



Optimizing the Exchange Supply Chain: Organizational Structure, Communication and Process Discipline

Speakers



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Agenda

- Change your organizational structure to positively impact the supply chain operations and build trust
- Re-ignite traditional communication methods to flow information across the aisle and break down information silos
- Build and deploy tactical teams to target supply chain problem areas
- Develop a governance model to identify and highlight gaps in process, inconsistency in decisions, and unnecessary supply chain costs

Prior Structure

INVENTORY MANAGEMENT TEAM

Impact Team (POD) –
By Category

Buyer

Planner

Allocator

Replenisher

Support
Activities

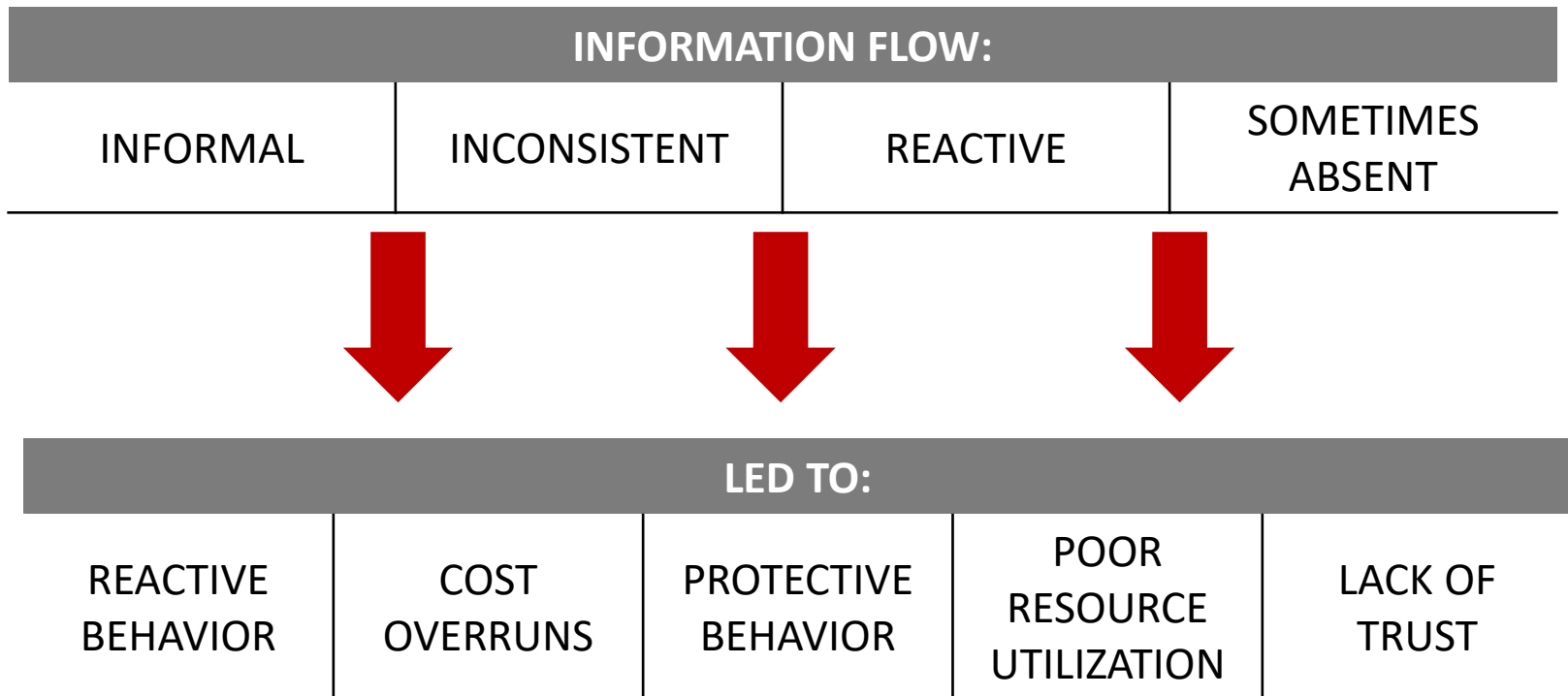
LOGISTICS TEAM

Transportation

Operations

Support
Activities

Problem



Solution

TWO MAJOR CHANGES:

Re-organize Planning,
Allocation and
Replenishment Team

Establish Supply Chain
Optimization Team



**Re-Organize Planning, Allocation,
and Replenishment Team**

Center of Excellence Model

VP, Planning, Allocation, and Replenishment

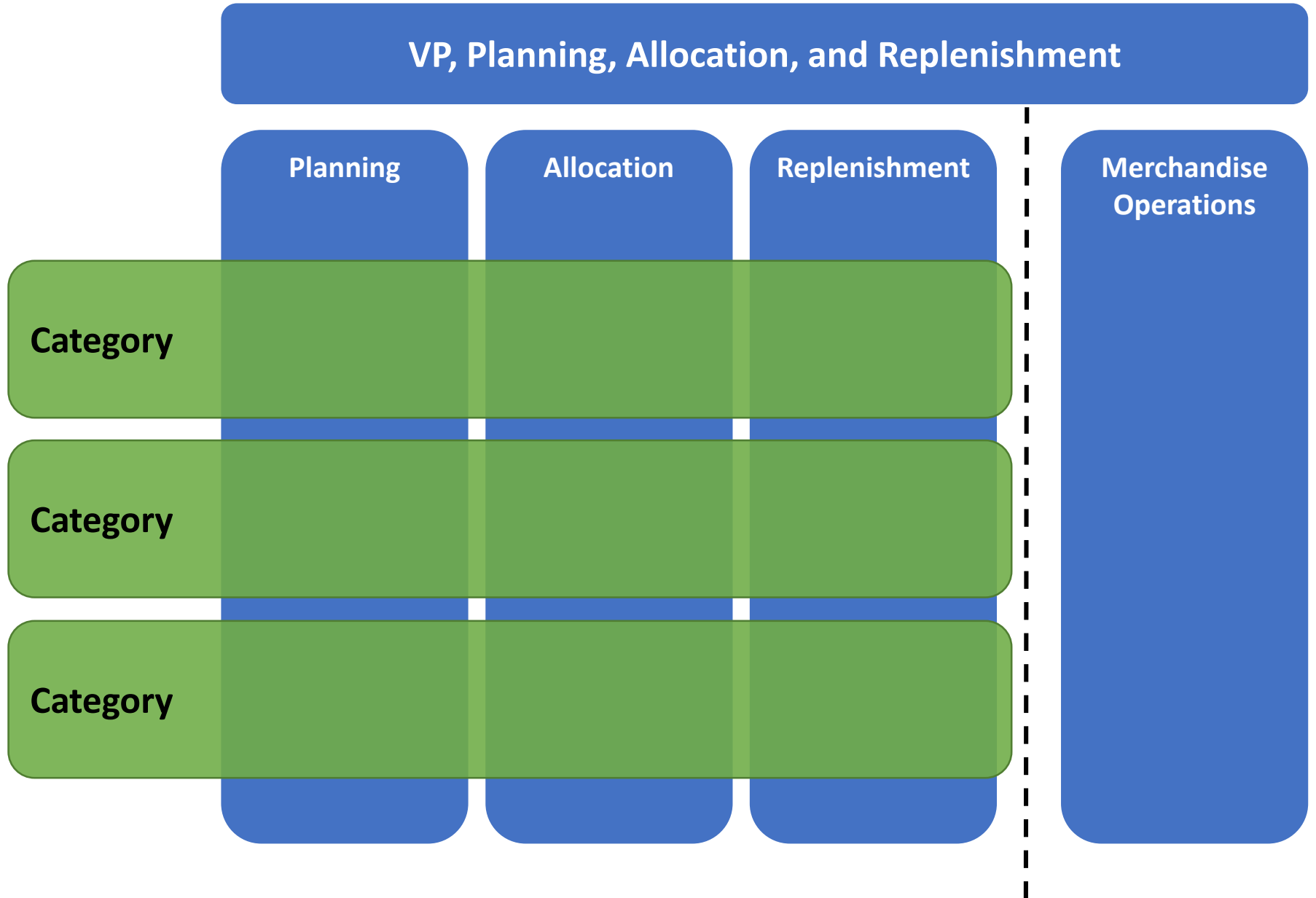
Planning

Allocation

Replenishment

Merchandise
Operations

Center of Excellence Model



Center of Excellence Model - Benefits

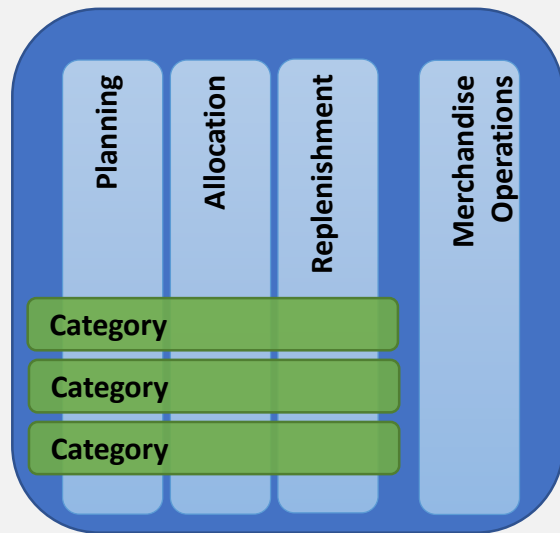
Staffing	Team Synergy	Efficiencies	Enterprise systems	Analytics
Optimizes requirements	Emphasizes process skills over category knowledge	Improves program execution	Standardizes processes	Stronger approaches to decision points



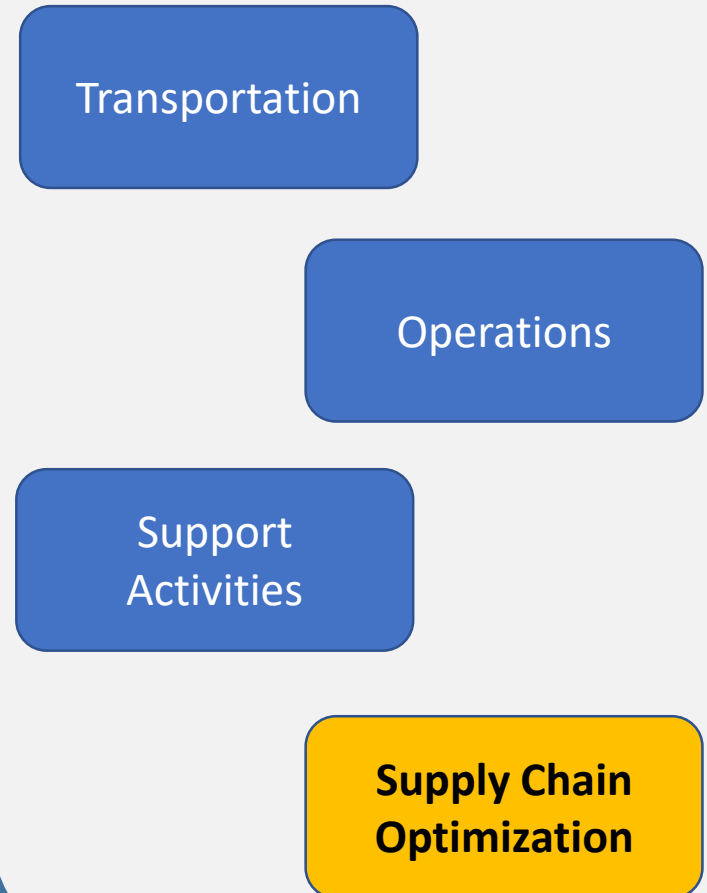
**Establish a Supply Chain
Optimization Team**

New Structure

INVENTORY MANAGEMENT TEAM



LOGISTICS TEAM



Supply Chain Optimization Team

Organizationally resides in the logistics division

Staffed with a mix of logisticians and experienced inventory managers

Designed to “speak both languages”

Brings perspective to the conversation

Identifies supply chain improvement opportunities

Establishes and reports on shared KPIs

Facilitates flow of valuable information across the aisle

Information Flow

INVENTORY MANAGEMENT TEAM

LOGISTICS TEAM

Large purchases / disruptive quantities / High cube

Capacity/Operational constraints

Current financial metrics

Current KPIs

Promotional Plans

Opportunity Inventory

Supplier constraints/changes

Transportation disruptors

Communication Improvements - How?

Formalized Planning Meetings and Site Visits

- Bi-weekly communication with key teams:
 - DC operations
 - Inventory management team
 - Transportation

- Held at the director/manager level; executive leadership is excluded

- Discussions include:
 - Sales plans
 - Promotional activity
 - Current KPIs
 - Operational constraints

Tactical Teams

What does the Tactical Team do?

- Responsible for specialized actions requiring unique tactics and approaches
- Fills any gaps presented in the structure
- Standardizes actions and provides a single point of contact

Tactical Teams

INVENTORY RESOLUTION

- Opportunity inventory
- Frustrated receipts
- Aged or near-aged product
- Special allocation tasks

ECOMMERCE SUPPORT

- Cost-focused inventory placement
- In-stock and promotional monitoring

RETAIL SUPPORT

- Primary contact for store inventory questions
- Resolves problems

CONTINGENCY

- Inventory support to military in remote and austere locations
- Supports Exchange operations in southwest Asia and Mobile Field Exchanges

MERCHANDISE ANALYTICS

- Planogram (POG) changes
- Lead-time reviews
- Tool development
- Process mapping
- Fiscally responsible cross-balances

DISASTER INVENTORY SUPPORT

- Rapid-response support/recovery in disaster situations
- Consistent DC operations and transportation communication for emergency orders

Takeaways

- **If the structure is in the way of progress, change the structure**
- **Identify and remove barriers that prevent excellence**
- **Develop a supply chain focused approach – don't overlook the bigger picture**
- **Don't be afraid to communicate and share KPIs, even if the information is not favorable**
- **Allow teams to specialize and become subject matter experts**



Thank you!



Thank you!