Perfecting Perfect Orders through Increased Visibility

Overview

Is your Perfect Order rate less than perfect?   If so, what areas of your extended supply chain warrant the most improvement?   Through Supply Chain Visibility solutions, not only can your Perfect Order Fulfillment rate be measured, it can be improved.

Introduction

The quest of a perfect order is comprised of a journey filled with constant movement and activity, perfectly aligned until reaching the final destination in perfect condition. The odds against fulfilling a perfect order almost seem overwhelming when considering the complexities of an extended supply chain. Fortunately, supply chain companies have continued to take advantage of process improvements and technology solutions that have steadily improved the success rate for perfect orders.

Supply Chain Visibility solutions have become an affordable and integral partner in achieving increased Perfect Order rates. Enhanced visibility across the total supply chain provides the ability to measure key indicators, monitor process improvements, and maintain supply chain performance.

What is a Perfect Order?

The demand for perfect orders is intense among consumers -- and for good reason. Consumers want what they ordered, when they wanted it, for the price they wanted, and in good condition. Any deviation from these expectations likely results in lost customers in the future.

The Supply Chain Council describes Perfect Order Fulfillment as a discrete measurement defined as the percentage of orders delivered to the right place, with the right product, at the right time, in the right condition, in the right package, in the right quantity, with the right documentation, to the right customer, with the correct invoice. Failure to meet any of these conditions results in a less than perfect order.

The requirements for a perfect order can seem daunting; yet despite the challenges, companies can achieve high Perfect Order rates. The Perfect Order rate has become an important indicator in measuring supply chain performance. Companies that boast some of the highest Perfect Order rates carry less inventory, experience a shorter cash-to-cash cycle time, and have significantly less stock-outs when compared to their competitors. The cost of imperfect orders leads to increased labor costs for shipping, providing replacement product, and decreased revenue due to lost sales and customers. By minimizing imperfect orders, greater efficiencies and increased customer satisfaction can be obtained.

Increasing the Odds through Extended Visibility

The good news is that the odds of achieving a perfect order can be increased through extended visibility across the supply chain. Supply Chain Visibility applications can provide a

comprehensive view of supply chain performance through integration across disparate supply chain systems. Tracking Perfect Order performance across the supply chain becomes imperative when isolating problem areas that affect performance the most.

Supply Chain Visibility applications can contribute to increased Perfect Order rates in three ways:

1) *Measuring Current Conditions*

What gets measured gets action. Measuring performance across various areas of the supply chain is critical in understanding where the most dramatic improvements can be made. Using Supply Chain Visibility applications to isolate problem areas will initiate process, technology or operational improvements necessary to increase performance. Many supply chains are comprised of disparate systems that are not fully integrated. Supply Chain Visibility applications bring cohesion to disparate systems by analyzing data from multiple sources to identify specific points in the process that may require attention. Whether problem areas are isolated to a particular region, a specific process, or even an individual location, Supply Chain Visibility applications can deliver vital information to assist in making the most effective decisions.

Supply Chain Visibility solutions also provide powerful abilities to drill to the detail information that comprise high level metrics. Viewing the detailed data behind the metrics provides compelling information from which to recommend improvements to increase Perfect Order rates. For example, if on-time delivery performance has decreased, the ability to view the vendors with the lowest on-time performance can lead to understanding root cause relationships. Identifying the factors that contribute to performance measurements are key in prioritizing actions that should be taken to make continual improvements.

2) *Monitoring Improvements*

Once the key metrics are measured, an effective implementation strategy can be designed to target the areas in most need of improvement. As soon as actions are being taken to improve the identified problem areas, the supply chain can be monitored through Supply Chain Visibility applications to track the progress of improvement initiatives. Whether in the form of a dashboard, email or mobile devices, information is readily available to capture current supply chain performance and trends over time.

Supply chain executives can monitor the supply chain more strategically by viewing end to end processes and overall performance. Supply Chain Visibility solutions display one version of the truth by incorporating data from multiple data sources. As a holistic view of the supply chain expands, so does the opportunity to make mid-course corrections to improve Perfect Order rates.

3) *Maintaining Supply Chain Performance*

By spanning the extended supply chain, Visibility applications can become a valuable asset in maintaining Perfect Order rate improvements. Whether through real-time alerting to conditions that may result in a less than Perfect Order to displaying orders at risk of out of stocks, performance levels can be maintained by proactively taking action on issues as they occur. Alerting through dashboards and mobile devices accelerates the potential to proactively address issues that could negatively impact Perfect Order rates.

Supply Chain Visibility applications can be enhanced over time to accommodate the ever-changing demands of the supply chain. As Perfect Order rate goals continue to be refined, Visibility applications can adapt and assist in maintaining Perfect Order improvements.

Supply Chain Visibility applications can increase Perfect Order rates without a significant financial impact. Achieving a balance between the cost of improvement and the cost of imperfect orders can be challenging. A healthy balance can be reached when setting Perfect Order goals by taking on manageable projects that yield noticeable improvements without tipping the scale on the cost to implement. As problem areas are isolated, targeted improvements can bolster the return on investment to offset the cost of implementing change.

Summary

The pursuit of perfect orders is not so elusive when it comes to making the smartest decisions about the factors that affect supply chain performance the most. Additional intelligence in key areas of the supply chain that have the greatest impact can be achieved through the use of Supply Chain Visibility solutions.

Supply Chain Visibility Solutions allow the measuring, monitoring, and maintaining of supply chain performance. By providing the ability to isolate root cause relationships, actionable improvements can be made and measured.

The achievement of perfect orders is a lofty goal. Maintaining a balance between perfection and profitability is a challenge that can be managed through the incorporation of Supply Chain Visibility solutions and prioritizing improvement initiatives. As companies continue to adapt and improve supply chain performance through extended visibility, the quest for Perfect Orders is not so far away.

About the Author:

James Richey is President & CEO of Blue Sky Technologies and strives to increase visibility throughout the supply chain. Mr. Richey is dedicated in his pursuit of maximizing value of existing supply chain systems through leveraging technology and integration to increase standardization across the supply chain.

About Blue Sky Technologies, Inc.:

Blue Sky Technologies, Inc. is a supply chain visibility software company that provides customers with targeted executive decision dashboards, such as its flagship product, Insight™. The company's solutions are web-based and configurable to serve the needs of multiple individuals within a company's various levels of supply chain responsibilities. Blue Sky Technologies offers integrated, prepackaged supply-chain software and quality service offerings to clients to enhance their customers' competitive advantage in the marketplace. For more information, visit www.blueskytech.com.

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