



# **SCOR Peak Performance**



## Does this sound familiar?

You're elbow deep in several projects

- then -

you're informed that your number 1 priority has changed.

You can do the work: you've hit required project targets before

You believe in the work: the company and you share a mission

You know that surprises happen: things change rapidly and you adjust

But this constant, last minute changing of priorities?

That's super frustrating.



## Why?

Because you're constantly dropping one set of projects only to pick them up again later.

Because you're constantly negotiating for project resources and prioritization.

Because you have to start back up again and again from scratch.

Because you are pulled in different directions depending on which way the prioritization winds blow today.

Because everyone else has a different strategic priority 1, making collaboration difficult at best.



Wasted time, money,  
and frustration all for  
an end result that only  
might improve the top,  
bottom, or margin  
lines.

**There's got to be a  
better way to  
improve business  
and financial  
outcomes without  
driving people crazy.**



## 4 CRUCIAL COMPONENTS TO HIGH PERFORMANCE

Your projects are crucial to your company. How can each one provide the maximum positive impact?

Is it possible to get the impact AND a coordinated play list for all the project work?

Yes it is, and you can do it without...

- creating mounds of documents that are out of date before you finish
- hours of meetings to figure out project priorities
- missing real financial targets for company growth and sustainability
- multitasking



## HERE ARE THE 4 CRUCIAL COMPONENTS

- 1) define one performance goal
- 2) establish one prioritization list
- 3) develop a means to target gaps
- 4) solve problems not symptoms

## DEVELOP ONE PERFORMANCE GOAL

If you want to end constant expediting and changing customer requirements, the first step is to identify exactly what the customer wants.



The truth of the matter is:  
customers always say they want

- lowest cost
- highest quality, and
- faster delivery.

But usually, those items are not what they really value. They just don't know what you really offer so they pick generic goals.

You need to listen carefully to understand what they value above all else.

To do this, you need to understand what your customers' customers want.

Here are three things to listen carefully for:

- 1) how fast do they need delivery
- 2) must they be in lockstep with their extended supply chain
- 3) do they require flexibility



# 1. How fast do they need delivery?

Do your customers have to act like Amazon?

If so, then they need you to be Responsive above all else.

*For example, are they constantly in a rush to get deliveries to their customers because if they don't, the customer will go to a competitor?*

*If this is true, your customers are looking for responsiveness from you.*



## 2) Do they work under contracts that dictate due dates?

Do your customers live in a world where perfect orders must be the norm?

Does your customer's extended supply chain expect them to be in lockstep?

*For example: Is your customer, or their's, the Dept. of Defense?*

*If so, it is imperative that you deliver in full and to the due date, but not any earlier and definitely not later.*

*If this is true, then customers are looking for Reliability from you.*



### 3) Do they require flexibility?

Is their customer demand chaotic?

You need to know exactly how much more or how much less product you can make and deliver in the time desired. And you can't hurt your top, bottom, or margin lines - nor your extended supply chain's financials in accomplishing this.

*For example: Are your customers' customers influenced by quickly changing fads?*

*If this is true, your customers are looking for agility from you.*



# ESTABLISH ONE PRIORITIZATION LIST

Sounds simple, but it isn't.

Why?

Because we are talking one prioritization list for the entire company.

Everyone needs to know what is most important. This cannot constantly change. Yes, there will be times when it does, but only with exec approval and after strict review.

However, if the priority of projects is constantly changing it, then the company doesn't know what it is aiming for.

It doesn't have a strategic execution plan that states what



projects must be completed first, second, third... to accomplish business goals

Stability in business goals is required to build and grow a business. If priorities constantly change, then optimization and growth is impossible.

Only chaos lives in this climate.

To get stability, use a risk matrix to evaluate project risk against performance goals.

Attach financials to the risk outcome. This means you will have numbers detailing:

- the cost of the project
- the ROI
- the cost to the company per day that that problem is not solved



## DEVELOP A WAY TO TARGET GAPS

To avoid incorrect prioritization that wastes time and money, performance gaps must be correctly identified.

This means you need to have the right metrics in place to show if you are, or if you are not, on track to meet performance goals.

*For example:*

*Let's say you are in logistics and warehouse management and your customer complaints are rising.*

*You see that you are delivering faster than ever - but often have to do multiple deliveries to get the whole order delivered.*



*Because your customers want Amazon-style performance, getting at least part of the delivery there fast is important.*

*But customers want the impossible: They want fast and in-full.*

*Which performance is most important? Choose wrong and you'll perform incorrectly and constantly lose customers.*

*Align to the wrong metric and you perform incorrectly for your customer base. The mismatch means you spend money on technology and projects that don't improve revenue.*

*Customers will keep complaining until you get performance aligned to their values.*

*Based on their complaints, their main concern is getting everything on time in full.*

*You really are not in an Amazon-*

*play. You are in a DoD-type play.*

SCOR: ultimate supply chain performance.



## **SOLVE PROBLEMS, NOT SYMPTOMS**

Make sure you are solving the root problem.

If not, at best you'll get a 6 month reprieve from seeing the problem again.

When this happens, your prioritization list is ditched because the root cause wasn't dealt with earlier. Since you do need the problem solved, projects are created to solve this same problem and are placed back on the priority list again and again.

Why can't the problem just be solved?

Because gap targeting is being done incorrectly, or, you solved what you thought the problem was, not what it actually is.



It takes time to correctly define the problem - especially if you don't have a hierarchy of processes and metrics pointing directly to the strategic performance goal - or showing where the lack of performance originates.

Use an Ishikawa diagram with a broad team of experts to identify each area that may be contributing to the problem you are seeing. That problem is the symptom of something much bigger. Once you have the Ishikawa created, use the 5 Why's to break down the contributing factors to the actual root cause.

**Being able to handle the 4 crucial components at the same time is where using a proven framework helps.**

**The proven framework is  
SCOR.**

SCOR: ultimate supply chain performance



# **SOLVING PROBLEMS QUICKLY IS WHY SCOR IS IMPORTANT**

## **SCOR Supply Chain Operations Reference model**

SCOR's building blocks are used to design/improve supply chains.

The blocks you put together can be quickly recombined to meet new performance requirements for a new set of customers.

People and practices are integrated from the start. Trial and error is eliminated since you know what the customer wants from your processes from the beginning. You prove you can deliver with your metrics.



When things go wrong, SCOR metrics provide diagnostics for analysis. You get to solving the problem faster.

You know the exact impact on strategic and tactical performance.

You know in advance what the customer values and can react before things go south.

You have real time visibility since you embed IT in the process development, supply chain improvement processes from the beginning, not after the design is finished. This makes it easier for IT to help mold the processes so that they work with the technology and infrastructure rules you already have in place.



# APPLYING SCOR'S FRAMEWORK TO CONTINUOUS IMPROVEMENT

You know your company's strategic goals and use performance attributes to align all activity in the company to those goals.

Cross-functional integration is built in and you have unified understanding of improvement needs.

For each major customer, you check to make sure there is a performance match.

For each customer group, you check to make sure there is a performance match.



If you match; you win.

If you do not match, then you must figure out what the performance goal should be and reconfigure quickly.

SCOR's process blocks can be regrouped quickly to get you providing new customer performance.

You'll also change your metric hierarchy to support the new customer performance goals.

You get:

Faster alignment to customers.

Faster alignment to strategy.

Faster real revenue results.

Faster competitive advantage.



# APPLYING SCOR'S FRAMEWORK TO NEW SUPPLY CHAINS

It takes a lot of planning to design a new supply chain. Supply and delivery networks have to be developed. Manufacturing or warehouse capacity may have to be added. People may have to be hired and trained.

And above all, you need to design the entire supply chain to satisfy your desired customer.

This means supply chain designers have to coordinate with marketing to get the customer definition and requirements right.

It also means Sales must sell only to customers who meet the customer definition.



Having a functioning S&OP process in place is extremely helpful for this.

SCOR combined with S&OP means:

You reduce costly rework of equipment, processes, product flow, and delivery methods.

You build in performance at the strategic, tactical, and operational levels all at the same time.

You reduce the number of customer complaints before they happen. You are customer aligned from sales through delivery.

You get the exact sales AND the exact customers you want.



# 30% DECREASE IN IMPLEMENTATION TIME WHILE DELIVERING 30% MORE

Do more with less.

Because you've targeted gaps, determined the root cause, prioritized the solution implementation, and know, without a doubt, that you're saving time and money by aligning to the customer's requirements.

You are opening up time and making money.



*Take, for example, replacement of legacy technology.*

*A) You know the legacy system must be replaced because the metrics highlight low performance where the technology is used.*

*B) You compare the importance of spending the time and money on an immediate fix vs a short term band aid and a later fix.*

*C) Because the performance requires specific capabilities, your SCOR developed processes and performance now create the definition of how the new technology must perform.*

*If you must change, you rely on SCOR's predefined process and metric hierarchies.*

*You are able to create a meaningful requirements spec before the change is released.*



*Tech requirements include the expertise required for your people.*

*D) Using SCOR's mapping, you know the points the new technology must integrate into - whether other functional areas, processes, other technology...*

*You are able to gather the necessary integration point requirements prior to choosing a technology.*

*No surprises.*

*No disappointments.*

*No frustration.*

*The new tech works with the existing systems.*



## WHAT HAPPENS WHEN YOU USE SCOR?

You join over 5000 other companies around the world that have high performing supply chains using SCOR.

You know how to adjust your processes to get 20% improvement in inventory turns.

Your image is improved when you increase your delivery reliability by 25%.

You take on the tough customers because you have 20% improved flexibility built in.

You are a supply chain expert who understands the entirety of the supply chain, not just a part of it.



## WHAT'S NEXT?

Choose **YES** to upcoming result laden, impact filled, hands-on  
**3-day SCOR Master Workshop**

Check here for dates

Join Master SCOR-P Instructor  
Cynthia Kalina-Kaminsky  
and reach the heights of supply  
chain performance

**Click here** to register

**DON'T WAIT**

**Your competitors are courting  
your customers now**

SCOR: ultimate supply chain performance

