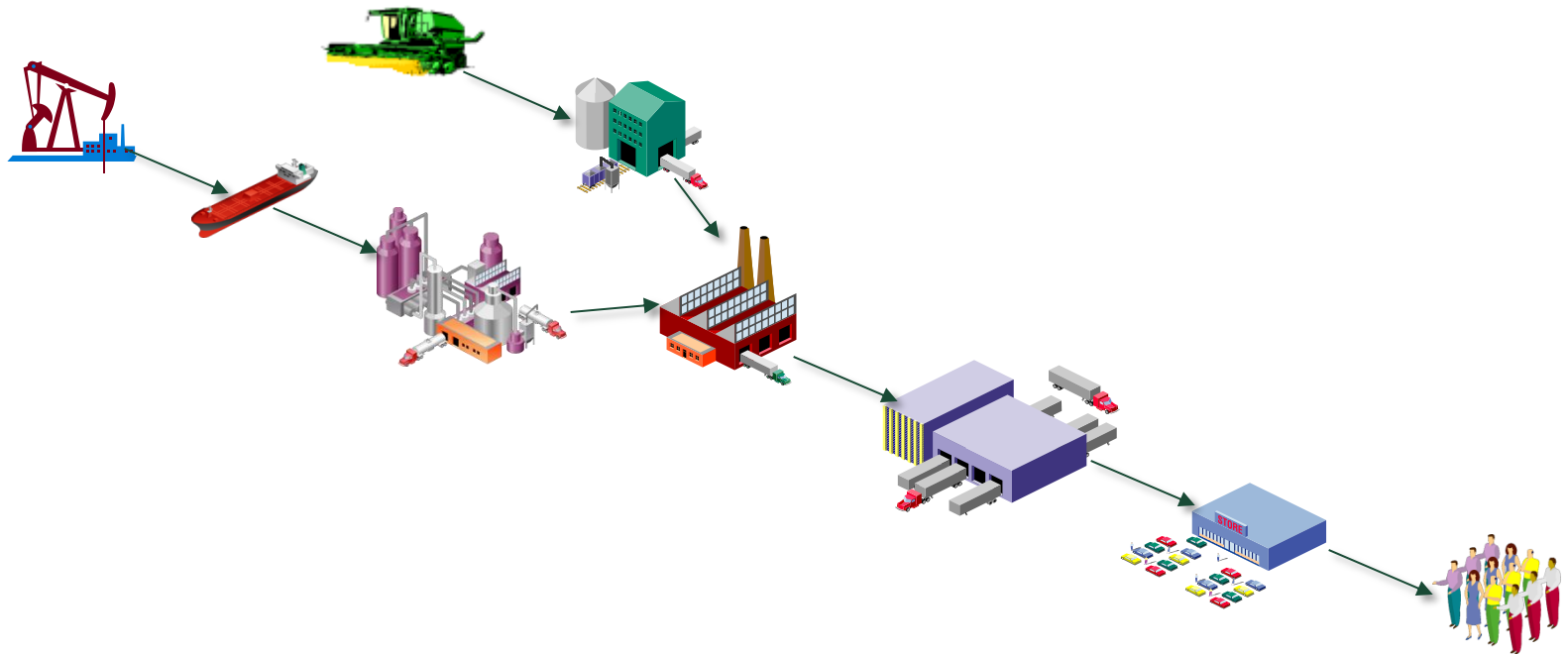


Insync Supply Chain Management for Improved Business Performance

Supply Chain – it's more than moving boxes

The science of moving materials, services and information from suppliers to value adding organisations (manufacturers and/or wholesalers) and on to customers.

It includes linking together successive vertically integrated stages of production from raw material extraction to end consumer.



But if mismanaged, a dysfunctional supply chain can be the cause of many business ailments ...

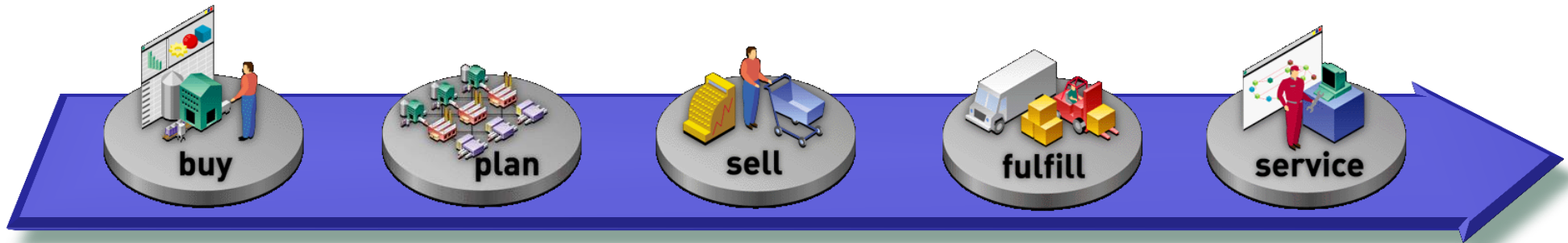
Are these questions applicable:

- Do you want to reduce your cash-to-cash cycle?
- Do you want to improve your customer service levels?
- Are your operational managers complaining about the need to improve customer service?
- Are there internecine or turf battles occurring?
- Is there misalignment between corporate and supply chain strategies?
- Do many systems exist which are uncoordinated or fail to communicate with each other?
- Is the focus on transactional rather than planning systems?
- What are the optimum levels for your inventory, and how can you achieve these?
- Are there opportunities for enhancing or developing new systems to exploit the latest technology?

... if you answered yes to many of these questions, then you are like many other organisations in Australia

Common issues across the supply chain

Universally, almost all supply chains are hampered by common shortcomings that inhibit the opportunity to fully support the business ...



Suppliers

- Poor information sharing
- Adversarial relationships
- Long/variable lead times
- Unknown commitments

Production/Wholesale

- Poor forecasting & collaboration
- Poor inventory management
- Poor customer service levels/ poor fulfilment
- Long lead times

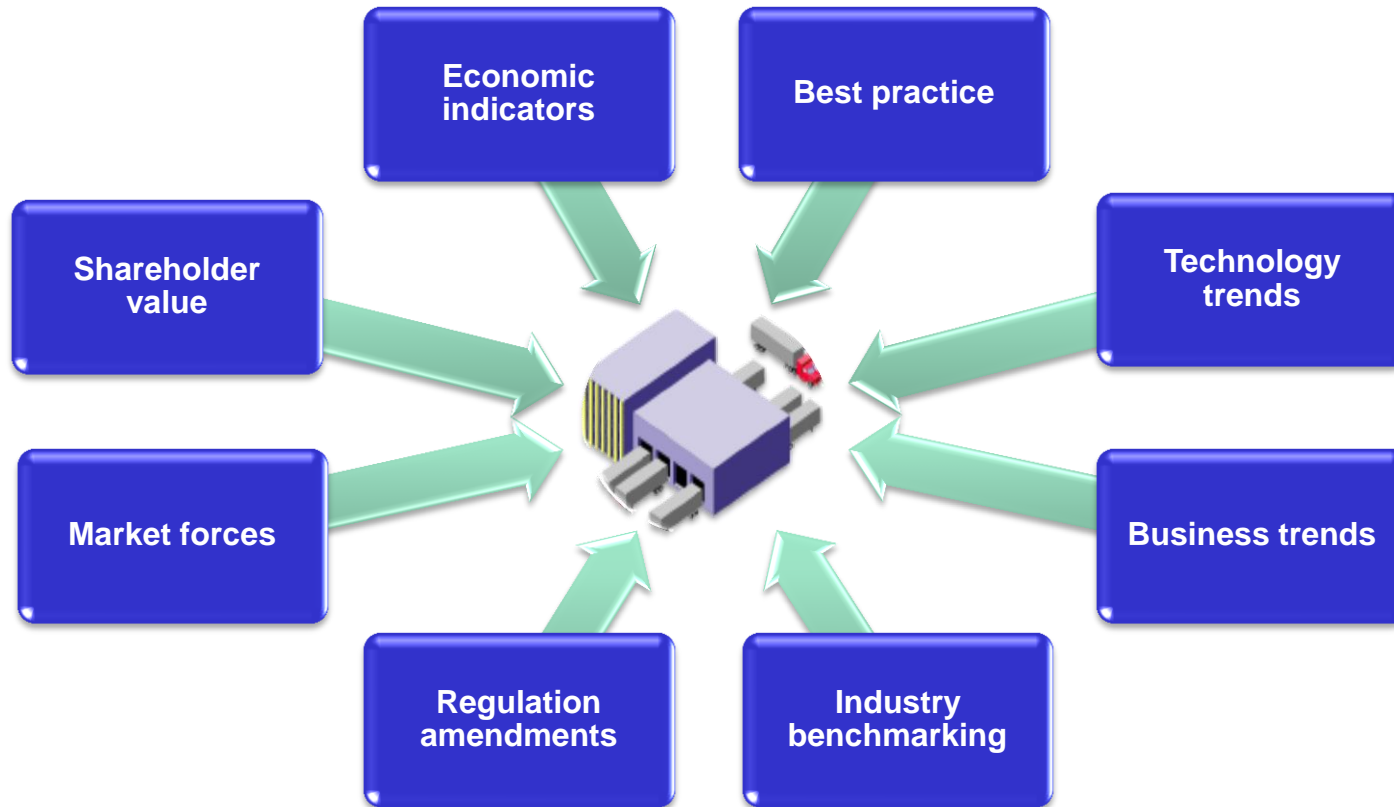
Retail/Customer

- Poor range selection
- Poor working capital management
- Stock outs/overstocks
- Poor sourcing and procurement
- Variable customer service

... these factors should be re-examined at least every few years

... and finally what are the external issues relevant to your organisation?

Often, supply chain managers are aware of internal or corporate issues; but are they aware of the total environment ...



... maybe they just don't have the time to "drain the swamp"

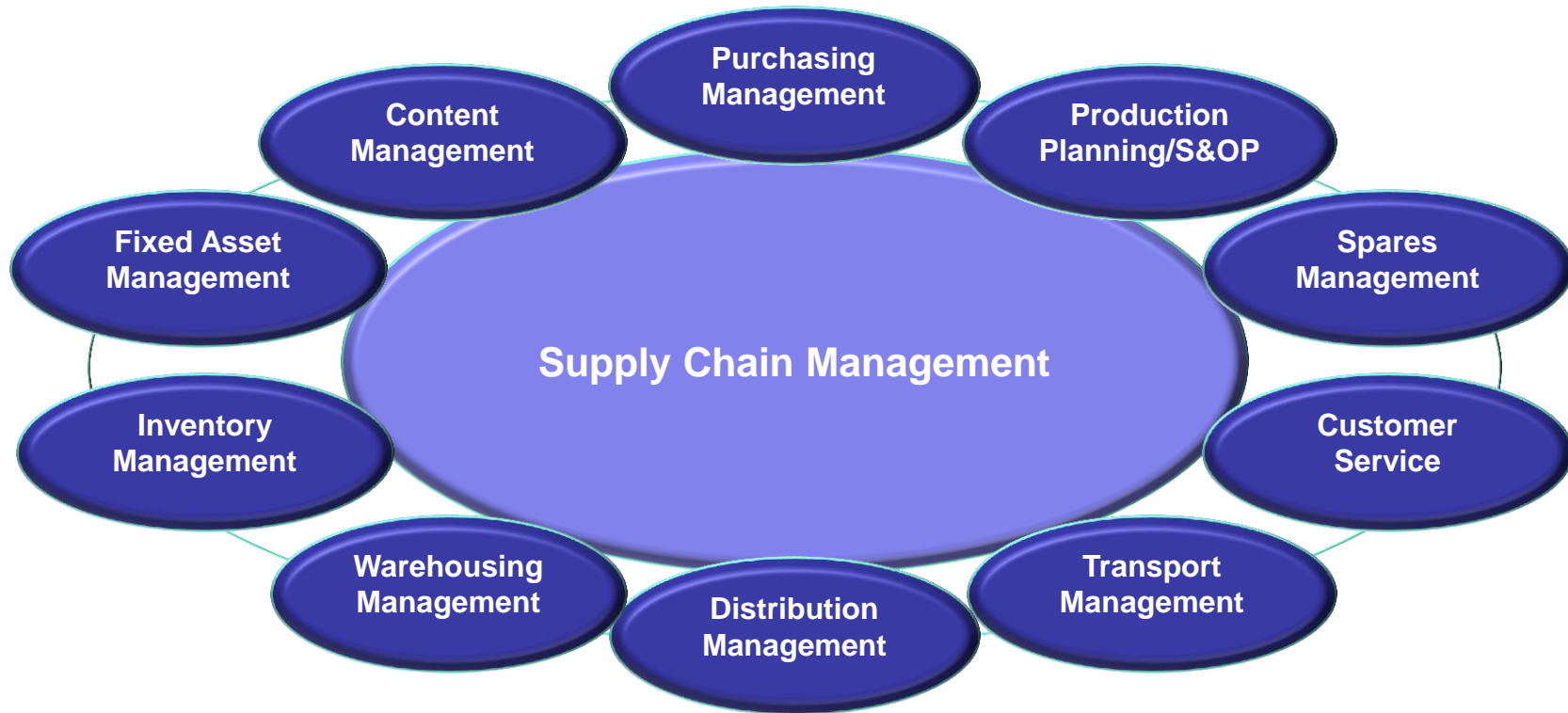
The solution

A **supply chain diagnostic** is a snapshot of the health of the organisation's supply chain in comparison with best in class ...

- **Objective** - to establish the potential for cost reduction, profit improvement and improved customer service through supply chain enhancement
- **Methodology** - compare the corporate and supply chain objectives, conduct a gap analysis and propose a strategy to achieve the vision
- **Offering** - a fixed fee, fixed period basis (notionally 2 weeks) with prescribed deliverables

Supply chain functional areas

The Review will take into account each of the supply chain functional activities applicable to the organisation, including:

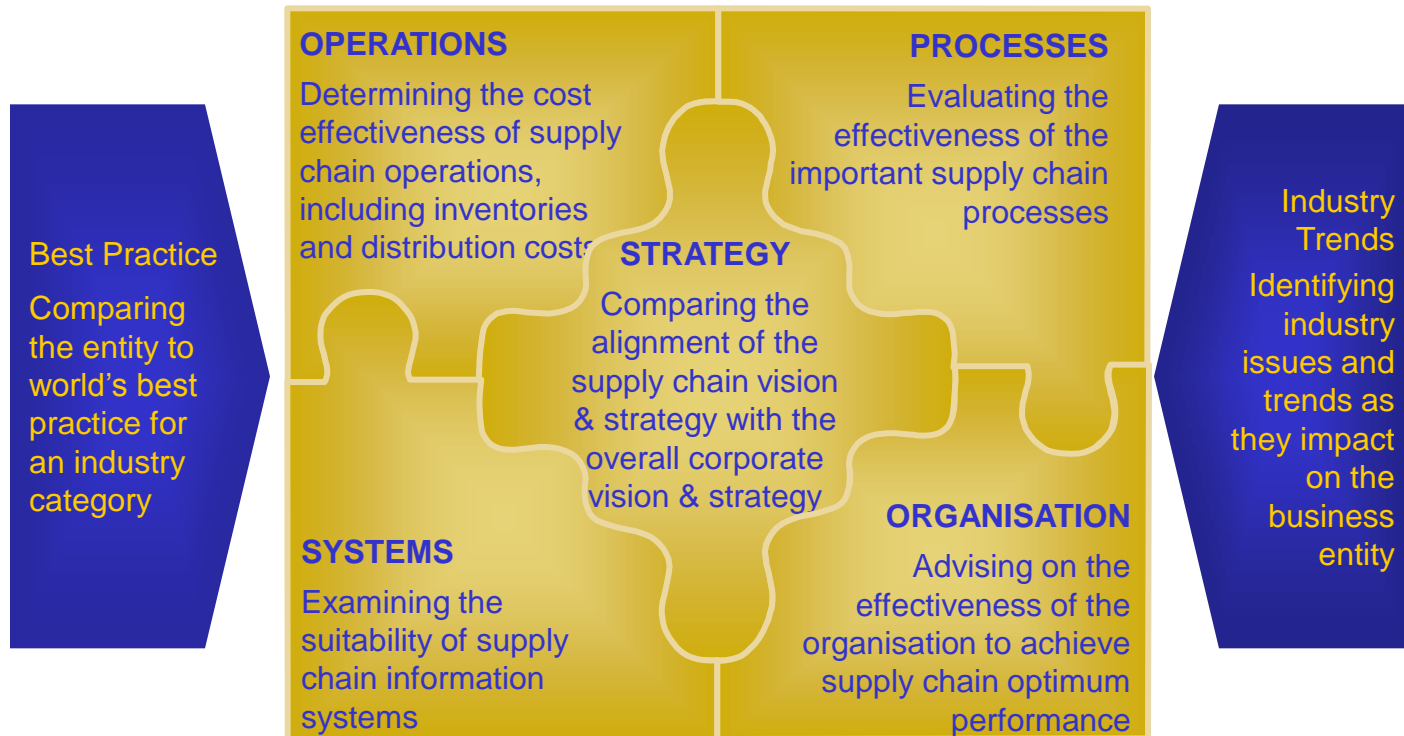


The review methodology

Current State	Gap Analysis	Current State
<ul style="list-style-type: none"> • Vision and strategy for the supply chain organisation • Industry issues and trends • Best practice parameters • Information systems • Operations, including inventories and distribution costs • Supply chain organisation 	<ul style="list-style-type: none"> • Identify the critical supply chain processes needed to succeed in this strategy. • Determine the gap between the current and future state that will be required to properly execute the proposed business strategy. 	<ul style="list-style-type: none"> • Prioritise opportunities that will result in significant benefits • Suggest the required change management, process reengineering and systems that will most likely achieve the vision and goals. • Quantify the value available through implementation of suggested solutions

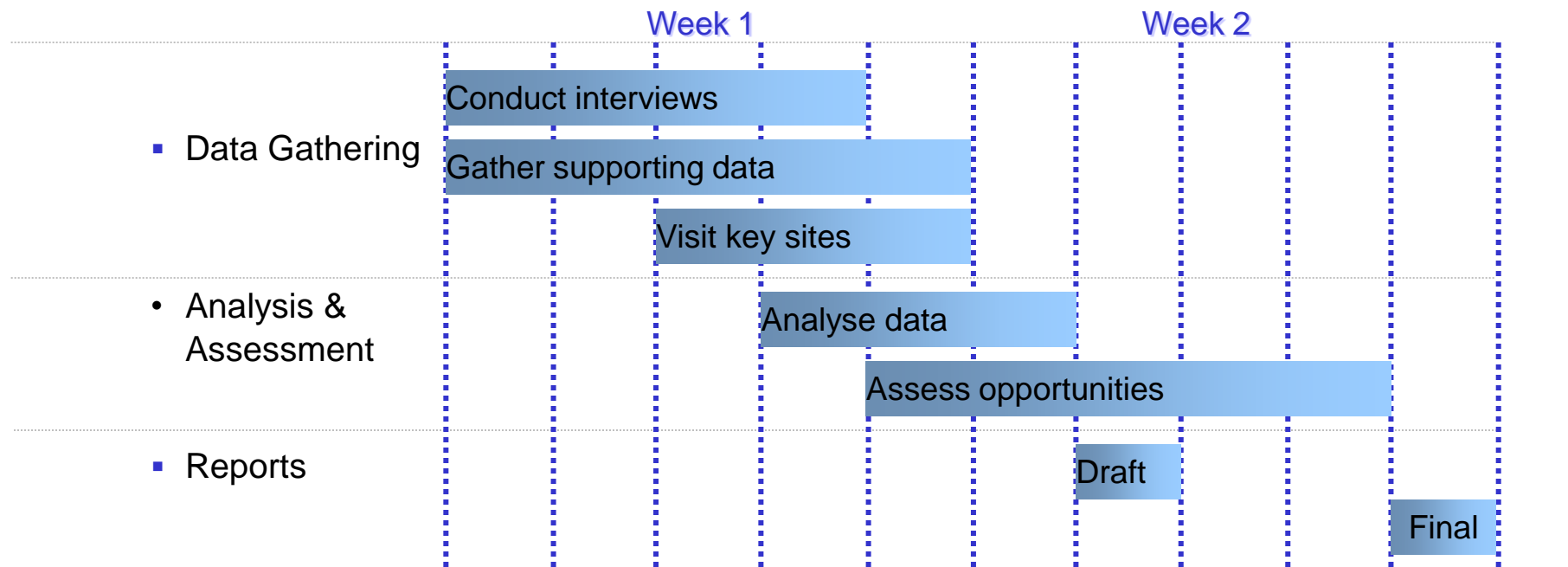
Activities targeted

The review is highly focused on quantitative and qualitative areas for improvement in the supply chain, overlaid by external factors



The review process ...

The review is structured around a predefined standard two week engagement



The length of engagement can be varied for differing circumstances, such as organisational complexity

Data gathering

Data gathering has five main components:

- **Interviews** - The interview includes a set of structured questions that are intended to enhance our understanding of the client's supply chain.
- **Survey** – A survey involving management's perception of performance
- **Data requests** – Quantitative information relevant to the performance of the supply chain
- **Maturity Profiles** – Determine the level of maturity of each process and, thereby, the level of operational excellence
- **Workshops** – If appropriate, a workshop of key personnel can be an excellent data gathering mechanism

Area	Areas of discussion
Executive Leadership	Senior executives set the vision for the <i>organisation</i> . Understanding that vision is crucial for understanding the context of any potential solution.
Information Systems	Understand current and future state with regard to: <ul style="list-style-type: none"> • Manual systems • Legacy systems • ERP systems • Planning systems
Purchasing Management	Understand the Purchasing process and organisation <ul style="list-style-type: none"> • The purchasing process – what works and what doesn't <ul style="list-style-type: none"> • Spending limits • Approval routings • Experience with EDI • The customer base • The supplier base • Supplier performance programs • Characteristics of the organisation's spend (e.g. How much is Direct vs. Indirect?) • Size and scope of the purchasing organisation • Amount and nature of purchasing done outside of the purchasing organisation
Logistics & Transportation	Understand logistics network and the transportation planning processes and costs <ul style="list-style-type: none"> • The placement and amount of inventory in the supply chain • The relative importance of cost, delivery, quality, and responsiveness in a supplier • The characteristics of an exemplary supplier • The characteristics of a poor supplier • The process for replenishment of direct materials

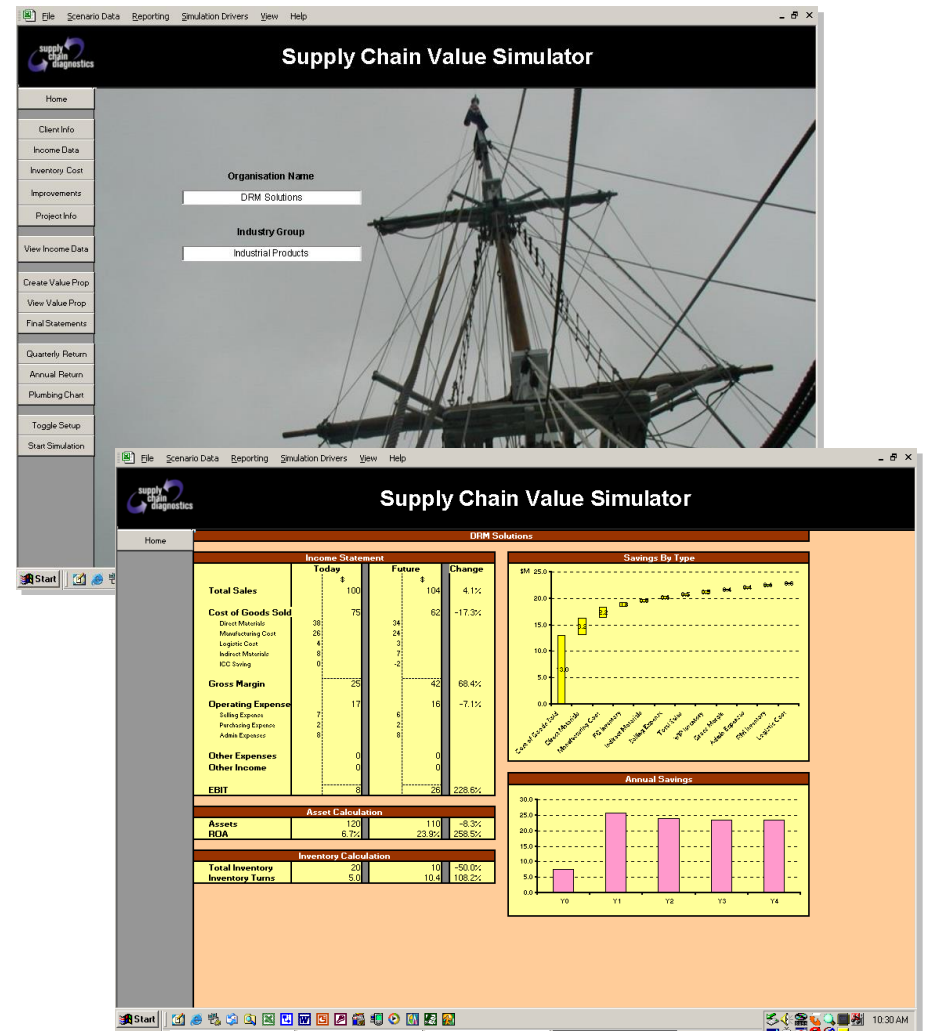
Financial information	Group Level	Detail Level
Revenue		
COGS	Material costs as % of COGS	
	Labor costs as % of COGS	
	Burden as % of COGS	
SG&A		
Net Income (after-tax)		
Inventory	Raw material as % of inventory	
	WIP as % of inventory	
	Finished Goods as % of inventory	
Total Assets		

Survey								
1.	My firm uses logistical requirements as a basis of customer segmentation.	Strongly Disagree	1	2	3	4	5	Strongly Agree
2.	My firm is pursuing a plan to establish partnerships/alliances.	Strongly Disagree	1	2	3	4	5	Strongly Agree
3.	My firm has increased inventory turns by at least 25% during the past three years.	Strongly Disagree	1	2	3	4	5	Strongly Agree
4.	My firm extensively utilizes cross-functional work teams for managing day-to-day operations.	Strongly Disagree	1	2	3	4	5	Strongly Agree
5.	Logistics information systems in my firm are being extended to include more integrated applications.	Strongly Disagree	1	2	3	4	5	Strongly Agree

Data analysis and assessment of opportunities

The Supply Chain Value Simulator is utilised to assess added value for the organisation by application of industry profiles, maturity profiles and survey results to :

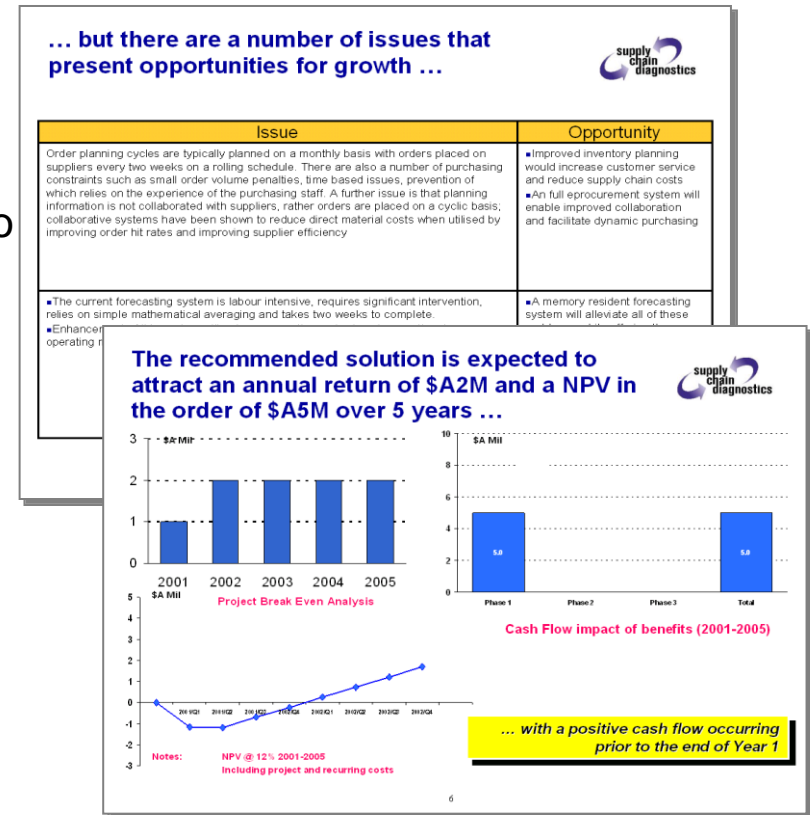
- Determine the value that can be added through improved supply chain management
- Simulate various supply chain strategies
- Specify value opportunities
- Simulate phasing scenarios
- Outline project costs and returns
- Predict cash flows and NPV



The final deliverable

The final deliverable will include sections on:

- Costed opportunities for profit enhancement and cost reduction
- Costed opportunities for working capital gains through shorter cash to cash cycles
- Systems enhancements including broad project costs and timetables
- Strategic supply chain alignment
- Suggested process improvements
- Organisational reform



Key benefits of the review

Focus on Immediate Savings – Quantify opportunities for cost reduction and value enhancement, focusing on those areas that will return quick gains

Strategic Alignment – Recommend which areas of the supply chain management can be enhanced to better align the supply chain with corporate vision and strategy

Benchmarking - Highlight supply chain performance against industry leaders

Systems Prioritisation – Assess the suitability of existing technology solutions to achieve the challenges of the current and future business environment

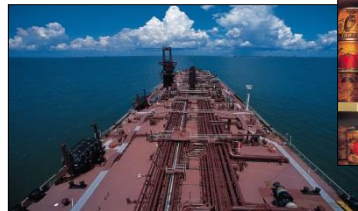
Customer Service – Comparison with best in class to highlight potential streamlining of key customer facing processes

Business Case Preparation – Facilitate the rapid development of a robust business case

Our experience

We have conducted reviews throughout Australia, Asia, United States and Europe in industries as diverse as...

- public sector
- aerospace & defence
- high-tech
- chemicals
- banking and finance
- consumer electronics
- consumer goods
- food & beverages
- energy/oil & gas
- pharmaceutical & health care
- automotive
- wholesale & retail
- agriculture
- mining



Where opportunities exists

Insync Supply Chain Management is especially suited to clients whose business demonstrates one or more of the following characteristics:

- focus on cost reduction
- focus on transactional rather than planning systems
- many systems exist which are uncoordinated or fail to communicate
- supply chain activities decentralised or uncoordinated
- misalignment between corporate and supply chain strategies
- complaints from operations, finance or sales teams that logistics does not support the business
- supply chain costs (inventory and logistics) appear excessive
- key supply chain processes - customer and supply - appear slow

Insync Supply Chain Management team



Kerry Hammond

Kerry is a senior manager and academic who has had 40 year's experience in both private and public enterprises. Industry experience includes both public and private sectors: public sector experience includes, local, state and federal government; private includes logistics & transport, chemical, mining, food & beverage, textile & clothing, telecommunications, electronics and metals. Major consulting assignments have involved logistics and business audits, continuous improvement programs, project management and strategic planning. Kerry has formal qualifications in Civil and Mining Engineering and a Masters Degree in Logistics Management.



John Oska

John has 30 years experience in all levels of business and numerous industries. His experience includes process redesign, strategic analysis, business development, procurement & supply chain management, and business process improvement. Industry experience includes energy & resources, chemicals & plastics, oil & gas, pharmaceuticals & healthcare, local government, and aerospace in both the private and public sectors. John has experience in various regions having lived and worked extensively in Asia, United States and Europe. Qualifications include a Master's Degree in Business, Graduate Diplomas in Transport & Distribution and Strategic Studies, and a Bachelor's Degree in Business majoring in Accounting and Human Resource Management.

Insync Supply Chain Management Team



Jonathan Dutton

Jonathan Dutton is a management consultant specializing in procurement, supply management, business development, sales and marketing strategy, training, conference events & production and association management. He is an experienced Managing Director and has held previous senior positions with CIPS, Qantas, British Airways, CHUBB and Regus

He is a graduate in Economics, Fellow member of the Chartered Institute of Purchasing & Supply (FCIPS). He is also a fellow of Chartered Institute of Marketing (FCIM) and the Royal Society of Arts (FRSA) as well as a fellow of the Australian Institute of Management (FAIM). He is also a Graduate member of the Australian Institute of Company Directors.



John Eleftheriou

John Eleftheriou is an experienced Managing Director with more than 40 years experience across multi-national manufacturing and complex supply chain industries.. As senior and executive manager John has successfully held key roles in strategic procurement, contract distribution; wholesale and retail distribution. As well as delivering improvement strategies to various clients, John is currently leading a diverse specialist group offering and operating across tailored training, business improvement and business development aimed at corporate to individual improvement. John holds a Grad Dip Transport and Distribution Management, Grad Dip Materials and Purchasing Management, Certificate in Business and Finance Management, Cert IV TAE and is an accredited Innermetrix Consultant

Insync Supply Chain Management Team



David Rogers

David is an supply chain professional with over 25 years experience and has significant operational and change management abilities across the FMCG, Consumer and Pharmaceutical industries.

David has implemented supply chain management continuous lean improvement projects, managed third party service providers, business transformations, developed strategic plans, systems implementation, procurement, S&OP, demand planning, production planning, forecasting, training and network optimisation.

Qualifications include a Master's Degree in Business, Logistics, Graduate Diplomas in Transport & Distribution Diploma of Project Management and Certificates in Finance, Management , Materials Handling Management, Distribution Management, Change Management , Training and Assessment and is a Certified Professional Logistician Asia Pacific (CLSP-AP) and Australia (CPL).