

IDEA BRIEFING

The CSCO and the Adjunct Executive

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A recent concept has emerged

the CSCO (Chief Supply Chain Officer)

... Do you have One?

... Do you need One?

... Can you afford *NOT*** to have one?**

How to afford one? *The Adjunct Executive*****

IMAGINE

INCREASED profitability and **ENHANCED** company value

↳ **ON STAFF** expertise and experience, adding value

↳ **A VARIABLE EXPENSE**

↳ **ON-GOING** involvement, providing continuity

a project-oriented consultant can't

What does a CSCO do?

Provide operating and financial expertise

❑ **Supply Chain Management**

- ↳ Focus on integration and partnerships to ***meet customers' needs*** on a timely basis, with delivery of high quality products, produced and delivered in the ***most profitable*** manner
- ↳ Use ***Systems Thinking*** - looking at ***the value chain***, understanding the linkages and interactions between system elements, and ***recognizing small catalytic events can cause large changes in the system***

❑ **Strategic Sourcing**

- ↳ **Control costs - leading to higher profits.** With purchased products accounting for as much as **75% of total cost**, can be an invaluable tool selecting suppliers best suited to provide maximum value

❑ **Outsourcing**

- ↳ *Management time should be spent on integration & innovations (new ways to excel), not managing transactions*

❑ **Inventory Management**

- ↳ Reduce inventory levels through lean manufacturing techniques

Potential Benefits

- **REVENUE**
 - ↳ **INCREASE** throughput 100%+
- **COST**
 - ↳ **REDUCE** purchased costs 12%-22%
 - ↳ **IMPROVE** on-time delivery; lead time **REDUCE** 80%-90%
 - ↳ **IMPROVE** quality, product defects **REDUCE** 40%-50%
- **WORKING CAPITAL**
 - ↳ **INCREASE** inventory turns
 - ↳ **REDUCE** inventory 50%-90%
 - ↳ **IMPROVE** payment terms with suppliers
- **CAPITAL EXPENDITURES**
 - ↳ **IMPROVE** capacity 30%-40%
- **ORGANIZATON**
 - ↳ **INCREASE** productivity from reorganizing
- **TECHNOLOGY**
 - ↳ **INCREASE** use of Purchasing Programs
 - ↳ **IMPROVE** productivity using e-Procurement tools

The Adjunct Executive

The costs are VARIABLE:

- On-site: 1 day per week
- Off-site dedicated support: (2) - ½ days per week
 - ↳ connected with your people by
 - ↳ phone
 - ↳ email
 - ↳ on-line monitoring of performance metrics

SAMPLE Dashboard of Performance Metrics

- ✓ Cost Reduction/Purchase Price Variance (PPV)
- ✓ Past Due P.O.'s (On-time delivery)
- ✓ Supplier non-conformances (Quality)
- ✓ Inventory Value
- ✓ Fulfillment rate
- ✓ Cash-to-Cash cycle time
- ✓ Inventory Operational Turns
- ✓ Number of suppliers

Can afford to wait?

Are you ...

	YES	NO
Improving your competitive position and customer satisfaction?		
Scaling for growth?		
Ready with effective crisis response mechanisms to insure critical operations can continue during a supply chain disruption?		
Detecting and recovering from fulfillment errors automatically, before customers do?		
Continually evaluating which value chain activities are core competencies and outsourcing the rest?		
BUYING FOR LESS?		
BUYING BETTER (focusing on best value (TCO) instead of low price)?		
CONSUMING BETTER (concurrent procurement integrated with design engineering)?		
Increasing efficiency and productivity?		
Recruiting supply chain professionals?		
Establishing Key Supplier Alliances?		
Using a formal supplier consolidation process?		
Using a supplier selection & approval process? Formal agreements?		
Using a Supplier Scorecard?		

Next step – contact us

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