

Focus: Visual Management

Visual management drives 30% spec accuracy increase

When it comes to private label retail, the retailer is no longer just the retailer - they are also the brand owner. This means they hold responsibility for product quality, consistency, labelling accuracy and legal compliance.

One multi-national retailer turned to Solutions for Retail Brands (S4RB) to implement visual management within their Supplier Engagement strategy to augment their specification management system (PLM), increase accuracy and compliance across private label product development and product management.

Background

A study of New Product Development (NPD) at one multi-national supermarket found that only 48% of products lasted more than 12 weeks in the market with

a success rate as poor as 82% for some suppliers. They also discovered that the average time to market was 20% longer than specified by the retailer's standard process.

The commercial pressure was for more new products, faster. The danger of this is that corners are cut, risking the quality, safety, and integrity of the brand.

Key Performance Indicators (KPIs) were defined around right-first-time, on-time development and the quality of information such as specification accuracy.



Solution

Visual management shows what is expected of a supplier and how they are performing against those goals, preferably in real time. Therefore, the retailer implemented a solution from S4RB using a series of performance dashboards within their supplier web portal to share KPIs for Supplier Engagement, compliance (quality and specification accuracy) and on-time performance within the NPD process.

These visual management dashboards are critical to success because they bring transparency and visibility to all stakeholders around these KPIs. Supplier self-help is integrated within each dashboard with links to how the information is derived and useful hints and tips on how suppliers can improve.



Impact

The combination of improved communication and visual management - in the form of KPI dashboards - accompanied by supplierENGAGE™ self-help web and S4RB's Educate™ training platform resulted in a marked improvement in compliance and accuracy: a 2x increase in training compliance; a 200% increase in Supplier Engagement; a 300% increase in right-first-time responses from suppliers.

The results allowed valuable retailer resource to better focus on 'management by exception', with increased

compliance and a 30% increase in specification accuracy within 12 weeks.

Key facts

- 2x increase in training compliance
- 200% increase in engagement
- 300% increase in right-first-time
- 30% increase in spec accuracy