

Running Supply Chains is like a Massively Multiplayer Online Game

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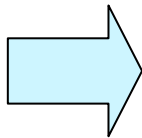
<http://scmglobe.com/>



Supply Chain Challenges

**Steady
&
Predictable**

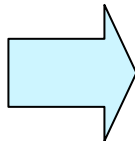
(1980 - 2000)



**Volatile
&
Risky**

(2001 - ????)

- Best laid plans quickly out of date (planning cycles take too long)
- Responsiveness as important as efficiency (sometimes more)

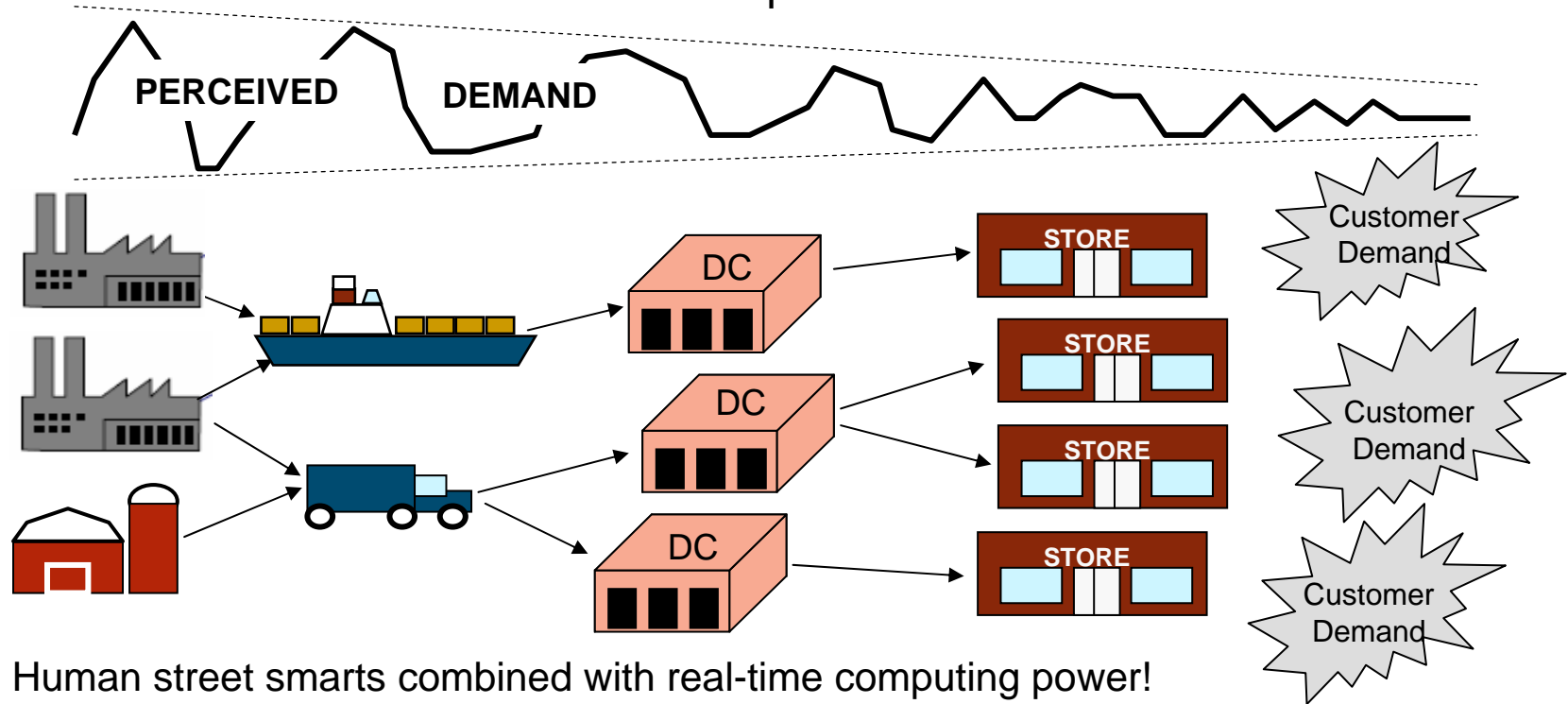


**Real-Time
Collaboration**

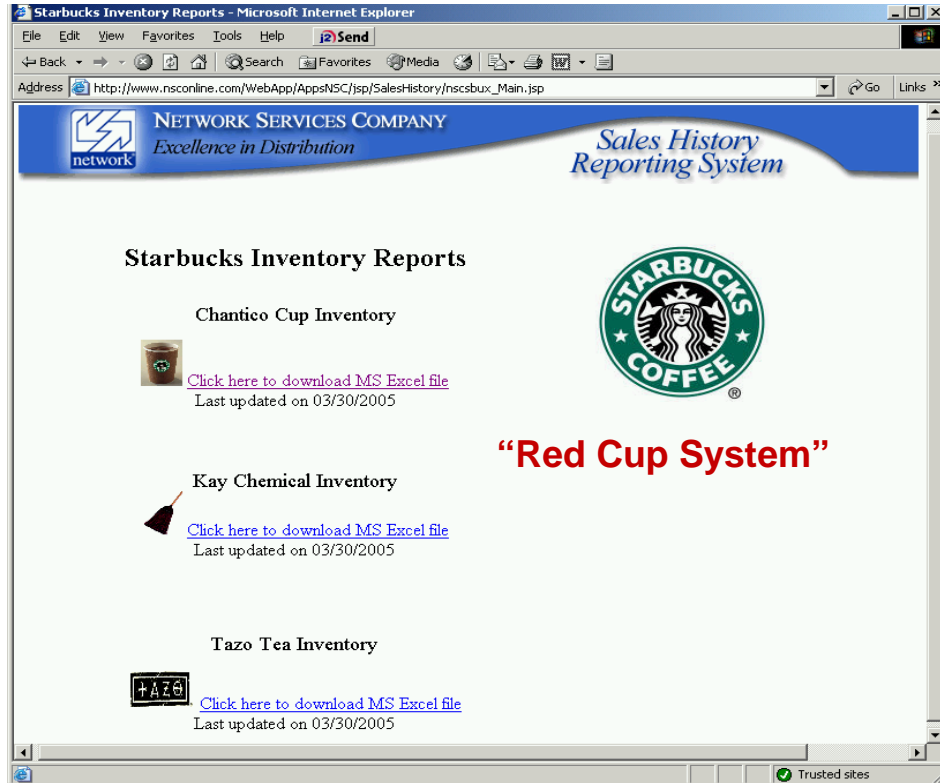
- Observe events, explore options, take action
- Need constant adjustments to respond to constant changes

Collaborative Response to Continuous Fluctuations

“Bullwhip Effect”



First Gen Collaborative Supply Chain



CHALLENGE:

Increase service levels and reduce conflict and excess inventory in national retail supply chain (in 90 days without spending a lot of \$\$)

SOLUTION:

Introduce game dynamic via feedback loop generated by real-time supply chain visibility and daily/weekly conference calls for review and decision making.

Daily Updated Information Seen by All

http://www.nsconline.com/SalesHistoryReports/Starbucks/SBUX_Report.xls - Microsoft Internet Explorer

File Edit View Insert Format Tools Data Go To Favorites Help Send

Address http://www.nsconline.com/SalesHistoryReports/Starbucks/SBUX_Report.xls

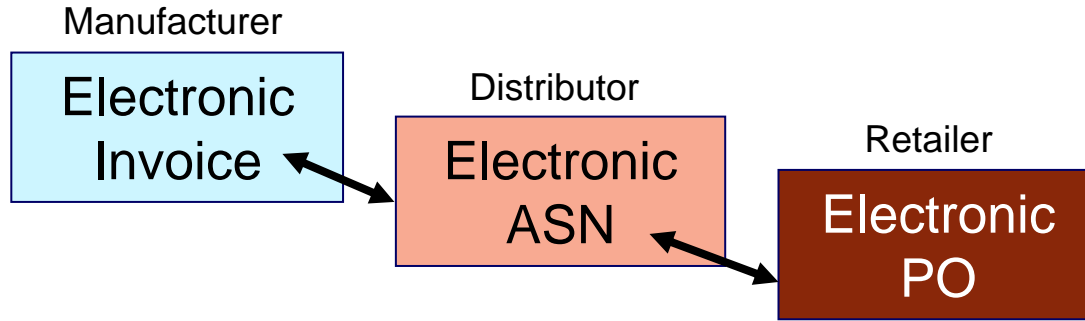
Item	Solo DC Name	BU Name	Qty Allocated	Qty on Hand	Qty on Order	Qty Shipped	Avg Weekly Usage	Run-Out Date
2 6 oz Chantico Cup		Carpenter	39	0	0	1		
3 6 oz Chantico Cup	02-Chicago	Falk	78	0	6	6		
4 6 oz Chantico Cup	02-Chicago	Industrial Soap	36	0	1	1		
5 6 oz Chantico Cup	02-Chicago	Mailender	175	20	66	66		
6 6 oz Chantico Cup	02-Chicago	Nichols	63	0	0	1		
7 6 oz Chantico Cup	02-Chicago	North American	89	0	48	48		
8 6 oz Chantico Cup	02-Chicago	Regal	86	0	0	1		
9 6 oz Chantico Cup	02-Chicago	Western Paper - CO	128	15	32	32		
10								
11		DC Totals:		694	35	153	19	
12								
13 6 oz Chantico Cup	30-HDG	Dubin	119	0	0	1		
14 6 oz Chantico Cup	30-HDG	Eastern Bag	121	0	12	12		
15 6 oz Chantico Cup	30-HDG	Johnston Paper	0	0	0	1		
16 6 oz Chantico Cup	30-HDG	Paper Enterprises	150	45	0	1		
17 6 oz Chantico Cup	30-HDG	Paper Products	49	10	12	12		
18 6 oz Chantico Cup	30-HDG	PERKINS	197	0	0	1		
19 6 oz Chantico Cup	30-HDG	S. Freedman	246	0	22	22		
20								
21		DC Totals:		882	55	46	7	
22								
23 6 oz Chantico Cup	41-Ontario	Cico	0	0	0	1		
24 6 oz Chantico Cup	41-Ontario	JC Paper	499	0	0	1		
25 6 oz Chantico Cup	41-Ontario	Oakland Paper	305	0	54	54		
26 6 oz Chantico Cup	41-Ontario	Southwest Traders - AZ	106	0	7	7		
27 6 oz Chantico Cup	41-Ontario	Southwest Traders - CA	623	0	104	104		
28								
29		DC Totals:		1533	0	165	33	
30								
31 6 oz Chantico Cup	45-Kent	Gem State	26	0	2	2		
32 6 oz Chantico Cup	45-Kent	Service Paper - All	177	0	44	44		
33 6 oz Chantico Cup	45-Kent	Service Paper - All	192	0	44	44		

BU Summary BU_Solo_DC Solo Summary Network_BUs Solo_Cup LBP Duro Bag

- In operation four years
- 5,000 stores, 26 distributors, 30+ manufacturers
- Parties connected via simple API to transmit daily data
- Supply chain information portal for operating status and conference calls for decision making
- **Group behavior turned from defensive to collaborative!**

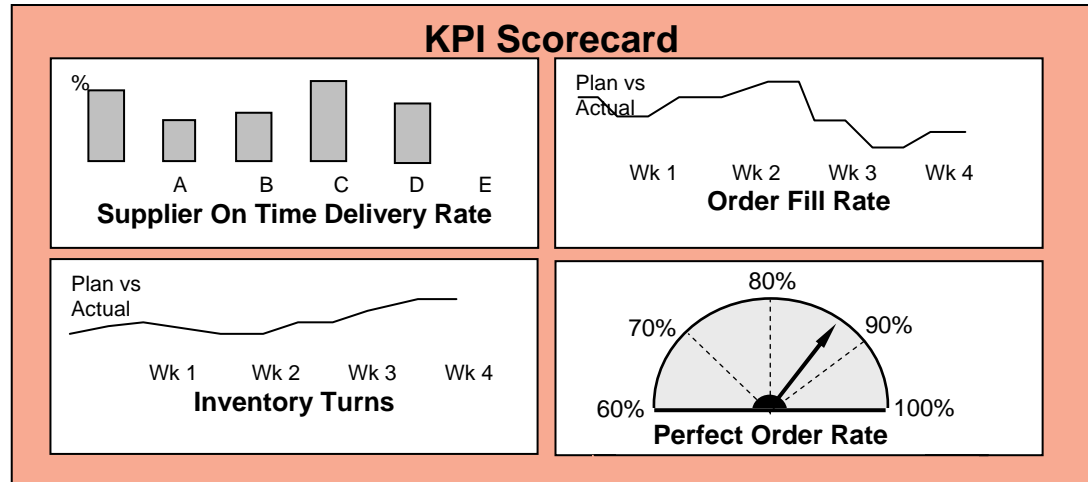
Real Time Performance Score Cards

Compare these three documents for each order



Display KPI score cards through dashboards visible to all parties.
(Build Reputations)

Set customer service alerts for quick response.
(Business Agility)



Gotta Have Points and Badges...

Member Access - Network Services Company - Microsoft Internet Explorer

Address: http://www.nsconline.com/WebApp/AppsNSC/jsp/UPCCompliance.jsp

ORDER ENTRY

UPC Compliance %

As of 09/26/2005

= less than 80 %
 = between 80 - 90 %
 = 90 % +

Member	UPC Compliance	Total Lines	Error Lines	Status
ACME PAPER & SUPPLY CO	21 %	6,359	5,071	
ACORN DISTRIBUTORS INC	73 %	400	109	
AMERICAN PAPER & TWINE	82 %	5,287	977	
BAUMANN PAPER CO INC	57 %	373	163	
BELSON CO	82 %	458	87	
CARPENTER PAPER CO	0 %	687	687	
CENTRAL PPR PROD-MANCH NH	51 %	1,986	984	
CENTRAL PPR-BIRM AL	73 %	3,230	882	
CICO ENTERPRISE	0 %	3,468	3,468	
CLARK PRODUCTS-ELK GRV	73 %	25,162	6,828	
COASTWIDE LABORATORIES INC	15 %	203	174	
COTTINGHAM PAPER CO	76 %	746	186	
DACOTA PAPER COMPANY	56 %	2,920	1,312	
DADE PAPER CO -MIAMI HQ	84 %	19,797	3,173	
DALCO ENTERPRISES INC	63 %	3,310	1,254	
DEES PAPER COMPANY	52 %	534	260	
DENNIS PAPER + FDSERV	7 %	64	60	
DIVERSIFD DISTRBN/PAPER PROD	53 %	1,944	930	
DIXIE PPR-MINDEN LA	48 %	289	153	
DUBIN PAPER COMPANY	81 %	8,428	1,648	
EASTERN BAG & PAPER - MILFORD	92 %	19,994	1,756	
ECONOMICAL JANITORIAL	42 %	2,786	1,619	
FALK PAPER CO-MIN	70 %	4,182	1,270	

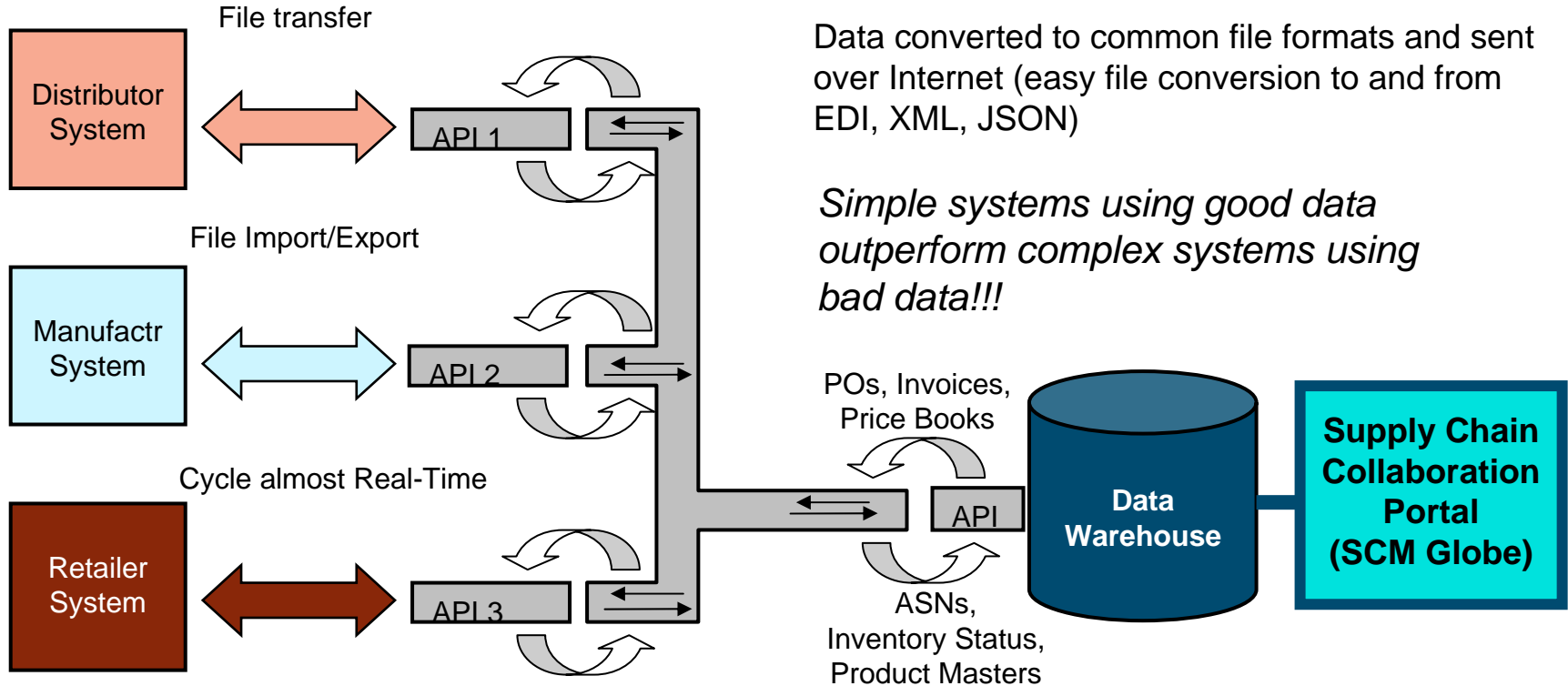
Trusted sites

Real time visibility created feedback loop and group dynamic that generated interest and desire to perform!

People got better fast – nobody wanted to be seen as dragging down the rest of us

Transparency is hard - but fun as you get good at it

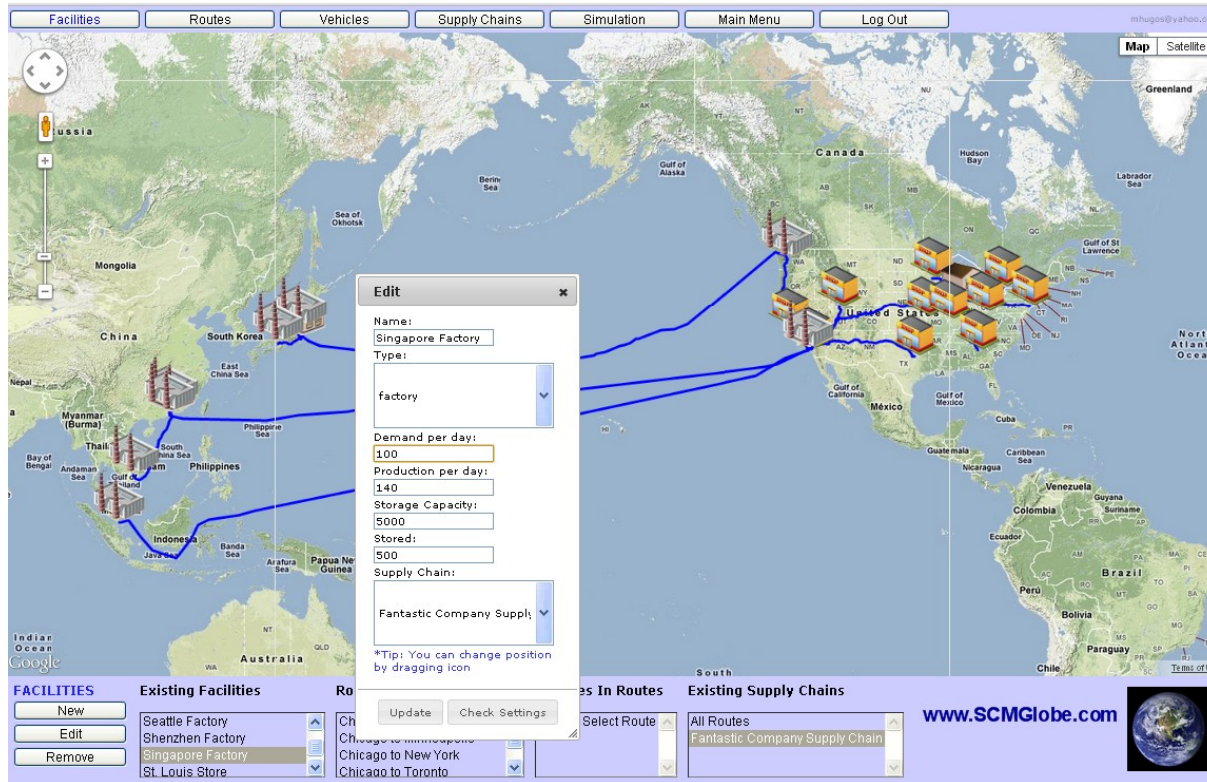
Simple Data Connections (APIs)



Second Gen Collaborative Supply Chain

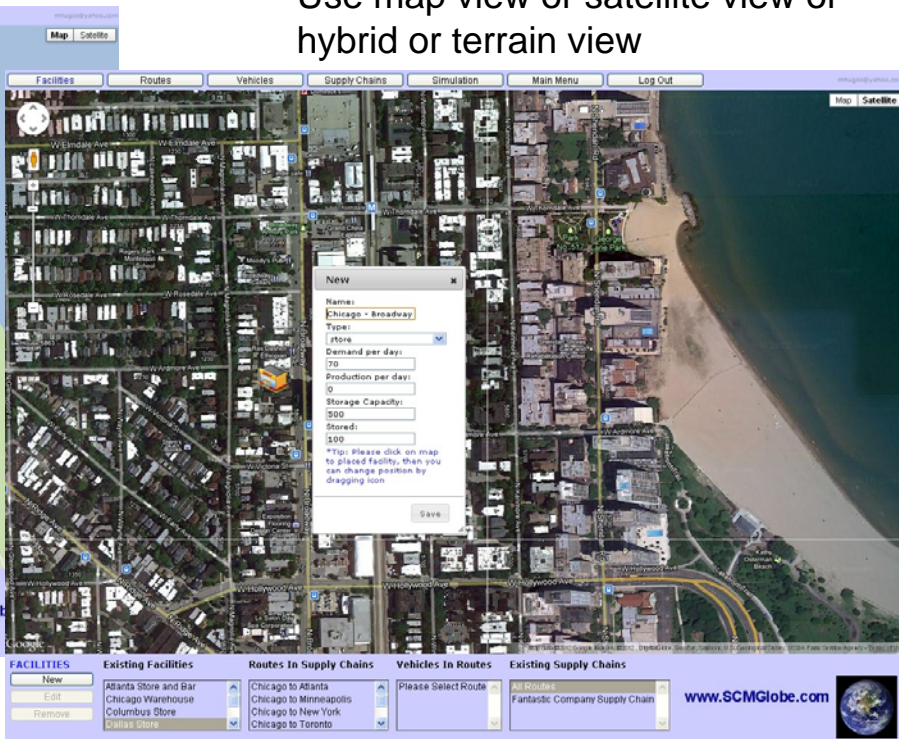
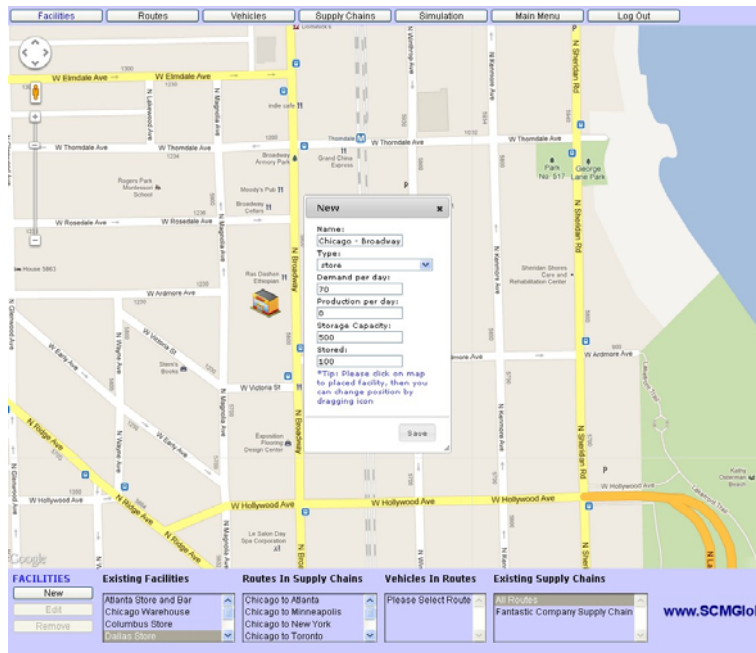
Supply chains are combinations of:

- Facilities
- Routes
- Vehicles
- Inventory



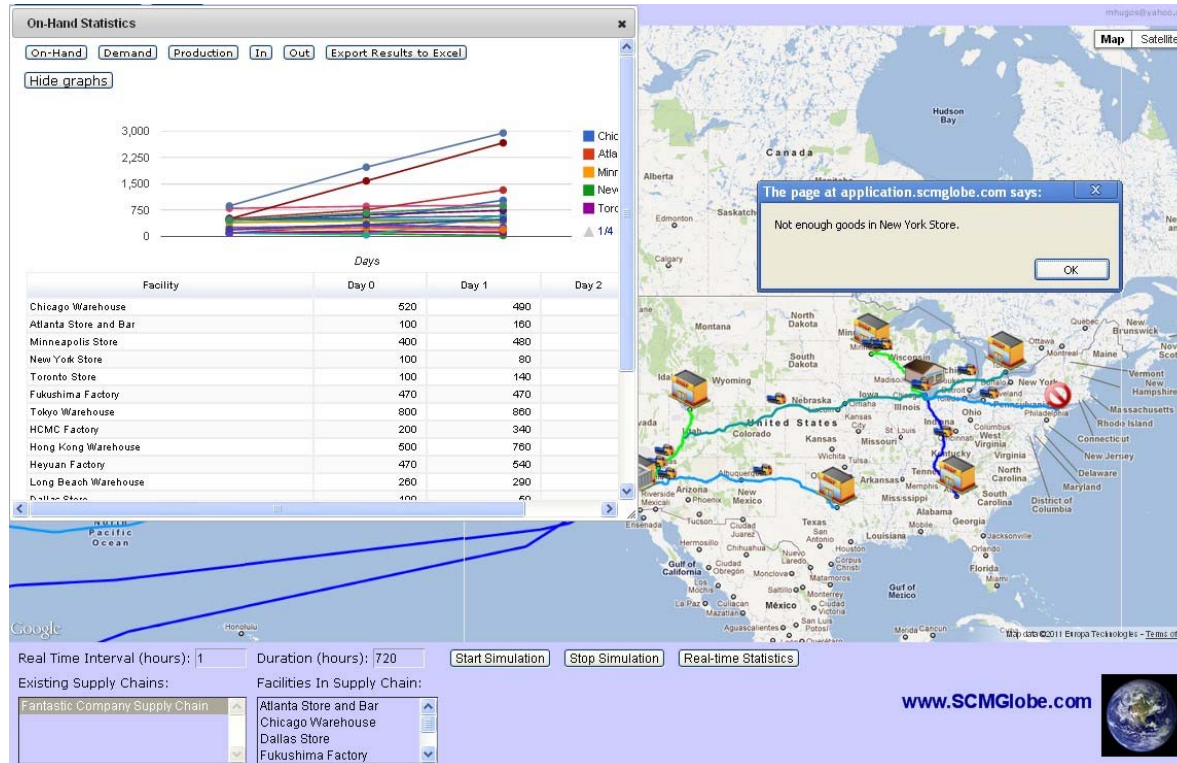
Define Facilities and Routes

Use map view or satellite view or hybrid or terrain view



Zoom in or out in different views to find best location for facility

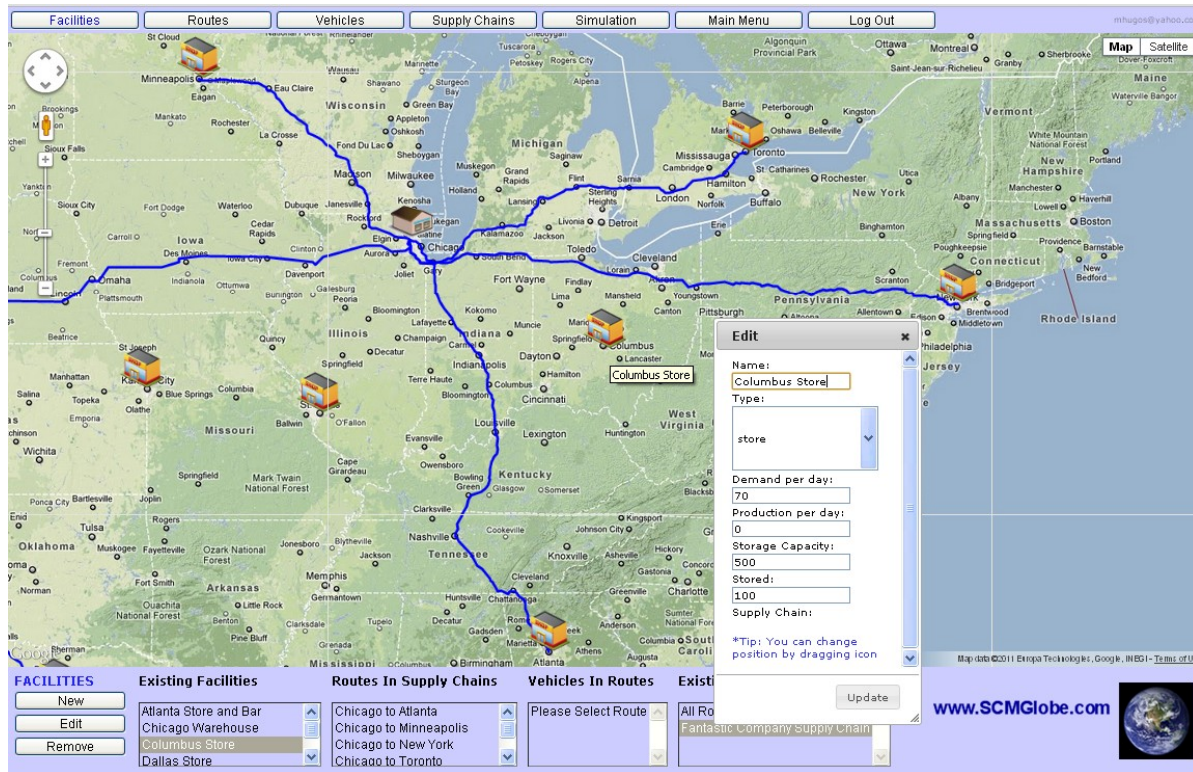
Simulate Supply Chain Performance



Based on simulations, modify supply chain designs to achieve cost and performance objectives

“Crowd sourcing” supply chain solutions

System Displays Real Time Operating Status

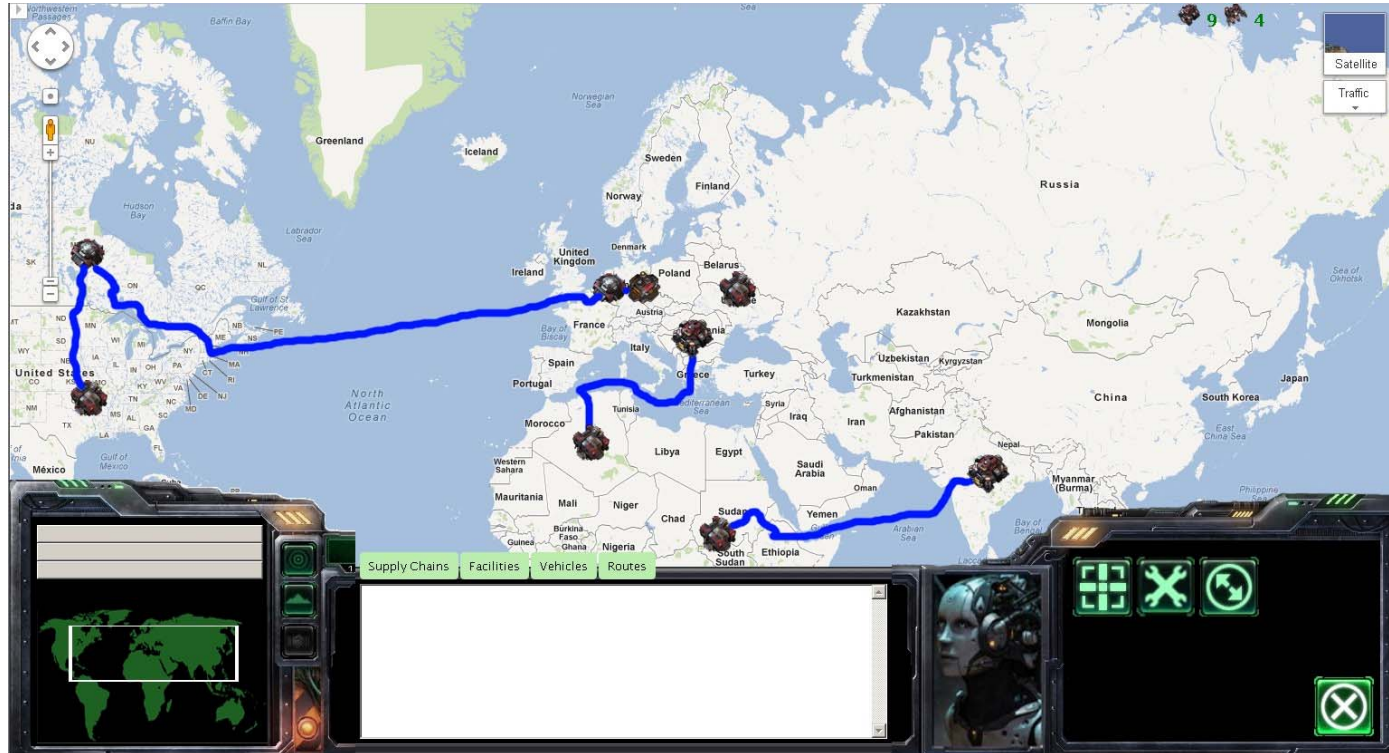


Simple connections collect continuous data from facilities and vehicles

Send alerts when data moves outside predefined ranges

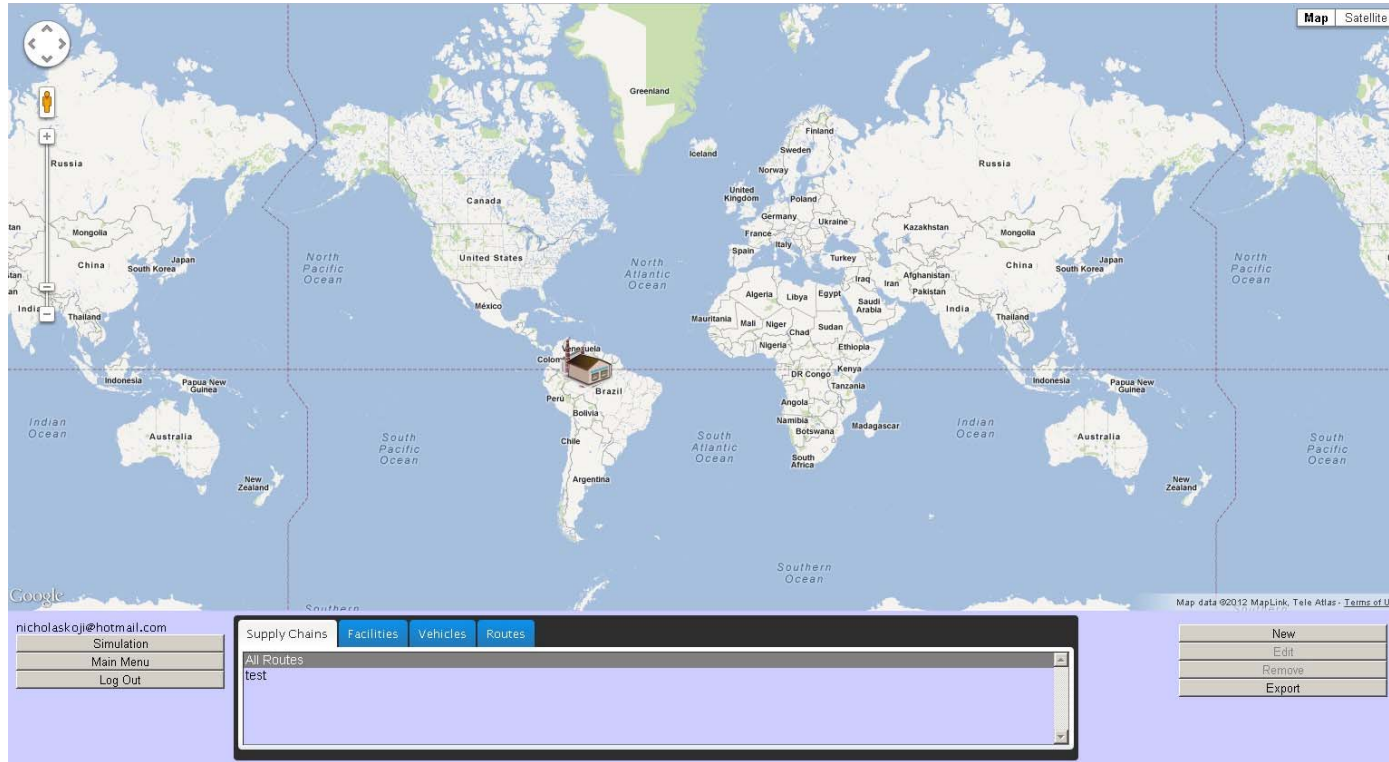
Collaborate online to bring operations back in line

Next Gen Collaborative Supply Chain... ☺



StarCraft
theme
(Blizzard
Entertainment)

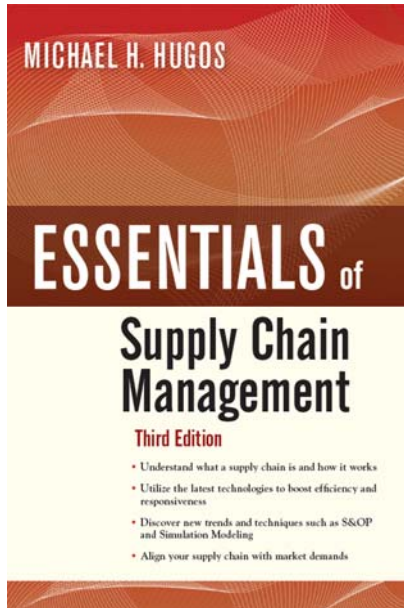
Newest SCM Globe User Interface



Let the
game
continue...

(Influenced
by popular
MMO and
RTS
games)

Presentation Based on Two of My Books



Serious Games

The Future of Work

Try SCM Globe – free days at:

<http://scmglobe.com/>

Join the conversation on my CIO magazine blog:

“Doing Business in Real Time”

<http://blogs.cio.com/blog/doing-business-in-real-time>

Email: mhugos@yahoo.com

Twitter: @MichaelHugos

- ***Essentials of Supply Chain Management, 3rd Edition***, John Wiley & Sons, 2011
- ***Serious Games: The Future of Work***, O'Reilly Media, 2012 (available summer 2012)