END-TO-END SUPPLY CHAIN ASSESSMENT

VISION, IMPLEMENTATION PLAN, AND EXECUTION

IMPROVED INVENTORY ORDERING, VELOCITY, STRATEGIC SOURCING. VENDOR CAPACITY

OVERALL IMPROVED SERVICE WITH LOWER INVENTORY

1. DIAGNOSE:
Client Challenges

A carpet manufacturer's hard surface flooring business had a rapidly growing, global supply chain. Consequently, the client recognized a need to improve business processes in order to address **extended lead times, product variability complexity, decision making alignment and increased pressure** on customer driven requirements.

Specifically, it recognized gaps in **inventory ordering and speed, strategic sourcing, vendor management, and several related logistics processes** connected to the global supply chain.

These processes included **information flows, leadership strategic alignment, inventory control and placement, financial forecasting, and vendor capacity planning.** Struggling to plan for variability, the client had just begun to include vendors' complex capacity in its ordering plans.

2. ASSESS:
Current State

The client strategically partnered with LeanCor Supply Chain Group to create a **vision and implementation plans for an optimized end-to-end supply chain** that balances supply and demand by having the right inventory at the right places to minimize total cost of fulfillment. They sought to determine:

- The planned **order to delivery process**
- The **best flow** that would enable the client to order what was needed without excess stock
- If the client was properly **calculating safety stock** and order amounts based on variability
- How to see **lead time variability** differently to reduce waste in the process
- How the client could **model vendor capacity**

As a trusted supply chain consulting provider, LeanCor's end-to-end supply chain assessments typically focus on a list of themes, which include:

- End-to-end supply chain **alignment**
- One-team **collaborative decision making**
- Supply chain connection – **planning and execution infrastructure**
- Supply chain **visibility and capability**
- Supply chain **performance and total cost management**

These themes are used as the basis of all assessment recommendations - which begin with a client **self-assessment** (in survey format) against **LeanCor's proprietary Supply Chain Maturity Model** of best practices.

After facilitating this self-assessment, conducting a river of waste exercise, and extensive data analysis, LeanCor's supply chain consultants categorized the **client's top five major business problems:**

1. Disconnected information flow
2. Strategic alignment
3. Inventory control
4. Forecast accuracy
5. Vendor capacity

3. DESIGN:
Future-State Strategy

From there, LeanCor worked alongside the client to recommend a prioritized list of future-state **improvement projects** that would help close the gaps and alleviate the business problems.

They also developed a list of **business metric dashboard** with which to measure progress toward its goals. These included metrics such as cash-to-cash cycle time, total network inventory, vendor capacity, lead times, forecast accuracy, total cost of fulfillment, and more.

After prioritizing the improvement projects, LeanCor placed them onto an **implementation road map** with short-term (immediate), medium-term (3-9 months) and long-term (12+ months) timelines.

These projects were assigned to the departments responsible for implementing them - portfolio management, demand planning, supply planning, regional inventory planning, and sourcing.

Each project corresponded with a resulting **deliverable** (examples: "reduced systems," "vendor schedule"), **critical-to-quality (CTQ) outputs** aligned with their dashboard metrics, and **potential failure modes** to watch out for.

In addition to the dashboard, LeanCor supplied the client with a **future-state report card** from which to quickly guage current- vs.-future-state scores relative to the best practices from the maturity model.

For example, in the focus area of "disconnected information flow," client survey-takers self-assessed themselves with a score of 1.7. Their goal was to reach a weighted score of 3.5 after working through the implementation plans.

After this successful project, the client and LeanCor continue to strategically partner on implementation work and initiatives that **connect the global supply chain with an integrated perspective for operational excellence.**

SNAPSHOT: SUPPLY CHAIN MATURITY MODEL
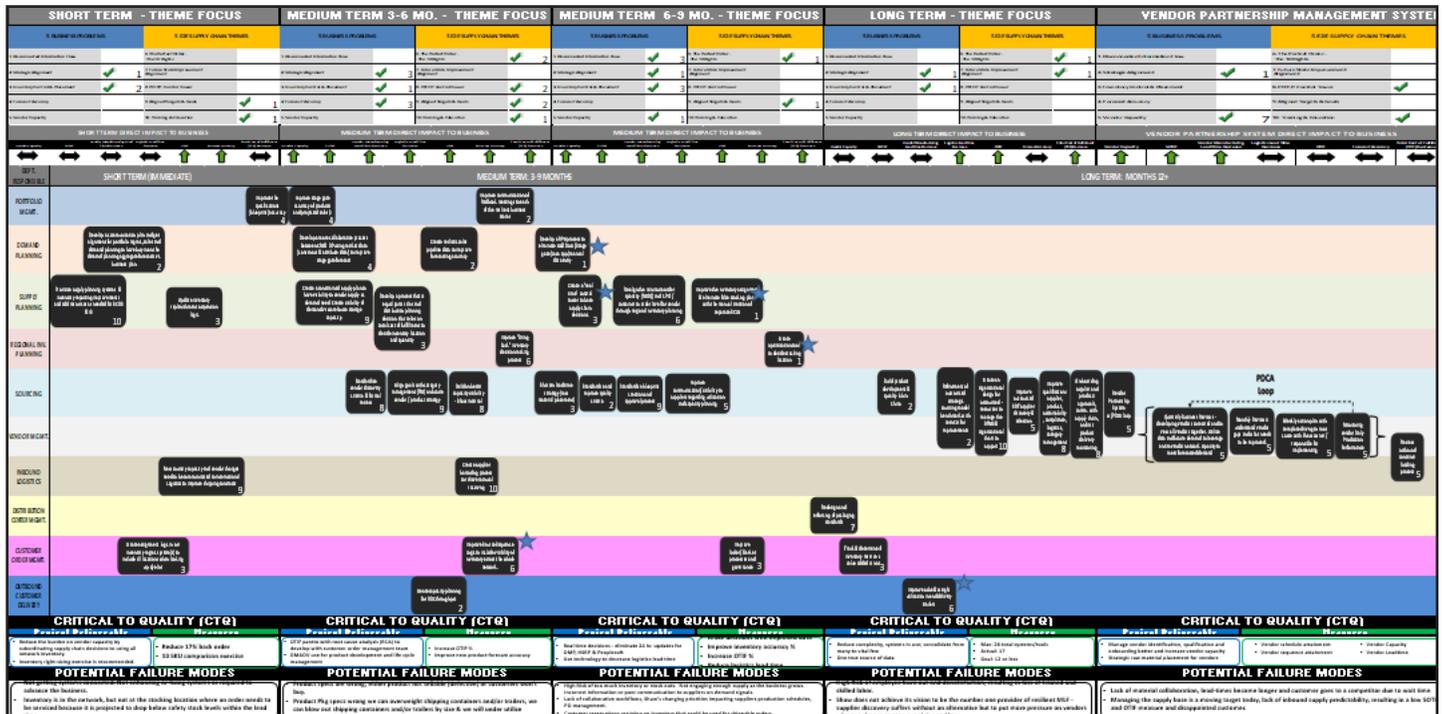
FUTURE STATE IMPLEMENTATION ROAD MAP