

# SUPPLY CHAIN OPTIMIZATION INITIATIVE

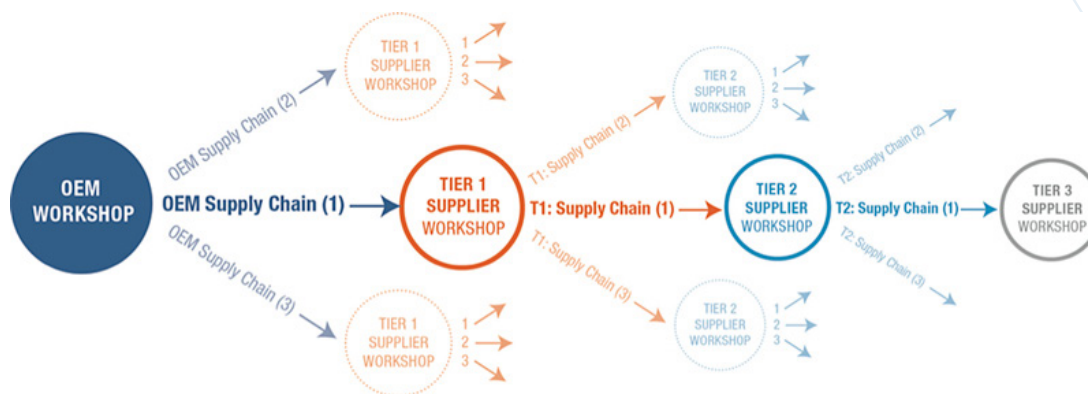


## Assisting Manufacturers to systematically understand the critical areas controlling the performance of supply chain and foster collaboration among the supply chain members.

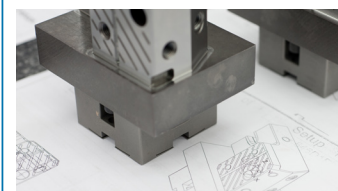
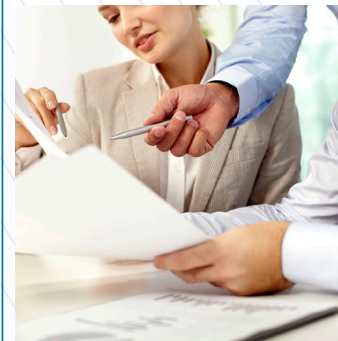
Manufacturing companies are presented with supply chain issues every day, issues ranging from identification of new suppliers and materials through manufacturing transportation and distribution to customers. It is not uncommon for both complex, multi-national companies and small or medium-sized manufacturers in the United States to face challenges in managing risk and volatility. Companies must assess situations and implement strategic solutions through collaboration with suppliers to better understand the true total cost of the supply chain. Planned collaboration between customers and suppliers leads to consistent manufacturing growth.

MEP launched a Supply Chain Optimization Initiative two years ago to create, test and deliver MEP supply chain optimization services to manufacturers of all sizes. The Illinois Manufacturing Extension Center (IMEC) leads the initiative, with development and pilot support from a consortium of Centers that includes: GenEdge Alliance (Virginia MEP), the South Carolina Manufacturing Extension Partnership (SCMEP), California Manufacturing Technology Consulting (CMTC) and the Texas Manufacturing Assistance Center (TMAC). Throughout all phases of the process, external private-sector and higher education based resources have been consulted and employed to provide rigor and addition expertise to the development.

MEP's Supply Chain Optimization service offerings begin with the development or refinement of a Supply Chain Strategy, which serves as a company's guiding compass for optimization activities and provides a measure for the maturity of an organization's supply chain. The program will assist companies with two executive workshops designed to systematically understand the critical areas controlling the performance of the supply chain and foster collaboration among the supply chain members through discussions first with the company and then with the entire supply chain.



Companies equipped with a Supply Chain Strategy can then begin integrating its objectives with their overall organizational strategy. The built-in flexibility of the Supply Chain Optimization Initiative allows MEP centers to then support alignment by honing-in on the critical areas of the supply chain at both the company and supplier level. MEP centers improve performance by quantifying supply chain needs and then focusing on improving



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bottlenecks in the process that impede throughput. Possible methods for improving throughput include implementation of system-wide growth, lean, supplier/ technology scouting, product development and process improvement tools and methodologies. Additionally, MEP Centers can draw upon initiative- developed tools such as:

- Risk Management Workshops
- Total Cost of Ownership Workshops, and
- Total Cost of Ownership Calculators.

High-performing supply chains collaborate through multiple tiers to quickly identify and mitigate volatility. This enables them to develop, manufacture and distribute new or improved products more rapidly, making them more competitive in the global manufacturing environment where lowest price and shortest lead time to acceptable quality goods are no longer the key drivers of success.

MEP Supply Chain Optimization services offer companies a unique way of quickly focusing in the critical area of the supply chain with an approach that is strategic. This approach focusses on the entire supply chain rather than individual suppliers. Companies that excel with this optimization can expect to be better positioned to develop, source, manufacture and distribute superior products at lower total costs and increased revenue.

While MEP centers have been providing services to address supplier needs for many years, the Supply Chain Optimization services are being pilot tested in 2012-2013. We anticipate full rollout of these services to the MEP system and their client companies late in 2013.

## For more information, contact:

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