SUPPLY CHAIN VISIBILITY

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Your Underlying Decision Support System is Supply Chain Visibility

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Supply chain visibility is no longer a back-office activity; it's the cornerstone of any supply chain digital transformation, whether you have 10,100 or 10,000 suppliers. In today's challenging and complex global environment, supply chain visibility is a key requirement. Having architected major advances in Intel's global supply chain – from materials, to manufacturing, to delivery – I wanted to share some key learnings after many years in supply chain management.

The COVID-19 pandemic should be a wake-up call for anyone in supply chain management. Here are some things to keep in mind as you heed the lessons of this crisis and make improvements in your supply chain capabilities and networks.

Supply Chain Visibility: The Underlying Decision Support System

Visibility is a very common word that's used a lot in the business world, but when applied to the supply chain, it is the ability to see how your equipment, products, or other assets move through your supply chain. Supply chain visibility includes having information on location, which is obvious, but also conditions such as temperature, vibration, or other parameters of that particular asset. With true supply chain visibility, you have a transparent view from end to end; and the ability to receive alerts when something's not operating according to plan, so you can take the right actions in real time. This kind of visibility goes well beyond answering, "Where's my product?" What's really important from a supply chain visibility standpoint is that you get those alerts that say, "Wait a minute, the plan is not operating as you expected." If you are able to make real-time decisions on those assets moving through the supply chain, that becomes a very big advantage.

Supply chain visibility can be thought of as a critical information decision support system. It's the underlying backbone that gives you the analytics tools that are fundamental to your mega supply chain goals. The goals at a corporate level supply chain includes customer service satisfaction, operating costs, inventory performance, and cycle time. Supply chain visibility helps you more reliably, more predictably, and more consistently deliver on your overall goals.

Use Cases Abound for Supply Chain Visibility

Use cases for supply chain visibility are coming fast and furious. Obvious use cases include the pharmaceutical industry, where monitoring product condition such as the temperature is critical. Food transportation is another area where you need to constantly monitor things like temperature and location. If a truck breaks down, you need to make sure you know the condition of the food products from end to end.

Moving large assets, such as semiconductor equipment, aerospace equipment, and large construction equipment is another hot case for supply chain visibility. These are tools worth millions of dollars that you're moving around the world to different factories. This kind of equipment has a myriad of use conditions that need to be met as the equipment is moving from the factory of origin, onto boats or trucks, and eventually to your factory. In all of these cases, it's critical that you have detailed information about the equipment at every step of the way as they are in transition to their final destination.

As supply chain visibility becomes more accessible in the industry, a supply chain in any industry can be improved by leveraging visibility software to enhance your competitive advantage, better support your customers, and run better operations for your business, all which adds to the bottom line. If you can't answer the basic questions of the location and condition of your assets then you don't have the visibility you need to be successful and competitive in your marketplace.

Dashboards and Alerts are Key Components of Any Successful Supply Chain
Dashboards are a key part of your supply chain arsenal, so that you have a real-time, visual understanding of the flow of your products. You also need to be able to receive alerts whenever something occurs outside of your plan parameters.

Ultimately, you want the ability to have your tools use AI/machine learning so that they can auto-correct things based on certain events and certain decision parameters that you can set up around those events. If things shift left or right within these parameters, then the supply chain can correct itself based on your real-time analytics engine. That's the next step we need to ultimately achieve.

Lastly, you want to have supply chain software and hardware solutions that are easy to implement, simple to maintain and interact with, and are flexible enough to work with other solutions such as ERP solutions and transportation management engines.

Leading the Supply Chain Transformation at Intel

When I joined the Intel supply chain team, the CEO at the time was driving a complete transformation of our company, which he coined, "Just say yes to our customer. That should be your first, second and third answer whenever a problem hits you inside the walls of Intel." Obviously, our supply chain was at the very center of that, but we just didn't have processes in place that allowed us to "just say yes." Our focus became improving the ease of doing business with us and ensuring that we can always say yes to customers.

I had just come into this my role at Intel, and I took 90 days to do a top-down, bottoms-up analysis of our current capabilities. Whenever you start in a new organization, you need to spend time to see for yourself what's really going on; the best way to do that is to spend some time and really talk to the people doing the work.

I took an entire quarter to talk with over 100 people, from our CEO to those working on the factory floor, to everyone in between that touched our supply chain. From those interviews, I was able to get an in-depth view of the current state of the organization's capability, and it wasn't able to "just say yes to our customer."

From there, I determined what metrics we needed from a supply chain that would allow us to support this company-wide initiative. It was more than basic supply chain metrics, which is what we were using. We clearly needed to change those metrics so that they were more industry-standard and customer-centric. My job was to get alignment and agreement around the big metrics from our COO all the way through to the CEO, and to clearly define success. This drove us to make changes to the organization so that we could make these dramatic transformations to the supply chain and drive these newly defined metrics. Then we got into the detailed projects of improving data flows, planning processes, and the overall IT infrastructure.

As a result, we were able to define our goals, our metrics, how we were going to measure the progress against them, and how they supported the corporate vision. Then we identified the gaps in those capabilities, as well as the new projects that we needed to launch. It was a very complex project, but our mantra was "Work on your gap, then execute, learn, iterate, and execute again."

The most critical piece of my leadership role was to make sure that on a daily, weekly or monthly basis, I was in front of the stakeholders saying, "Here's the progress we're making. Here are our goals, here are our objectives, here's how we're doing, here's what is improving, here's what we're still working on, and here's what's next." By communicating these details on an ongoing basis, we were able to move the organization from, "I'm not sure we can do this," to, "Actually, we are making progress. It's measurable." By consistently communicating our progress, challenges, and plans for moving forward, we were able to create a very positive momentum within the organization.

Aligning Goals and Communicating is Key to Success

One of the keys to success in supply chain transformation is to put a timeframe on your project. When I initially set our goals and objectives and got alignment with our CEO, I told him that it would take 4+ years for us to get our supply chain to the end state that we wanted. In reality, we achieved most of our core objectives within two-and-a-half to three years. By aligning goals to objectives, showing progress, and clearly communicating what you are doing, you should be able to transform your supply chain within your specified timeframe, if not sooner.

About the Author

Frank Jones is a recognized global leader in supply chain who served in key leadership roles with Intel for three decades, as well as Unisys Corporation. He is credited with architecting major advances in Intel's global supply chain, from materials, to manufacturing, to delivery, in both the U.S. and internationally.

Read Frank's next blog post, Building a Resilient Supply Chain is a Continuous Project.

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