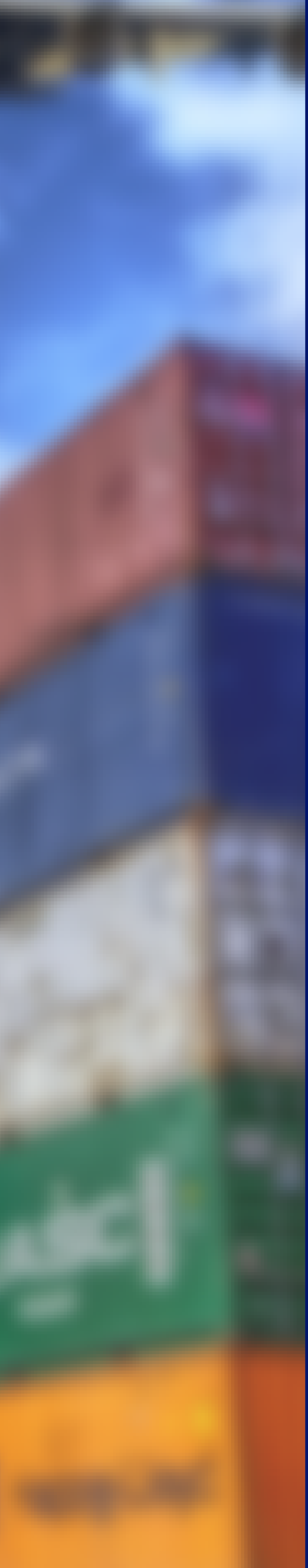
Competitive Supply Chains

Process & Strategy Solutions

Supply Chains have been rapidly changing over the past few years



But how do you tame the wild changes and remain profitable?

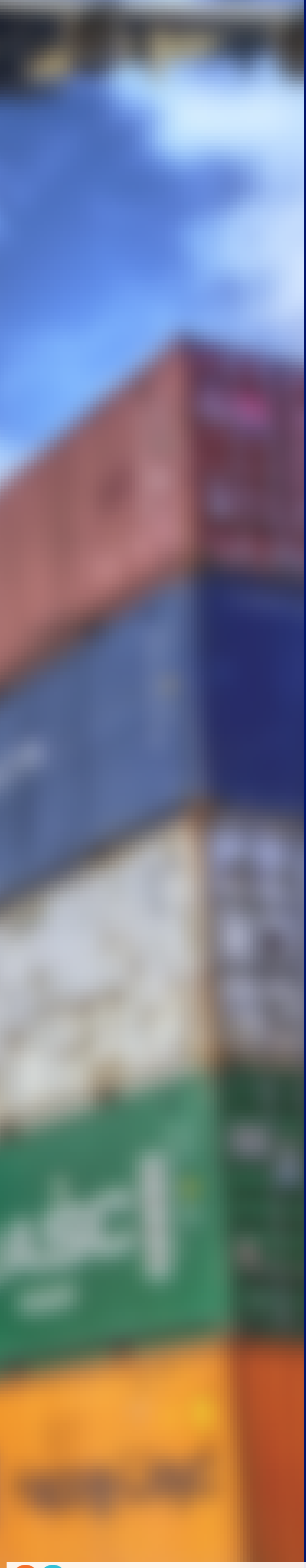
Wild being an understatement most days.

You've got a lot of new and changing issues to deal with because everything - every piece, part, and process - continues to change almost daily.

Why?

- new technologies
- legacy technology that can't keep up
- increasing regulations around tracking and tracing
- pressure to move faster, faster, faster
- talent shortages
- high talent churn
- lots of data, little of it useful
- changing tariff landscapes
- supply chains set up for an environment that no longer exists
- global supply outstripping demand
- the reality that the customer is now truly “king”
- heightened global competition

What it all means for business is: your ability to compete relies on high performing supply chains



What it means for your supply chains is:

To be competitive you must be agile. To be agile, the structure of your supply chains may be fluid in composition – structured a head of time, but no longer "hard tooled".

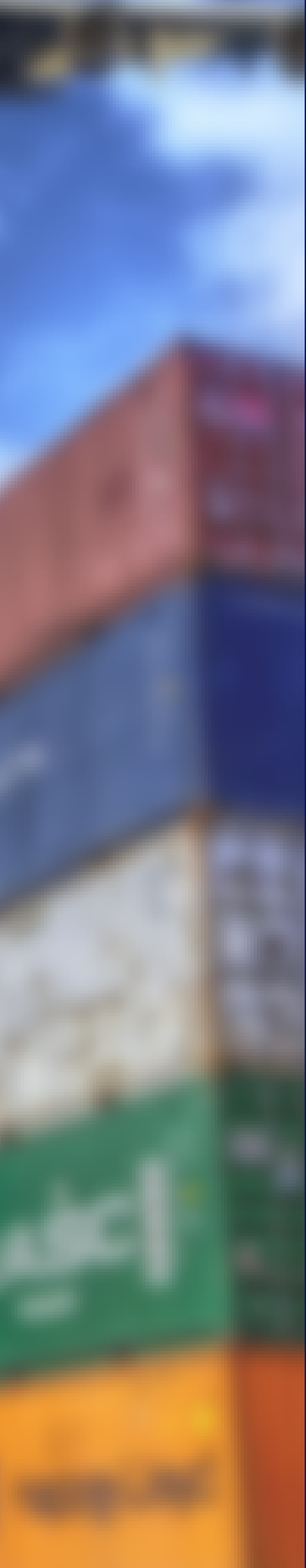
Changing demand tied with changing economic landscapes require flexibility - quickly and targeted.

Companies often grapple with flexibility by using a "meet the customer's demands" for each unique order.

Established processes are ignored to increase speed or adjust the offering, which produces a level of chaos that harkens back to the 1980's when process replaced operational focus.

Well-defined product paths are no longer followed based on "meeting the customer's requirements". Ok for one order, but when all orders require going around processes, pretty soon, no one remember what the processes were.

And there are no real metrics monitoring what is being done. Established metrics become muddled and no longer fully useful due to all of the "make it up as we go - just get it out the door", make the numbers, we'll fix things later.



Later is now

Employees are exhausted and your revenue, while perhaps increasing, is inhibited due to constraints getting product and services out the door.

Supply Chain agility comes from looking at your end-to-end supply chain as a set of Legos ™ to be put together uniquely for your company's performance.

Internal supply chains, stretching from the raw material receiving dock, through manufacturing and the warehouse, and ending with last mile delivery, perform differently than internal supply chains that are merely fast or B2B reliable based on our viewpoint.

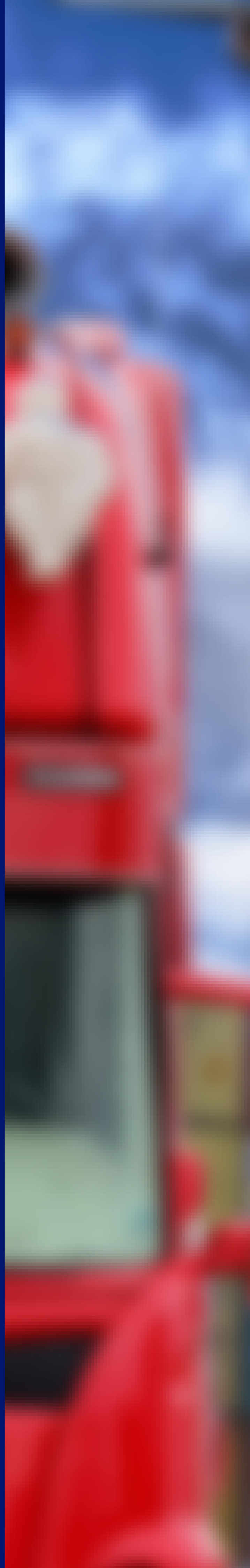
Handling variations in demand and cycle time means a set of processes may be adjusted per order or per season or per customer type.

And this segmentation, while providing agility, may mean the old ways of creating requirements for new technology, or the behavior of technology you've already got in house, are also changing.

Technology may be, and probably will be, different for the different types of supply chain requirements: agile, fast, or reliable. Talent is too. Supply chain requirements are dictated by your customer base. Cloud technologies enable some flexibility, but adding in your legacy technologies, your data transfer method, and your business maturity means there must be carefully crafted design interfaces.

And this still leave questions about reducing chaos, increasing revenue, and improving performance.

How do supply chains become profitable, looking at actual total cost, in this new environment?



Integration of performance strategy into the business' strategic plan communicates what the "Legos ™" of your supply chain must accomplish to align correctly to your customers.

This alignment is carried into the tactical areas and automatically creates cross-functional collaboration due to an established metric set and its universal understanding across all functional areas and business units.

Alignment equates to faster change, rapid targeting of the exact problems – with data support, and increased customer management since anomaly requests are easily recognizable.

The questions of exactly how operational activities support strategic planning are eliminated through a transparent hierarchy of processes and metrics.

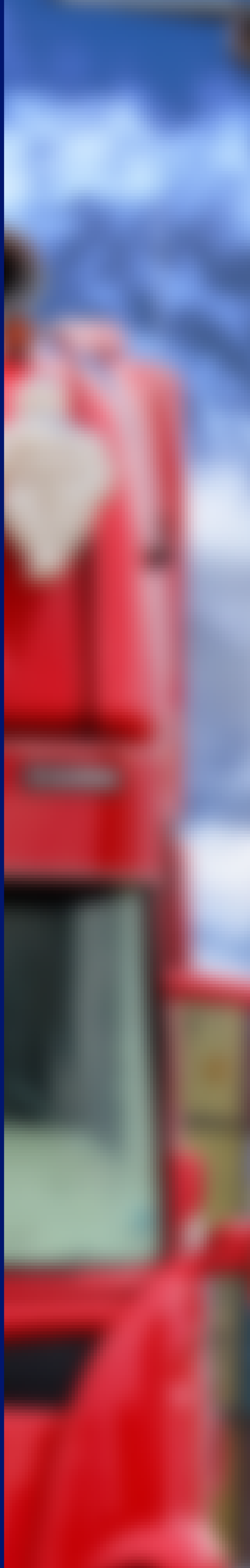
Lean initiatives are targeted to activity that will enhance customer performance and supply chain performance at the same time – resulting in measurable impact to the top and bottom lines.

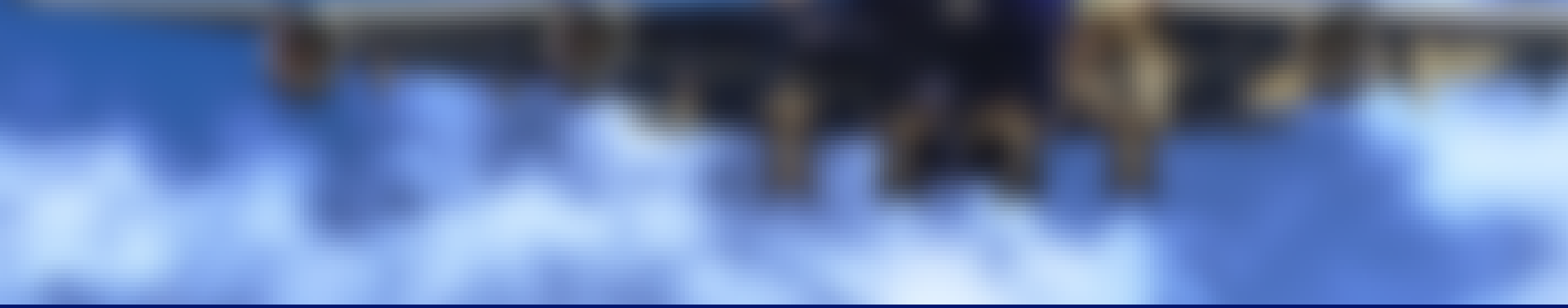
Support areas are now aligned to supply chain needs, no matter the configuration. Metrics used enable the supply chain to continue to satisfy customer demand directly. Early warning signs highlighting where technology, or additional capacity will be needed are set in place so that orderly change is possible.

Environmental aspects are embedded and aligned in strategic, tactical, and operational activity and metrics – eliminating the bolt-on environmental/sustainable/socially responsible initiatives that can cause friction. Friction that can cause companies to put aside sustainable initiatives due to their bolt-on designation - but at their peril for future investment.

Because sustainable activity is fully embedded, performance and operational data is available for regulatory compliance.

Time and money spent on projects, initiatives, and technology that end up not being important to meeting customer, regulatory, or strategic requirements are eliminated.





But what if you already have Lean methodology, ERP systems, and established processes?

How long would this type of change take?

How much money and time are required?

The old ways of running supply chains no longer provide businesses with the agility, speed, and reliability required by today’s consumers and B2B customers.

Traceability and transparency requirements continue to increase data requirements.

Digital transformation is looming in your near future.

So where to start?

How to focus?

What are the risks?

Can all this be put in place without great disruption and loss of money?

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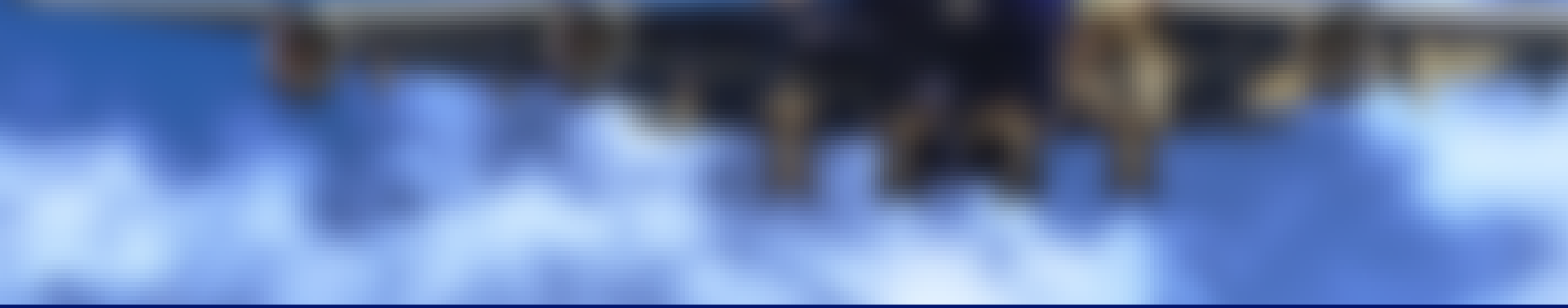

Yes

Alignment and adjustment to the new world of supply chain and supply chain segmentation is best done in phases with well-defined pilots to quickly check performance and adjust. The changes made are sweeping and therefore must be carefully put in place for companies with existing business.

In fact, the organization, common language across functional areas and business units, and rapid signaling of metrics targeting problems make it easier for business to happen. Employees see the performance requirements and understand the boundary conditions they impose – while also understanding the flexibility they allow. Not only performance, but hiring is aligned to the plan, which changes who is being looked for and increases satisfaction with your company due to a better cultural and performance fit.

The streamlining of support activity also helps produce measurable results to corporate financial well-being.

Legacy systems can be accommodated and slowly adjusted or withdrawn, depending on corporate needs. New tech and middle ware are chosen specifically to perform in alignment with the strategic plan while delivering the data required. The new technologies allow a piecemeal approach that was formerly unavailable. Upfront strategic planning is required to keep all pieces in line, no matter where the tech is placed.

The time and money required is based on the initiatives the company choses to perform to get to alignment, transparency, include socially responsible aspects, and change technology.

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