

Supply Chain Performance Management: Targeting and Achieving World-Class Results

Industry & Client Situation

While viewed as the undisputed sector leader, a global wholesaler and distributor wanted to be the best of the best across all distributors and world-class companies, recognized by customers and business partners as providing superior value. The CEO and his executive team targeted a Supply Chain Excellence Transformation to strengthen their operations, improve service levels, reduce costs and also enhance customer satisfaction and loyalty, solidifying their market position and extending their competitive edge.

Bridge Strategy was engaged to help the organization define the strategic roadmap for this transformation by defining the supply chain strategy and designing the substantial realignment and retooling of supply chain processes and organization that would be required to realize and accelerate benefits associated with this transformation. Performance analysis and management permeated all aspects of the transformation effort.

Approach

Working closely with a cross-functional client team, Bridge used its rapid supply chain diagnostic to review existing performance, determine gaps against benchmarks, and establish a set of prioritized opportunities for accelerated business impact:

- Summarized the current business strategy and defined critical linkages to supply chain performance
- Gathered existing supply chain measures and historical performance and compared against our set of industry “best practice” benchmarks
- Reviewed the supply chain performance measurement processes and evaluated their sufficiency and opportunities for improvement
- Developed implementation plans, required investments, and reviewed with key client stakeholders
- Designed key measurements systems and metrics at a level of detail sufficient for technical resources to program and implement the scorecards, dashboards and reports
- Helped lead data-driven management meetings and discussions to drive adoption of the new measurement architecture

Results

Bridge used our insights to help our client establish a multi-year roadmap for performance improvement to strengthen its market presence and to promote profitable growth:

- Defined new supply chain performance measures that were linked with the company's business strategy, by translating objectives and initiatives into measures highly visible to management with accompanying stretch targets based on best-in-class performance
- Created a supply chain measurement architecture that provided an accurate, integrated view of performance with lagging and leading indicators to help identify and track trends
- Designed a management system and processes that were more real-time and granular in nature, to drive vital supply chain decision-making and bolster the ability to drill down to understand root causes

These performance management improvements, together with Bridge's strong implementation oversight and management, resulted in first year gains in profitability (e.g., savings of over \$15M), cash flow (e.g., over \$10M reduction in inventory), and service performance (next day service delivery performance improved from 91% to 94%) that will continue to pay returns in the coming years.