

Are you getting the most out of your supply chain solutions?

**IF YOU SUPPLY THE SUPPLY CHAIN,
YOU BELONG AT MODEX.**

The greatest supply chain show on earth.



HighJump™

SUPPLY CHAIN NETWORK SOLUTIONS

Presented by:

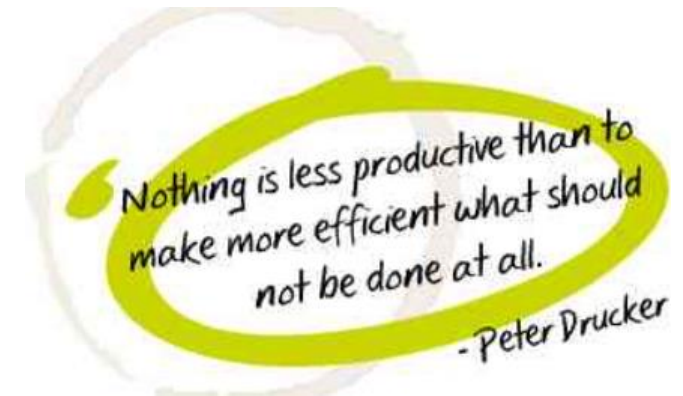
Jon Kuerschner

Ask yourself...

Are my Supply Chain Systems meeting my (and my customers') expectations?

If the answer is "no", ask:

- Why not?
- How can I change that?



Supply Chain Systems can impact organizational bottom lines...

Some (unfortunately) the wrong way...

“XXX Inc. will close up to a quarter of its 600 name-brand stores and replace its chief executive, as the company retrenches after posting a deep quarterly loss and **struggling to manage its inventory.**”



Winning companies leverage their Supply Chains to:

- Create strategic differentiator vs competition
- Maximize savings and customer experience through...
 - Common SOPs regarding inventory placement and execution
 - Consolidation of systems with reduced IT dependencies
 - Self-directed workforces
 - Full visibility to all nodes in their supply chains
 - Protecting brand integrity

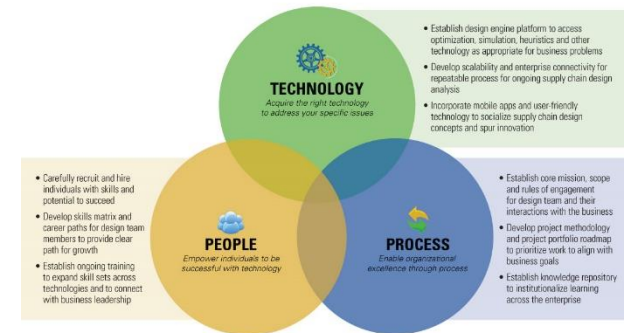
Table 1. The Gartner Supply Chain Top 25 for 2015

Rank	Company	Peer Opinion ¹ (200 voters) (25%)	Gartner Opinion ¹ (35 voters) (25%)	Three-Year Weighted ROA ² (25%)	Inventory Turns ³ (15%)	Three-Year Weighted Revenue Growth ⁴ (10%)	Composite Scores
1	Amazon	3,394	468	0.0%	8.7	21.7%	5.32
2	McDonald's	1,626	283	14.6%	157.3	-0.2%	5.23
3	Unilever	1,996	619	11.3%	6.7	-0.2%	5.15
4	Intel	1,064	481	12.1%	5.0	2.4%	4.09
5	Inditex	1,003	297	17.0%	3.8	8.8%	4.04
6	Cisco Systems	1,147	500	8.4%	12.6	1.5%	4.01
7	H&M	809	89	26.6%	3.7	12.8%	4.01
8	Samsung Electronics	1,568	330	10.5%	17.7	0.5%	3.91
9	Colgate-Palmolive	1,034	318	17.8%	5.0	0.6%	3.91
10	Nike	1,369	214	14.5%	4.1	10.7%	3.78



Make Supply Chain a core competency

- Start w/ people and process
- Centers of excellence standardize your best practices
 - Purchasing
 - Material management
 - Customer service
 - Transportation and logistics
 - Supply chain design and services



Use the gained expertise to make educated technology decisions

- Meets my functional needs
- Consistent with my technology strategy
- Provides appropriate stability for function
- Simplify/standardize to scale
- Reduce replicated data and processes
- Plug infrastructure gaps
- Leverages a platform of flexibility.....

The only certainty
in life
...
... is
C H A N G E .



DO NOT

- Assume that everyone's best practice is yours
- Buy a valuable/expensive tool that cannot adapt
- Focus your selection on today's need....look to future need to change

DO

- Buy software that is process-driven, not flag driven
- Consider long term TCO of selected systems
- Embrace that change is healthy



Process Driven?



- What does that mean....
 - Example – YMS System
 - Desire to automate RFID check-in and locating of trailers
 - Project completed, now what....
 - YMS Interleaving of Yard Drivers
 - Flag Driven – Interleave Drivers Y/N?
 - But, it is only priority driven, then get out your check book....
 - Process Driven – Process map to desired outcome
 - Proximity driven w/ overrides for tasks above XX priority
 - Configure the process to maximize return



TCO?

- Not what technology can do now....
- Focus on where the puck is going...
 - Customer trends
 - Compliance
 - Organizational pains
 - IT Upgrades
 - Staying Tech-Relevant



Then, Leverage Flexible Technologies...

- Find the ROI opportunities
 - Where are we picking up singles instead of twenties?
- Identify the gaps preventing your success
 - Example: How do we get closer to our customer?
- Define cross-functional wins
 - Do not optimize in a silo...
- Set organizational goals and measure to it
 - Establish executive support



Example: Struggling with prioritization of inter-DC transfers

- Challenge
 - Inability to see product that is sold vs planned replenishment to prioritize loading and movement of outbound equipment
- Solution
 - Use flexible technology to prioritize product list (from origin to destination DC)
- Results
 - Tuned transfer demand to account for “hot” product at destination
 - Add ability to select top priority items for wave release
 - Focus pick and load efforts on sold items/qty
 - Tender “sold loads” to faster transportation modes
 - Tender “safety stock” loads to slower/cheaper modes (intermodal)



Payback...

- Company Goals Achieved
 - Huge savings in transportation costs
 - Got right products in right place in right time
 - Happy customers



**KEEP
CALM
BECAUSE IT'S
PAYBACK
TIME**



With Success comes Challenges...

- Strapped/limited IT help
- Aggressive business needs
- Compliance and customer needs
- Managing overall change



Operationalize Change

- Embrace continuous process improvement

Business - Project Work List

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#	Edit	Business Title	Program	SOW	Priority	Project Manager	Developer	Comments	Planned Promote
1	Edit	Re-Submit "VOIDED" requests when releasing an un-released trip.	ECOM		1-High	Eric Slaby	Sivakumar Selvaraj	Add	
2	Edit	Express - Fill Trips causes multiple 345 to generate			1-High	Eric Slaby	Adaikalaraj Periyanyagasamy	Add	
3	Edit	Can't carry over partial trip without back ordering pieces. Cannot ship trip next day. Lose trading data (Ship by order)	ECOM		3-High			Comments(1)	
4	Edit	Allow the pick, pack and ship of express on Sat. and Sun. for Mon. pickup.	ECOM		3-High			Comments(1)	
5	Edit	Multiple carriers on one Express trip will not peddle to correct door location	ECOM		4-High			Comments(1)	
6	Edit	C-Demand appears to be doubling when Mapics shows labels in printed status	ECOM		4-High			Comments(1)	
7	Edit	STO exist in multiple doors for same trip causes ship trip to fail.	ECOM		4-High			Add	
8	Edit	Create process to enforce must ship order complete.(Ship by Order)	ECOM		4-High			Comments(2)	
9	Edit	Add Weight validation threshold to LTC Packing.	ECOM		4-High			Comments(1)	
10	Edit	Express Shipping Label doesn't print due to PKG getting attached to wrong trip.	ECOM		4-High	Eric Slaby		Comments(1)	
11	Edit	Shipping transactions not created for a C Number containing LTC items	ECOM		4-High	Eric Slaby	Nageswara Dhavaji	Comments(1)	
12	Edit	Can't backorder LTC items using Trip report. (Phase 2)	ECOM		4-High	Eric Slaby	Bhargav Rajagopalan	Add	
13	Edit	Broken with LTC REPLAN. (Phase 2)	ECOM		4-High	Eric Slaby	Adaikalaraj Periyanyagasamy	Add	
14	Edit	Add a check to prevent CLS from reissuing tracking numbers to already labeled product	ECOM		5-Medium			Add	
15	Edit	QH-Load Summary page returns blank page when LTC picks are on trip.	Quick Hits		5-Medium			Add	
16	Edit	QH-Create a page to give business visibility to why or why not a replenishment exists (for LTC).	ECOM		5-Medium			Add	
17	Edit	Need ability to print packing slip for shipped trip and shipping label.	ECOM		5-Medium			Add	
18	Edit	Invalid Phone# from AS400 causes ship request to fail.	ECOM		5-Medium	Eric Slaby	Eric Slaby	Comments(1)	
19	Edit	QH-Need a page to identify any LTC Item Setup issues.	Quick Hits		6-Medium			Add	
20	Edit	Primary Key Violation causes LTC Replenishment WKQ creation to fail.	ECOM		6-Medium	Eric Slaby	Dhmodharan Subramanian	Add	
21	Edit	Add item number visibility during express loading serial scan.	ECOM		7-Medium			Add	
22	Edit	Putting pieces back to Storage after Staging	ECOM		7-Medium	Eric Slaby	Sivakumar Selvaraj	Add	
23	Edit	Scanning SSCC# for different item# on trip gives "Must Scan SSCC" error instead of "Item Mismatch".	ECOM		8-Low			Comments(1)	
24	Edit	Loaded picks are being included in C Demand calculation for LTC.	ECOM		8-Low	Eric Slaby	Adaikalaraj Periyanyagasamy	Add	
25	Edit	C Demand for LTC appears to be doubling when a trip is released	ECOM		8-Low	Eric Slaby	Adaikalaraj Periyanyagasamy	Add	
26	Edit	Express orders where "chosen" does not match "Imported"			8-Low	Eric Slaby	Dhmodharan Subramanian	Add	
27	Edit	Allow remaining LTC pieces to be packed after backorder			8-Low	Eric Slaby	CA Developer	Add	
28	Edit	SNA shows loaded after doing LTC Unpack (Unload)			9-Low	Eric Slaby	Sivakumar Selvaraj	Add	
29	Edit	Ensure packing weight falls within total item weight tolerance level			9-Low	Eric Slaby	Bhargav Rajagopalan	Add	
30	Edit	Carrier release error description doesn't match issue. Got error for FedEx Account number but the actual problem was item oversize creating the error condition.	ECOM		10-No Priority			Comments(2)	
31	Edit	Design a picking strategy that will favor UPS conveyable vs Non-conveyable product.	ECOM		10-No Priority			Add	
32	Edit	Restrict F1 on weight screen during LTC Packing			10-No Priority	Eric Slaby	Sivakumar Selvaraj	Add	
33	Edit	Change un-release trip process so that it re-submits all of the voided labels when re-released.	ECOM		10-No Priority	Eric Slaby	Sivakumar Selvaraj	Comments(1)	
34	Edit	QH-Express Shipments - Ship Request Status BETA add Yellow highlight to trips with voided labels.	Quick Hits	SOW	10-No Priority		Kevin Bever	Add	



Align Top Priorities

- Prioritization with tools (i.e. C&E Matrix)
- Key criteria (examples)
 - Speed to value
 - Regulatory/compliance
 - Customer driven
 - Performance gain/OE reductions
 - Employee morale
 - Long-term ROI
 - Counter balance (effort)

Example Cause and Effect Matrix - Product

		Rating of Importance									
		10	9	8	7	6	5	4	3		
Key Opportunities		Speed to Customer	Quality	Adaptable/Nimble	Enterprise Collaboration	Enterprise Visibility	Process Standardization	IT Standardization	Counter Balance - Effort/Cost	Total	
#	Area	Opportunity Captured									
1	Sales		0	0	0	0	0	0	0	0	
2	Planning		0	0	0	0	0	0	0	0	
3	Scheduling		0	0	0	0	0	0	0	0	
4	Transfers		0	0	0	0	0	0	0	0	
5	Manufacturing		0	0	0	0	0	0	0	0	
6	Purchasing		0	0	0	0	0	0	0	0	
7	Order Management		0	0	0	0	0	0	0	0	
8	Credit		0	0	0	0	0	0	0	0	
9	Transport		0	0	0	0	0	0	0	0	
10	Distribution		0	0	0	0	0	0	0	0	
11	Warehousing		0	0	0	0	0	0	0	0	
12	Finance		0	0	0	0	0	0	0	0	



Fine Tune

- Intersect Top Priorities with Available Resources
 - Outcome = Release Plan for the Business
- Govern the Process
 - Leverage SDLC processes that return value
- Deployment Approach
 - Promote releases near support people
- Be Visible
 - Make change transparent to all parties (inside and out)



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