LEAN AEROSPACE INITIATIVE
Supplier Networks Research Team

Implementation Workshop

Building Lean Supplier Networks

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Presented by
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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
Assumptions:

- Lean vision & strategic plans are in place for the enterprise
- Infrastructure is in place
- Tools exist
  - Lean assessment tool
  - Training tools
**RODMAP: Mid-Course Correction**
(March Plenary Workshop)

### 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 strategic vision)
1.3 Engage key stakeholder

### Develop Strategic Plan
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 metrics
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

### Create Lean Implementation Plan
4.1 Define supplier network
4.2 Baseline supplier capabilities & assess lean competency of suppliers
4.3 Select and quality 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, risk-sharing
4.7 Assemble the lean implementation toolset for executing the plan

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