PLUG-AND-PLAY: IMPLEMENTING THE NEXT-GENERATION SUPPLY CHAIN

A plug-and-play supply chain strategy can reduce costs and improve efficiency – while enabling growth, creating agility and building a competitive advantage. So how is it implemented…?

IT'S A SIMPLE CONCEPT

Plug-and-play supply chains are based on the performance characteristics of a company's channels, customers, products, and regions. Start by analyzing averaged and aggregated data, followed by a measurement of actual cost and profitability data, to segment supply chain operations.

STEP ONE: IMPLEMENT SMART SEGMENTATION...

Smart segmentation means running a supply chain based on the performance characteristics of a company's channels, customers, products, and regions.

STEP TWO: STANDARDIZE SUPPLY CHAIN OPERATIONS

Once the supply chain is segmented, processes need to be standardized and simplified wherever possible (see data analytics to establish which supply chain elements are most effective and generate the highest contribution). Standardize those to form the core solution, addressing 80% of requirements. The remaining 20% will be addressing specific markets.

STEP THREE: MEASURE AND IMPROVE, CONTINUOUSLY

Keep measuring and improving by assessing networks every 3-6 months, and calculating actual costs and profitability based on cost-to-serve and profit contribution.

THE PAY-OFF

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Dell's adoption of the plug-and-play supply chain has resulted in numerous improvements.

**Improvements in product availability:**
37%

**Reduction in freight costs for notebooks:**
30%

**Shorter order-to-delivery times:**
33%

**Reduction in manufacturing costs:**
30%