University of Tennessee
Spring 2014 Supply Chain Forum:
End-to-End Coordination: Enhancing Supply Chain ↔ Marketing Interactions in NPD

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Realities and Ideals Before, During, and After NPD:
Is collaboration ever early enough?

- **Joining “The Collaboratory”**
  - Does Supply Chain have input at the “think tank” / “Skunk Works” stage?
  - *If not, how can you justify your presence there? How can Supply Value at the earliest stages of product development?*
  - *Do you even want to be there?*

- **“The Pitch”**
  - Amazon uses a “6-pager” proposal to pitch new ideas (usually to Marketing and Technical people); other companies (Google) use even briefer formats.
  - *Is your Supply Chain group involved at the earliest stages of the product development screening process? What kinds of later problems or opportunities might you identify at this stage?*
Realities and Ideals Before, During, and After NPD:
How can Supply Chain help drive innovation?

- **“Supply Chain Solutions Open Up Innovation Opportunities”**
  - Sabra (leading maker of Hummus in the U.S. was innovation-constrained due to insufficient “Tahini” supply, which was produced solely from sesame seeds found in a particular region of Ethiopia.
  - Broader and more flexible sourcing unleashed their innovation and allowed them to extend their line, dramatically improve distribution, and become the market leader.
  - **How can your Supply Chain better support innovation?**

Realities and Ideals Before, During, and After NPD:
Post Mortem, and Helping the Learning Process

- **“Debriefing & Learning”**
  - After successful or unsuccessful launches, is there a debriefing process where lessons learned are discussed and documented? (Pfizer)
  - Can successes be more easily repeated?
  - Has your organization learned from its mistakes?
  - **Does Supply Chain learning make its way into the organization’s NPD database?** (General Mills)

**THANKS!**
Innovation

SC Hot Topics & Challenges

- **“Speed of Innovation”** - how to design in:
  - Faster global rollout (1st to last region)
  - Faster idea to 1st region launch
- **“Last 30 yards”** – why do initiatives fail after shipping from our company to the store shelf? Why are the expected “dates on shelf” delayed/unsynchronized? Why are the shelf designs incorrect? What are the off shelf displays not up or not up on time?
- **Initiative Quality** – initiative success rates are dropping due to: less rigorous qualification, high risk decisions, and market (consumer) confusion. How can the SC deal with excess inventory, premium expense to launch initiative, and unneeded capacity investments?
- **Product Life Cycle Management/Platforms (ILCM)** – How can we work multifunctionally, to design consumer innovation that is efficient (capital, resources) and scalable? How can we make innovation “value added” to the SC?
  - Platform Management is Not only for “high capital” businesses
  - proven process to drive innovation with streamlined investment

Platform Systems and Work Processes

**Examples**

- **Customer**
  - Business Plans and strategy
  - Consumer Lighthouse
  - Bachelor’s Degree
  - Global Material
  - Commercial
  - Competitive analysis

- **Product/Big Vision**
  - Winning Products
  - All-Digital Platform
  - Competitive Advantage
  - Technology
  - Sales

- **Materials**
  - Global Materials Plans
  - Global Standard Supply
  - Strategic Materials
  - New Materials/Supplier Development

- **Processes**
  - Global Standard Process
  - Critical Unit Operations
  - Global Process Integration

- **Equipment**
  - Global Standard Equipment
  - Critical Unit Operations

- **Operations**
  - Global Operational Excellence
  - Global Strategic

**Technology Team**

**Technology Team**

**Operations Team**
Traditional View of the Supply Chain

Progressive View of the Supply Chain

High-performing companies are able to bend the chain of plan, source, make, and deliver to enable alignment between purchasing and logistics.
“I” is for Innovation

- Long Range Business Plan (5+ years)
- Role of Innovation (investment decisions)

- Consumer Research
  - Unmet needs
  - New jobs
  - Consumer Story/Communications

- Research and Development
  - Product/ Material Development
  - Disruptive Innovation
  - Invention

- Business Plan (3 yr. plan)
  - Innovation Strategy
  - Initiative Portfolio
  - Master Plan

- Initiative Launch
  - Stage Gate Process
  - Risk/Reward (Investment/Qualification)
  - E2E Program Management
  - Shelf Back Design

Back Up
## Supply Chain

### Multi-functional Roles

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<th>Area</th>
<th>Role</th>
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| Long Range Business Plan  | - Partner with Finance  
                           - Align capital/resource goals = Goals/Budget/Innovation  
                           - Align commercial and technical parameters                     |
| Consumer Research         | - Participate (SC has mastery and knowledge of business and market)  
                           - Attend research summaries (link to business needs)           |
| Research & Development    | - Partner with R&D leadership  
                           - Align to Platform management plan (and decision making)  
                           - Align on priorities - consumer innovation, cost breakthrough, regulatory projects, etc.   
                           - Coach and Lead the Platform teams                                |
| Business/Innovation Plan  | - Align expense, capital, and R&D testing budgets to match business plan  
                           - Alignment of Innovation strategy/priorities to business plan  
                           - Own/Lead the Integrated Masterplan                               |
| Initiative launch         | - Own/Lead stage gate decision process – Partner with marketing/GM  
                           - Own/lead the program management of multi-functional initiative teams  
                           - Partner with Sales – Delivery of In Store initiative plan        |