

Creo Insights

# Elevating your Supply Chain: 10 Actions to Accelerate Performance

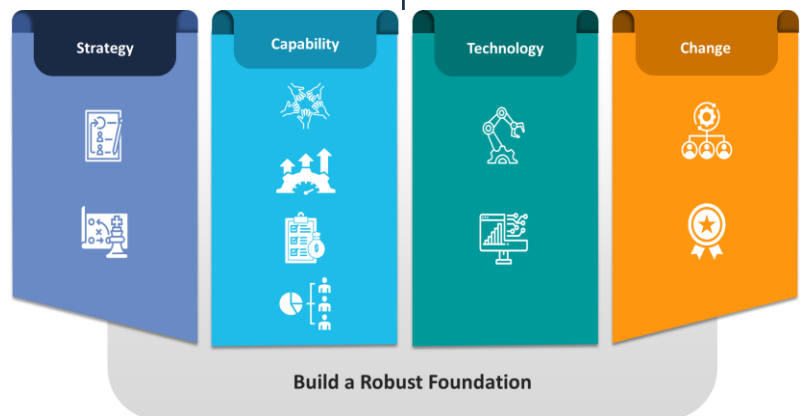
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**Executives have viewed supply chain and operations as supporting functions and largely as a cost of doing business.**



Recent disruptions have inserted “supply chain” into the everyday vernacular and forced business leaders to look at supply chains differently. While the images of empty shelves and barren dealer lots are largely behind us, lingering labor shortages and supply risks continue to emphasize the importance of supply chains in our daily lives. Supply chain leaders are now in CEO and General Management pipelines, and supply chain technology and capability investments are accelerating. Fresh and focused thinking is needed to move from a “one size fits all” model to a tailored one characterized by targeted investments in technology and people focused on fueling change.

**We have defined a focused set of supply chain actions, spanning strategy, agility, technology, and cost, to elevate performance and ensure sustainability.**



# STRATEGY



## 1. Prioritize your customer:

- The focus of supply chain strategies is often driving efficiency in operations without a clear focus on the customer, but supply chains must be more customer centric. Top performers drive market-differentiation by better understanding customer requirements and focus on meeting their expectations.
- Leading organizations deliver tailored value propositions to different customer segments by structuring their operations to offer levels of service to meet specific needs, while also managing cost and service trade-offs.



## 2. Optimize your asset strategy:

- As businesses evolve and expand, there is an increasing need for integrated network strategy and design to improve service and drive efficiency. These strategies need to be evaluated dynamically with scenario planning/war-gaming and be integrated in both short and long-term planning cycles.
- Additionally, greater opportunity exists in achieving the appropriate level of vertical integration and network partnerships, a key tactic to consider as organizations seek greater agility, flexibility, and resilience in their supply chains.

# CAPABILITY



## 3. Build a high-performing team:

- Leaders should foster a culture of change management within their teams, encouraging team members to embrace new technologies, processes, and strategies. Effective management includes providing clear communication, training, and support to ensure team members can navigate transitions smoothly and maintain high performance even in the face of disruption and uncertainty.
- Supply chain teams of the future need to be proficient in data analytics and in the use of leading-edge technologies. AI, Machine Learning, and IoT (Internet of Things) will enable new levels of data-driven decision-making. This will require teams with the skills to synthesize, analyze, and derive actionable insights to impact business performance.



## 4. Consider time as a strategic resource:

- Companies should reevaluate processes to reduce planning and cycle times and increase selective use of external data to enable more rapid reaction to the market needs. This reduction in latency will enable improved service performance with significantly lower risk.
- Decision speed is critical in enabling incremental value. Organizations must consider time as a key resource in addressing customer needs and driving efficiencies, while being balanced alongside other key risk factors.



## 5. Sustain cost management:

- Leading organizations have embraced continuous improvement with targets which significantly exceed inflation trends. The outcome of this often dictates how much will go towards 'funding growth' vs. improving short-term EBITDA or cash flow.
- Currently, most organizations focus on cost reactively. While variation exists in the effectiveness of how change programs are managed, it is imperative to maintain a continuous focus in this key area.



## 6. Manage complexity through continuous improvement and segmentation:

- Leading organizations seek to reduce complexity via workflow improvements, SKU reduction, and/or process improvement to increase consistency, improve quality, and lower cost.
- Organizations should apply operational segmentation to handle different product characteristics in their operations such as high-volume, predictable demand compared to low-volume, customized production.

# TECHNOLOGY



## 7. Leverage Automation and Operations Technologies:

- Given persistent labor shortages, companies can stay ahead by developing smart roadmaps to maximize productive use of robotics and other automation. While the business case may be more challenging today with higher interest rates, rising labor rates and labor shortages are not expected to abate.
- Application of smart vehicles, augmented reality, and additive manufacturing will save labor, improve safety, and reshape fulfillment capabilities. However, these investments should be paired with a strong business case and supporting organizational capability to deliver sufficient ROI and to sustain impact beyond initial implementation.



## 8. Embrace the Digital Transformation:

- Information technology continues to bring great promise and new capabilities with more automated planning, improved analytics, and more integrated information leading to better decisions. Smart investments are key enablers of Supply Chain transformation priorities encompassing strategy, speed, and cost.
- At the same time, companies need to fully leverage their investments in existing core ERP (Enterprise Resource Planning) infrastructure. Peak performance is often maximized through effective training, clear processes, and effective change management rather than adding new technology.

# CHANGE



## 9. Increase your organizational alignment:

- Organizations often have competing priorities and face indifferent behavior which challenges the change agenda. Companies are often better served by pursuing fewer, more impactful, and integrated initiatives where team members are fully aligned.
- In addition to initiatives, organizations should assess their incentives and metrics/KPIs to ensure that they are effectively driving total organizational alignment and efficiency.



## 10. Enable your champions and embrace change:

- When advocating for change, empower your culture and talent to avoid limiting innovation and slowing improvement. Reward employees to embrace new ideas, test & learn quickly, and overcome the inertia that prevents sustained change.
- Leading organizations identify, enable, and reward champions that seek to accelerate the pace of change, optimize current processes, and deliver more creative and efficient solutions to future problems. Managing and encouraging change is a critical factor in long-term success.

# BUILD A ROBUST FOUNDATION



Within an organization, the supply chain team bears a heavy load. They must establish a strong foundation that includes safety measures to protect employees, quality control processes to meet standards, effective reporting for decisions, and a well-defined operating cadence for adaptability. On top of these essential operations, supply chain teams must carve out time for the pursuit of strategic initiatives.

This robust foundation drives efficiency and resilience but also serves as a critical enabler for pursuing broader strategic objectives. Without such a foundation, implementing new strategies, building capabilities, adopting advanced technologies, and managing change will be difficult to pursue and/or fall short of expectations.

In today's climate, organizations are looking for ways to de-risk their operations, differentiate their offering, and deliver value. By aligning supply chain strategy with business and people strategies, improving operational speed, and fostering change, companies will be able to deliver a competitive edge and improved value for their customers. The current combination of opportunities and challenges poses a unique time for supply chain executives to seize the moment and truly achieve an elevated level of supply chain performance.



## About Creo Advisors

Creo Advisors is a boutique consulting firm who creates lasting change for clients. We partner with ambitious Management teams, Private Equity Firms, and Boards seeking to achieve superior financial performance. Our role is to help clients move from "insights to results" to deliver peak performance. Creo Advisors provides Strategy, Growth, Supply Chain, and Human Capital services to companies across multiple industries. Please visit our website at [www.creoadvisorsllc.com](http://www.creoadvisorsllc.com) and follow us on [LinkedIn](#).