



agile
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STAYING NIMBLE

APPLYING AGILE AND LEAN PRINCIPLES TO
SUPPLY CHAIN MANAGEMENT





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ORGANIZATIONAL COACH, AGILE COACH, EXECUTIVE COACH, BUSINESS OWNER

WITH 20+ YEARS IN THE INFORMATION TECHNOLOGY SECTOR AND A DECADE OF RUNNING RESTAURANTS PRIOR TO THAT, KUMAR POSSESSES A UNIQUE SKILL SET AND APPROACH TO TRANSFORMATIONAL COACHING THAT'S ALWAYS EVOLVING. HE STRONGLY BELIEVES THAT GUIDING LEADERS ON A PATH TO A COACHING MINDSET IS KEY TO UNLOCKING THE POTENTIAL OF THE INDIVIDUAL, THE TEAM, AND ULTIMATELY THE ORGANIZATION.

EXXON MOBIL, CATERPILLAR, AMTRAK, NORFOLK SOUTHERN, ETS, COLLEGE BOARD, ANTHEM, BCBSA, USCIS, CBP, AND MANY MORE...





AGENDA

What we will be doing over the next hour

INTRODUCTION

THE PROBLEM

RECENT CHALLENGES

HOW AGILE CAN HELP

WHAT IS AGILE

CASE STUDY 1

WHAT IS LEAN

HOW TO GET STARTED

Q/A

What are some challenges you're facing?

blah
org
crappy



Where to start...

Let's review the challenges
modern-day businesses are facing
which are driving the demand for
more agility



CHALLENGES WE SEE

➤ Ongoing challenges caused by COVID 19

➤ Suez Canal Blockage

➤ Labor Shortages and Absenteeism

➤ Trade disputes and tariffs

➤ Sanctions impacting certain markets and suppliers

➤ Climate Change and Natural Disasters



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Challenge Facing Modern Day Business

V U C A

VOLATILITY

The nature and magnitude change has become unpredictable, and its pace continues to accelerate as disruptive technologies reduce the barrier to entry for new competition

UNCERTAINTY

There is no handbook for the new situations and decisions being put upon organizations creating less predictability and greater chances for unknowns to affect planned and expected outcomes

COMPLEXITY

Ever-increasing interconnectivity around the globe between people, industries, events, and outcomes is driving increased complexity into our everyday environments

AMBIGUITY

The fuzziness of reality, greater potential for misreads, and the mixed meanings of situations increases the level of ambiguity we all content with on a daily basis

Our tough reality:
VUCA is increasing.

The good news:
Becoming more adaptable can help
minimize VUCA's impact on our reality.

The good news: Adaptability reduces VUCA impact

UP TO AROUND 15 YEARS AGO

BASE BUSINESS SKILLS

Organizational effectiveness was facilitated through mastering a set of defined skills:

- Building detailed annual and project plans
- Managing schedule, scope, and performance
- Establishing standardized routines and best practices
- Applying long-proven patterns of success
- And more...

BUT AS WE MOVE FORWARD

ADDITIONAL ADAPTIVE SKILLS

The global environment requires the addition of adaptive techniques:

- Building collaboration and influence faster and across more boundaries
- Tackling work dynamically with innovation to meet emerging challenges
- Becoming flexible in the application of change to drive and accelerate performance
- Engaging and developing talent in the context of work and continuous learning
- And more...

What is Agile/Lean?

Nobody has responded yet.

Hang tight! Responses are coming in.



More good news: Lean and Agile are Adaptive Mindsets

LEAN: THE WORK

Modern Definition:

Improving virtually everything you do by continuously learning how to see, and then eliminate, anything that doesn't produce *value*.

Organizational Perspective:

Adaptively improve the flow of work through the system

Human Perspective:

Lean helps humans collaborate better with the flow of work

AGILE: THE PEOPLE

Modern Definition:

Behaviors, mindsets, values and principles primarily focused on communication and collaboration with an emphasis on quality, alignment and consensus.

Organizational Perspective:

Adaptively improve the flow of communication and collaboration through the organization

Human Perspective:

Agile helps humans collaborate better with other humans

What is Lean at its core?

Building a culture of continuous learning to help identify opportunities for gain, and the ability to see and reduce waste.

Lean helps humans interact effectively with their work and environment

Lean Principles

Building a culture of continuous learning to help identify opportunities for gain, and the ability to see and reduce waste.



What is Agile at its core?

Behaviors, mindsets, values and principles primarily focused on communication and collaboration with an emphasis on quality, alignment and consensus.

Agile helps humans interact effectively with other humans

Agile Values

Behaviors, mindsets, values and principles primarily focused on communication and collaboration with an emphasis on quality, alignment and consensus.

WE VALUE

- Individuals and Interactions
- Working Software
- Customer Collaboration
- Responding to Change

Less Brittle to VUCA

OVER

- Process and Tools
- Comprehensive Documentation
- Contract Negotiation
- Following a Plan

More Brittle to VUCA

Value Delivery & Agility increase as you move to the left



Agile Principles

Behaviors, mindsets, values and principles primarily focused on communication and collaboration with an emphasis on quality, alignment and consensus.



What are some Challenges you see with Traditional Supply Chains?

Nobody has responded yet.

Hang tight! Responses are coming in.



What are some Challenges you see with Traditional Supply Chains?

#1: Long Lead times

Challenges

- Extended periods between order and delivery

Impact

- Poor response to market changes

#2: High Inventory Levels

Challenges

- “Just in case” Inventory

Impact

- Costly to hold excess inventory
- Storage, depreciation, obsolescence

#3: Siloed Functions

Challenges

- Organizational Silos

Impact

- Misaligned goals
- Independent operations
- Poor communication
- Duplicated effort

#4: The Bullwhip Effect

Challenges

- Demand Management

Impact

- Small demand changes cause disruptions as they move through the supply chain
- Demand forecast
- Order batching

#5: Manual processes/Legacy Systems

Challenges

- reliance on old and outdated systems
- Manual data entry

Impact

- Inefficiencies
- Prone to error
- Difficult to integrate into modern systems

#6: Focus on Cost over Resilience

Challenges

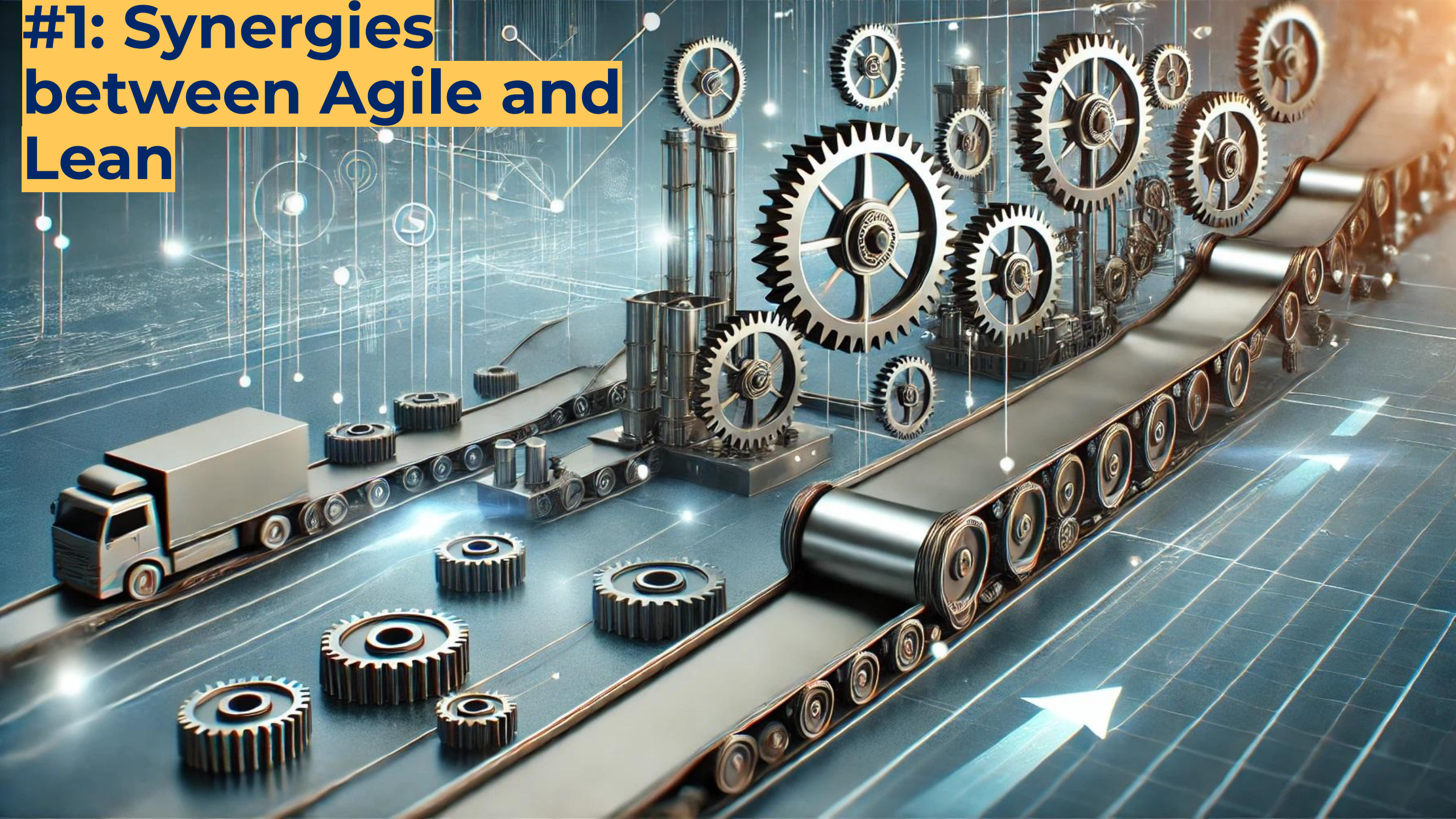
- Cost-cutting over Risk Management

Impact

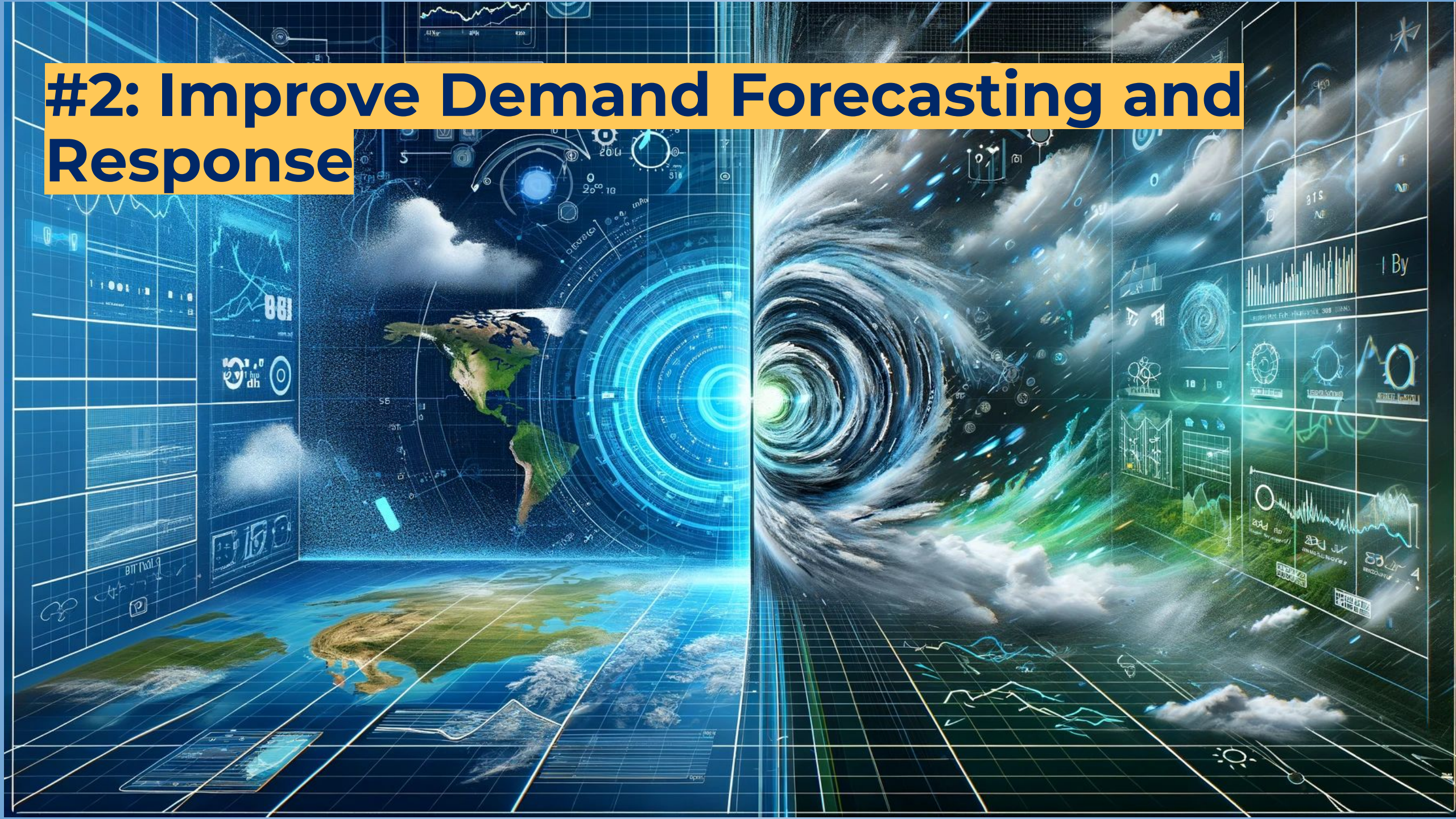
- Inefficiencies
- Prone to error
- Difficult to integrate into modern systems

How Agile Can Help

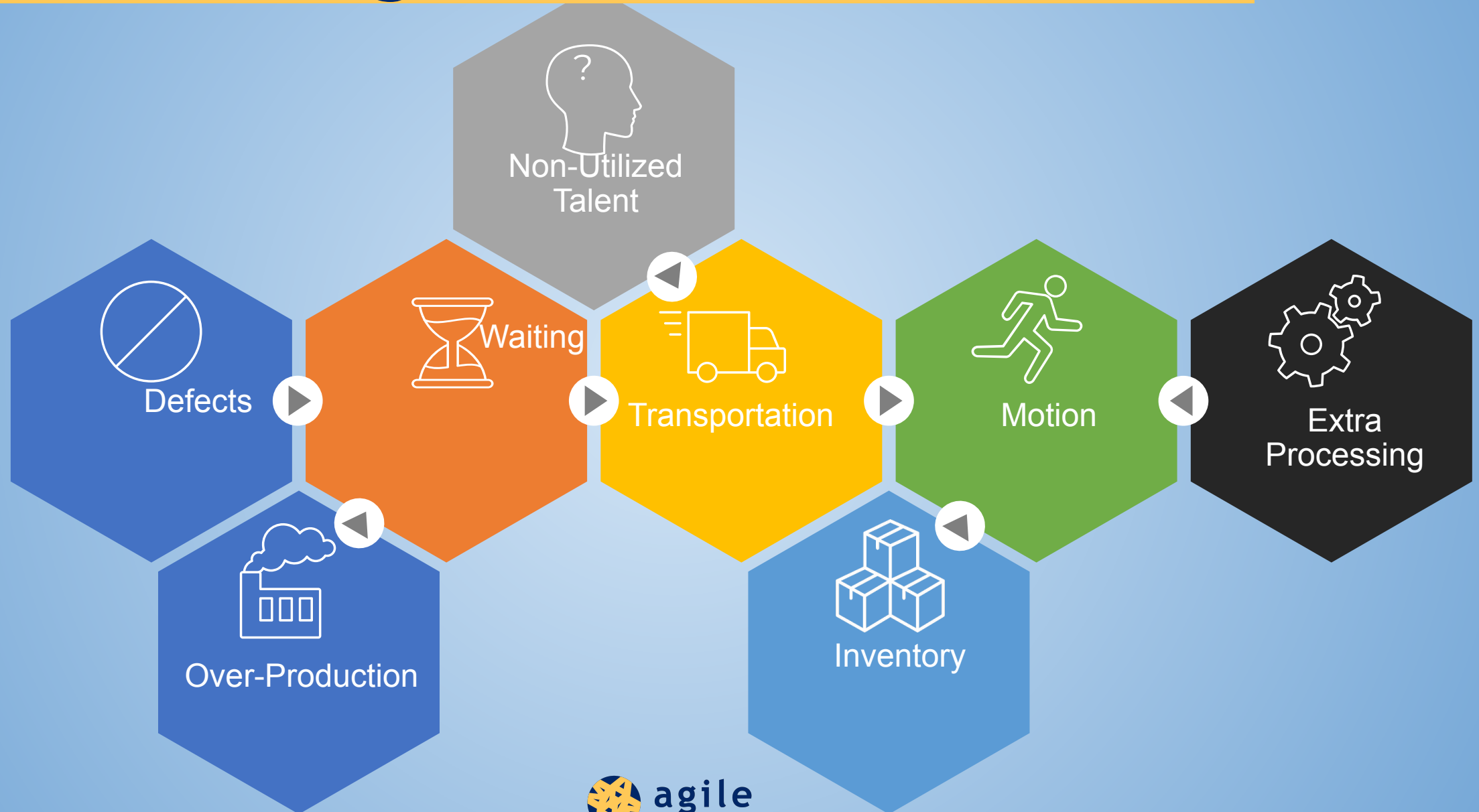
#1: Synergies between Agile and Lean



#2: Improve Demand Forecasting and Response



#3: Removing Waste - “DOWNTIME”





#4: Enhance Visibility and Collaboration

#5: Implement Pull-Based Systems



#6: Faster Time to Market



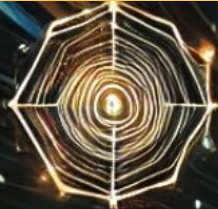
ITERATIVE
DEVELOPMENT



COLLECTIVE
OWNERSHIP



RAPID
TESTING



LEARNING
CYCLES



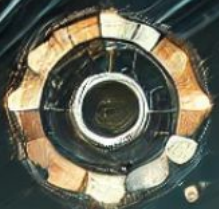
AUTOMATED
DEPLOYMENT



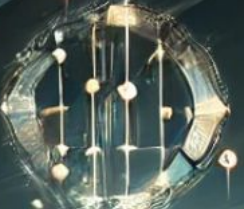
CUSTOMER
CENTRICITY



WELCOME
CHANGE



EMERGENT
DESIGN



DATA DRIVEN
DECISIONS



#7: Improved Customer Focus





#8: Risk Management and Resilience

Case Studies

- **ZARA SET THEMSELVES APART IN FAST FASHION BY ADOPTING AGILE DESIGN, PRODUCTION AND DISTRIBUTION PRACTICES TO RESPOND VERY QUICKLY TO THE LATEST FASHION TRENDS.**
- **ZARA RELIES HEAVILY ON RAPID PROTOTYPING OF DESIGNS AND LEVERAGES CONTINUOUS FEEDBACK FROM STORE EMPLOYEES ON CUSTOMER PREFERENCES TO REFINE PRODUCTS.**
- **THEY PRODUCE OVER 30,000 DESIGNS ANNUALLY AND REFRESH THEIR STORES WITH NEW ITEMS EVERY 2 WEEKS, MUCH FASTER THAN COMPETITORS LIKE H+M OR GAP.**
- **BY PRODUCING GOODS IN SMALL BATCHES AND MAINTAINING EXTRA CAPACITY WITH SUPPLIERS, ZARA CAN REORDER HOT-SELLING ITEMS MULTIPLE TIMES PER WEEK AND REPLENISH STORES IN JUST A FEW DAYS.**
- **ZARA LIMITS DISCOUNTS AND MARKDOWNS BY SELLING THE VAST MAJORITY OF INVENTORY AT FULL-PRICE WITHIN 3 WEEKS, KEEPING THEIR BRAND EXCLUSIVE.**
- **THEIR AGILE SUPPLY CHAIN CAPABILITIES ARE A KEY COMPETITIVE ADVANTAGE, ALLOWING ZARA TO PROVIDE UNPRECEDENTED SPEED, VARIETY AND RESPONSIVENESS IN THE FAST FASHION SPACE.**



FLEXIBLE MANUFACTURING NETWORK:

- APPLE RELIES ON A NETWORK OF CONTRACT MANUFACTURERS, WITH FOXCONN BEING THE MOST PROMINENT.
- THIS ALLOWS APPLE TO RAPIDLY SCALE PRODUCTION UP OR DOWN BASED ON DEMAND, EMBODYING AGILE PRINCIPLES.

JUST-IN-TIME (JIT) PRODUCTION:

- APPLE EMPLOYS LEAN JIT PRINCIPLES TO MINIMIZE INVENTORY COSTS.
- COMPONENTS OFTEN ARRIVE AT ASSEMBLY PLANTS JUST HOURS BEFORE THEY'RE NEEDED, REDUCING WAREHOUSE NEEDS

VERTICAL INTEGRATION:

- APPLE DESIGNS ITS OWN CHIPS (LIKE THE M1 AND A-SERIES), ALLOWING FOR TIGHTER INTEGRATION BETWEEN HARDWARE AND SOFTWARE.
- THIS VERTICAL INTEGRATION ENABLES FASTER PRODUCT DEVELOPMENT CYCLES AND BETTER CONTROL OVER THE SUPPLY CHAIN

RAPID PRODUCT ITERATIONS:

- APPLE FREQUENTLY UPDATES ITS PRODUCT LINES, SOMETIMES MULTIPLE TIMES A YEAR
- THIS AGILE APPROACH KEEPS PRODUCTS FRESH AND ALLOWS FOR QUICK INCORPORATION OF NEW TECHNOLOGIES.

SUPPLY CHAIN VISIBILITY:

- APPLE HAS INVESTED HEAVILY IN SYSTEMS THAT PROVIDE REAL-TIME VISIBILITY ACROSS ITS SUPPLY CHAIN.
- THIS ENABLES QUICK DECISION-MAKING AND PROBLEM-SOLVING, A KEY TENET OF AGILE MANAGEMENT.

TRANSPORTATION OPTIMIZATION:

- APPLE USES A MIX OF AIR AND SEA FREIGHT, OPTIMIZING FOR SPEED AND COST.
- DURING PRODUCT LAUNCHES, THEY OFTEN BOOK ENTIRE CARGO FLIGHTS TO ENSURE RAPID DISTRIBUTION.



Implementing Agile/Lean

- Start with a pilot project or single product line
- Do you have leadership buy-in?
- What about Challenges with Culture?
- Get a good coach!



Reflect

Untitled Q&A

Nobody has responded yet.

Hang tight! Responses are coming in.



Thank you!



THANK YOU ALL, FROM ALL OF US!

AGILE MERIDIAN LLC.
WWW.AGILEMERIDIAN.COM
INFO@AGILEMERIDIAN.COM | #AGILEMERIDIAN
DELIVERAMAZING@AGILEMERIDIAN.COM | #DELIVERAMAZING

KUMAR DATTATREYAN
JOLLY RAJAN
MICHAEL JEBBER
CHRIS DAILY



What are some challenges you're facing?



A word cloud centered around the words 'risk' and 'waste'. The words are arranged in a circular pattern, with 'risk' and 'waste' being the largest and most prominent. Other words include 'inefficiencies', 'processless', 'flexibility', 'eliminating', 'culture', 'improvement', 'change', 'continuous', 'time', 'fruit', 'hanging', 'adapting', 'following', 'adaptable', and 'mitigating'. The words are in various colors and orientations, creating a dynamic and visually engaging composition.

inefficiencies risk minimizing
processless waste low
flexibility flexible
eliminating culture improvement
change continuous time fruit
hanging adapting following
adaptable mitigating

What are some Challenges you see with Traditional Supply Chains?

goals forecasts
lead outdated getting
etc supply silos tools
partners visibility chain levels
internally both
inspection among time