Supply Chain Diagnostic

Follow the leaders. How do you score on the supply chain maturity model?

According to the Value Chain Study conducted by IBM in 2006, across the globe the three top objectives for the supply chain are responsiveness, profitability and cost reduction. But there is a difference in emphasis. Supply chains in Australia and New Zealand (A/Z) and Europe are much more focused on responsiveness, while the United States and Japan, maintain their focus on profitability. In addition, the A/Z supply chain is being tasked with ongoing cost reduction.

The new supply chain challenge

How do you maintain cost control (and profitability) and, at the same time, meet new demands for service and flexibility?

The answer to this challenge is being refined in boardrooms, factories and distribution centres across A/Z. By comparing survey results from A/Z and Europe with those from the United States and Japan, it is clear that responsiveness is leading to an increased focus on:

- Customer-driven planning — synchronising supply, managing demand
- Effective superior order fulfilment through real-time order processing and logistics excellence, as measured by the “perfect order”
- Correctly identifying customer needs during product development; as well as managing product introduction to deliver the “perfect product launch”
- Procurement opportunities through Global strategic sourcing and supplier collaboration.

What are the leaders doing?

According to the 2006 Value Chain Study conducted by IBM, the top supply chains have a common trait: the ability to respond quickly to shifts in demand with innovative products and services, enabled by responsive processes and systems. These supply chains are better able to meet cost, responsiveness and profitability objectives, by developing supply chain models that are strategically driven and aligned to their business environment (including products, markets, suppliers and customers). They are also consistently measuring their supply chain performance based on key indicators, such as:

- Perfect order attainment
- Demand management accuracy
- Time-to-market
- Cash-to-cash cycle time
- Supply chain cost.

Meeting the challenge – a customised supply chain diagnostic service from IBM

You can leverage what IBM has learned through the Value Chain Study in A/Z to identify opportunities for your business. With IBM Express Supply Chain Diagnostic, you have the opportunity to work with a team of supply chain experts to analyse how your organisation is performing when compared with the surveys participants.

IBM’s approach includes an analysis of your current supply chain processes across:

- customer order management
- new product development
- procurement
- supply chain planning
- logistics.
Experienced supply chain consultants perform key diagnostic activities including:

- Operations baseline
- Benchmarking and analysis
- Transformation value prioritisation
- Scenario workshop and analysis
- Roadmap creation.

This benchmarking process:

- Can allow you to identify opportunities to create additional value from your supply chain that can benefit your bottom line
- Helps you identify and prioritise the elements in your supply chain that can be optimised
- Is designed to help improve return on assets, operating margins and customer satisfaction
- Can increase your responsiveness to customers, partners and suppliers
- Enhances business process continuity
- Is designed to help manage risk
- Is designed to meet the needs of different sized businesses across a range of industries
- Bases engagement duration and price on your requirements.

The outcome is a roadmap for innovation within your business that will enable you to meet the new challenge and differentiate from your competition.

Key supply chain questions to consider

Has your organisation got visibility and transparency across the supply chain?

Has your supply chain got the ability to rapidly execute in response to changing customer requirements?

Does your supply chain team suffer from a lack of accurate forecasts to predict customer demand?

Are you challenged by efficiency, capacity and rising costs of logistics?

Is your organisation challenged by the levels of maverick spend and the pressures of global procurement?

Can you truly say that your organisation is achieving successful business collaboration with your key business partners?

Moving forward with a unified approach to supply chain transformation

Aligning your supply chain and corporate strategy helps prepare you to become more responsive to customer demands and marketplace changes. But it can be difficult to establish a transformation plan that addresses the concerns of every line of business in a company. IBM Express Supply Chain Diagnostic can help build consensus and establish a solid path forward by creating a transformation roadmap and an objective, quantitative business case. It is anticipated as a result, you’ll spend less time justifying the business value at every step – and more time making the supply chain changes that will enhance your competitiveness.

Delivering a supply chain solution customised for your organisation

IBM Express Supply Chain Diagnostic is designed to meet your unique business needs by applying IBM’s extensive expertise in supply chain management to your specific situation. Our experts will recommend actions based on your goals and obstacles, and success will be determined by the performance measurements that matter to you. IBM Express Supply Chain Diagnostic is structured to address only the supply chain processes you require, and IBM can easily scale the number of resources dedicated to your project, depending on your company size and business priorities. In addition, solution engagements are priced affordably and can be executed within two to four weeks – helping you accelerate time-to-value.

With IBM Express Supply Chain Diagnostic you can receive an affordable solution that is built with IBM’s expertise and that can be financed through IBM Global Financing*. IBM Global Financing provides one-stop financing for business projects, enabling you to avoid large upfront payments and instead, match cash outlays with expected benefits. Unlike banks and finance companies, IBM Global Financing specialises entirely in IT financing. Our virtually unmatched record of working globally to help clients address a wide range of needs has enabled us to develop innovative financial packages. As one of the world’s largest providers of IT financing, we have the leverage to offer you more including hardware leasing and financing for IBM and non-IBM software and services. Because we’re entirely self-funded we’re able to provide competitive rates and flexible terms.

Bringing proven expertise to supply chain optimisation

When you work with IBM, you benefit from proven experience with one of the world’s largest supply chains, as well as from extensive research in Supply Chain Management. IBM Express Supply Chain Diagnostic combines the industry expertise and best practices of IBM’s global supply chain management consulting practice. IBM research and IBM’s own supply chain transformation.