

SCOR[®] Supply-Chain Council



SCOR[®]/SIX SIGMA /LEAN CONVERGENCE FORUM

November 7-8, 2005

- Organized by the Supply-Chain Council, Inc.

Sponsored by:

Grand Hyatt DFW Airport • Dallas Texas, USA





WHO SHOULD ATTEND?

Director or manager level individuals responsible for the implementation or potential implementation of one or more of the three methodologies

- Exploring barriers to realizing the synergy of these methodologies
- Looking for the value of leveraging the three methodologies
- Seeking to participate and contribute to the development of successful strategies to maximize the benefits of SCOR, Six Sigma and Lean methodologies.

The Supply Chain Council SCOR/Six Sigma/Lean Convergence Forum will cover these three methodologies and their proven and potential converged use. This is a special event developed by the Supply-Chain Council Special Interest Group Steering Committee on Converging SCOR®, Six Sigma and Lean, and offers basic information on each methodology the first day, so that you may learn more basics about all or one of the methodologies that you are not familiar with. The second day continues with presentations from experienced users of all three and combinations of these, and also gathers information from the audience on need so that future programs, such as specialized SCOR workshops, can fulfill those needs.

This day and a half event is designed to accomplish the following:

- Help develop attendees' understanding of SCOR® as applied to leverage the strengths of Six Sigma and Lean
- Educate the Supply Chain "Community" about the potential of convergence and delivering an education and networking opportunity for interested parties
- Offer real case study implementations about convergence deployment
- Offer ways to implement this convergence (how they come together) and how three or two can be better than one.
- Offer ideas on the realized strengths and limitations of SCOR, Six Sigma and Lean and how converging all three creates a stronger methodology than using any one alone since they each provide solutions to the others weaknesses.
- Discover ways to get more results across the entire supply chain
- Gather ideas on best practices and utilization to develop an educational SCOR workshop specializing in using these methodologies in unison for 2006

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SCOR®/SIX SIGMA/LEAN

MONDAY: NOVEMBER 7

1:00 PM

WELCOME & INTRODUCTION

Roxanne O'Brasky, *Chair & President, International Society of Six Sigma Professionals*

1:15 PM

INTRODUCTION TO THE SUPPLY-CHAIN OPERATIONS REFERENCE MODEL (SCOR)

Dan Swartwood, *Certified SCOR Instructor and Six Sigma Black Belt, Senior Management Consultant, PRAGMATEK Consulting Group*

The Supply Chain Operations Reference (SCOR®) Model is the product of the Supply-Chain Council (SCC), an independent, not-for-profit, global corporation with membership open to all companies and organizations interested in applying and advancing the state-of-the-art in supply-chain management systems and practices. The SCOR-model captures the Council's consensus view of supply chain management. While much of the underlying content of the Model has been successfully used by practitioners for many years, the SCOR-model provides a unique framework that links business process, metrics, best practices and technology features into a unified structure to support communication among supply chain partners and to improve the effectiveness of supply chain management and related supply chain improvement activities. A great hierarchical foundation and approach for industry competitive analyses, gap and future project development and, financial ROI to the bottom line, all of which contribute to helping set priorities for project deployments. SCOR however, lacks the tactical techniques to effectively attack and repair the prioritized disconnects. Next logical step is to hand off to Six Sigma Belts or Lean Teams.

2:15 PM

INTRODUCTION TO SIX SIGMA METHODOLOGY

Don L. Redinius, *Master Black Belt and Six Sigma Executive Training, Principle, Advanced Integrated Technologies Group (AIT Group)*

Six Sigma was developed initially at Motorola and then refined at a number of companies including General Electric. It is based on a philosophy of driving for near perfect performance (3.4 defects per million opportunities for a defect) in order to satisfy customer needs and improve financial performance. Six Sigma utilizes a rigorous methodology referred to as DMAIC (named for the phases of Define, Measure, Analyze, Improve, and Control) that utilizes both process and statistical analyses to improve product/process quality and reduction of defects and variation. The methodology generally provides a systematic way to define the problem being addressed from both a process and financial impact perspective, identify potential factors impacting performance, narrow to the critical few root causes of defects or variation, and then establish procedures to implement sustained performance improvements. Individuals can be trained in the various roles of Six Sigma, including Deployment Champions, Black and Green Belts. These practitioners then lead project teams made up of people from the operation through the use of the methodology to define and solve problems. A couple of seemingly weak links with Six Sigma are the lack of alignment of priorities, understanding the interdependency between projects, i.e., incremental process improvements versus process redesign, and the inability to develop future projects once the "initial hit lists" (pet-pains) become exhausted.

3:15 PM

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3:30 PM

INTRODUCTION TO LEAN METHODOLOGY

Tony Gorski, *Demand Flow[®] Lean Expert, Chief Operating Officer, JCIT International*

"Lean" is a term coined in 1990 in the book "The Machine that Changed the World" by MIT researchers to describe the effectiveness and efficiency of the Toyota Production System in comparison to the traditional mass production approach to manufacturing. "Lean" practices actually date back to the early 1900's when Sakichi Toyoda introduced jidoka (autonomation) into his loom operations. The modern understanding of "lean" comes from the Toyota Production System developed by Taiichi Ohno, which was inspired by Henry Ford's River Rouge moving assembly line. "Lean" thinking is a focus on creating process "flow" through the reduction of waste. The waste reduction in production environments is typically targeted at the seven wastes: overproduction, waiting, transportation, inappropriate processes, inventory levels, unnecessary motion, and defects. Lean Thinking is applicable to all processes as a methodology that approaches optimization through the elimination of waste. The most apparent improvements of lean implementation in production environments are process cycle-time reductions (typically around 70%) and inventory level reductions.

5:00 PM

NETWORKING RECEPTION

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TUESDAY: NOVEMBER 8

7:00 AM - 8:00 AM

CONTINENTAL BREAKFAST

8:00 AM - 9:00 AM

CONVERGING SCOR, SIX SIGMA, AND LEAN FOR GLOBAL SUPPLY CHAIN ADVANTAGE

Robert E. Mansfield, Jr., *Director, Joint Strike Fighter Global Sustainment, Lockheed Martin Aeronautics*

Continuous improvement has been an objective of high performing firms for many years. In a highly competitive global economy, the ability to differentiate service and product quality is key to growth; indeed survival. Supply chain networks compete in the global economy. The ability to take the framework of SCOR and incorporate Six Sigma, Lean and other continuous improvement tools offers great promise. Firms converging the use of SCOR and continuous improvement tools may find they can create significant competitive advantage. This talk will present the views of this convergence by a supply chain practitioner leading the development of global sustainment for the Joint Strike Fighter.

9:00 AM - 10:00 AM

SUPPLY CHAIN TRANSFORMATION IN DUPONT

Utilizing Lean Six Sigma

Keith Holliday, *Director of Supply Chain Transformation and Six Sigma Champion-Global Operations, DuPont*

As in most capital intensive companies, DuPont has been heavily focused on fixed asset productivity, labor productivity and variable margin improvements. Future success, DuPont believes, will be achieved in end to end process integration of those capabilities, particularly in the Supply Chain. Getting at the huge opportunity in the Supply Chain area is more complex than working in traditional functional areas because the supply chain process cuts across those functions and must be approached using disciplined process improvement methods that transform process capability rather than more traditional functional improvements. DuPont will discuss how it has leveraged Six Sigma capabilities integrated with lean in its approach to supply chain transformation.

10:00 AM

BREAK

10:15 AM - 11:15 AM

SCORCARDS: EXTENDING PERFORMANCE IMPROVEMENTS TO SUPPLIERS

Scott Sealing, *Project Lead, United Space Alliance*

Many companies struggle with the challenge of generating meaningful process improvement projects, creating accountability, measuring results, and monitoring the health of supplier performance. United Space Alliance, LLC, a Prime Contractor to NASA, is successfully converging the SCOR model with their L6S Program and is now expanding that concept to their suppliers. This is being piloted by linking Enterprise and internal supply chain SCORcards to the "SOURCE" process (SCOR levels 2 and 3) and external suppliers. Linked SCORcards insure that supply chain priorities and performance are aligned with current and future business needs. This case study will demonstrate how USA is using SCOR to provide improvement projects to the Lean/ Six Sigma Belts and, at the same time establishing a more robust partnering relationship with suppliers to improve overall performance.

11:15 AM - 12:15 PM

SCOR, A STRATEGIC TOOLSET FOR THE BLACK BELTS' TOOLBOX: Strengthening the Six Sigma Improvement Portfolio

Jane Malin, *Senior Consultant, PRAGMATEK* & **Rod Recker**, *Executive Director & Advanced Integrated Technologies Group, Inc.*

This case study is based on the project work done at Flexsys, a leading manufacturer and supplier of chemicals and additives for rubber processing and related industries. It demonstrates how the SCOR methodology was used to pinpoint strategic improvements at Flexsys. They had been using Six Sigma for several years. See how they continued to feed the right improvement projects to their Lean and Black Belt teams and to take full advantage of those resources.

12:30 PM - 1:30 PM

LUNCH

1:30 PM - 2:30 PM

SUPPLY CHAIN VALUE STREAM MAPPING & SCOR

Thomas A. Phelps, *Ph.D., Senior Supply Chain Analyst* & **Matthew Milas**, *Supply Chain Engineering Analyst, The Altarum Institute*

The Department of Defense is completing an in-depth look at the use of Lean, Six Sigma, and other continuous improvement approaches in the supply chains that provide working aircraft and vehicles to the warfighters. That includes looking at the acquisition and maintenance of the entire weapon system (e.g., F-15 or HMMWV) as well as the acquisition and repair of parts for the weapon system. This study was based on Value Stream Mapping techniques. The DoD team adapted the approach for taking a broad look at a large, complex system rather than the typical close up internal process. With the study in its final stages, it is worth taking a look at how VSM was used and how SCOR could have been used in the project.

2:30 PM

BREAK

2:45 PM - 4:30 PM

PANEL DISCUSSION AND Q & A

Moderator: **Roxanne O'Brasky**, *Chair, President, ISSSP*

Bob Parker, Vice President, Manufacturing Insights, one of IDC's industry research companies that address the current market gap by providing fact based research and analysis on best practices and the use of information technology, will be joined by Scott Sealing and the speakers from the first day's overviews on SCOR, Lean, and Six Sigma for this Panel of Experts. The Panel will present and discuss openly with the audience the strengths, limitations, and potential of each methodology and how using all three together can be stronger and more efficient than using any one or two alone.

4:30 PM

WRAP UP AND CONCLUSIONS

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& to register, please contact:*

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