

A Roadmap To “Optimising Your Supply Chain”

Step 1

- Develop your supply chain strategy from the ‘outside in’

Step 2

- Ensure alignment of objectives and KPIs across the supply chain

Step 3

- Identify and set up cross functional groups

Step 4

- Implement the right IT systems

Step 5

- Train and educate your staff

Critical Success Factors For “Optimising Your Supply Chain”

Create aligned objectives across the entire supply chain

- The business must be incentivised to work together as a whole. Success in one area alone will not deliver overall business success. This critical success factor is the fundamental building block for any high performing supply chain

Drive the supply chain from the outside in

- There is only one ‘real’ objective for the supply chain and that’s to get the product to the customer when they want it therefore the supply chain must be driven by customer requirements not organisational constraints

Ensure that there is cross functional working at an operational level

- Just because people ‘get on’ does not mean that they work together effectively at an operational level. The business needs to identify the areas that require cross-functional decisions and set up the structures to ensure that working groups exist and are empowered to make the decisions that matter

Know your customers and your future markets

- Not all businesses know their customers as well as they should - that means that the fundamental ingredient for the supply chain – forecasts - are inaccurate. Talk to your customers; work in partnership with them – offer incentives to improve forecasting information and set up responsive processes to respond when they are wrong.

Ensure that there is a clearly understood process for prioritising customer demands

- It is a difficult balance to get manufacturing capacity to match customer demand. There needs to be a clear and transparent process for prioritising customers to ensure that you protect your core business. Customer loyalty is a rare and precious commodity, and requires careful management

Deliver what you say you can deliver

- Do not make promises that you know you cannot keep. It is better to take a smaller order and deliver, than a larger one that cannot be delivered. If there are problems with the order, manage them proactively – let the customer know before the due date and look at alternative options to supply the customer

Implement fit for purpose and robust systems to support your business requirements

- Systems are there to support the business not the other way round. Systems need to be fit for purpose and meet the requirements of the business . Having to develop manual or automated workarounds to make the system meet business requirements is neither a long term nor efficient way to run a business. Remember, process before system ,not vice versa

Ensure that there are escalation routes to resolve issues and manage exceptions

- No matter what rules and processes are put in place there will always be exceptions to the rules, and unforeseen circumstances and issues. It is important to have a clear escalation route to people with the authority and business knowledge to solve them

Train and educate your staff on performance management

- Ensuring that your employees understand the impact of their actions on the performance of the business is critical to performance management. This is particularly important across a supply chain as it touches so many parts of the organisation.