



Supply Chain Improvement Process:

Our Supply Chain Improvement process will normally begin with an assessment of the current situation with the client’s supply chain and logistics operations. This clear eyed view of where the client is positioned at present is often described as the **NOW** stage. It is important to get an idea of what is called the “current state” in Lean and 6Sigma language so that the impact of any changes that are implemented later on can be measured and quantified. This initial view uses a number of approaches

to identify how the system is currently performing. High level process or value stream mapping identifies how the work is done. A review of performance measures and some simple benchmarking can also be used to get an idea of how the supply chain is performing versus the rest of the market. Finally and importantly a review of any waste that may exist within the supply chain will be carried out.

The tool that is of most value in this waste identification is the “7 Wastes” developed as part of the Toyota Production System. While originally targeted at manufacturing operations they are just as useful in identifying waste in supply chains. The 7 Wastes are:

1. Transportation
2. Inventory
3. Movement
4. Waiting
5. Over Processing
6. Over Production
7. Defects

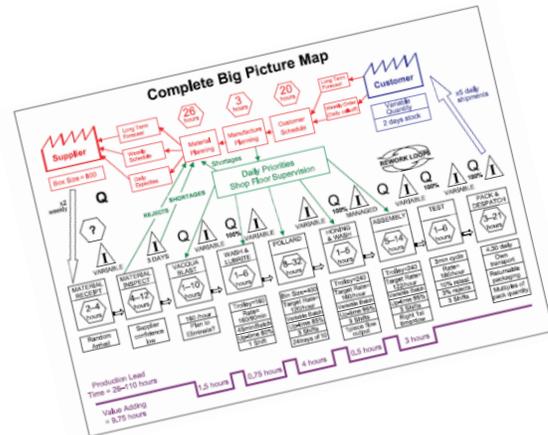
Once the **NOW** has been defined it is time to move onto the **WHERE** stage. This involves defining where the client would like the supply chain to be in the future from a performance, process and capability point of view. This stage is usually achieved by conducting a workshop with the key stakeholders. There are two reasons for “work shopping” this stage rather than just getting on and removing the waste. Firstly in making changes the project team should keep in mind that the resulting supply chain must continue to support the client’s business strategy. There is no value in creating a “low cost” supply chain when the client’s strategy is aimed at responsiveness and customisation. The second reason is to gain cross functional “buy-in” for the improvement activities. It is also possible that by improving the supply chain the organisation can create new

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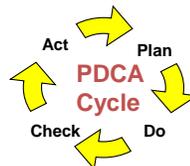
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and enduring forms of competitive advantage not previously considered when the supply chain was not optimised to supporting the client’s overall strategy.

Finally the project will move onto the **HOW** stage where the gaps between the **NOW** and the **WHERE** will be identified and strategies to close those gaps determined. This is the realisation stage where the benefits identified are delivered. During this stage we consider both the technical aspects of the changes as well as the change management challenges. Simple “One Page Plans” are developed to guide the activities and ensure the change process does not get bogged down in unnecessary complexity



The **Supply Chain Improvement** process follows the Plan Do Check Act (PDCA) cycle which ensures a robust and well managed approach to making beneficial changes in a client’s supply chain and logistics operations. Importantly it allows the measurement of the improvements and the comparison of these versus the original goals set. *Speak to us if you would like to make improvements in your Supply Chain and eliminate the waste!*