DECISION MAKING FOR SUPPLY CHAIN LEADERS
Miquel Serracanta Domenech
Business Advisor | Mentor

25 years experience: 16 years as a multinational executive/manager and 9 years as an independent advisor and professional mentor focused on:

- Supply chain talent acquisition and professional development
- End-to-end (E2E) supply chain performance (strategy, planning and execution)
- Start-ups (developing/improving e-commerce channels)
- Change management and transformation

MBA
SCPro Certified (CSCMP)
CSCP Certified (APICS)
Robert Martichenko
CEO | Author | Speaker

Industry thought leader with over 25 years learning and implementing lean and operational excellence with a focus on end-to-end supply chain management across a wide array of industries.

- Professional speaker on topics such as lean, operations management, and leadership
- Recipient of the 2015 CSCMP Distinguished Service Award
- Participates and volunteers on multiple advisory boards and educational institutions.
- Two Shingo Research award-winning books: People and Building a Lean Fulfillment Stream.
- Debut novel - Drift and Hum – won the IBPA Benjamin Franklin Gold Winner Award for Best First Book-Fiction

Bachelor of Science - Mathematics
MBA - Finance
Six Sigma Black Belt

ROBERT MARTICHERNO
FOUNDER AND CEO, LEANCOR SUPPLY CHAIN GROUP
Introduction to CSCMP

Founded in 1963, CSCMP is the preeminent global professional association dedicated to the advancement and dissemination of research and knowledge on supply chain management.

Currently serving over 64k Supply Chain professionals in 149 countries (+7k members) through +80 local Roundtables, managed by local volunteers.

Connect, Educate, Develop Supply Chain Professionals

cscmp.org
Global CSCMP RT Foot Print: Roundtable Chapters

- 8 EUROPE
- 8 ASIA OCEANIA
- 6 AMERICA (OUTSIDE OF US)
- 2 AFRICA M.EAST

+ 40 Local Roundtable Events in International in 2019
CSCMP is built by members, for members, providing:

- **Professional networking:** Easy access to industry leaders and subject matter experts
- Free subscription to *Supply Chain Quarterly* magazine
- **Hands-on learning** through your local roundtable (chapter)
- Supply chain professional certification

- **Leading research, reports and surveys** to stay informed on function
- **Member-only global directory:** be found and find +7,000 global members
- **EUROPEAN Conference** in Poland (Warsaw, May 16-17, 2019)
- **EDGE Conference** in US (Anaheim, Sept 15-18, 2019)

We make global supply chains easier for you and your company.

Want to become a member? → Contact MIQUEL

**POLL:** Are you a member of an official supply chain association?
Today’s Webinar
Our leadership value is inherent in our ability to make effective decisions.

• Understand the key elements of effective decision making.
• Think in terms of holistic systems by “seeing the forest AND the trees”.
• Learn to diagnose a decision from the point of view that considers intended and unintended consequences.
• Uncover the impacts of past decisions by establishing feedback loops.
• Begin to develop new leadership capabilities as a decision maker.
Our collective skills, talents, approaches and management systems are struggling to keep pace,

(i.e., Does anybody really know for certain what to do?)

“The saddest aspect of life right now is that science gathers knowledge faster than society gathers wisdom.”
— Isaac Asimov : 1920 - 1992
Growing as a Supply Chain Leader = Growing as a Decision Maker

As our career and level of authority advances, so does our responsibility to make business decisions.
Definition of a Decision

• noun
  – a conclusion or resolution reached after consideration.
    • synonyms: resolution, conclusion, settlement, commitment, resolve, determination; More
  – the action or process of deciding something or of resolving a question.
  – a formal judgment.
Supply Chain Excellence = Value – Waste

- **EFFICIENCY** (Zero Waste)
  - Doing things the right way

- **EFFECTIVENESS** (Customer Value)
  - Doing the right things

- **DISCIPLINE**
  - Plan, Do, Check, Act (PDCA)
…to tell the whole story, we need to become systems thinkers…
Systems Thinking = Thinking Horizontally When Making Decisions

Viewing the organization horizontally means we put ourselves in other people’s shoes. We are interested in, “How do our decisions impact others across the enterprise from a value and waste point of view?”

Bias: A strong inclination of the mind, or a preconceived opinion, about someone or something.

We all have biases, and this is natural and to be expected. The goal and prize is to understand why these biases exist and how we can use this knowledge to connect core processes to improve the business. The goal is not to criticize. We are all working hard and making the best decisions we can considering our personal perspectives.

Why do biases exist in business and how do these impact our personal perspective?
Supply Chain Leaders Drive Excellence by Making Systems-Based Decisions

A supply chain of excellence is rooted in systems thinking: it is a highly-collaborative organization where leaders and team members share cross-functional knowledge and experience, and drive customer value across all processes that make up the extended value stream.

Processes are designed and executed based on operating principles where the management system leverages real-time performance feedback loops. These feedback loops are the primary drivers for decision making, problem solving, and supply chain improvement initiatives.

Enabling processes are connected and flow across the extended value stream from Business Strategy, to Product Life-Cycle Management, to Sales and Marketing, to Supply-Chain Operations.
Business Decision Knowledge

Belief #1: All business decisions are ultimately manifested in the supply chain. Consequently, significant knowledge required to prioritize business improvement opportunities rests within our current supply-chain performance.

- Do we know the root causes to these challenges?
- Where were these decisions originally made?
- What original assumptions did we make?
- Who all knows this inventory is here?
- What could this be teaching us?
Belief #2: Creating decision-making capabilities based on the Ten Rights across the extended value stream will drive systems (horizontal) thinking and will connect the core processes of the business in order to identify where we are getting it right and where we need to improve.

1. The right **Products**
2. to the right **Customers**
3. in the right **Quantities**
4. in the right **Quality**
5. at the right **Times**

6. from the right **Sources**
7. at the right **Prices**
8. at the right **Total Cost**
9. with the right **Services**
10. all within the right amount of **Complexity**...

...All Across the Extended Value Stream = The Perfect Order
The Challenges of Decision Points

Right Sources
Right Time
Right Quality
Right Total Cost
Right Place
Right Quantity
Right Product
Right Price
Right Complexity
Right Services
Right Sources

Example of the Ten Rights Decision Points
How to Implement the Ten Rights Perspective in Your Business

We need to understand the extended value stream from the perspective of the Ten Rights impacting the entire business and not simply the “last-mile delivery” to the customer.

**Step 1:** Identify Ten Rights decision points, decision makers, and decision-impact stakeholders within the extended value stream.

**Step 2:** Establish collaborative tollgates and make collaborative decisions supporting the respective operating principles for Ten Rights decision points.

**Step 3:** Set Ten Rights targets and deploy them.

The Ten Rights: All Part of our Management System

| Ten Rights: Where and when are these decisions being made? | Ten Rights: Who is making these decisions? | Ten Rights: Who will be impacted by these decisions? | Ten Rights: How will the right people be involved in the decision? | Ten Rights: How will we ensure the decision is supporting our agreed upon operating principles? |
Customer & Supply Chain-Centric Decision Making

Belief #3: Advanced Supply Chain-Centric Decision Making proactively eliminates unintended consequences, thereby eliminating non-required complexities and resulting waste.

It is about collaboratively asking:

How will this decision add value to the customer or possibly create unplanned complexity and unintended waste in the supply chain?

POLL: What do you see more of in your organization: function-focused or supply chain-centric decision making?
FLOW = VISIBILITY = DECISIONS = CONSEQUENCES
Supply Chain Leaders Make Decisions Using Principles

Principles:
- Explain how something happens or works
- Are well understood and followed by all
- Influence and guide our daily actions
Type of Operating Principle: Supply Chain

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<td>1</td>
<td>Make consumption visible throughout the fulfillment stream.</td>
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<td>2</td>
<td>Reduce lead time to enable pull and reduce inventory.</td>
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<td>3</td>
<td>Create level flow to reduce variation and enable stability.</td>
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<td>4</td>
<td>Use pull systems to reduce complexity and over production.</td>
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<td>5</td>
<td>Collaborate, solve problems and focus on process discipline.</td>
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<td>6</td>
<td>Increase velocity to drive flexibility to meet customer demand.</td>
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<td>7</td>
<td>Lead and make decisions based on Total Cost of Fulfillment.</td>
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From the book:
*Building a Lean Fulfillment Stream*
Published by the Lean Enterprise Institute
Purchase at: store.leancor.com
How to Implement Operating Principles in Your Business

Step 1: Core Process Operating Principles: Align around, and commit to, the overall operating principles within the four core processes of the business.

Step 2: Sub Process Operating Principles: Align around, and commit to, operating principles within the sub processes of the business. These sub process operating principles must cascade up to support the overall operating principles of the core processes.

Step 3: Tools and Methods: Choose tools, methods, processes, and technology that will successfully support the implementation of the operating principle.

Step 4: Management System: Develop the measurement systems for the operating principles with the right KPI and KRI, and integrate into the overall management system.
About LeanCor Supply Chain Group
LeanCor is a trusted supply chain partner that specializes in lean principles to advance supply chains – “We teach. We consult. We do.”

- **ONLINE | VIRTUAL | CLASSROOM**
  Engage people to drive business improvement.

- **PROCESS | FUNCTIONAL | END-TO-END**
  Transform your end-to-end supply chain to discover hidden profit.

- **BASIC | PLUS | ADVANCED**
  Plan, control, and improve your transportation to advance performance and reduce cost.
Supply Chain 4.0

WARSAW – POLAND

Organized by CSCMP Poland Roundtable
May 16th & 17th 2019

Expected +300 supply chain professionals, academics, and students from all European countries and USA
(2-Day Event in English)

4 Tracks:
1) E-Commerce 3) Block Chain & Industry 4.0
2) Sustainability 4) Supply Chain Networking

With speakers already confirmed from:
Bayer, McCormick, CSCMP, San Diego Univ. (US), Cranfield University

cscmpeurope.org/
THANK YOU!

Q&A Session

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