesburg, is a music wholesaler. They buy stock directly from the record company and then sell it on to smaller independent stores. They generally stock all types of music.

**Annexure I:** Questionnaire to players in the South African recording industry (*i.e.* local record companies, their clients and suppliers)

Note:

Respondents were handed the Questionnaire and asked to complete their answers on a separate piece of supplied paper. Afterwards, their answers to the questions were discussed and a further interview followed if necessary.

#### (a) Personal profile

- 1. Name of person being interviewed?
- 2. Please elaborate on your job description and list your functions and responsibilities within the company.
- 3. How many years have you been employed by the company and how many years have you spent in your current position?

#### (b) Company profile

- 1. What is the full registered name of the company where you are employed?
- 2. What type of company is it / what is the company's main business function? (*e.g.* a record company, music dealer, supplier, supply chain management company or other)

3. What is the nature of the business / type of product and product characteristics? (*e.g.* managing artists, buying and selling music, manufacturing compact discs or other)

#### 4. Company characteristics:

- How many offices do your company have? (both in South Africa and internationally)
- What is you distribution area? (e.g. regional, national or international)
- How many client companies / debtors do you have? (i.e. customers)
- What is the number of employees in your company?
- 5. Annual sales figures: (not compulsory)
  - If applicable, what is the volume sold (*i.e.* unit quantity)
  - What is the company's yearly turnover (i.e. rand value)
- 6. Assessment of potential internal company strengths:
  - What are the company's core competencies in key areas?
  - Does the company posses adequate financial resources?
  - Is the company perceived to be a potential market leader?
  - Does the company have access to economies of scale?
  - Is the company insulated from strong competitive pressures?
  - Does the company own proprietary technology?
  - Does the company have any cost advantages? If so, what are they?
  - Does the company have any product innovation skills?
  - Does the company have a proven management team?

#### (c) Industry profile

- 1. What is the overall size of the market in which your company is operating?
- 2. Scope of competitive rivalry:
  - Describe the competitive rivalry amongst competing sellers (other record companies or other music dealers).
  - Is there a threat of potential new entries into the relevant market?
  - Is there competition from substitutes? (*i.e.* titles released by competitors)
  - What is the perceived power of your suppliers?
  - What is the perceived power of your customers?
- 3. What is the relevant market growth rate? (annual percentage)
- 4. At what stage of its life cycle is the industry? (new / mature / declining etcetera)
- 5. How many companies in South African are operational in this industry?
- 6. How many major customers are there in the industry? (number of buyers)
- 7. What is the perceived ease of entry and exit into the industry?
- 8. What are the current and relevant experience curve effects?
- 9. What are the dominant economic characteristics of the industry environment? (*e.g.* industry structure, capital requirements, scale economies and others)
- 10. What is the industry's perceived long and short term profitability?

- 11. What are the main driving forces in the industry?
- 12. What are the important key success factors in the industry?
- 13. Are their any new industry prospects and what is the overall attractiveness of the industry?

#### 14. Potential external opportunities:

- What is the company's ability to expand into new markets or segments?
- What is the company's ability to transfer skills or technological know-how?
- Is the company currently integrated forward or backward? If so, please supply details.
- Could the company enter new foreign markets?
- Could the company make use of new and / or improved technologies?

#### 15. Potential external threats

- Is there the possibility of entry of lower-cost foreign competitors?
- Is there a rising in the sales of substitute products?
- Is there an adverse shifts in foreign exchange rates?
- Are their any detrimental regulatory requirements?
- Are any new technologies threatening the company or industry?

## University of Pretoria etd $\frac{1}{208}$ Steyn, M M (2005)

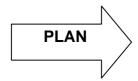
- (d) Processes (if any) outsourced to value-adding third-party supply chain management service providers (relevant to record companies only):
  - Are any business activities outsourced to third parties? (*e.g.* procurement, warehousing, physical distribution, sales, order entry, reporting, debt collection or other). If so, please supply details.
  - Does the company have any Service Level Agreements in place? If so, please supply details on the nature of contracts, time frames etcetera.
  - If relevant, please elaborate on the management of the outsourcing process at all levels.

# **Annexure J:** The scope of the SCOR processes (www.supply-chain.org)

The five processes of the Supply Chain Operations model (SCOR) are listed below:

#### **Process 1:**

#### Demand / Supply planning and management



- balance resources with requirements and establish / communicate plans for the whole supply chain
- manage business rules, supply chain performance, data collection, inventory, capital assets, transportation, planning configuration and regulatory requirements and compliance
- align the supply chain unit plan with the financial plan

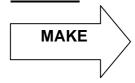
#### **Process 2:**



# Sourcing stocked, made-to-order and engineer-to-order product

- schedule deliveries, receive, verify and transfer product and authorise supplier payments
- identify and select supply sources when not predetermined
- manage business rules, asses supplier performance and maintain data
- manage inventory, capital assets, incoming product, supplier network, import / export requirements and supplier agreements

#### **Process 3:**



## Make-to-stock, make-to-order and engineer-to-order product execution

- schedule production activities, issue product, produce and test, package, stage product and release product to deliver
- manage rules, performance, data, work-in-progress,
   equipment and facilities, transportation, production network
   and regulatory compliance for product

#### **Process 4:**



# Order, warehouse, transportation and installation management for stocked, made-to-order, engineer-to-order and retail product

- all order management steps from processing customer inquiries and quotes to routing shipment and selecting carriers
- warehouse management from receiving and picking product to load and ship product
- receive and verify product at customer site and install, if necessary
- invoicing customer
- manage business rules, performance, information, finished product inventories, capital assets, transportation, product life cycle and import / export requirements

#### **Process 5:**



# Return of raw materials (to supplier) and receipt of returns of finished goods (from customer), including defective, MRO and excess products

- all return of defective product steps from authorising return, scheduling product return, receiving, verifying and disposition of defective product as well as return placement or credit
- return excess product including identifying excess inventory, scheduling shipment, receiving returns, approving request authorisation, receiving excess product, verifying excess and recover and disposition of excess product
- manage return business rules, performance, data collection, return inventory, capital assets, transportation, network configuration and regulatory requirements and compliance

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