The SAMI Logistics Triangle

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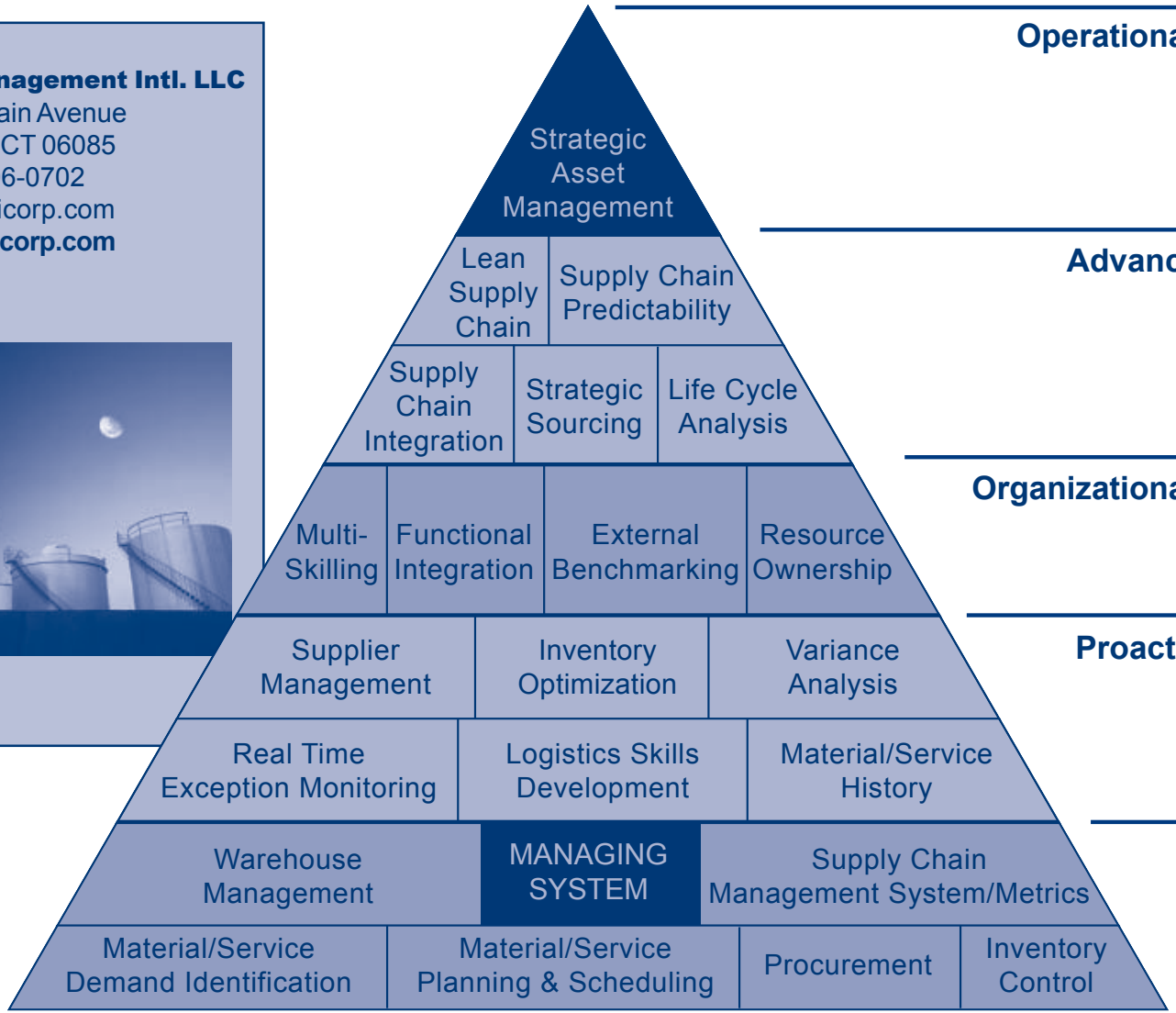

SAMI's Logistics Maturity Matrix

Stage \ Class	Low Performing	Competent	High Performing
Planned Logistics	• Frequent reschedules of requirements • Excess of some items/frequent stockouts on others • Product/equipment BOM's nonexistent or inaccurate • Unexecuted/inaccurate system transactions • Poor documentation/off-spec material a way of life • Frequent expediting • Delivery commitments often missed without notice • Inadequate security and control of inventory • Non-existent/inadequate performance indicators	• Most material requirements planned and stable • Controlled inventory levels with occasional stockouts • 100% accurate BOM's for critical equipment/material • All material movement tracked in the system. • Missed deliveries/incoming quality issues documented and resolved quickly • Supplier delivery dates usually satisfied on time/early • Some inventory counting routines in place • Occasional expediting • Performance indicators established and measured	• Requirements firm • Supplier delivery dates met >95% of the time • Early warning provided for missed deliveries. • Storeroom improvement opportunities and implementation plans identified. • Service improvement/inventory reduction opportunities and implementation plans identified. • Formal Cycle Counting program in place to identify and resolve process issues; accuracy >95% • Expediting done proactively based on system data
Proactive Logistics	• Logistics personnel not trained in the process • No Supplier performance data available • Unavailable/inadequate supply chain planning and performance data • Supplier proliferation; suppliers selected randomly • Inventory managed strictly to assure service • Capabilities of the system not known/not understood • Planning data/reports unavailable or not being used	• Adequate job-related training, primarily OJT • Some data/reports available to track performance to plan • Supplier base controlled; suppliers selected primarily based on price and/or delivery. • All materials purchased and stored using traditional methods • Inventory managed to balance service and investment • System capabilities understood but underutilized	• Required knowledge, skills and abilities identified and verified through formal training • Certification criteria in place to monitor and manage supplier base and performance; suppliers selected from qualified list based on criteria • Alternative procurement and stocking methods implemented to optimize service and costs • The system is capable of extracting required data and producing real-time exception notices
Organizational Excellence	• Unclear definition of roles and responsibilities • Focus on internal and individual performance • Nonexistent goals and objectives • Silo mindset • Resistance to change • No ownership of processes	• Documented roles and responsibilities • Team-based work is effective with focus on organizational goals and objectives • Acceptance of change • Individuals understand roles and responsibilities of personnel with other functions/from other departments • Multi-skilling implemented	• Cross-functional teams take ownership for resources/processes and focus on plant/corporate goals and objectives as well as individual • Continuous improvement embraced, effective • Reward/recognition support best practices • Skills predominate over functions • Individuals can perform duties of personnel with other functions/from other departments
Advanced Logistics	• Suppliers are adversaries • Supply Chain/Logistics activities driven by reactive tactics • Numerous handoffs result in inefficiency and delays • Material specifications don't follow form, fit and functional needs • Equipment/process output unpredictable; customer requirements frequently missed without warning	• Suppliers are at arm's length • Supply Chain/Logistics activities driven by proactive planning • Material and transactions follow a logical path • Material specifications meet specific needs • Most customer requirements met on time or early	• Suppliers are strategic partners • Supply Chain/Logistics activities driven by strategic evaluation of total life cycle cost • Supply Chain extends to the Customer, and non-value-added functions have been eliminated. • Material interchangeable in different applications without impacting quality, reliability or safety. • Commitments met >95% of the time with early warning for potential missed deliveries.
Asset Management	• Management unclear about goals and methods • Established processes circumvented in reaction to changing priorities • Commitments changed based on "squeaky wheel"	• Clear organizational alignment • Goals cascaded from plant/corporate level to individual • Commitments made based on supply chain capability and established plan • Logistics employees help establish goals and improvement plans • Supply Chain reliability is part of product marketing	• Each employee knows and is rewarded for his role • Established processes used to manage/align conflicting priorities • All decisions based on facts, models, and strategic business rules • Plant is lowest cost producer and becomes the benchmark for other sites.

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