



WHAT YEAR IS IT IN YOUR COMPANY?

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World-class status is always one step away, and success begins with shedding that dated business mindset. Consider my experiences over the past decades.

The year was 1975, and I recall it well. A client asked us if we could help them improve their order picking process in their new distribution center. I said, yes, we would be happy to do this. We evaluated a variety of order picking strategies and material handling alternatives and developed a plan to double the picking productivity. I spent some time helping the client understand the critical importance of slotting and replenishment, but I was unable to help them move forward on these areas as the client was really happy with the increased productivity of picking.

Next, the year was 1982. A client asked us if we could do a strategic master plan of their distribution center. I said, yes, we would be happy to do this. We developed and evaluated several alternatives and selected a five-year strategic master plan that maximized return on investment and customer service. There was a clear opportunity to enhance the overall operation with a Warehouse Management System (WMS), but the client wanted to stay on the operations side of things and not get involved with systems.

Pushing toward the '90s, a client asked us in 1989 if we could reduce the costs of distribution. I said, yes, we would be happy to do this. We redesigned the distribution center and the WMS, and we implemented transportation best practices and a new Transportation Management System. There was an obvious opportunity to reduce the overall level of inventory, but the client did not see this as a priority and inventory reduction was not pursued.

Next, the year was 1996, and a client asked us if we could rationalize their distribution network. I said, yes, we would be happy to do this. We developed and evaluated several alternative strategic network plans that reduced the total cost of logistics. There was a clear opportunity to enhance customer satisfaction while reducing costs, but the client wanted to stay out of the sales organization's responsibility, and so no effort was put forth on enhancing customer satisfaction.

Now flash to 2003, when a client asked us if we could do an assessment of their overall supply chain. I said, yes, we would be happy to do this. We developed the organization's key supply chain performance indicators, evaluated these metrics and identified a path forward to improve supply chain performance. There was an unmistakable opportunity to enhance the relationship with suppliers, but the client only wanted to address the supply chain within their organization, so no true supply chain work was pursued.

Of course, the next question is, "What will happen next year and what artificial barriers will the organization set forth to limit their ability to perform?" I have watched the evolution of this business for 30 years, and there has always been one more step to achieve world class. This will not change, but what does concern me is when people in year 2004 begin the journey with a 1975 mindset.

This dated mindset is one reason that Tompkins Press developed the new *Supply Chain Handbook*. In this book, you will find the whole cross section of opportunities covered - from distribution center operations, to material handling, to WMS, to transportation, to TMS, to inventory, to network design, to customer satisfaction, to partnerships, to supply chain visibility, collaboration and synthesis, and more. So, do not date yourself and your organization. Instead, broaden your perspective and get on with it.