

Idea Briefing – SUPPLY CHAIN MANAGEMENT

Knowledge is a process of piling up facts; wisdom lies in their simplification. - Martin H. Fischer

Supply Chain Management is a little bit of everything.

Supply Chain Management focuses on integration and partnerships in order to *meet customers' needs* on a timely basis, with relevant and high quality products, produced and delivered in a cost-effective manner.

- It's **complex**: *from* ideas and designs *to* sources of raw material *to* the manufacturing plants *to* distributors *to* final consumers
- Requires **Systems Thinking** - looking at the whole system (*the value chain*), recognizing it is affected by its environment, understanding the linkages and interactions between system elements, and *recognizing small catalytic events can cause large changes in the system*
- Ensures delivery of the **right** product, to the **right** location, at the **right** time, in the **most profitable** manner
- Often a **"gating" factor** for increased growth is the ability of the supply chain to meet increasingly complex and growing customer demands for services and capabilities

Successful Results

- ✓ Delivered \$9 Million in cost reductions by creating and implementing global outsourcing strategy
- ✓ Recovered \$25+ Million in price increases and surcharges; protecting profits and margins while maintaining customer relationships
- ✓ After value stream mapping, reorganized the Purchasing organization allowing increased material spend from \$27 Million to over \$65 Million
- ✓ At another manufacturer, supported sales growth from \$250 Million to \$1.2 Billion
- ✓ Managed an advanced procurement system (JIT II), with major suppliers enhancing their Vendor Managed Inventory (VMI) program, which reduced material costs and inventory levels
- ✓ Established satellite supplier facilities close to manufacturing plants. Results were increased throughput, reduced inventory and transaction costs, and smoother planning
- ✓ Implemented an e-Procurement portal, purchasing direct material via the internet, with a 100%+ ROI

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Take a moment and complete the *Supply Chain Success Checklist*

<i>Are you ...</i>	YES	NO
Improving your competitive position and customer satisfaction?		
Impacting the organization's image and social policy?		
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		
Continually evaluating which value chain activities are core competencies and outsourcing the rest?		
Buying for less (<i>Leveraged Buy</i>)?		
Buying better (<i>Linked Buy</i>)?		
Consuming better (<i>Value Buy</i>)?		
Focusing on best value (TCO) instead of low price?		
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?		

If you answered **NO** to any questions, contact us to discuss how we can assist improving your organization.

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