

New approaches to supply chain challenges

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How do you optimize inventory across the value chain, or cope with long-lead time materials, or ensure spare parts availability? This year's APICS show offered some fresh answers. Interestingly, the companies providing those solutions are from a variety of countries, which may be why even though the solutions are not newly introduced, many of us may not recognize these companies by name or product.

Inventory optimization has, for the most part, been associated with complex software that suits primarily large and sophisticated company applications. The benefits of this multi-echelon or total chain approach can be tremendous, as products such as those offered by i2 Technology, IBM ILOG, Optiant, SmartOps, and Toolsgroup have proven. A new player, InvOpt, aims to bring inventory optimization to everyone. With short implementation cycles and an approach of teaching customers a new process, they may be onto something. The company has offices in Europe and the U.S.

In the era of outsourcing, an OEM of complex products that leaves all materials ordering to partners can be vulnerable, particularly for long lead-time items and sub-assemblies buried in deep bills of material (BOM). A young company from Ireland called Visible Chain is focusing on this issue. The concept is to analyze and plan for critical long-lead time items you may outsource to ensure that those do not become a problem in delivery and service. The software is available on demand, to keep costs low.

Spare parts have always been a challenge, but IMAFS (Inventory Management and Forecasting Solutions) has approached this as a holistic demand/supply challenge. This Canadian company offers support for ABC classification of items, criticality management, lead time management, safety stock calculations, demand management and forecasting, and lot size calculations, to prevent stock surpluses and facilitate replenishment.

Many have read Eli Goldratt's "The Goal," but even he struggled to effectively enable Theory of Constraints (TOC) scheduling with software.

Constraints Management Systems Inc. (CMS) has delivered RoadRunner Manufacturing and Supply Chain software products to support its TOC consulting practice. The manufacturing solution focuses on production planning, execution and continuous improvement while the supply chain product ensures product availability and controls excess inventory across the supply chain. CMS considers these solutions ERP accessories.

Some common threads among these disparate offerings include:

- Tackling specific known issues that have often been perceived as too hard to solve;
- Availability in either SaaS or more traditional forms;
- A focus on process changes with service as well as software; and
- Greater ease of purchase and implementation than traditional supply chain products.

While you may not get budget for a full-blown supply chain management suite rollout, some of these solutions are focused, SaaS-based and could provide quick payback. So as your company focuses on how to do more with less, right-size inventories, and ensure supply can meet demand as it arises, it might be time to examine some fresh approaches.

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