

# THE WORLD HAS CHANGED VENDOR LEAD-TIME REDUCTION STRATEGIES



## THE WORLD HAS CHANGED

The IMPOSSIBLE Happened! A Worldwide Shutdown 2020; this CHANGES EVERYTHING in Purchasing and a NEW NORMAL will emerge!

A Worldwide Recession, Business Model Change, Work from Home, Communication Delays, Reduced Investments, Compulsory Health Screening, IT Dependence, etc.

The more 'adept' companies will achieve Profits Faster. We MUST expect Supply Chain Disruptions, Vendor Financial Meltdown, Lack of Materials, Slow Operations, Unpredictable Demands and a myriad of NEW CHALLENGES, NEVER EXPECTED!

A VENDOR LEAD-TIME RESET means our Strategic and Tactical Operations will Manage with Staff Reduction, Supplier Consolidation, Difficult Stakeholders, Problem Solving for OTD, Lead-Time Reduction and Purchasing Self-Confidence – It requires a Paradigm Shift!

## SCOTS LEARNING OBJECTIVE

### Scots Skill ONE

Calculate Supplier Long Lead-Time Cost vs Lost of Business Opportunities/Profits!

### Scots Skill TWO

Develop and Present Dynamic Vendor Lead-Time Reduction Proposal!

### Scots Skill THREE

Develop 'New Supplier' Selection Toolkit and Justify Choice of Vendors!

### Scots Skill FOUR

Develop Vendor Negotiation Worksheet – Achieve Cost Down and On-Time Delivery

### Scots Skill FIVE

Pro-Active Vendor Delivery Problem Solving and Lead-Time Reduction Brainstorming!

### Scots Skill SIX

Vendor Lead-Time Reduction Simulation – Reduce Lead-Time by 50%!

## WHO SHOULD ATTEND?

Procurement, Purchasing, Sourcing, Planning Shipping, Buyers, Logistics, Supply Chain, Project/R&D and People involved in Supplier Lead-Time Reduction!



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# THE WORLD HAS CHANGED VENDOR LEAD-TIME REDUCTION STRATEGIES

The World Has Changed –  
Reduce Inventory Holding Cost and Achieve On-Time Delivery!



## PART A – VENDOR LEAD-TIME REDUCTION STRATEGIES – THE WORLD HAS CHANGED

**1. The Purchasing World Has Changed 2020 –**  
Relationship Change, Diplomacy vs Threat, Limited Vendors, Delays, etc.

**2. Lead Time Reduction Strategies –** Lead-Time Analysis, Vendor Commitment and Inventory Reduction

## PART B – VENDOR LEAD-TIME STRATEGIC PLANNING

### 1. VENDOR 'DELIVERY GAP' and LEAD-TIME REDUCTION ANALYSIS

- A. Vendor 'False' Commitment Costs** – Delivery Failure, Last Minute Orders, Quality, New Customers and Re-Work!
- B. Vendor Lead-Time Strategy** – Consignment, Reduce/Increase Buffer Stocks, VMI, Delivery in Excess, etc.

**C. Scots™ Skill ONE** – Calculate Supplier Long Lead-Time Cost vs Lost of Business Opportunities/Profits!

### 2. VENDOR LEAD TIME REDUCTION – SET AGGRESSIVE TARGETS

- A. User Expectations vs Vendor Promise** – Last Minute Order, Wrong Forecast, Blamed for Mistakes, etc.
- B. Vendor Buy-In** – Inventory Reduction, Cash Flow Improvement, Productivity and Business Growth!

**C. Scots™ Skill TWO** – Develop and Present Dynamic Vendor Lead-Time Reduction Proposal!

## PART C – VENDOR LEAD-TIME REDUCTION STRATEGY

### 3. NEW/EXISTING VENDOR LEAD TIME COMMITMENT

- A. Select Dependable Suppliers** – 'SMART' Questions, Resource Analysis, Cross Reference Information, etc!
- B. Track New Vendor for OTD** – Key Decision Influencers, Relationship and Support and Degree of Influence

**C. Scots™ Skill THREE** – Develop 'New Supplier' Selection Toolkit and Justify Choice of Vendors!

### 4. VENDOR LEAD-TIME REDUCTION NEGOTIATIONS

- A. Develop a WIN-WIN Proposal** – Vendor Consolidation, Value-Added Services, Consignment/VMI Support, etc.
- B. Critical Negotiation Process** – Major/Minor Criteria, Min/Max Position and Focus on Negotiation Goals/Gaps

**C. Scots Skill FOUR** – Develop Vendor Negotiation Worksheet – Achieve Cost Down and On-Time Delivery

### 5. PRO-ACTIVE VENDOR DELIVERY PROBLEM SOLVING

- A. Daily Delivery Problems** – Last Minute Orders, Wrong Location, Ordering Mistakes, Customer Pressure, etc.
- B. Creative Thinking Strategies** – SIX Thinking Colors (Green, Yellow, White, Black, Red, Blue) to Solve Problems

**C. Scots Skill FIVE** – Pro-Active Vendor Delivery Problem Solving and Lead-Time Reduction Brainstorming!

## PART D – VENDOR LEAD-TIME REDUCTION REPORTING

### 6. VENDOR LEAD-TIME REDUCTION SUCCESS

- A. Vendor Delivery Performance Reports** – OTD, Reduce Mistake, PO Completion and Problem Cases Solved!
- B. Lead-Time Reduction Champion 021** – Team Leadership, Communication and Trouble Shooting Capabilities

**C. Scots Skill SIX** – Vendor Lead-Time Reduction Simulation – Reduce Lead-Time by 50%!