

A decorative background graphic consisting of a grid of light gray, rounded rectangular tiles that recede into the distance, creating a sense of perspective and depth.

MAXIMIZE YOUR SUPPLY CHAIN ROI WITH LEAN SIX SIGMA

AGENDA

- + Housekeeping

- + Introductions

- + Roundtable Discussion:

How is maximum ROI achieved when Lean Six Sigma methods are applied to supply chain automation projects?

- + Q&A



HOUSEKEEPING

To submit a question:

The screenshot shows a GoToWebinar interface with a 'Questions' section. A red box highlights the 'Send' button, and a red arrow points to it from the text 'Click Send'. Another red arrow points to the text input field from the text 'Type in your question here'. The interface includes a 'MUTED' status indicator and a 'Webinar Now' section at the bottom.

UPLAND PRODUCT FAMILY



PROJECT & IT MANAGEMENT

Manage your organization's projects, professional workforce and IT costs.



WORKFLOW AUTOMATION

Real time productivity optimization, collaboration, and functional automation across your organization's value chain.



DIGITAL ENGAGEMENT

Effectively engage with your customers, prospects and community via the web and mobile technologies.



POWERSTEERING AND ULTRIVA PRESENCE IN MANUFACTURING



TODAY'S SPEAKERS



Frank Kapper

General Manager, Ultriva by Upland

Frank has 30+ years of experience architecting, directing, and managing successful enterprise and division-level information technology and business systems transformation initiatives in mission critical environments. He is a proven innovator in the application of advanced IT systems and process improvement methodologies to drive sustainable bottom-line improvement and growth.



Randy Clark

Director of Six Sigma, Upland Software

Randy is a Black Belt and Executive Master Black Belt-trained, three-year Examiner of Malcolm Baldrige National Quality Award. Randy possesses 20+ years as practitioner and leader in Continuous Improvement efforts with companies like Pitney Bowes and Whirlpool.



Thomas R. Cutler

Manufacturing Journalist

Tom founded TR Cutler, Inc., the largest manufacturing communication firm worldwide, as well as the Manufacturing Media Consortium. Tom serves on the advisory and editorial boards of publications focusing on material handling, automation, safety, quality, and lean manufacturing best-practices and has authored over 5,000 articles related to all aspects of manufacturing.

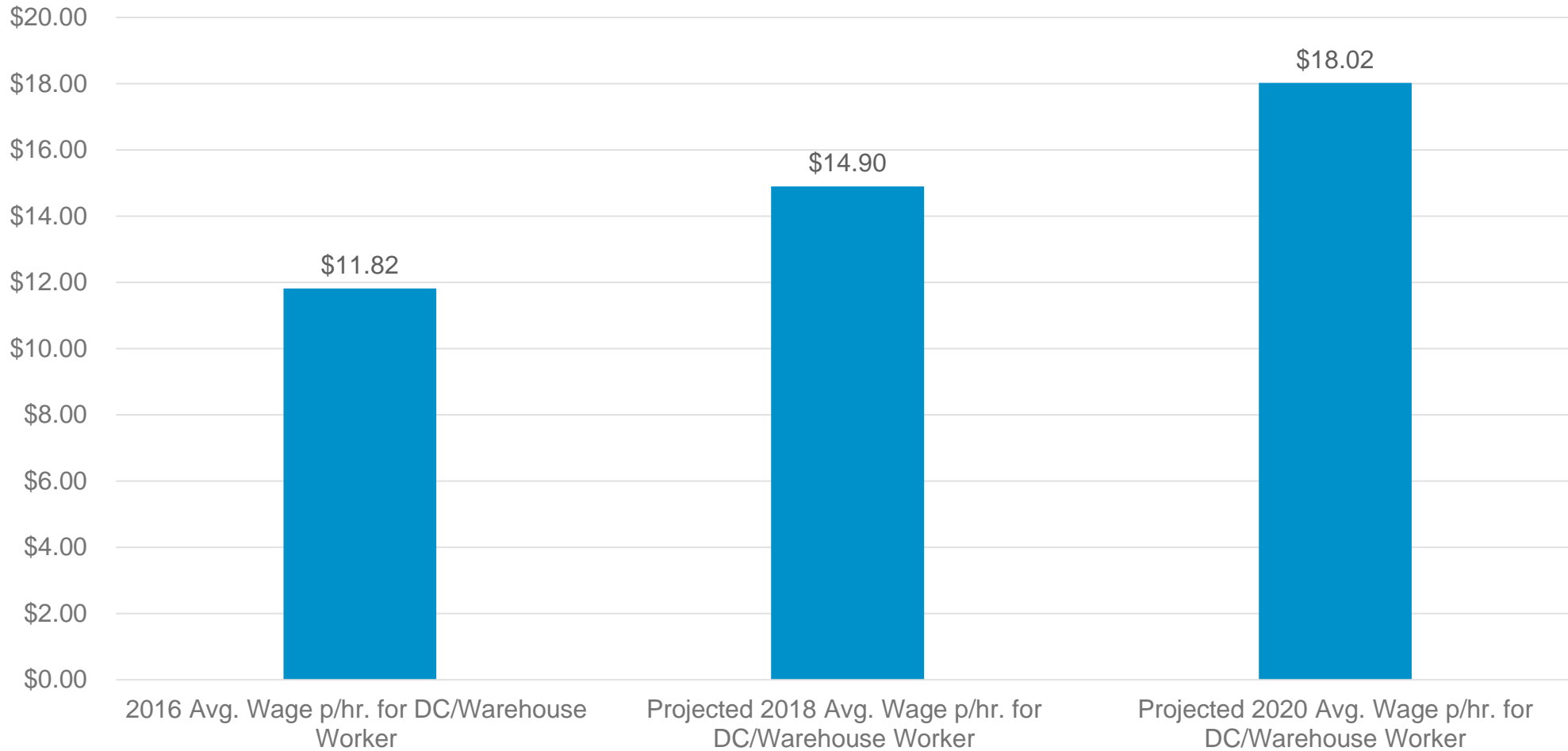
RIPPLE EFFECT OF INCREASING LABOR COSTS

A \$1-per-hour wage increase for the typical U.S. warehouse and distribution center employee would be equal to jacking up the annual rent on a 500,000-square-foot industrial property by 37%

\$1-an-hour rise in wages would add about \$1 million in annual labor costs for a 500-employee facility. That added cost is equivalent to a \$2.08-per-square-foot rent increase for a large building. The average U.S. industrial rent is about \$5.65 per square foot.

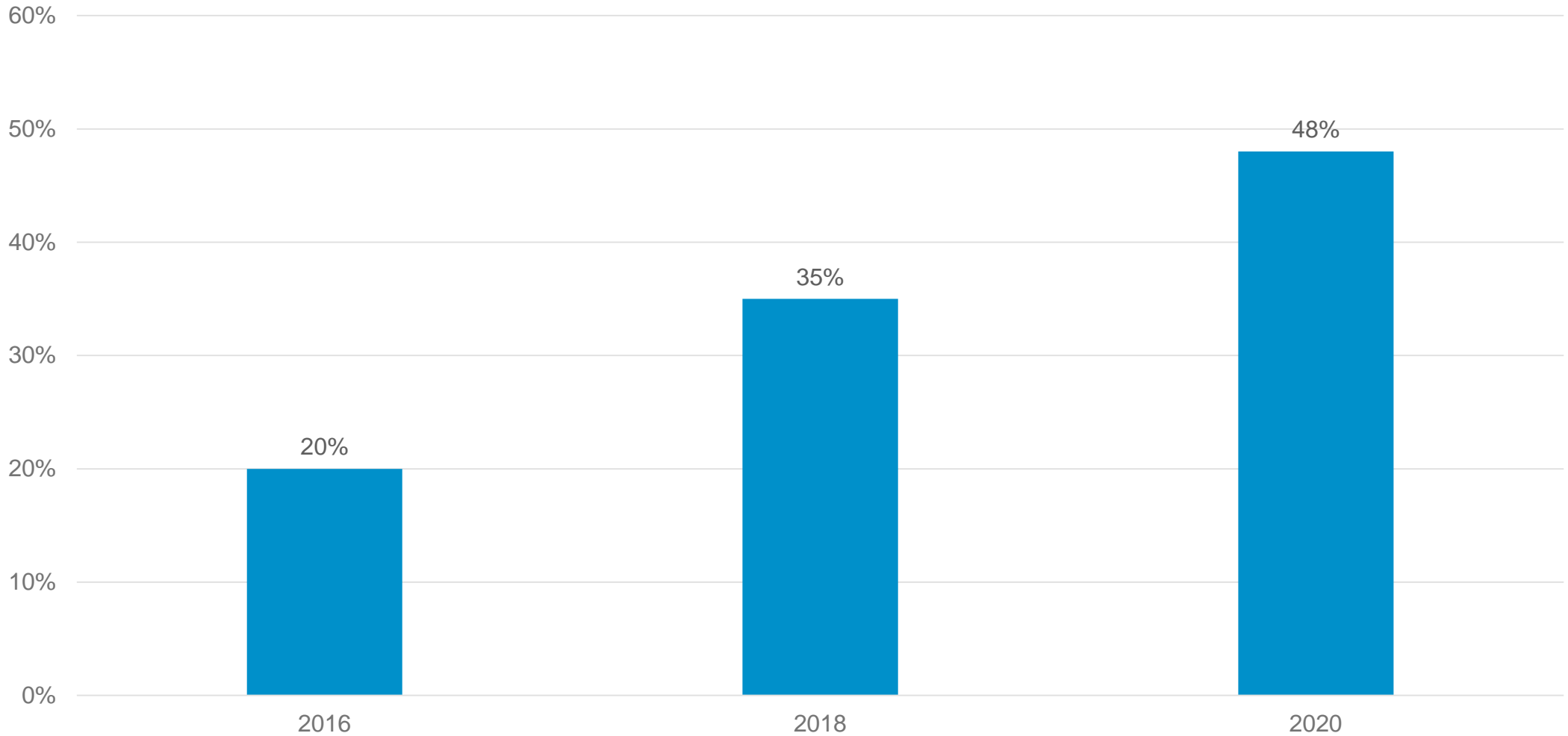
Source: CBRE Group Inc.

Hourly Wages Impact Affordability Index



Source: Bureau of Labor Statistics, Department of Commerce, and TR Cutler, Inc. Logistics Supply Chain Executive Survey March 2016 ©

Labor Costs as Percentage of Supply Chain Expenses



Source: Bureau of Labor Statistics, Department of Commerce,
and TR Cutler, Inc. Logistics Supply Chain Executive Survey March 2016 ©

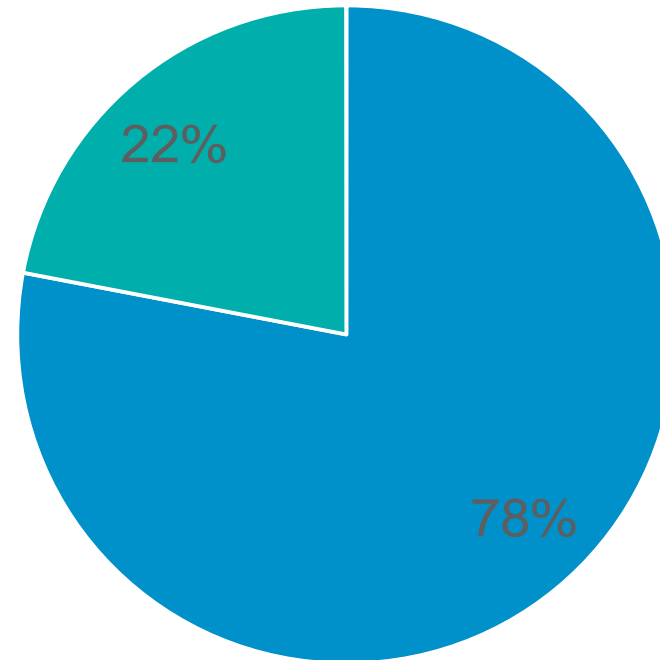
POLL QUESTION

Do you experience inventory spikes and fluctuations in your supply chain?

+ Yes

+ No

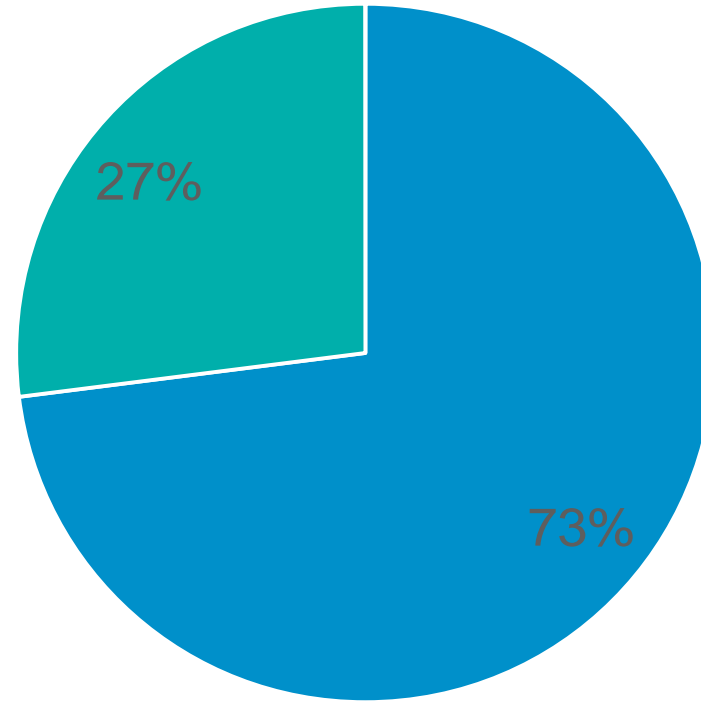
Balancing Labor Expenses Against Inventory Spikes and Fluctuations



- supply chain professionals currently experience significant fluctuations in warehouse volume
- supply chain professionals do not report inventory spikes

Source: Bureau of Labor Statistics, Department of Commerce,
and TR Cutler, Inc. Logistics Supply Chain Executive Survey March 2016 ©

Balancing Labor Expenses Against Inventory Spikes and Fluctuations



- supply chain professionals report they do not have a viable solution when inventory spikes arise
- supply chain professionals report a strategic plan is in place to accommodate inventory spikes

Source: Bureau of Labor Statistics, Department of Commerce,
and TR Cutler, Inc. Logistics Supply Chain Executive Survey March 2016 ©

WHAT ARE SOME MAIN OBJECTIVES OF SUPPLY CHAIN AUTOMATION INITIATIVES?



WHAT IS THE TYPICAL SCOPE
OF A SUPPLY CHAIN
AUTOMATION PROJECT?

WHAT TYPES OF
RESOURCES ARE INVOLVED?



POLL QUESTION

How are you tracking Supply Chain Management and / or Lean Six Sigma (LSS) programs today?

- + Spreadsheets / Custom-built application
- + Microsoft Project / SharePoint
- + Microsoft Project Server
- + Project Portfolio Management (PPM) solution
- + I'm not tracking them today

WHAT ARE SOME OF THE
CHALLENGES ASSOCIATED
WITH THESE TOOLS?



WHAT ARE SOME OF THE PROBLEMS MANUFACTURING FIRMS ENCOUNTER WHEN DEPLOYING THESE SYSTEMS?



IMPLEMENTATION PROBLEM AREAS

- + Business goals & objectives not clearly communicated or understood
- + Lack of accountability for status and outcomes
- + Missed due dates and long cycle times
- + Lack of tools and disciplined methodology
- + Re-inventing the wheel

HOW CAN PROJECT PORTFOLIO MANAGEMENT TOOLS HELP IMPROVE THIS PROCESS?



GOALS & ACCOUNTABILITY

PowerSteering Visual Portal
by upland

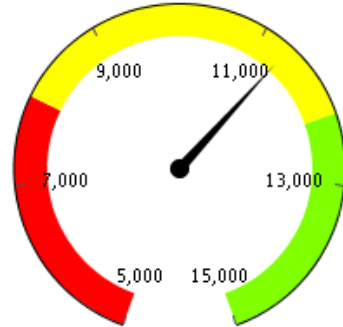
- REVIEW
- Dashboard
- Visual Portal
- Manage layouts
- Add Visual Portal
- Executive Review
- Financial Review
- Portfolios
- Measures Library
- Reports
- User Management
- Import/Export
- Metric Bulk Actions

0 - Program Overview

Go Refresh all

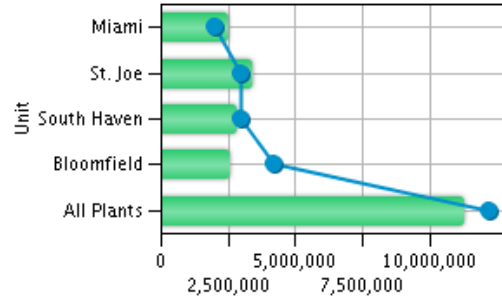
Edit layout

FY Savings vs Plan \$M



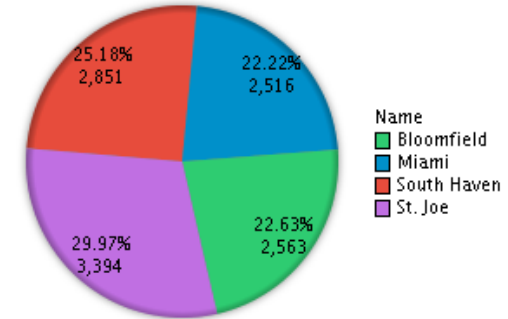
As of 06/01/2016 06:18 AM

FY Savings vs Plan



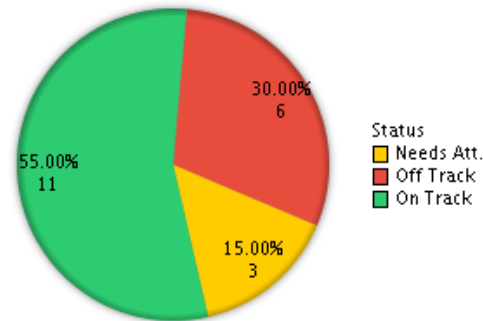
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Plant Performance



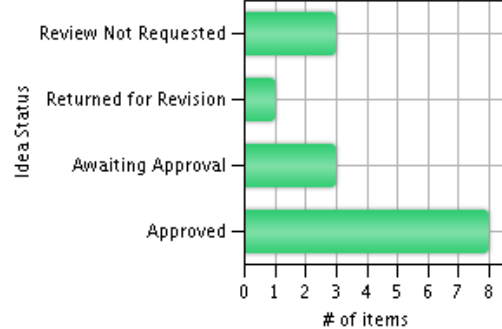
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Execution



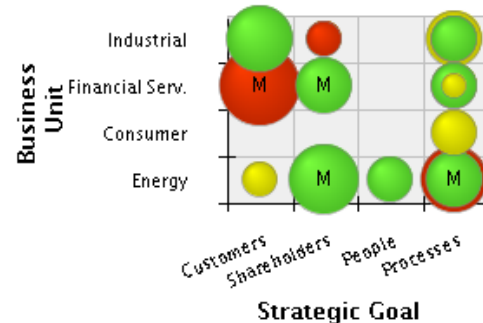
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Ideas



As of 06/01/2016 06:18 AM

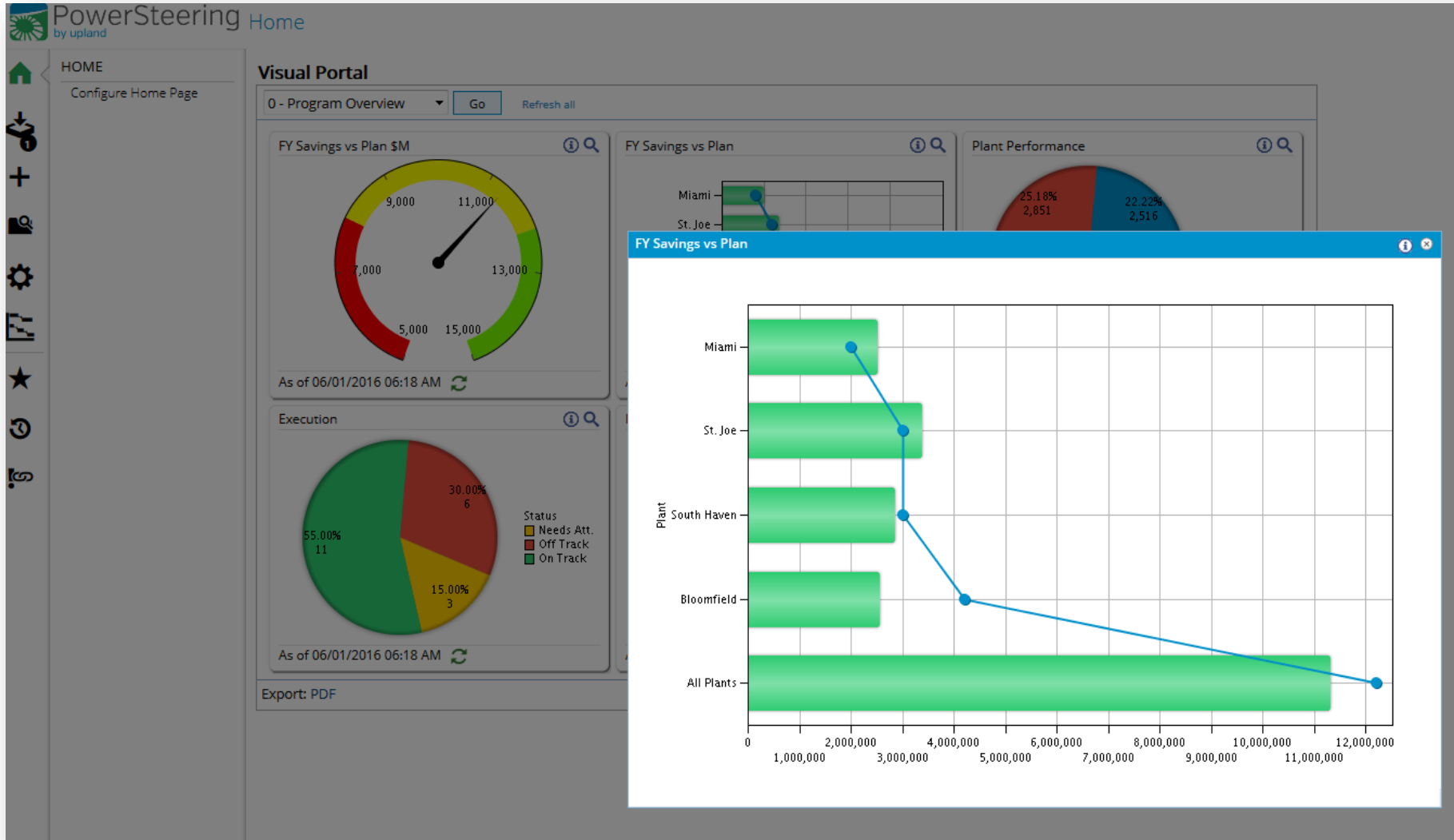
Alignment with Strategy



As of 06/01/2016 06:18 AM

Export: PDF

GOALS & ACCOUNTABILITY



GOALS & ACCOUNTABILITY

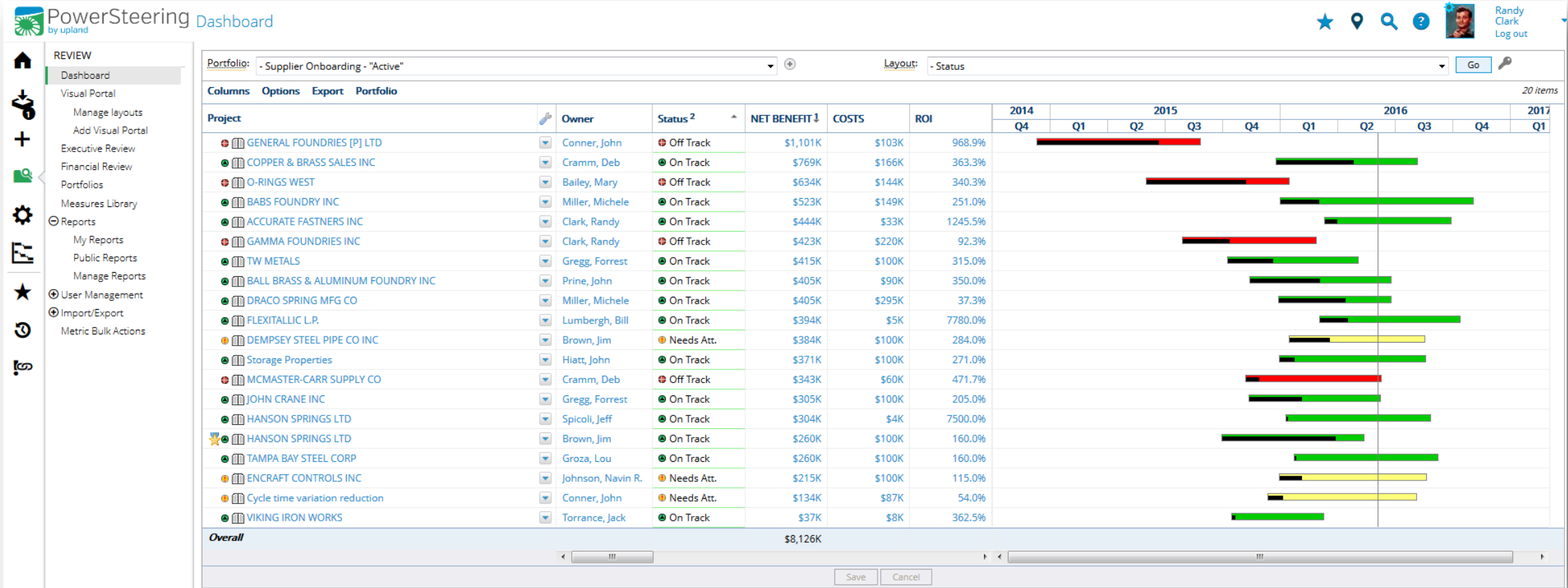
PowerSteering Dashboard ★ 📍 🔍 ? 👤 Randy Clark Log out

Portfolio: - Business Units Layout: BU Perf. to Plan

Columns Options Export Portfolio Charts 4 items

Unit	Owner	CY Savings Target	CY Savings Forecast	(variance) ¹	# of Open Issues	Active Projects	# Ideas
📍 Bloomfield	▼ Torrance, Jack	\$4,200K	\$2,563K	-63.9% 🚫	7	10	3
📍 South Haven	▼ Braddock, Benjamin	\$3,000K	\$2,851K	-5.2% 🚫	5	7	5
📍 St. Joe	▼ Cooper, Sheldon	\$3,000K	\$3,394K	11.6% ✅	7	8	3
📍 Miami	▼ Bailey, Mary	\$2,000K	\$2,516K	20.5% ✅	10	6	4
Count: 4		\$12,200K	\$11,324K		29	31	
Target			\$12,200K				

MISSED DUE DATES & LONG CYCLE TIMES



DISCIPLINED METHODOLOGY

PowerSteering by upland | GARLOCK INC : Summary

Owner: Randy Clark Status: ● Off Track % Complete: 22% Updated: 06/03/2016
 Parent: + Innovation Priority: none Start: 06/20/2016

MSP Import Summary
 Start Date: 06/20/2016
 Finish Date: N/A
 Duration: 15.0d
 Imported Document: MSPImportDocument_GARLOCK INC
 No file selected.
 Maximum Task Depth: All
 Imported Items: All Tasks

Details Edit

Metric Summary


Open Issues and Risks (1)
 Issues: 1 open
 Risks: 0 open

Documents Add New

Descendants Add New

#	Name	Status	Percent Complete	Scheduled Start	Scheduled End	Documents	Owner
1	Conduct Supplier Meetings (Supplier Group #1)	On Track	22%	06/20/2016 ✓	06/22/2016		Randy Clark
2	Review "Ultriva at (Company Name)" plan	On Track	22%	06/20/2016 ✓	06/20/2016		Randy Clark
3	Review intended items list to on-board with	On Track	22%	06/20/2016 ✓	06/20/2016		Randy Clark
4	Discuss any data correction/cleansing	On Track	22%	06/20/2016 ✓	06/20/2016		Randy Clark
5	Gather supplier user names and supplier	On Track	22%	06/20/2016 ✓	06/20/2016		Randy Clark
6	Discuss Kanban agreements (if applicable)	On Track	22%	06/21/2016 ✓	06/21/2016		Randy Clark
7	Agree timeline	On Track	22%	06/22/2016 ✓	06/22/2016		Randy Clark
8	Supplier Data review and clean-up (as	On Track	22%	06/27/2016 ✓	06/27/2016		Randy Clark
9	Item Data review and clean-up (as applicable)	On Track	22%	06/28/2016 ✓	07/04/2016		Randy Clark
10	Prepare Test/Training System	On Track	22%	07/05/2016 ✓	07/06/2016		Randy Clark
11	Supplier Data Load						

RE-INVENTING THE WHEEL

upland  Dashboard ★ 📍 🔍 ? 📄 Randy Clark Log out

Portfolio: - Process Improvement - "Active" Layout: - Status

Columns Options Export Portfolio 7 items

Project	Owner	Status ²	NET BENEFIT↓	COSTS	ROI	Gate Progress	Gate Due	Project Days	End Date	Risk	Business Unit	Resource Type
🌟📄 BarCode Labeling Accuracy	Gregg, Forrest	🟢 On Track	\$695K	\$18K	3761.1%	🟢🟢🟢🟢🟢	08/30/2016	93	02/09/2017	Medium	Miami	Black Belt
📄 ASM Messaging on Shipments	Groza, Lou	🟢 On Track	\$565K	\$148K	281.8%	🟢🟢🟢🟢🟢	07/20/2016	133	12/06/2016	Medium	St. Joe	Black Belt
📄 Container Purchase Cycle Time	Bailey, Mary	🟡 Needs Att.	\$500K	\$121K	548.1%	🟡🟢🟢🟢🟢	09/18/2015	213	12/21/2015	Low	Miami	Green Belt
📄 Order Quantity vs Ship Quantity	Clark, Randy	🟢 On Track	\$419K	\$100K	319.0%	🟢🟢🟢🟢🟢	05/26/2016	94	10/12/2016	Medium	Miami	Master Black Belt
📄 Receipt Accuracy	Spicoli, Jeff	🔴 Off Track	\$395K	\$100K	295.0%	🔴🟢🟢🟢🟢	12/11/2015	270	12/11/2015	Low	Miami	Black Belt
📄 Shipment Notifications	Spicoli, Jeff	🔴 Off Track	\$395K	\$100K	295.0%	🔴🟢🟢🟢🟢	04/29/2016	128	09/15/2016	Medium	St. Joe	Black Belt
📄 Order Acknowledgement	Hiatt, John	🔴 Off Track	\$260K	\$100K	160.0%	🔴🟢🟢🟢🟢	01/14/2016	187	06/01/2016	Low	Miami	Green Belt
Overall			\$3,229K									

HOW IS THE RETURN ON INVESTMENT ON SCM AUTOMATION INITIATIVES BEING TRACKED AND REPORTED TODAY?



SUMMARY LEVEL INVENTORY SAVINGS ANALYSIS

Current vs. Projected Inventory Values & Turns for items in the IOT study

Calculate inventory savings

My Analytics My Account

Back To Projects Find: [Item starts with]

Inventory Savings Summary - SampleAnalysis

All Parts				
	Current	Projected	Savings	% Improvement
InventoryCost	\$3,321,583.86	\$946,146.23	\$2,375,437.64	71.52%
InventoryTurn	9.30	32.64	23.34	251.06%

View Details Edit Part Details Manage Change List Advanced Project Settings

Savings Summary Benefit Schedule By Part Benefit Schedule By Suppliers

Please click the [Itemno](#) below to view the Details

Item	S/X Ratio	Actual Average Inventory	Kanban Simulation Average Inventory	Kanban Savings	Lead Time	# of Projected Stockouts
182791-004	1.15	\$841,806.67	\$160,408.76	\$681,397.92	10.00	13
184096-007	3.57	\$757,520.00	\$1,698.53	\$493,128.98	2.00	12
182792-000	1.76	\$499,000.00	\$39,850.79	\$459,200.52	10.00	0
184960-000	5.70				10.00	18
184923-000	6.88				10.00	20
182791-006	1.60				10.00	14
184960-002	3.73				10.00	15
183797-000	1.69				10.00	9

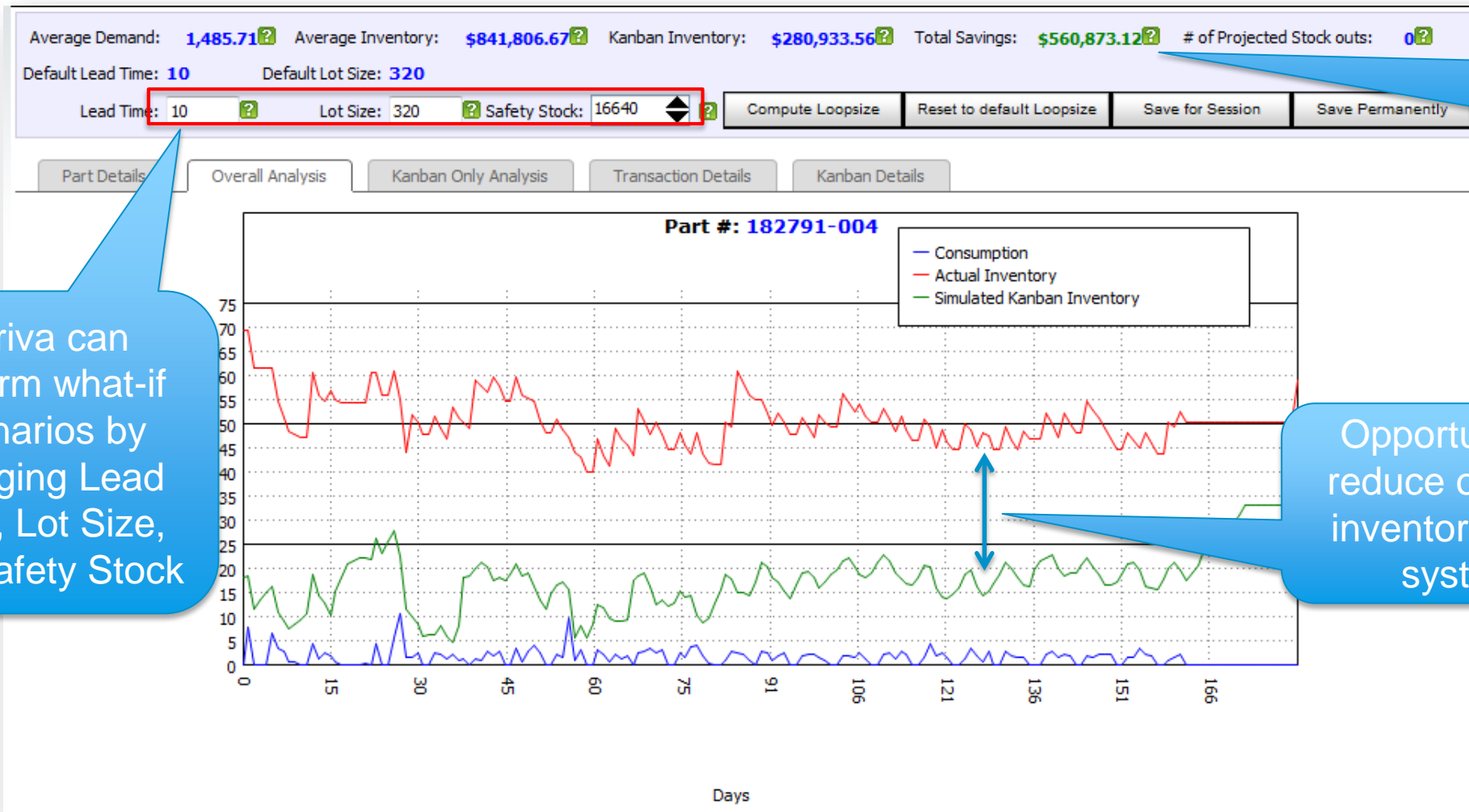
Inventory Savings = \$2.3M, or a 71.52% improvement

Inventory turns show a 2.5x improvement

S/X Ratio is the product of the Standard Deviation / Mean calculation, which shows Variability of Consumption for the part within the historical demand period.

ITEM LEVEL INVENTORY SAVINGS ANALYSIS

\$560K in savings for a single part



Ultriva can perform what-if scenarios by changing Lead Time, Lot Size, and Safety Stock

Opportunity to reduce on-hand inventory in the system

PROVIDE ACTIONABLE BUSINESS INTELLIGENCE

The dashboard is divided into four main sections:

- Inventory Health:** Three cards showing stock out risk levels: 353 Items (High), 190 Items (Medium), and 213 Items (Low).
- Alerts:** A table listing alerts with columns for Date and Subject. Alerts include items not used in CycleTi... with icons for details and delete.
- Order Tracking:** Four cards showing order statuses: 0 Cards (Orders awaiting Approval), 6 Cards (Orders not yet Acknowledged), 3399 Cards (Orders past due for Shipping), and 3293 Cards (Orders past due for Receipt).
- My Routines:** Two columns of tasks: Daily (Release Orders, Receive Goods, Create Spike Order, Analyze Material Status, Approve Virtual Kanban, View Receipts Due) and Monthly (Analyze Supplier Performance, Analyze Cycle Time, Analyze Inventory Savings, Analyze Stock out, Analyze Kanban Inventory).

MONITOR SUPPLIER PERFORMANCE

Supplier Scorecard

[How do I?](#)

Please set your time frame:

October 2012

◀	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
	2011	2011	2011	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012

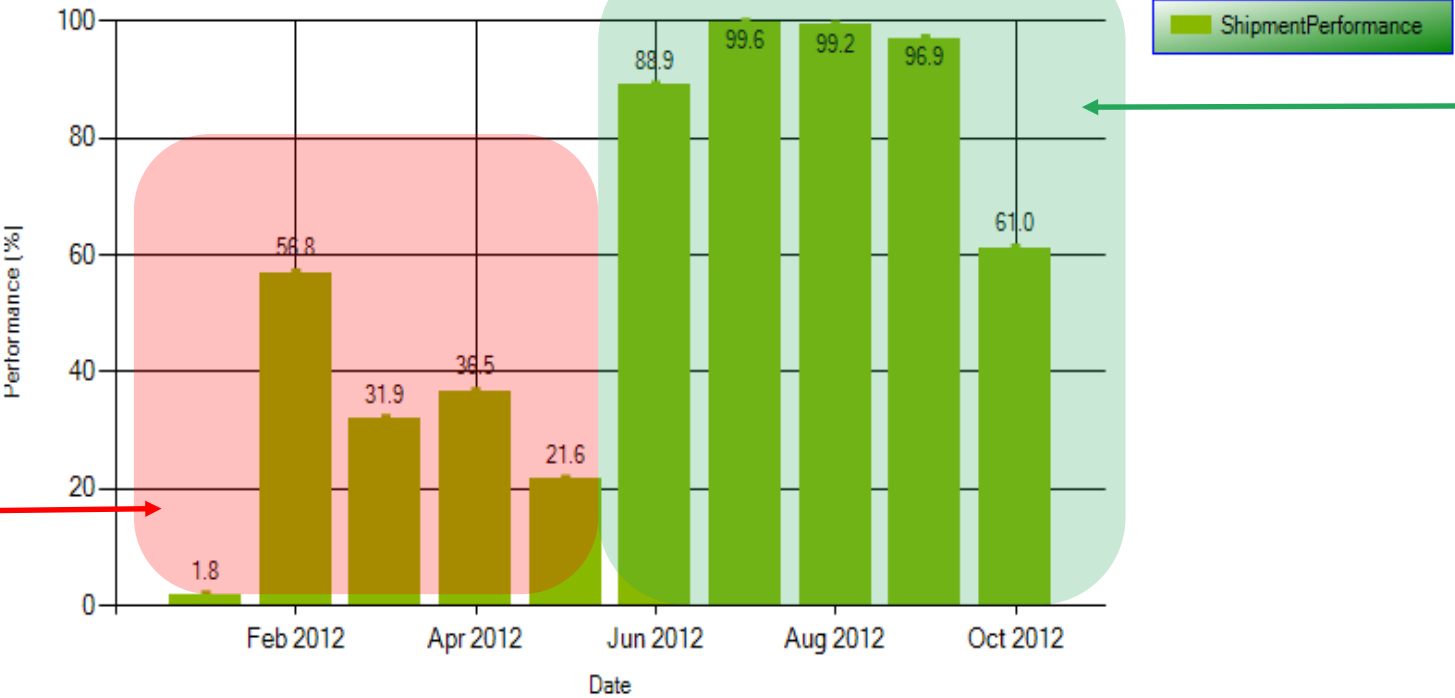
Supplier Name ▲	Accept Perf.		Ship Perf.		Receive Perf.		Ship Qty Perf.		Receive Qty Perf.	
	Last 12M	Current	Last 12M	Current	Last 12M	Current	Last 12M	Current	Last 12M	Current
AEC-MOTIONSTAR, INC.		100.0000 ↑		0.0000 ↑		0.0000 ↑		100.0000 ↑		100.0000 ↑
BEMIS MANUFACTURING COMPANY		100.0000 ↑		11.1111 ↑		100.0000 ↑		100.0000 ↑		100.0000 ↑
BOWERS MANUFACTURING COMPANY		100.0000 ↑		0.0000 ↑		0.0000 ↑		0.0000 ↑		0.0000 ↑
COMCAST URETHANE CORPORATION		100.0000 ↑		33.3333 ↑		0.0000 ↑		100.0000 ↑		100.0000 ↑
COMMERCIAL PLASTICS CO.		100.0000 ↑		68.6032 ↑		38.3648 ↑		100.0000 ↑		100.0000 ↑
CUSTOM ALUMINUM PRODUCTS, INC.		100.0000 ↑		40.0000 ↑		0.0000 ↑		100.0000 ↑		100.0000 ↑
DIMAX CORPORATION		0.0000 ↑		100.0000 ↑		87.5000 ↑		100.0000 ↑		100.0000 ↑
DURA-TECH INDUSTRIES, INC.		100.0000 ↑		4.5455 ↑		1.9608 ↑		47.0588 ↑		100.0000 ↑
EVCO PLASTICS DE MEXICO		0.0000 ↑		0.0000 ↑		0.0000 ↑		100.0000 ↑		100.0000 ↑
FENNER DRIVES		100.0000 ↑		100.0000 ↑		100.0000 ↑		100.0000 ↑		100.0000 ↑
FORBO SIEGLING, LLC		100.0000 ↑		13.6842 ↑		30.4348 ↑		100.0000 ↑		100.0000 ↑
GF HEALTH PRODUCTS INC		100.0000 ↑		0.0000 ↑		0.0000 ↑		28.5714 ↑		100.0000 ↑

SUPPLIER ON-TIME DELIVERY PERFORMANCE

PRE VS. POST ULTRIVA

Supplier: **COMMERCIAL PLA** , Report Type: **ShipmentPerformance** , Report Interval: **Monthly** , Early Tolerance: **Ignore** , Late Tolerance: **0 days** , Period: **01/01/2012-10/25/2012**

Supplier Performance by: **COMMERCIAL PLASTICS CO.**



Pre-Ultriva on-time delivery performance

Post-Ultriva on-time delivery performance

COMMERCIA **PEER BEAR**

Thank you!

And now for
questions and
answers

REQUEST A DEMO FROM UPLAND

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 - + www.ultriva.com
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