# LEAN AEROSPACE INITIATIVE Supplier Networks Research Team Implementation Workshop Building Lean Supplier Networks



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Presented by

Kirk Bozdogan, Hamid Akhbari & George Reynolds

Co-Leads, Supplier Networks Research Team

Contact: bozdogan@mit.edu; 617 253-8540

**Document: Workshop Goals & Process** 



# Workshop Expectations

- Make further progress on ROADMAP for Building Lean Supplier Networks
- Foster knowledge-sharing & group learning
  - Cross-industry perspectives on supply chain management
  - Implementation "lessons learned"
- Plan future team activities
  - Supply Chain Management Self-assessment Tool
  - Topical workshop

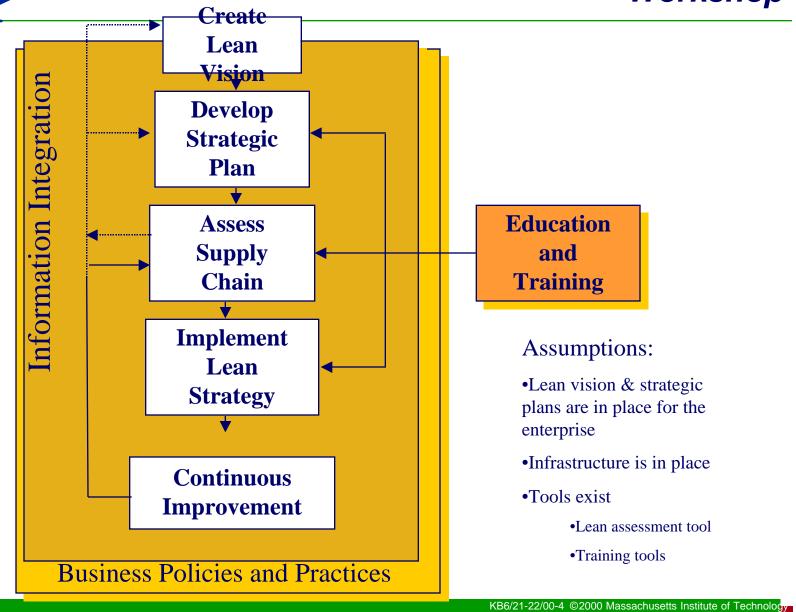


### ROADMAP: Vision

- GOAL: Develop common "how-to" reference guide for building lean supplier networks in aerospace industry
- PRODUCT: Desk reference (hard copy) & web-based tool for quick access & continuous improvement
- PROCESS: Team effort, with subteams taking ownership of specific building blocks; workshop meetings; telecons; subteam meetings (as necessary)
- TIMELINE: Started effort at Jan 2000 workshop
  - Develop "alpha" version (end-Sept, 00)
  - Field-test "alpha" version (Oct 00 Jan 01)
  - Develop "beta" version (Feb 01 Apr 01)
  - Establish process for continuous improvement

LEAN AEROSPACE INITIATIVE

# ROADMAP: Output of Jan 13-14 Workshop



### LEAN AEROSPACE INITIATIVE

## ROADMAP: Mid-Course Correction (March Plenary Workshop)

of your Supplier Networks May Impact your Org Structure and

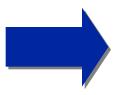
#### **Define Vision**

- 1.1 Develop learning about lean supply chain design and management principles 1.2 Define vision for lean supply chain design and management (derived from, and enabling the achievement of, enterprise
- 1.3 Engage key stakeholder

strategic vision)



- 2.1 Develop framework for strategic supply chain design (concurrent design of enterprise strategy, core competence mapping, products, processes, make-buy calculus, and supply chain design)
- 2.2 Establish performance goals, objectives and
- 2.3 Identify and involve key suppliers; define roles and responsibilities
- 2.4 Design integrated supply chain management & organizational structure
- 2.5 Define organizational/functional interfaces & coordination mechanisms



#### **Establish Lean** Infrastructure

- 3.1 Create organizational structure
- 3.2 Align relationships & incentives
- 3.3 Prioritize and allocate resources 3.4 Define technical and business
- processes
- 3.5 Develop infrastructure



#### Strive for **Continuous Improvement**

- 6.1 Monitor lean progress
  - 6.1.1 Measure progress (metrics)
  - 6.1.2 Report metrics
  - 6.1.3 Define areas for further improvement
  - 6.1.4 Recognize achievements
  - 6.1.5 Transfer ownership of lean process to suppliers
- 6.2 Nurture the process
- 6.3 Modify & refine implementation plan and strategy based on an assessment of performance by suppliers
- 6.4 Capture & adopt new knowledge



#### **Implement Lean Initiatives**

- 5.1 Refine & operationalize performance targets and metrics
- 5.2 Commit resources to lean initiatives
- 5.3 Map the "current state" supplier value stream
- 5.4 Map the "future state" supplier value stream
- 5.5 Implement lean transition initiatives
  - 5.5.1 Adopt & pursue implementation model(s) [radical; incremental; pilot projects, as required (pilot-evaluate-scale-up)]
  - 5.5.2 Implement procurement plan
  - 5.5.3 Implement lean contractual relationships (e.g., long-term relationships & strategic alliances; mutual gainsharing arrangements)
  - 5.5.4 Mutual performance improvement events/initiatives
- 5.6 Conduct internal and external training

#### **Create Lean Implementation Plan**

- 4.1 Define supplier network
- 4.2 Baseline supplier capabilities & assess lean competency
- 4.3 Select and qualify suppliers (incl. supplier certification)
- 4.4 Identify needs (supplier development; internal & external education)
- 4.5 Identify and prioritize supplier development initiatives
- 4.6 Create lean implementation plan with suppliers
  - 4.6.1 Procurement plan 4.6.2 Long-term relationships; strategic alliances
  - 4.6.3 Contract design 4.6.4 Target costing
  - 4.6.5 Information-sharing, cost-sharing, risksharing
- 4.7 Assemble the lean implementation toolset for executing the plan



considered Infrastructure issue required to accomplishing Lean

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# ROADMAP: Specific Workshop Expectations

- Review current status of subteam efforts
- Scrub ROADMAP definition resulting from March Plenary Conference
  - Strategic level (building blocks)
  - Tactical level (Implementation steps within each building block)
- Agree on content definition (deliverables) for each building block & implementation step
- Develop draft content definition for each building block
   & at least two implementation steps to serve as template for future work
- Reach agreement of ROADMAP project timetable
- Prepare subteam schedule/milestones for next steps



# ROADMAP: Content Outline

- Building blocks: Provide a definition of each block
- Implementation steps:
  - Provide a description
  - Identify major barriers
  - Identify key enablers
  - Identify key performance metrics
  - Define output generated
  - Define prerequisite inputs required from other steps
  - Indicate (and attach, as appropriate) specific tools/methods
  - Highlight research questions
  - List references (literature, case studies)
- Interfaces: Identify major interfaces between ROADMAP and transition-to-lean models (enterprise-level TTL; production operations; product development)



# Workshop Ground Rules

- Everyone: please participate, don't act as a "tourist"
- Equal access to group dialogue; no one excluded
- All contributions welcome & respected
- Stay on topic & build on contributions by others
- Emphasize really important points, can work details later
- Avoid disproportionate discussion of specific issues
- "Park"issues/questions that can't be readily resolved
- Make list of topics/areas where team needs more substantive knowledge (e.g., MIT research results, white papers, references, etc.)



# **ATTACHMENT**

Relationship between the Enterprise Transition-to-Lean Roadmap & Supplier Networks Roadmap