

**SUPPLY CHAIN EXCELLENCE**

The Supply Chain Excellence offerings by Acando focus on enabling increased corporate performance by establishing proper visibility, used for optimization and prioritization, from the company's suppliers to its customers.



Supply Chain Performance Management is a solution offering from Acando which helps companies to measure their supply chain in a recognized way. The key different steps that are included are:

- Analysis of Performance Management setup for the Supply Chain.
- Welcome to this Flight, into the future!
- Develop and establish new definitions for KPIs.
- How do we present the KPIs?
- Establish and implement in client's organization.
- Continuous improvement.

Supply Chain Excellence by Acando aims to align the stakeholders to one common goal – achieving optimal corporate performance.

# Supply Chain Performance Management

Supply Chain Performance Management creates prerequisites for continuous change by defining, enhancing, anchoring and implementing the KPIs / PIs which in an explicit and firm way measures the performance in the supply chain. It handles different customer demands, different delivery channels and the whole product life cycle.

**How's your Supply Chain?**

Over time, the supply chain changes, often in many different ways. It can be customer demands, cost reductions, internal demands, etc, which drives the company to change their supply chain.

**Acando's Supply Chain Performance Management offers a three step approach**

**Step 1: Analysis of Performance Management setup for the Supply Chain**

The first step is to find out how the current set up looks like, which are the biggest problems and which implications they have on the business.

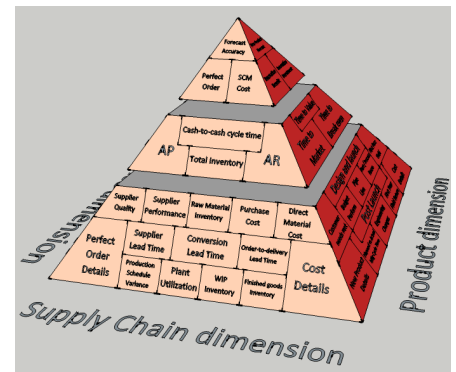
This is then compiled into an Analysis Report and an Analysis presentation, which goes out to all stakeholders, relevant managers and project sponsors. This is then used as input in Step 1b.

**Step 1b: Welcome to this Flight, into the future!**

After that, we prepare a Flight, which is an activity that everybody, at least once in their career, should experience. Key stakeholders, relevant managers and project sponsors are gathered for a three day intense workshop, which is very rewarding but also very tough. The agenda for such a session is very concise and target focused and there are many decisions to be addressed during this three day journey. From this, a vision of the finished project is derived, which will be used throughout the whole project. This will be the decided vision for the project outcome, which then has been signed off by all relevant stakeholders in the project.

**Step 2: Develop and establish new definitions for the KPIs**

We then proceed, with the development and establishing of the new KPIs. Acando is using the latest recommendations from SCOR and we are very familiar with their definitions, approach and way of working. Every KPI gets its own KPI sheet, where all information of the KPI is gathered. The KPIs are then arranged in the form of a two dimensional pyramid. Additional sides can be added, and the pyramid goes 3D.



The KPIs from SCOR is today used by many of the Fortune 500 companies and the benchmarking possibilities are thereby very good.

During this step, a reference group is established, which consists of selected members from the clients organization, who continuously validates the progress of the project, through special reference group meetings.

**CUSTOMER REFERENCES**

Sony Ericsson  
Supply Chain Performance Management.

**Background**

- Old performance management model.
- Old model was not set up for future supply chains (VMI, CPFR, ..).
- The old model didn't reflect different life cycle phases of the product.
- Customer requirements were not reflected in the old setup/model.
- The old model had poor End2End visibility.
- There was lack of ownership from organization.
- No ability to benchmark.

**Assignment**

- Implement a new way of measuring the SEMC End2End supply chain, using KPI definitions from SCOR and make it able to benchmark with the AMR pyramid.
- Establish a supply chain governance model for entire chain and all involved organizations with mutually agreed KPIs, targets and mindset.
- Enable continuous supply chain improvement cycle with well defined processes, roles and responsibilities.
- Well aligned IT tools allowing SEMC to achieve the above deliverables and project purpose.

**Effects**

- The new model reflect the different supply channels and life cycle phases.
- KPIs established using the definitions from SCOR and thereby being able to benchmark with the AMR pyramid. Current position no. 16 in the world, beating HP, Texas Instrument, amongst others.
- KPIs aligned with business processes and committed by the organization.
- Presented in a very pedagogic way in QlikView.
- Continuous improvement pilots with improved support for partially new meeting structure.

**MORE INFORMATION**

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**Step 2b: How do we present the KPIs?**

How the different KPIs are presented is of the utmost importance regarding usage and effect on the organization and the business. We start by developing a Graphic Outline, where the different KPIs are described graphically. This is then developed further to a complete picture. Acando is completely objective and independent when it comes to recommending and choosing a BI tool for the client.

**Step 3: Establish and implement in client's organization**

To succeed in implementation, special plans for training and roll out are established. When it comes to training, we often use a "train the trainer" concept, which means that dedi-

cated persons from the client's organization are trained, to later do the training in their own organization. This gives the new KPIs and solutions a deeper anchoring, and also a possibility to establish a support organization, where fellow workers can turn to, when issues are coming up. Communication is also key in this step.

**Step 3b: Continuous improvement**

During the Flight a vision of how continuous improvement is support to work. This is set up in parallel with the already described steps, with the managers and process owners. When the project passes the finish line, the client will have a system that improves itself and the supply chain for many years.



Acando is a consultancy company that in partnership with its clients identifies and implements sustainable business improvements through information enabled by technology. Acando provides a balance of high business value, short project times and low total cost. Acando's annual turnover exceeds EUR 135 million and the Group employs approximately 1,100 professionals in six European countries. Acando is listed at NASDAQ OMX Nordic. Acando's corporate culture is based on three core values: **Team spirit, Passion and Results.**

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