



Supply chain and logistics solutions

Applying Lean to supply chain management



Simpler Consulting, an IBM Company 5-Phase SCM Transformation Process

1. Discovery
2. Assessment
3. Design and configuration
4. Implementation
5. Support, stabilize and continuously improve

Simpler's Supply Chain and Logistics solutions

- Strategic sourcing
- Inventory optimization
- Strategy development and implementation
- Sales and operations planning

Simpler Consulting was acquired by Truven Health Analytics® in 2014. Truven Health Analytics was acquired by IBM in 2016 to help form a new business, Watson Health™.

From conception to consumption: Applying Lean to Supply Chain Management (SCM)

In today's economy, more and more companies are challenging their supply chains in various dimensions, including flexibility, cost reductions, risk management, technological innovation and customer service levels.

Lean is a team-based approach to continuous improvement focused on eliminating non-value-added activities or "waste" from the viewpoint of the customer. Although lean tools have been used in one form or another for many years, especially in manufacturing, we are now beginning to see them being applied to supply chain and logistics management.

Lean is (or should be) of great interest to supply chain and logistics professionals. We believe it can help give companies a competitive advantage by supporting strategies based upon one or more of the following concepts:

- Differentiation
- Cost Leadership
- Response

The **Simpler Supply Chain Practice** is designed to help clients respond quickly to the overall strategic direction while meeting new demands for process performance and increased productivity. We can help our clients create competitive advantages during different stages, including product development, planning and sourcing, to manufacturing, logistics and distribution. Simpler consultants can help clients to attain measurable results and enhanced value.

At its core, the Lean-based Simpler Business System® (SBS) is built around certain basic principles:

- **Respect.** Participants must have respect for the people involved and for the goal of continuous improvement.
- **Sustained value.** Goals aren't designed as narrow, short-term fixes; they are designed to help you create solutions to help you achieve vital to long-term success.
- **Eliminating waste.** Process improvement should be focused on eliminating waste and delivering value-added services.
- **Knowledge transfer.** More than just improving your processes, SBS teaches you skills designed to help you sustain Lean improvements.
- **Leadership/Staff Buy-in.** True improvement only happens when it is embraced at all levels.

With these core principles as a guide, our Supply Chain Practice applies a focus on key competencies, including:

- Formulating service strategy
- Process improvement and redesign
- Identifying and implementing cost savings
- Resource realignment
- Inventory management
- Contract management
- Standardization and storage design

About Simpler Consulting, an IBM Company
 Simpler® Consulting, an IBM Company, is a leading management consulting firm that helps organizations around the globe to improve performance through Lean transformations. Since 1996, Simpler has worked closely with clients to foster an organizational culture that continuously seeks out opportunities to make improvements, and help to stimulate business-impacting results. With its proprietary Simpler Business System®, Simpler has helped clients to implement Lean transformations across a wide range of industries.

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Simpler Business System (SBS)

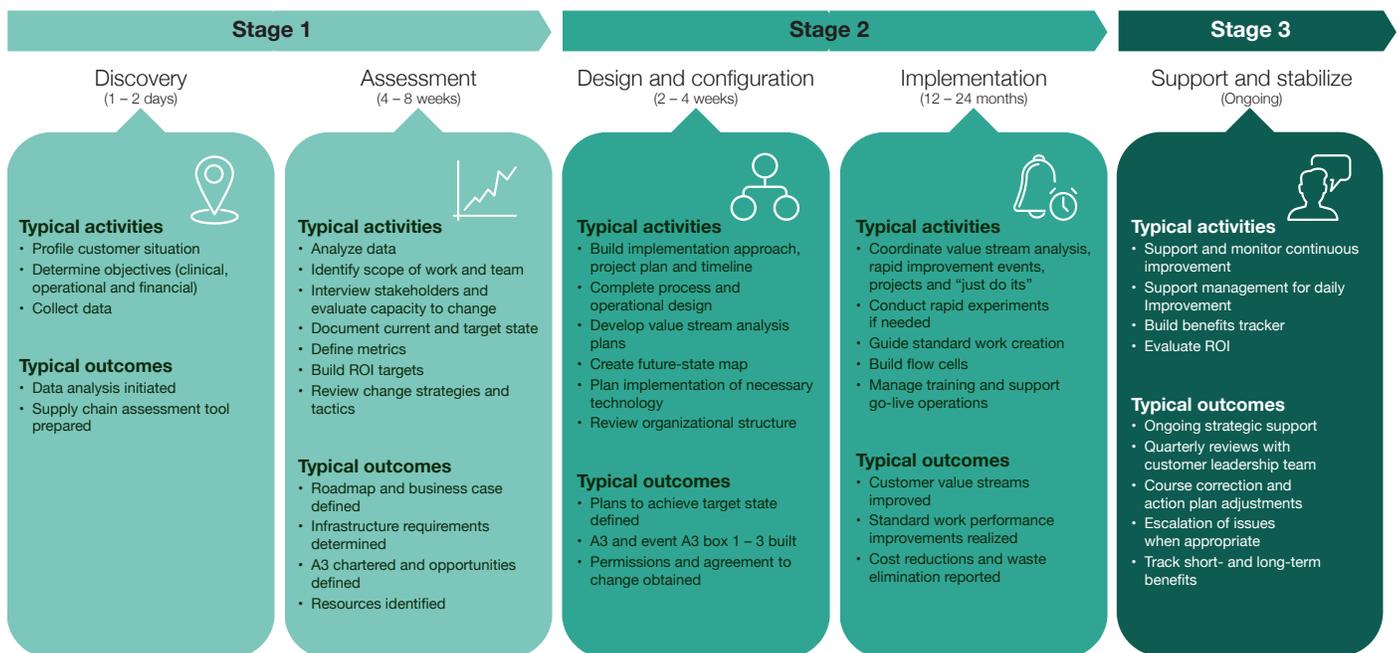


Figure 1: Simpler Business System–Supply chain

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