



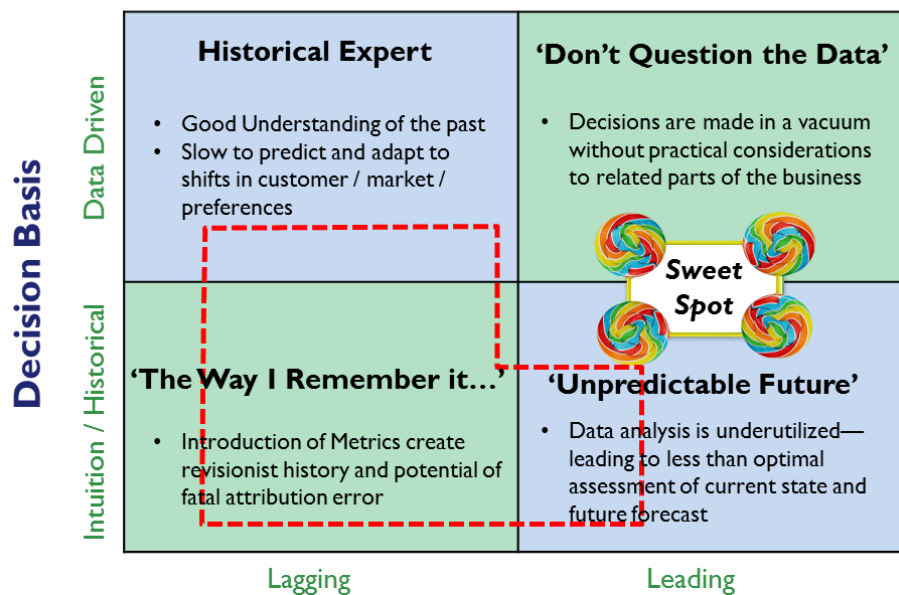
# EXECUTIVE BRIEFING

## Creating Actionable Insights

**How to ensure supply chain visibility translates into enhanced performance.**

Organizations today are often looking to leverage their Supply Chain Management capabilities as a source for competitive advantage. Many supply chain leaders, however, still find themselves yearning for the information needed to make fact-based decisions and consistently deliver measurable outcomes. There is so much noise caused by a cluttered landscape of today’s buzz words – from Big Data, AI, Business Insight, Analytics to Visibility – all meant to impact global supply chains. This executive brief will concentrate on a handful of the practical key elements that can serve as the basis for a solid foundation and lasting approach for organizations looking to benefit from improved supply chain visibility.

### Decision Matrix



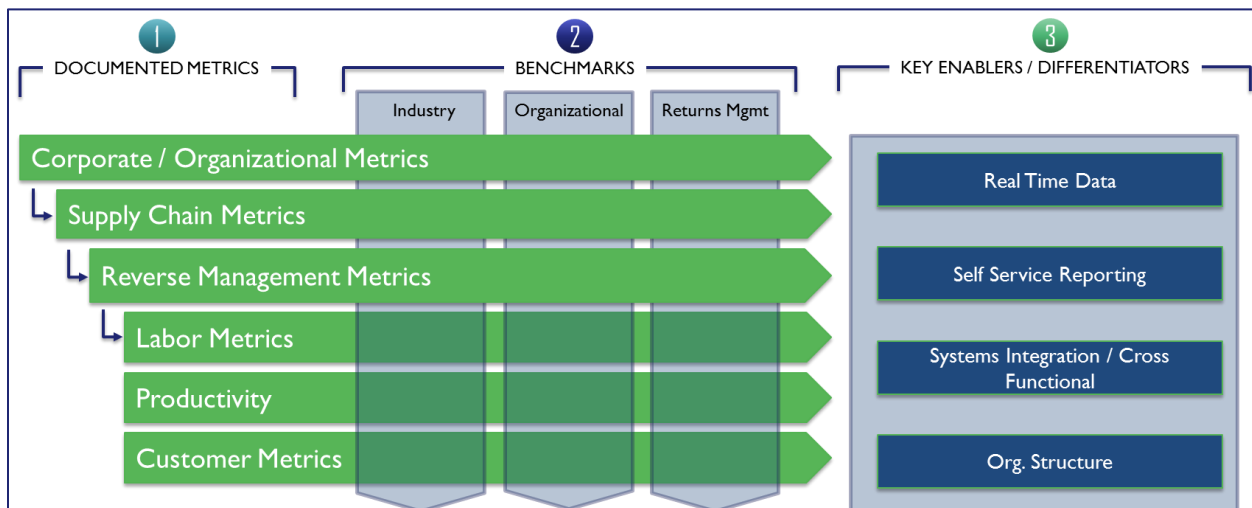
### Type of Metrics

Where many organizations reside

Selecting the **right visibility measures** sheds light upon the reality of what is actually going on within the business – now, not tomorrow! Metrics are only valuable if you can manage to them. Good metrics have three key attributes: their data is consistent, cheap, and quick to collect. To expand upon this, consider the following:

1. Create an objective view of your “current state” (supply/inventory levels, financials, processing capacity, etc.) as the baseline for what is “normal”.
2. Focus on the deviations – identify cause(s) for change in financial, physical, or information used to track and manage the relative health of the business.
3. Utilize a repeatable process – Define|Track|Analyze|Refine – good metrics are reviewed and updated on a regular basis. More KPIs does not equal better results. Ask yourself, “How does this impact XXX goal?”
4. Recognize the iterative process – insights gained at one level will create new questions. Use caution as new questions arise – they may or may not warrant investigation.

*Visibility into the Returns operation is achieved when metrics are documented, aligned to benchmarks, and integrated to enable real-time assessment.*



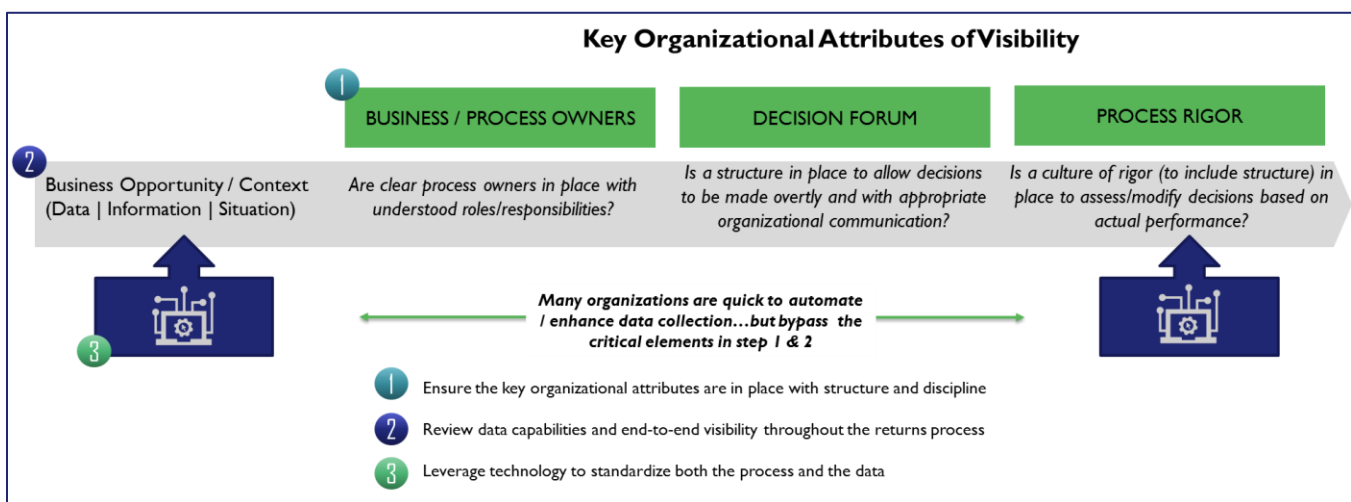
The first element for any organization to consider is the role of metrics in the decision making process. In the image above, we see the 3-parts needed to gain supply chain visibility.

1. **Documented Metrics:** Are the right metrics (quantity and quality) in place to assess the operation?
2. **Benchmarks:** Are the benchmarks appropriate for the work performed in the operation?
3. **Key Enablers:** Are the enabling capabilities in place to support all levels of the organization to use the metrics to make decisions?

The challenge for many organizations is **gathering homogenous data that can be assimilated** across groups / divisions / functions and resolving conflicting source data to achieve one agreed data set. To facilitate this data goal, consider the following:

1. **Get Granular** – not all data is treated the same. Avoid the “one size fits all” method and apply segmentation methods to drive data value.
2. **Be Consistent** – strive for objective figures vs personal perspectives (gut check). Invest in methods that provide consistent results with little to no subjectivity.
3. **Acknowledge Weaknesses** – your data may not be real-time, so recognize that your historical view (lagging data) could drive wrong decisions. Find ways to align the cadence of data based decisions with tangential impact areas.

*When trying to achieve operational visibility there are key steps to address prior to applying technology/automation to existing data.*



Investments in **enabling technology** to support your business can be complicated and should be tabled until you have addressed the following questions:

- How does our organization make decisions today?
- Can the metrics be optimized to make better decisions?
- Have we leveraged the metrics to increase awareness, drive decision-making and improve performance?
- How should we standardize reporting; what is important?

There is a bias towards the latest, greatest, most-hyped application or tool-set to manage complex businesses, but not every business requires that level of complexity. Enabling technologies can range from simple excel charts to advanced simulation models. The goal is fit and function for your company, but at a minimum your enabling technologies must:

1. **Increase speed** and consistency, remove bias, and increase accuracy from data collection
  - a. Barcoding technologies is a prime example of ways to improve accuracy, speed
2. **Improve analysis** and allow you to quickly share findings
3. **Identify ways to remove latency** – the technology should support your efforts to move from historical (rearview mirror) to near real-time and, ultimately, predictive (windshield) forecasting and planning

*Knowledge is power only if man knows what facts not to bother with. - Robert Staughton Lynd*

The challenge of effectively communicating information to a broad audience becomes especially difficult when trying to convey complex data. World-class organizations recognize the need to move from data to insight as quickly as possible in order to have a clear view of the operation. The goal is to help the audience quickly and clearly interpret the information and use that information as the basis for discussion that positively impacts your business.

You must learn to **embrace visualization** – *pictures are worth a thousand words* – in order to understand the meaning of the data. Are the changes observed indicative of an authentic shift in the market or a fleeting trend whose decline is as sharp as its ascent? Visibility is about both taking a snapshot in time **and** a way to slice a period into comparable chunks of data, layered with other relevant factors. Trends should be viewed as early indicators of potential disruptions and allow you to course correct quickly.

Visualization is about the **BIG PICTURE** and utilizing knowledge to uncover trade-offs, unintended consequences or potential ripple effects.

*Good things do not come easy. The road is lined with pitfalls. - Desi Arnaz*

The best of us fall victim to the challenges of change. While pitfalls exist, here are some common pitfalls to avoid:

1. **Choose the wrong measures** – you run the risk of focusing on areas which fail to align with critical business outcomes
2. **Believe that technology can solve process challenges** – you must have a holistic view of your supply chain and refuse to believe that technology solves all problems. Good processes deliver more consistent and predictable results. Organizations must invest in the right people to crunch data and manage exceptions in an agile methodology.
3. **Forget to gain cross-functional participation** – create a broad view of the challenges and gather change focused members with a combination of experience and perspectives that will achieve the proper balance of service, quality and cost.
4. **Fail to act** – identify issues early, brainstorm options, assess risks, *then choose to act*. If the decision is to do nothing, then be ready to justify why “wait and see” is the best option. With knowledge comes power and a responsibility to improve.
5. **Trust self-service reporting** – too often the desire to create self-service reporting tools ends with unused/under-utilized reports and users return to utilizing intuition over information.

## A large boat turns slowly.



We must acknowledge that supply chain transformations never occur overnight, but rather as a series of interrelated decisions and subsequent actions over time.

Experience shows that achieving the next level of forward and reverse supply chain visibility can have meaningful, positive impact on the role SCM can play in steering the business to surpass objectives. While each situation is uniquely different, tackling even one of the four critical elements discussed in this briefing has resulted in significantly better operational performance. Visibility can help to develop more flexible and resilient supply chains that profitably deliver a better customer experience at lower costs. Now that is something we'd all agree is worth highlighting!


We hope you found this information to be helpful. To access more Spinnaker thought leadership [click here](#) or to learn more about our services [click here](#).

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### About Spinnaker:

Spinnaker is a supply chain services company that helps clients grow, manage risk, reduce costs, and improve customer service by developing world-class supply chain capabilities. Our services help clients develop the right supply chain strategy for their business challenges and implement the process and technology solutions to improve Demand/Supply Planning, Procurement and Sourcing, Logistics and Warehousing, and Reverse Logistics business performance. Spinnaker offers a unique service delivery model that combines the strength of deeply experienced management and technology consultants with a seasoned team of business process outsourcing (BPO) and 3rd-party logistics (3PL) professionals. Founded in 2002, Spinnaker has offices in Boston, Columbus, Denver, Houston, Memphis, Pittsburgh, London, and Singapore.

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