

# SATELLITE LOGISTICS GROUP: A CONVERGED METHODOLOGY FOR SUPPLY-CHAIN EFFICIENCY

Theory of Constraints, Quality Circles, Lean, Six Sigma, SCOR...these are just a few of the operational performance methodologies out there for businesses to consider using in order to improve supply-chain efficiencies. But which one ensures success? The answer may surprise you. Each has its strengths, but no single methodology alone provides a totally comprehensive approach. However, by combining two of these applications, Satellite Logistics Group established their own sustainable convergence process.

Satellite Logistics Group, a globally respected supply-chain solutions provider for the beverage industry, was looking to produce synergistic efforts across supply-chains and achieve system-wide enhancements. When evaluating the different operational methodologies currently practiced today, the company found the different strengths of Lean and SCOR could be used in concert to generate highly-impactful improvement opportunities.

- SCOR helps provide a standardized approach to describing and mapping supply chain processes, and is based on the fact that these processes are common across industries and between companies. For Satellite Logistics Group, SCOR combined standardized processes with metrics, inputs/outputs, and best practices to greatly facilitate the measurement, analysis, and improvement of the supply-chain.
- Lean recognizes that processes have a tendency to evolve over time which means waste seeps into the system and needs to be identified and removed in order to stay competitive. Lean provided Satellite Logistics Group with a simple mapping methodology and a wide variety of analytical tools to classify process steps, identify and quantify waste, and implement best practices such as continuous flow.

"After evaluating our core needs to establish a fully-optimized supply chain process, we had to think creatively to obtain a solution. Effectively converging the Lean and SCOR methodologies helped us solve the puzzle," said Kevin Brady, President of Satellite Logistics Group.

Under the direction of Dan Swartwood, Vice President of Process and Technology, and also one of the industry's foremost experts on convergence, Satellite Logistics Group used SCOR as the starting point. In order to channel improvement efforts in the most optimal way, Brady and his team had to begin with a

clear definition of their supply chain, and assess competitive priorities. Following the SCOR roadmap, Satellite Logistics Group next measured supply chain performance and determined where gaps may have existed. Next, material flow and information flow analyses were conducted to identify specific improvement opportunities. At this point, SLG began basic Lean process training, addressed the disconnects and removed all non-value-add steps.

Brady continued, "One methodology complements and bridges the gaps of the other methodology. By taking the best components of the two, we crafted an operational system that resulted in improved employee productivity by 71 percent, increased our cash-to-cash cycle by 45 percent and is now leading Satellite Logistics Group to new heights in supply-chain efficiency."



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