

# NON-COMPLIANCE: WHAT'S THE COST TO YOUR COMPANY



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**BLUE RIDGE**  
FOR A MORE FORESEEABLE FUTURE



# SCP & SCA. TRAINING. LIFELINE.



# THE NUMBERS

Are Best Practices being followed at all levels?

- Company
- Locations
- Buyers



# THE NUMBERS

Company	Weekly Demand	Unit Cost	Daily Demand	1-Day Inventory \$	Avg LT Days	Avg SS Days
Company	148375.44	\$1,252,288.85	24,729.20	\$850,663.45	9.3	20.9

Location	Weekly Demand	Unit Cost	Daily Demand	1-Day Inventory \$	Avg LT Days	Avg SS Days
1	126006.85	\$1,142,809.01	21,001.10	\$762,316.43	10.1	22.1
2	22368.58	\$109,479.84	3,728.10	\$88,347.02	7.0	17.5



# THE NUMBERS

Buyer	Weekly Demand	Unit Cost	Daily Demand	1-Day Inventory \$	Avg LT Days	Avg SS Days
Alice	927.72	\$22,290.44	154.6	\$837.36	7.6	61.9
Buddy	11786.94	\$19,724.30	1,964.50	\$62,131.70	11.7	7.8
Cooper	5355.99	\$29,720.48	892.7	\$15,908.46	6.3	42.6
Dave	4338.11	\$21,327.49	723	\$24,992.12	7.9	25.4
Erin	202.72	\$1,147.90	33.8	\$1,063.67	2.5	29.6
Frankie	5306.16	\$19,736.00	884.4	\$21,054.46	10.6	26.6
Gina	16012.89	\$5,688.09	2,668.80	\$41,024.75	3.3	7.4
Hugh	5851.44	\$12,180.33	975.2	\$20,963.40	15.9	15.5
Ike	9330.79	\$68,748.84	1,555.10	\$48,699.64	14.0	19.2
Jovi	7467.84	\$24,159.69	1,244.60	\$22,989.24	10.1	44.0
Kimmy	6653.48	\$18,897.70	1,108.90	\$29,394.46	9.8	13.6
Lorrie	6830.27	\$47,869.53	1,138.40	\$22,696.37	4.8	6.3
Mark	26890.31	\$45,136.36	4,481.70	\$116,285.40	11.0	16.7
Phil	8474.1	\$658,110.79	1,412.30	\$276,207.19	7.9	15.2
Tommy	13516.5	\$174,018.92	2,252.80	\$62,188.28	11.6	16.6
Richie	19430.16	\$83,531.97	3,238.40	\$84,226.97	10.2	19.1



# WHERE NON-COMPLIANCE HIDES

## Lead Time & Safety Stock

🌐 Extra days of supply add up...and fast!

Reserved, Back Order, On Hold

SOQ Changes



# WHERE NON-COMPLIANCE HIDES

## LEAD TIME

### Company

1-Day Inventory \$	Avg LT Days	1 Padded Day	2 Padded Days	3 Padded Days	7 Padded Days
\$850,663.45	9.3	10.3	11.3	12.3	16.3
		\$850,663	\$1,701,327	\$2,551,990	\$5,954,644.15

### Location

Location	1-Day Inventory \$	Avg LT Days	1 Padded Day	2 Padded Days	3 Padded Days	7 Padded Days
1	\$762,316.43	10.1	\$762,316.43	\$1,524,632.86	\$2,286,949.29	\$5,336,215.01
2	\$88,347.02	7.0	\$88,347.02	\$176,694.04	\$265,041.06	\$618,429.14



# WHERE NON-COMPLIANCE HIDES

## Buyer

Buyer	1-Day Inventory \$	Avg LT Days	1 Padded Day	2 Padded Days	3 Padded Days	7 Padded Days
Alice	\$837.36	7.6	\$837	\$1,675	\$2,512	\$5,862
Buddy	\$62,131.70	11.7	\$62,132	\$124,263	\$186,395	\$434,922
Cooper	\$15,908.46	6.3	\$15,908	\$31,817	\$47,725	\$111,359
Dave	\$24,992.12	7.9	\$24,992	\$49,984	\$74,976	\$174,945
Erin	\$1,063.67	2.5	\$1,064	\$2,127	\$3,191	\$7,446
Frankie	\$21,054.46	10.6	\$21,054	\$42,109	\$63,163	\$147,381
Gina	\$41,024.75	3.3	\$41,025	\$82,050	\$123,074	\$287,173
Hugh	\$20,963.40	15.9	\$ 20,963	\$41,927	\$62,890	\$146,744
Ike	\$48,699.64	14.0	\$48,700	\$97,399	\$146,099	\$340,897
Jovi	\$22,989.24	10.1	\$22,989	\$45,978	\$68,968	\$160,925
Kimmy	\$29,394.46	9.8	\$29,394	\$58,789	\$88,183	\$205,761
Lorrie	\$22,696.37	4.8	\$22,696	\$45,393	\$68,089	\$158,875
Mark	\$116,285.40	11.0	\$116,285	\$232,571	\$348,856	\$813,998
Phil	\$276,207.19	7.9	\$276,207	\$552,414	\$828,622	\$1,933,450
Tommy	\$62,188.28	11.6	\$62,188	\$124,377	\$186,565	\$435,318
Richie	\$84,226.97	10.2	\$84,227	\$168,454	\$252,681	\$589,589



# WHERE NON-COMPLIANCE HIDES

How accurate are your Lead Times?

- Difference between QLT & TLT
- Item Lead Time Value From 'Item'
- Lead Time Deviation %
- Item Lead Time Deviation % Value From 'Item'

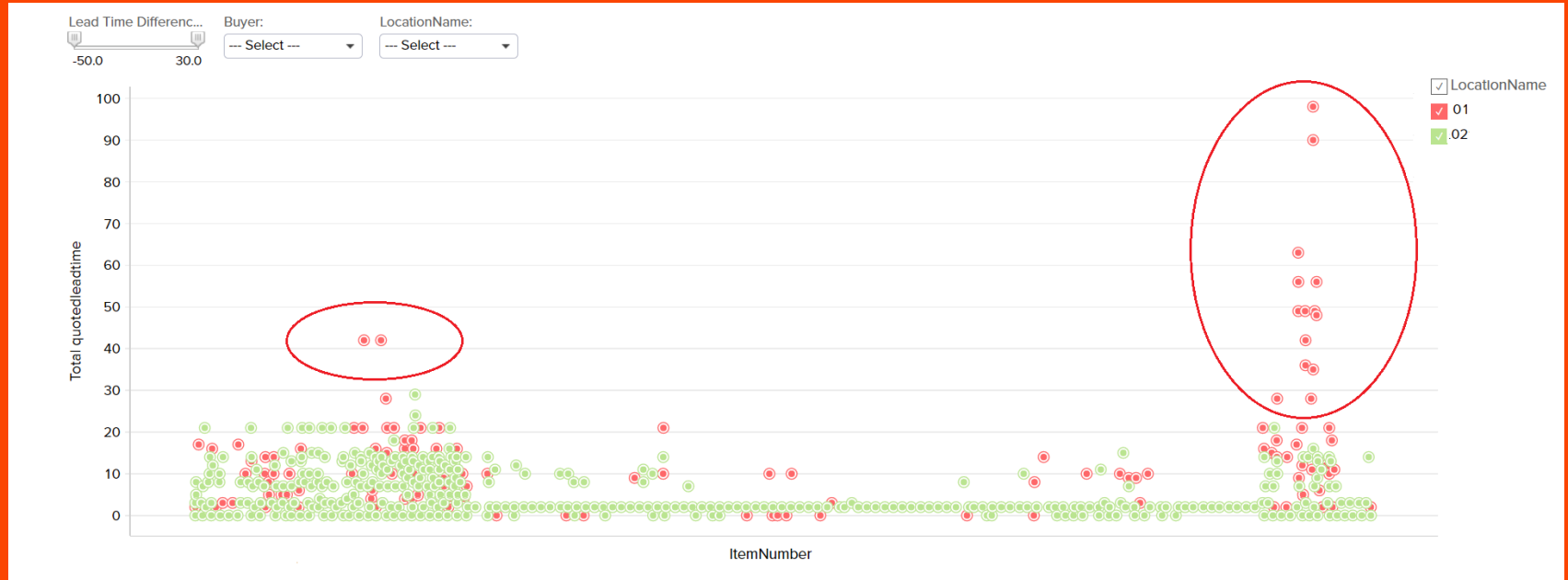
The screenshot shows a software configuration window titled "LTD% and Value From". It features three tabs: "Edit Design" (active), "Underlying Data", and "Themes". Below the tabs are four configuration fields:

- LocationName:** A dropdown menu with the text "--- Select ---".
- LeadTimeVariability...:** A dropdown menu with "--- Select ---" selected. A dropdown list is open, showing options: "--- Select ---", "Global", "Item", and "Vendor".
- LeadTimeVariability:** A range slider with "0%" on the left and "10%" on the right.
- Buyer:** A dropdown menu with the text "--- Select ---".



# FOR BEST RESULTS

Use SCA to identify the outliers



# WHERE NON-COMPLIANCE HIDES

## Safety Stock

### Company

1-Day Inventory \$	Avg SS Days	SS \$	25 Day Min	18 Day Max	Difference
\$850,663.45	20.9	\$17,778,866	\$21,266,586		\$3,487,720
		\$17,778,866		\$13,610,615	\$(4,168,251)

### Location

Location	1-Day Inventory \$	Avg SS Days	Avg SS \$	25 Day Min	14 Day Max	Difference
1	\$762,316	22.1	\$16,831,947	\$19,057,911		\$2,225,964
2	\$88,347	17.5	\$1,546,073		\$1,236,858.28	(\$309,215)



# WHERE NON-COMPLIANCE HIDES

## Buyer

Buyer	1-Day Inventory \$	Avg SS Days	SS \$	10 Day Min	21 Day Min	14 Day Max	30 Day Max	Difference	Extra or Less
Alice	\$837	61.9	\$51,866						
Buddy	\$62,132	7.8	\$483,385	\$621,317				\$137,932	Extra
Cooper	\$15,908	42.6	\$677,223				\$477,254	-\$199,969	Less
Dave	\$24,992	25.4	\$635,800			\$349,888		-\$285,912	Less
Erin	\$1,064	29.6	\$31,485						
Frankie	\$21,054	26.6	\$558,996						
Gina	\$41,025	7.4	\$303,993	\$410,248				\$106,254	Extra
Hugh	\$20,963	15.5	\$324,304		\$439,602			\$115,299	Extra
Ike	\$48,700	19.2	\$936,981		\$1,029,510			\$92,529	Extra
Jovi	\$22,989	44.0	\$1,012,446				\$689,677	-\$322,769	Less
Kimmy	\$29,394	13.6	\$399,765		\$617,284			\$217,519	Extra
Lorrie	\$22,696	6.3	\$143,668	\$226,964				\$83,296	Extra
Mark	\$116,285	16.7	\$1,941,966			\$1,627,996		-\$313,971	Less
Phil	\$276,207	15.2	\$4,201,111		\$5,803,113			\$1,602,002	Extra
Tommy	\$62,188	16.6	\$1,032,325		\$1,305,954			\$273,628	Extra
Richie	\$84,227	19.1	\$1,608,735		\$1,768,766			\$160,031	Extra

# WHERE NON-COMPLIANCE HIDES

Manage the components

## 4. Service Level Analysis

### Safety Stock Components

#### Major

1. Demand Forecast
2. Demand Deviation %
3. Lead Time Total
4. Lead Time Deviation %
5. Service Level Objective %

#### Sub Components

6. Order Cycle
7. Buying Multiple/Minimum Quantity



# WHERE NON-COMPLIANCE HIDES

Track SS Minimum and/or Maximum Days/or Units.

Track SS Manual Days or Units.

### Safety Stock

Safety Stock in Effect

Safety Stock Minimum

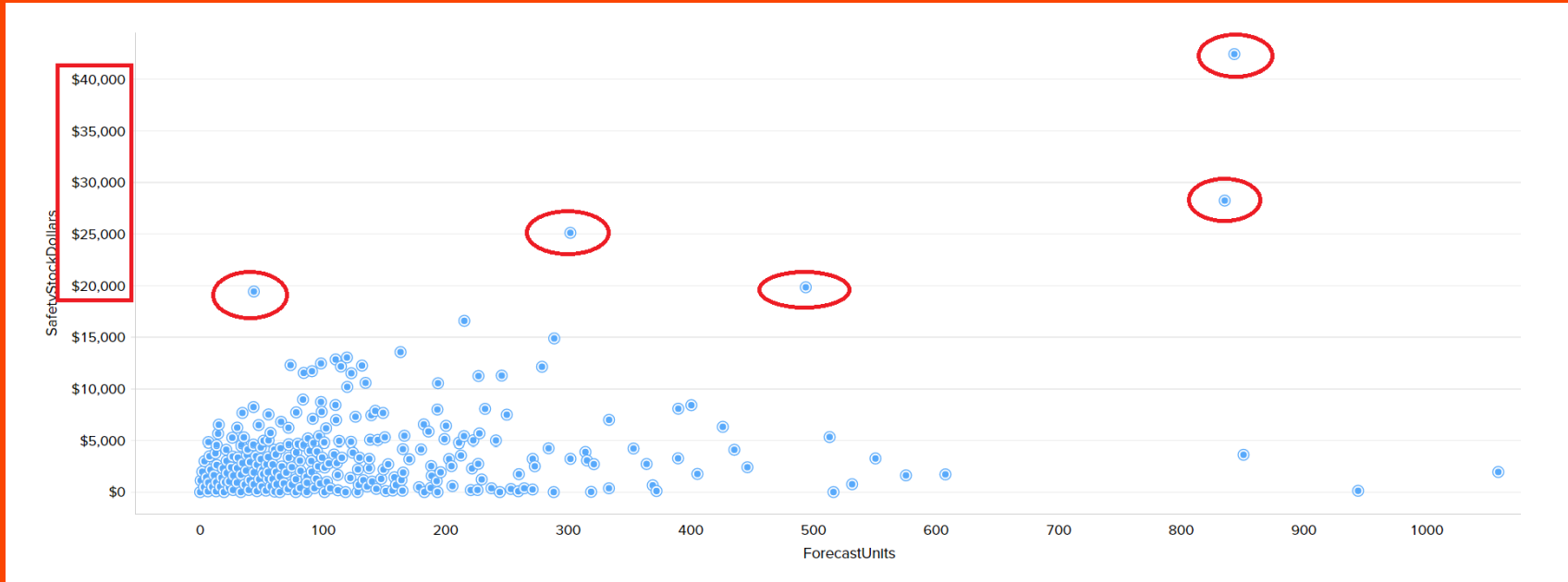
Safety Stock Maximum

System Calculated

Safety Stock

# FOR BEST RESULTS

Use SCA to identify the outliers



# WHERE NON-COMPLIANCE HIDES

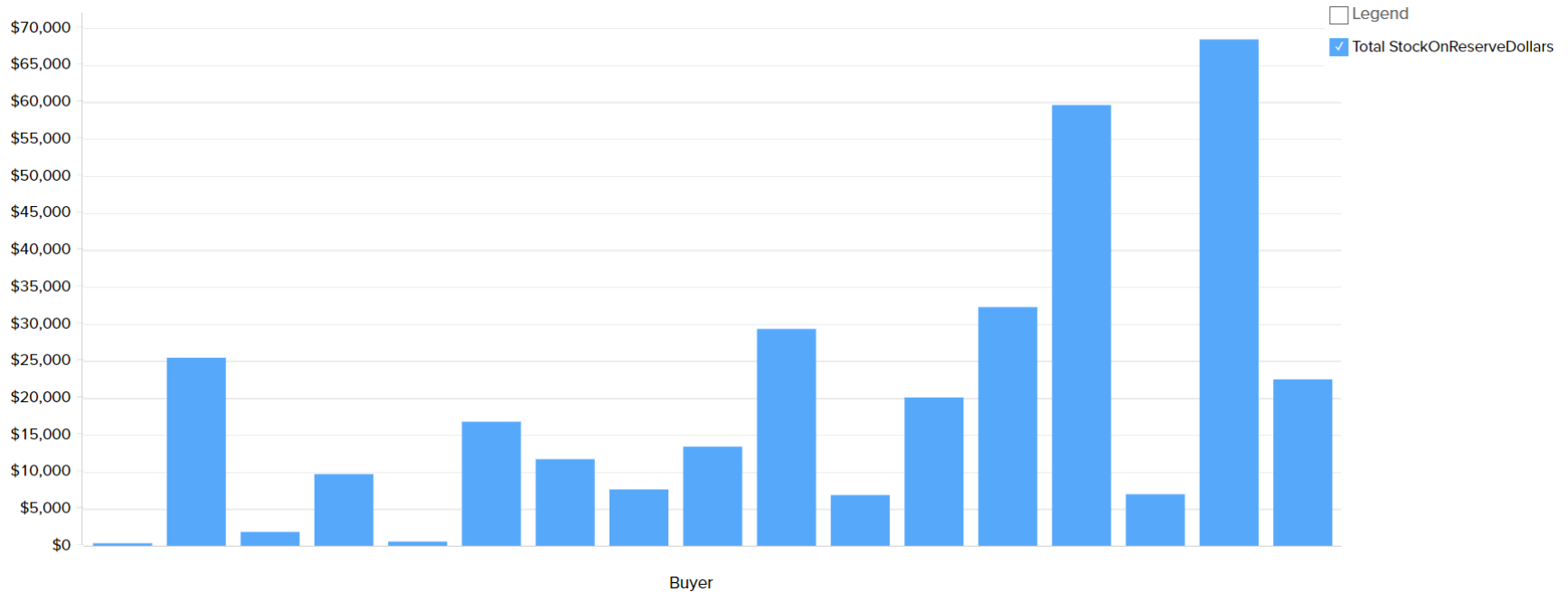
**RESERVED,  
BACK ORDER,  
ON HOLD**





# WHERE NON-COMPLIANCE HIDES

Reserved, Back Order, On Hold



# WHERE NON-COMPLIANCE HIDES

Reserved, Back Order, On Hold

Company	↓	Total StockOnReserveDollars
Company		\$354,904.90

LocationName	↓	Total StockOnReserveDollars
1		\$279,381.82
2		\$75,523.08

Buyer	On Reserve Dollars
Alice	\$424.82
Buddy	\$25,513.93
Cooper	\$1,964.52
Dave	\$9,772.67
Erin	\$656.68
Frankie	\$16,858.10
Gina	\$11,795.30
Hugh	\$7,706.56
Ike	\$13,489.36
Jovi	\$29,403.25
Kimmy	\$6,940.83
Lorrie	\$20,141.69
Mark	\$32,355.96
Phil	\$59,677.39
Tommy	\$7,056.24
Richie	\$68,546.08
John	\$22,589.84
Sam	\$20,011.68

# FOR BEST RESULTS

## Question WHY

- Interfaced – OK
- Event Hold Outs – OK
- Other reasons – might not be OK
- Use SCA to identify and track Reserved, Back Order, and On Hold

# WHERE NON-COMPLIANCE HIDES

SOQ  
CHANGES



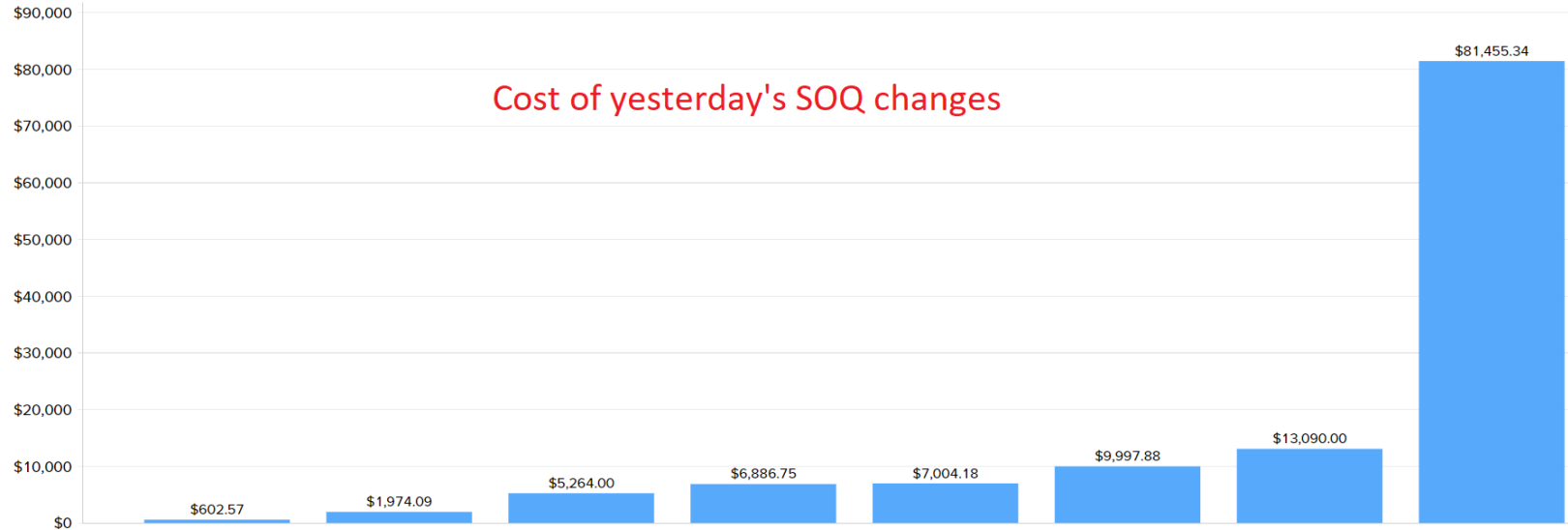
# WHERE NON-COMPLIANCE HIDES

## Yesterday's Net SOQ Changes \$ by Buyer

SOQManualChange...

11 Apr 2018 - 11

Reset



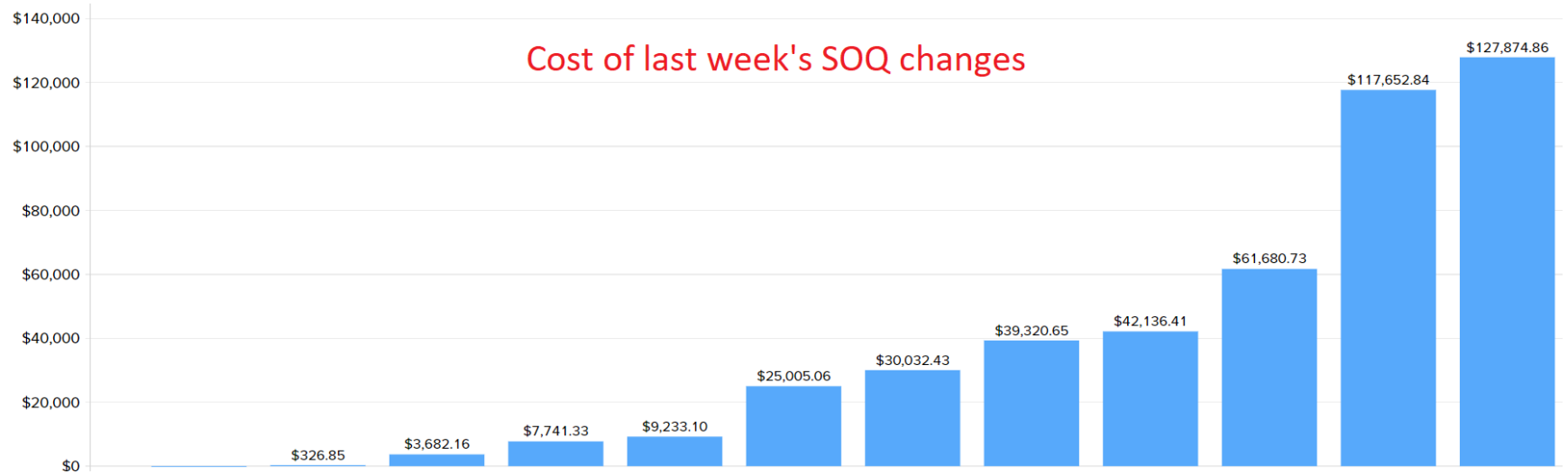
# WHERE NON-COMPLIANCE HIDES

## Last Week's Net SOQ Changes \$ by Buyer

SOQManualChange...

01 Apr 2018 - 07 

Reset



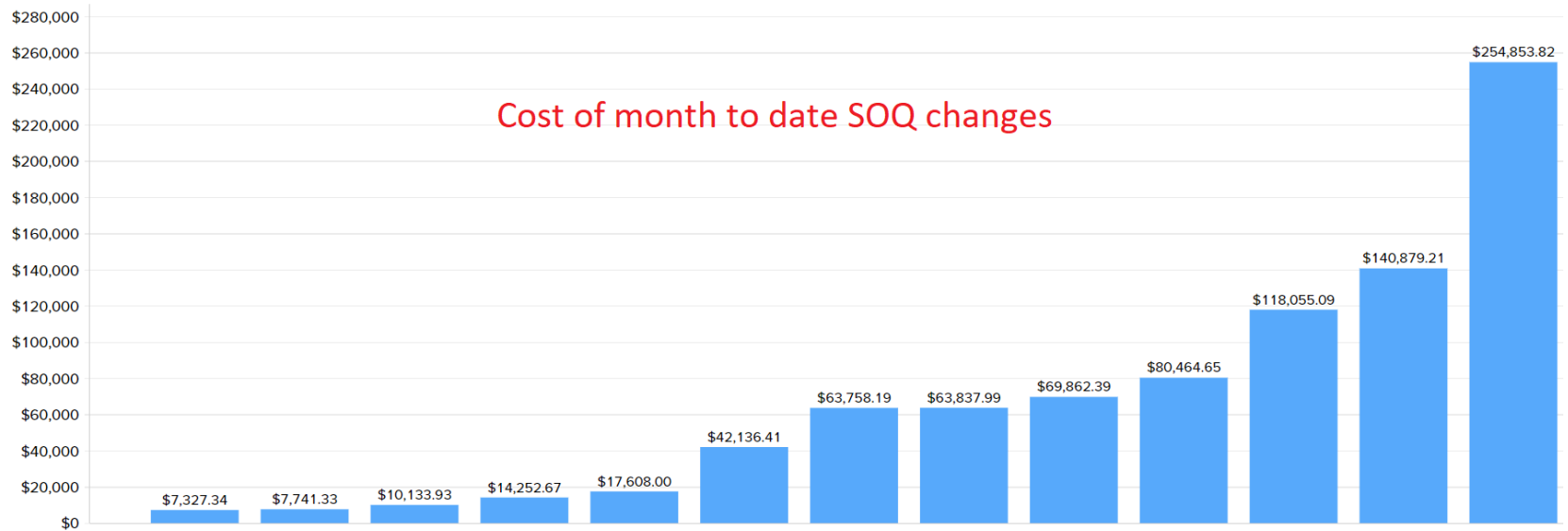
# WHERE NON-COMPLIANCE HIDES

This Month's Net SOQ Changes \$ by Buyer (4/1 – 4/11)

SOQManualChange...

01 Apr 2018 - 11

Reset



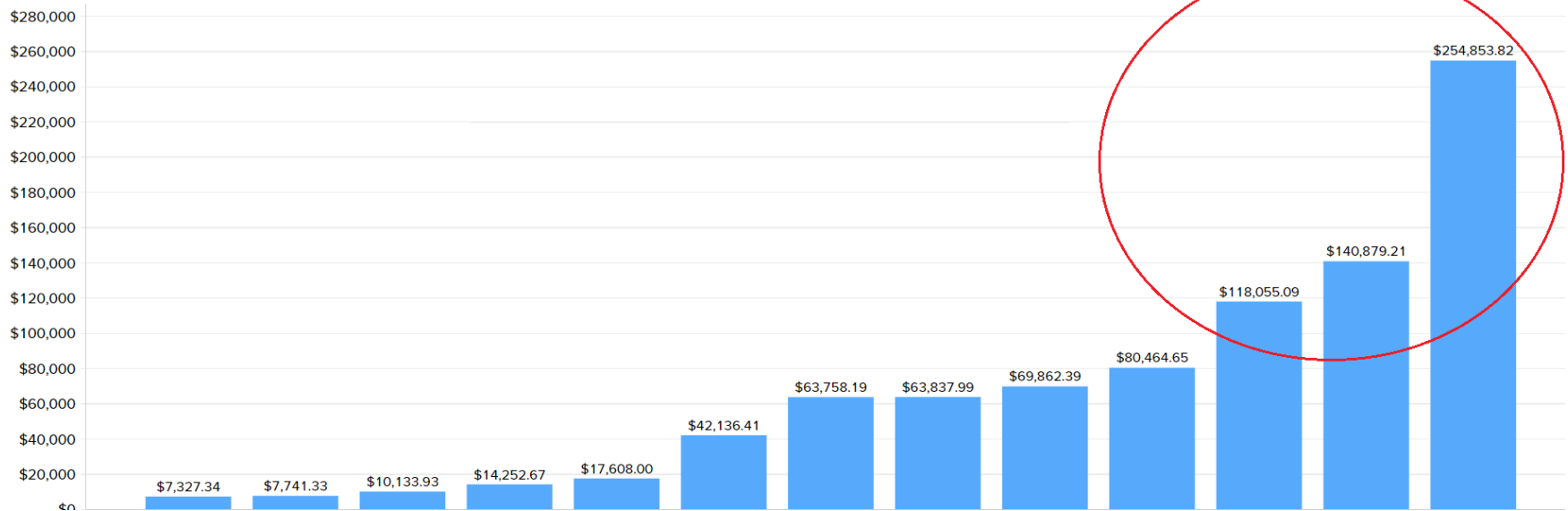
# WHERE NON-COMPLIANCE HIDES

## Repeat Offenders!

SOQManualChange...

01 Apr 2018 - 11

Reset





# WHERE NON-COMPLIANCE HIDES

SOQ Changes Recap   Save

Edit Design

Underlying Data

Themes

ModifiedDate:

From 11 Apr 201 

Reset

FirstName	ItemNumber	Total SOQManualChangeUnits	Total NetSOQChangeUnits	Total NetSOQChange\$
Jovi	2688	56	56.00	\$4,585.84
	2683	3	3.00	\$114.30
	2710	5	5.00	\$201.20
	2697	3	3.00	\$80.40
	2692	8	-1.00	-\$27.06
	2690	35	25.00	\$2,049.50
Sam	10231	5	5.00	\$459.00
	9115	1	1.00	\$357.12
	3028	72	72.00	\$2,532.96
	9866	24	24.00	\$849.60
	15546	115	115.00	\$5,750.00
	9754	1	1.00	\$49.20
John	9991	336	280.00	\$13,090.00
Dave	6610	14	14.00	\$460.46
	8957	20	20.00	\$811.00

## Detail by Item...

Watch for both added and removed SOQs

# FOR BEST RESULTS

## Manage Components, not SOQs

- Track SOQ changes, dollars and units, by Buyer.
- Hold buyers accountable for changes to identify root causes.
  - Setup Issues
  - Trust Issues
  - Adoption Issues

**QUESTIONS?**

