

Does your Supply
Chain Support meet
your Customer's
Needs?

Brett Mewett, CPIM
Essential Software Solutions Inc.

“WHEN DESIGNING,
WHAT IS YOUR
FIRST
PREREQUISITE?”



BARTLESVILLE, OKLAHOMA

**“TO GIVE THE
CUSTOMER WHAT
THEY WANT”**



BARTLESVILLE, OKLAHOMA

PRICE SAID;

**“I WANTED A
3 STORY
BUILDING!”**



BARTLESVILLE, OKLAHOMA

**"YOU DIDN'T
KNOW WHAT YOU
WANTED"**

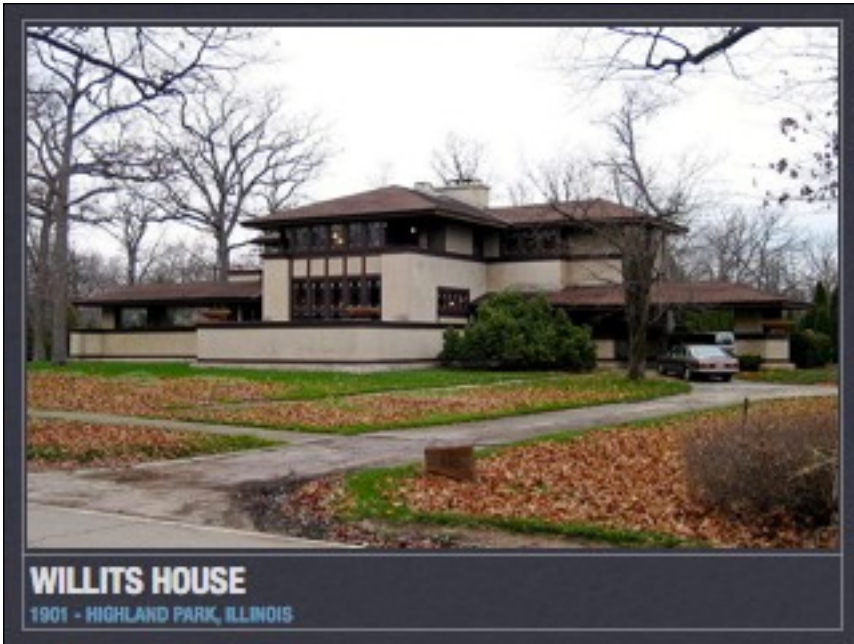


BARTLESVILLE, OKLAHOMA



WNSLOW HOUSE

1893 - RIVER FOREST, ILLINOIS



WILLITS HOUSE

1901 - HIGHLAND PARK, ILLINOIS



LITTLE HOUSE

1912 - WAYZATA, MINNESOTA

**WHAT IS THE #1 GOAL OF
ANY COMPANY?**

**TO INCREASE
SHAREHOLDER
WEALTH**

- ALAN DUNN APICS PDM JANUARY 2011



**“IF YOU COULD BUILD
“JUNK” AND MAKE
MONEY AT IT, THAT’S
WHAT YOU WOULD DO ”**

- ALAN DUNN JANUARY 2011 VANCOUVER APICS PDM

QUOTE FROM A RECENT ARTICLE

TOO OFTEN, AMATEURS GET WRAPPED UP IN THEIR OWN EGOS. THEY EXPECT THEIR PEOPLE TO SUPPORT THEM SIMPLY BECAUSE THEY ARE THE BOSS.

PROFESSIONAL LEADERS ALSO HAVE HUGE EGOS. BUT THEIR PRIDE IS CENTRED IN THEIR BELIEF IN THEIR PEOPLE. PROFESSIONAL LEADERS THINK OF THEMSELVES LESS AS BOSSES AND MORE AS ACTIVISTS RALLYING SUPPORT FOR A WORTHY CAUSE.

LOGGED CONNECTION - JANUARY/FEBRUARY 2011

THE PLANNING HIERARCHY



STRATEGIC PLAN MUST DEFINE WHO YOUR CUSTOMERS ARE AND WHY

WE DEFINE MANUFACTURING ENVIRONMENT, MARKET, INVENTORY POLICIES. WHY NOT SPECIFY WHO YOUR CUSTOMER IS?

DO NOT DEFER TO SOMEONE ELSE. THEY WILL FOLLOW SENIOR MANAGEMENT'S EXAMPLE AND DEFER IT

ULTIMATELY YOUR NEWEST AND LOWEST PAID EMPLOYEE WILL DECIDE HOW YOUR CUSTOMERS WILL BE TREATED

NO CONSISTENCY

LOSS OF RESOURCES TRYING TO BE ALL THINGS TO ALL PEOPLE. THE RESULT IS YOU BECOME NOTHING TO EVERYBODY



YOUR CUSTOMER'S NEEDS

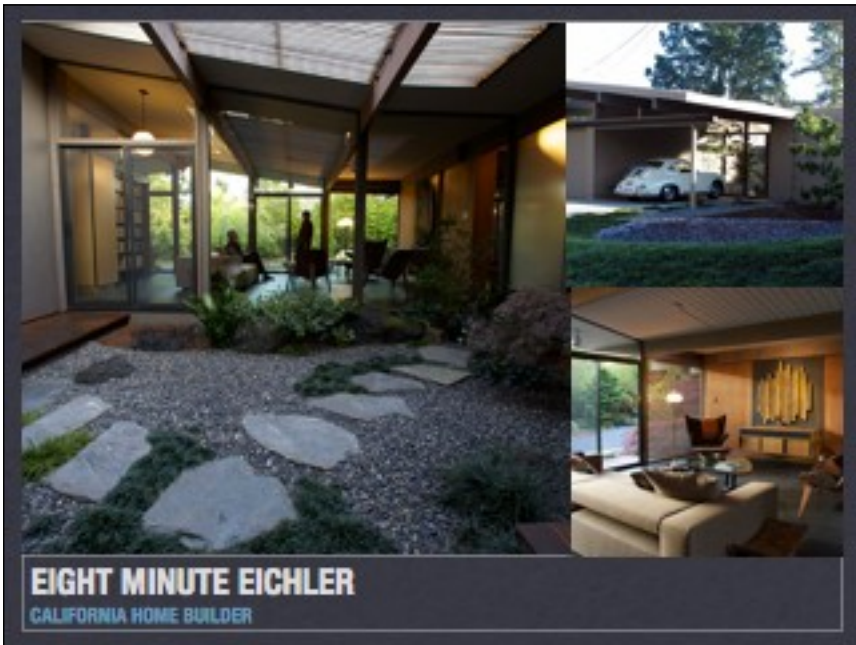
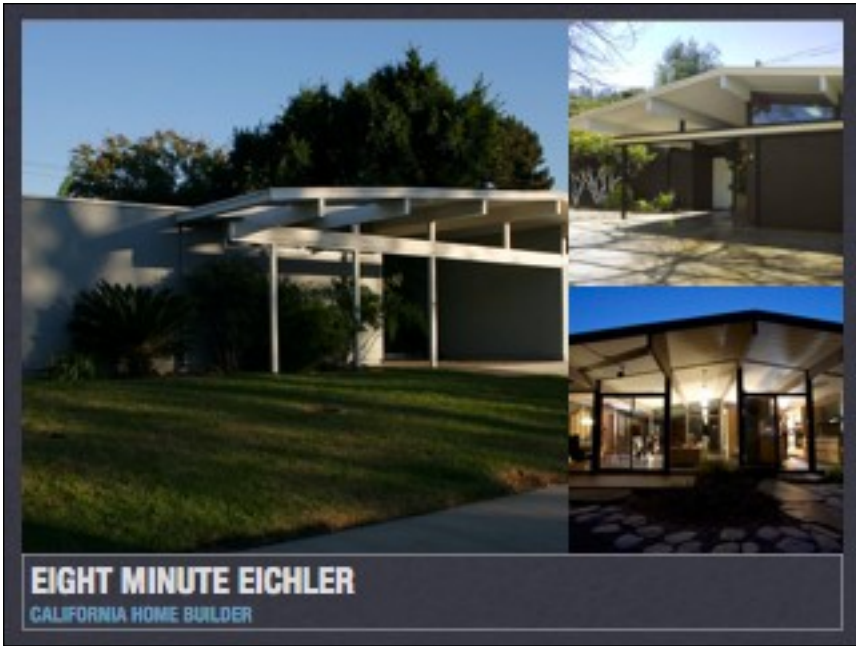


ROLLS ROYCE PHANTOM LISTS FOR \$380,000











DIFFERENTIATION - CONT'D

- ▶ POST AND BEAM
 - ALLOWED OPEN CONCEPT
- ▶ FLOOR TO CEILING GLASS
 - BROUGHT OUTSIDE IN
- ▶ INTERIOR WOOD PANELLING
- ▶ VISIBLE STRUCTURE
- ▶ ARCHITECT DESIGN
- ▶ CONCRETE FLOORS
- ▶ RADIANT HEAT IN FLOORS
- ▶ 2BATH/3BED

SUPPLY CHAIN ALIGNMENT

- ▶ INTERIOR WOOD PANELLING
 - ▶ REDWOOD PLYWOOD
 - ▶ AVAILABLE
 - ▶ SLIGHTLY MORE THAN DRYWALL
 - ▶ SOFT
 - ▶ DARK
 - ▶ PHILIPPINE MAHOGBANY
 - ▶ CHEAPEST HARDWOOD
 - ▶ STILL EXPENSIVE
 - ▶ QUALITY - HARD TO ATTAIN



ALIGNMENT IN ACTION

▶ PHILIPPINE MAHOAGANY

- BOUGHT LOGS IN THE PHILIPPINES
- SHIPPED THEM TO JAPAN
- MADE THE PLYWOOD
- SHIP TO THE USA



ALIGNMENT IN ACTION

BUILDING TECHNIQUES

- ▶ EICHLER ENTHUSED HIS EMPLOYEES, SUBCONTRACTORS AND SUPPLIERS WITH ZEAL
- ▶ WORKED TOGETHER TO STREAMLINE BUILDING PROCESS. EFFICIENCIES OFFSET HIGHER MATERIAL COSTS



RESULTS
IN 18 YEARS EICHLER BUILT
OVER 11,000 HOMES!



DARIOUSH WINERY
NAPA VALLEY, CALIFORNIA



NIEBAUM COPPOLA WINERY
NAPA VALLEY, CALIFORNIA



CAKEBREAD CELLARS
NAPA VALLEY, CALIFORNIA



BRONCO WINERIES

- ▶ 4TH LARGEST WINE PRODUCER IN THE US
- ▶ OVER 50 BRANDS PRODUCED
- ▶ CHARLES SHAW IS THE MOST FAMOUS - "2 BUCK CHUCK"
- ▶ CEO IS FRED FRANZIA
- ▶ FRED HAS DECLARED WAR ON "PRETENTIOUSNESS"



A "2 BUCK CHUCK" CUSTOMER

- ▶ **IS NOT SWAYED BY PRETENTIOUSNESS**
- ▶ **PRICE IS A BIGGER FACTOR IN DECISION MAKING**



TO SELL A \$2 BOTTLE OF WINE BRONCO MUST REDUCE COSTS

- ▶ **NO FANCY OFFICE**
- ▶ **VERTICALLY INTEGRATED - BOTTLING**
- ▶ **FIRED THE PORTA POTTY COMPANY**

ALIGNMENT IN ACTION

- ▶ LOCATED IN CENTRAL CALIFORNIA
NOT NAPA
- ▶ OWNS 35,000 ACRES
- ▶ BUYS GRAPES WHEN THERE IS A
GLUT
- ▶ VINES RUN NORTH TO SOUTH
- ▶ LONG STRAIGHT PATHS

CUSTOMER NEEDS EQUAL YOUR SUPPLY CHAIN

- ◆ Determine Market
- ◆ Determine target customer
- ◆ Share the vision with team - staff and suppliers





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