

01 April 2011

## DUTCHESS COUNTY EDC DELIVERS BUSINESS VALUE THROUGH THE CREATION OF SUPPLY CHAIN CONSORTIUMS

Dear John,

Let me propose to you an exciting vision and process for bringing unique value to your county. As you know, I am a firm believer in regional visions and regional teaming for competitive advantage. I understand the relationship among large corporate businesses and their supply chains and the challenges of optimization. Ultimate end-customers who have the power use a directive approach with their suppliers and expect an annual improvement in price of 3-5% per year with improved delivery accuracy and minimal lot sizes. This shifts risk into the top-tier supplier, which in turn must deal with its 2nd and 3rd tier suppliers. The current process is fraught with compounding inefficiencies and cost. Our motto to lead Dutchess County businesses is "To win we must unite!"

Accomplishing this goal is done through a three step process:

- I. Build a vision community
- II. Host a SupplyChain workshop
- III. Run a regional day of Kaizens (get out and do it)

I. Building the Vision Community is designed to present the idea and get people to decide to put a team together and come to the SupplyChain workshop. It is the sales phase. We would host a webinar multiple times for the targeted audience to understand the situation and our proposal. We would talk about the business situation in Dutchess County, the good things working for us, the challenges of being a supplier, the compounding overheads of a multi-tiered supply chain, our vision of consortiums (competing as a team), and the workshops we propose. Our goal is to get 5 companies to agree to put a team together of their supply chain at least two tiers deep. This will give us a minimum of 15 companies to attend Phase II.

II. The SupplyChain workshop. 15 companies @\$250ea gives us a \$3700 budget.



The first part of this workshop is for the supply chain teams to meet each other, see the end product they work on and understand what their supply network looks like. As seen in these pictures, this was the first time the group ever got together and understood they were an integrated team. They will learn the concepts of Lean, The ValueTree™, and be introduced to the Supply Chain Consortium Agreement. The objective of the meeting is to have the teams decide to participate in the Regional Day of Kaizen.

III. Regional Day of Kaizen. This is a newsworthy event. Each company contributes \$500 giving us a \$7500 budget. Each team is assigned a kaizen sensei. They will tour their supply chain flow and then work through the consortium agreement looking for all the improvement opportunities. At the end of the day, all groups meet together for a big report out and networking session.

At the end of the workshops, attendees will have...

1. demonstrated that they can apply the techniques of takt, pull and flow (lean concepts) to create new possibilities for their organizations;
2. Physically created improvements from the application of lean principles;
3. Designed what a "virtual company" looks like and the rules of operation;
4. Physically taken the first step in implementing a "virtual company;"
5. Demonstrated leadership skills required to create an "event-based" change;
6. Gone beyond conventional wisdom in creating solutions and innovations;
7. Experienced enough of the information to decide if it is worth pursuing as a strategic initiative for each business.
8. Strengthened the business base in Dutchess County.

First steps include assembling the webinar material and compiling the list of targeted companies. We could target the webinars for the last week of April, followed by the workshop two weeks later and the day of Kaizen before the end of May.

I look forward to discussing this with you.

Sincerely,

Alden B. Davis  
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