

THE ART AND SCIENCE OF SUPPLY CHAIN PLANNING

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ADDRESSING THE LONG SUPPLY CHAIN TAIL

- Reasons for delayed delivery
- The levers that can help in the slow supply
- Balancing the fiscal responsibility with reality

One more week. One more month. We are behind. We need to catch up. How many times have we suffered from delays in our supply chain? How many times have we felt that the control is not in our hands and we are only victims of these delays? Let's get control back. Let's start with the reasons for delays.

A manufacturing cycle can be very long, four months or more. Procurement of components can be equally as long. Capex planning, and getting funding to add additional capacity can take a year or more. And transportation lanes, moving product over the ocean could take six weeks or more.

So how can this be solved? Well, there are a couple of levers we can look at. We can improve our forecast and produce product exactly to meet the forecast as it comes in. We can hold extra inventory to account for the variability in demand, but there's only so much inventory we can hold. The last lever is to improve flexibility within the supply chain, but this generally requires significant product design changes if we haven't accounted for that in the very beginning.

All three of these solutions have practical and financial limitations. We need to balance the fiscal responsibility with reality. We should be utilising the customer and product segmentation to make sure that we're identifying the right products to hold in inventory and to balance the demand of the market with our market competitiveness. We also need to make sure that we have fiscal prudence involved so that we're holding the right inventory and balancing our financial needs. Now let's take a closer look at inventory management and effective forecasting.

BRING A STEP CHANGE TO YOUR SUPPLY CHAIN WITH CHAINSEQUENCE

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