A Journey to a Value-Driven Supply Chain

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One of the world's largest privately held chemical and textile companies

Founded in 1865

Over 8,000 associates

More than 40 facilities worldwide

Creating more than 19,000 products for our customers

Headquartered in Spartanburg, South Carolina

Company Overview

More than 2,200 Patents

European Quality Award

Malcolm Baldrige Quality Award

EPA “Environmental Champions”

Company Recognition
About the Presenter…Kelly Slate

- Current Role: Global Director of Supply Chain & Business Process Management
- Previous Roles: Project management, Production, Process Improvement, Planning, ISO Auditor, Customer Service, Inside Sales
- Education: Bachelor in Economics, MBA, Executive Masters in International Logistics, CPIM

About the Presenter…Brian Myers

- Current Role: Business Enterprise Planner
- Previous Roles: Technical, Sales, Marketing
- Education: BS and MS in Chemical Engineering, MBA In-Process, CPIM In-Process

Our Journey: A Case Study

Issues

Small but growing division rapidly starting to experience...

- Increases in Complexity
- Increases in Global Requirements
- Increases in Span of Control
- Increases in Customer Service Level Issues
Our Journey: A Case Study

Issues
Small but growing division without...
Clear Supply Chain Vision
Global Supply Chain Team
Integrated Systems and Processes
Operational and Educational Foundation

Suppliers

Internal
Manufacturers

Contract
Manufacturers

Customers

Dewey
Cypress
Maco

Raw Material
Storage

Mfg. Cust.

End Users

Retailer

Transportation/Distribution

West Salem

Dewey

Cypress

Desert

Empire

Internal

Customer.

Chemical Division Supply Chains – 1990

Suppliers

Internal
Manufacturers

Contract
Manufacturers

Customers

Dewey
Cypress
Ghent
Toller

Raw Material
Storage

Mfg. Cust.

End Users

Retailer

Transportation/Distribution

Toller

Toller

Toller

Toller

Toller

Toller

Toller

Sycamore

Japan

Desert

Empire

Clean

Advantage

LaGrange

Ocean

Organics

Internal

Textile Plants

Chemical Division Supply Chains – At Project Start

Suppliers

Internal
Manufacturers

Contract
Manufacturers

Customers

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Cypress
Ghent
Toller

Raw Material
Storage

Mfg. Cust.

End Users

Retailer

Transportation/Distribution

Toller

Toller

Toller

Toller

Sycamore

Japan

Chang

Advantage

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Ocean

Organics

Internal

Textile Plants
We Are Here

When Complexity Outpaces Capability...

- The Organization becomes Reactive not Proactive
- Firefighting becomes Common Practice
- Conflicts Rise between Plants and Marketing
- Customers Suffer - Late Shipments Increase
- Artifical Operating Constraints are Instituted
- Employees are Frustrated
- Supply Chain Costs Increase
- Margins Shrink

We were Beginning to See:

- Decrease in Productivity
- Decrease in Customer Service Level
- Decrease in Profitability

Impact on Productivity - Today

- 85% of Time: Chasing, Re-acting, Searching for data
- 15% of Time: Improving, Optimizing, Leading
Why is this Instructive?

- Real Life Story of a Team Building a Value Driven Supply Chain using APICs as a Foundation
- Interactive Process for Sharing our Roadmap with Others
Our Journey

- Continue to communicate
- Integrate new systems, processes and metrics
- Develop global SC teams
- Educate global parties on their role and impact
- Understand local differences…cultural, compliance, etc.
- Understand global needs
- Understand current global order fulfillment

Value Driven Supply Chain

- Why do you keep shipping that to Shanghai?
- Why can't we get the invoice right again…?
- Why don't we have any inventory?
- Can we have local inventory?
- Why do these drums keep getting damaged!!!
- What is the correct HTS code?

Value Drive Supply Chain

- Increasing Profitability…
- Establishing a global infrastructure…

Value Driven Supply Chain

- Will there be follow through?

Obtained buy in for process changes
Obtained buy in for system changes
Obtained buy in for organizational changes
Obtained buy in for APICs education
Changed SC team to report directly to the Division President
Obtained buy in on the vision
Educated senior team on current situation, gaps and impact

Global ABILITY
Criteria Required

- Value Driven Supply Chain
- Value Proposition
- Process Identification
- System Implementation
- Global Communication
- Senior Alignment

Milliken Sales and Operations Planning Flow

- Cycle Stock
- Sales Forecast
- Sales Review
- Executive S&OP
- ACTUAL S&OP
- Performance Metrics

Results of Our Journey...So Far

- Maximizing Customer Satisfaction
  - Providing capacity planning views
  - Providing cost reduction solutions for customers

- Increasing Productivity
  - Reducing non-value added activities
  - Reducing the need to re-work
  - Integrating daily work around the world

- Maximizing value of inventory investment
  - Established a process to approve new inventory
  - Established a process to remove old inventory
  - Established a process to identify the right amount of inventory
Share Learnings

- The Keys to Success...
  - A Clear Articulated Vision
  - Investment in the Best Team Members and Team Development
  - Support of a Never Ending Search to Understand What Adds Value and What Does Not
  - Support of a Never Ending Journey to Eliminate those Activities that Do Not Add Value
  - Division Wide Communication and Buy-In

Available on Request

Reference List
Roadmap Checklist
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