TRISKELE
LOGISTICS

Supply Chain Error Reduction

Triskele Logistics Overview

OUR VALUE PROPOSITION

Our clients decrease their cycle time to market, increase their supply chain fluidity, eliminate errors and inefficiency and save 7 - 10% of their annual supply chain costs.

Our Goal

Our goal is to assist our customers in creating the most effective and efficient supply chain possible. We believe that there is always a way to do things differently and drive costs out of your supply chain.

Innovation, Analysis, Creativity, Process, and Drive are the cornerstones of our philosophy. Our value is moving you forward one change at a time, from the big picture to the smallest detail – we will help you map out your path to success and then drive home the change required to be successful.
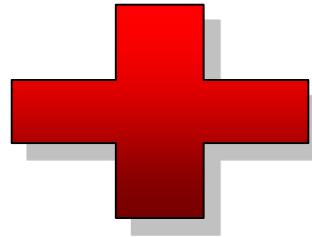
We believe in moving forward, one change at a time. Simple, Efficient, Change.

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What is Lean?

Lean can be defined in two ways

Philosophy /Culture

Tools

Lean Philosophy

Team work

Gemba

Respect for People

Continuous Improvement
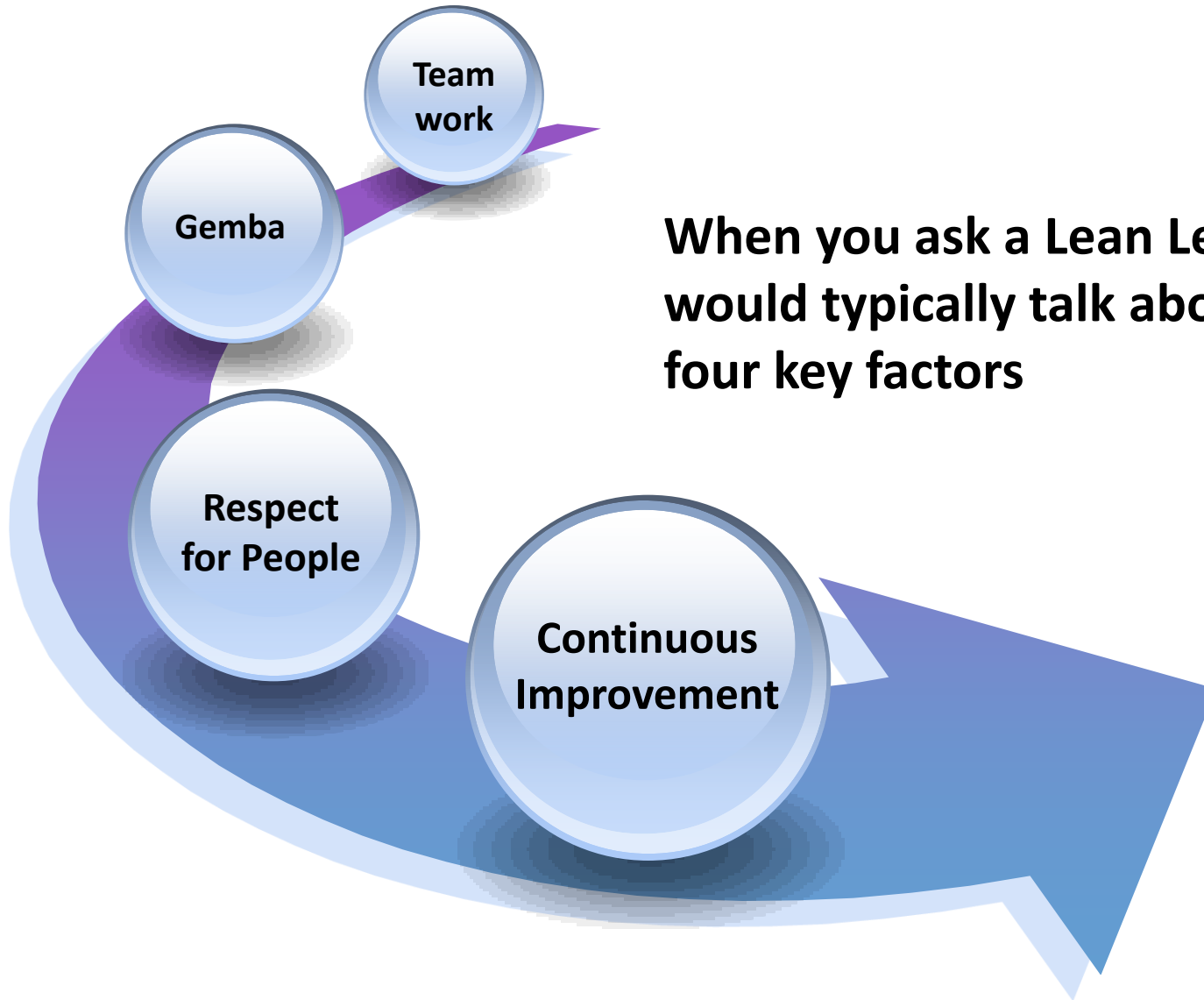
When you ask a Lean Leader, they would typically talk about these four key factors

Supply Chain Waste

- **7 TYPES OF WASTE**
  1. Overproduction
  2. Defects
  3. Inappropriate processing
  4. Transportation
  5. Unnecessary Inventory
  6. Unnecessary Motion
  7. Waiting

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Common Supply Chain Issues

- Rush / Special Delivery
  - Customer didn't get the product that they ordered
- Overage, Shortage & Damage Claim
  - Product incorrectly shipped, shorted or damaged on arrival
- Waiting at time of loading or unloading
  - Warehouse is not ready to ship or receive
  - Intermodal demurrage
- Shipment Delays
  - Product not departing or arriving on time

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Impacts of Errors

- Inefficient asset utilization = increase environmental impact
- Poor supply chain performance (on-time delivery, etc)
- Decrease in reliability
- Fines and penalties
- Increased cost (sometimes millions of dollars)
- Decrease in Customer Service
- Decrease in employee job satisfaction
- Cultural issues
- Fire fighting vs. fire prevention

How to Eliminate Errors

- Create common understanding of expectations
  - Assume no one knows the process
- Document and standardize processes
  - Do this with the entire team, all stakeholders
    - E.g. sales, operations, transportation, warehousing, accounting, customer service, etc
- Investigate the root cause
- Change or add to the existing process to fix error
- Create accountability and visibility

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Standardize Processes

- Create Standard Operating Procedures
  - Include what to do when things go wrong
- Create end to end value stream maps including processes outside of your department
  - Find out what they think your processes are and how well they are working
  - Order management, invoice management
- Review value stream maps with all stakeholders
  - Your team, operations team, customer service, accounting etc.

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Investigate The Root Cause

- Create standard issue, problem, resolution processes
  - Track the number of issues on a whiteboard or piece of paper, and take pictures
- Review your invoices from service providers
  - Watch for "value added service charges" a.k.a accessorial fees for re-work, wait time, etc.
- Investigate and find out the root cause of the issue
  - Don't stop until you know all the issues, normally "Murphy" has been involved, and more than one department has missed something that resulted in the error

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Create Accountability

- Get the whole team on the phone together even if it's for 15 minutes
  - Stops finger pointing or the "coat of arms"
  - Creates accountability
  - Communicates expectations clearly
- Follow the three strike rule
  - 1, You forgot, let me remind you
  - 2, The process isn't clear?
    - Change the process and re-train everyone
  - 3, Consequences, fines, performance rules, etc.

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Sustainability Benefits

- People
  - Improved communication
  - Higher job satisfaction
  - Faster response time when there is an issue
  - Better cross-functional department communication
  - Fire prevention and cost mitigation through strategic initiatives - not fire-fighting

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Sustainability Benefits

- Financial
  - Increased asset utilization
  - Less inventory damage & shrink loss
  - Decreased time to manage operations
  - Reduced costs for accessorial charges
  - Higher reliability and customer satisfaction (brand loyalty)

Sustainability Benefits

- Environment
  - Use fewer resources (water, raw material, etc)
  - Reduced green house gas emissions
  - Reduced consumption
  - Reduced packaging and waste
  - Reduced use of paper and other supplies

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Culture

- Focusing on process is less emotional

- Tracking issues even on a white board creates data and facts (not perceptions)

- Cross functional approach improves corporate functioning

- Fosters collaboration and teamwork

- Fosters solution based thinking

Summary

- Create systems that "Get it right the first time"

- Gather your data and then stick to the facts

- Focus on fixing one issue at a time

- Continuously improve and build on your starting point

- It's ok if there is no destination, but make sure to celebrate progress along the way