

## Bill's Building Blocks

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### Time to Get Operational

Listening to New York Governor Andrew Cuomo give his daily coronavirus briefing makes one appreciate that this governor really understands supply chain operations! Over several briefings he has clearly articulated an exponentially growing demand forecast for medical resources including staffing, personal protective equipment, hospital beds, and ventilators. He then proceeds to discuss how demand and supply can be brought into balance. He is hopeful that the demand can be flattened to reduce the strain on supply. And he is scrambling with private industry, state and federal government, FEMA, and the National Guard to reallocate, buy, build, and repurpose an increasing quantity of supply side resources. Lastly, he has gone on record to say that after New York's demand peaks, reusable critical resources will be rotated to locations in other states when their demand peaks.

This is the time to get operational. The simplest supply chain model is one organization buying from an upstream seller then selling to a downstream buyer. The upstream seller must have some inventory. The downstream buyer, its customer, must have some cash. The organization in the middle must have a reliable means to receive and issue orders, a reliable means to receive and issue payments, and reliable inbound and outbound logistics connections. Should any of this be interrupted, the supply chain stops.

Whether you are trying to secure food inventory or ramping up a new manufacturing effort to join the fight against coronavirus, this is not the time to just manage by exception. You need to be on top of checking, measuring, and expediting. This is because supply chain interruptions are caused by unexpected delays in otherwise normal order-to-delivery-to-cash cycles, for example...

- Production did not start because the factory has not received its payment.  
You must ask why the product is late before it is too late? As with quality ask why five times to discover the root cause. For critical items be checking periodically throughout the cycle.

...and by cascading risk factors introducing variability into a process sequence, for example:

- Motor freight transporting sole sourced inventory, diverted from its route because of a flooded highway, is now parked because the driver has become hospitalized. How would you know that the truck is not moving or that the driver had a problem? Track it in real-time through GPS. Insist on speaking with the driver along the route.

There is a time to be strategic, a time to be tactical, and a time to be operational. Right now, with much broken in supply chains, it is time for operational excellence.

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