

## The New Point of Attack for Supply Chain Improvements

by Kevin Fallon

There is much ado about collaboration, synchronization, demand-driven networks, CPFR, and a host of other new business performance movements in the manufacturing sector. In the drive to improve customer service *while* improving profitability, where do you begin?

Believe it or not, supply chain executives have a new technology weapon available that enables and sustains lean transformation in production operations, throughout an enterprise or across broad partner supply networks. You might be skeptical of the impact of this technology after being disappointed with the results of enterprise resource planning (ERP) in facilitating supply chain improvements.

The problem is that the core belief systems of ERP-driven companies focus on information flow with a top-down push viewpoint, while the real goal of a manufacturing company should be profitable demand-pull product flow. Fortunately today, there is an emerging decision support and execution technology category built on a goods flow core belief system, or, as we like to refer to it, “the Voice of the Product.™”

These technology platforms facilitate unprecedented improvements in customer service and profitability simultaneously because they are built from a bottom-up perspective to create pull-based supply chains.

Much information has been published on the great results achieved from lean initiatives in production. Many companies have shown improvements in customer service from production by as much as 30% to 60%, while slashing inventories 25% to 50%. While it makes sense to attack operations first based on these figures, enterprises now have lean platforms available to power and sustain these initiatives across entire collaborative, demand-driven supply networks.

This is great news for supply chain executives since corporate initiatives can now be undertaken with confidence that the end result they visualize will be improved customer service and profitability.

However, they must wean themselves from believing that extending ERP reach will produce the intended results. Instead, heed the call of the Voice of the Product and consider deploying technology that utilizes master production schedules from ERP systems while allowing product to flow in a synchronized fashion to the pull of the customer demand drum.

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