



Ready to Strike

Manufacturing Strategy and Operations



Like a tennis player standing poised, keeping both eyes on the ball and anticipating her opponent's next move, a manufacturer that takes a strategically superior stance can position itself to ace the competition.

In recent years, rapid global expansion of businesses has led to infinitely more complex, multitiered supplier networks. Today, manufacturers that want to stay ahead should focus on improved supplier relations and integration; more efficient product flow and the manufacturability of product designs; and ever-increasing agility across the supply chain. Those that aren't on their game in these three areas might find themselves on the wrong side of the net.



As global pressures increase, manufacturers should clearly link strategic and tactical actions with operating strategies that exceed customer expectations and enhance business performance.

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How we can help

Deloitte's Supply Chain & Manufacturing Operations practice helps global manufacturers translate their business strategy into practical operational plans through an effective manufacturing strategy. We help companies implement their strategy by finding ways to improve operational performance across complex value chains. This includes assessing manufacturing capacity, core versus noncore products, where products are made, core capabilities versus those that can be outsourced, where manufacturing plants are located and their supporting supply base, and even advanced manufacturing technologies.

Our services include:

- Manufacturing strategy development
- Facility rationalization and manufacturing expansion
- Production systems and lean operations improvement
- Direct material cost reduction and supplier development
- M&A-related operational synergy realization

Potential bottom-line benefits

Our clients have experienced the following as a result of our work:

- Lead times reduced by up to 90 percent, throughput increases of up to two times with no investment
- Internal costs reduced by up to 30 percent
- Increased asset efficiency — up to 70 percent reduction in inventory and 85 percent in PPE utilization
- Direct material cost reduction by up to 40 percent
- Proactive business continuity risk mitigation

Ways to get more value now

- **Link to the overall business plan.** Involve operations in overall strategy development and include an understandable set of executable directives.
- **Look beyond the four walls.** Carefully examine each product's end-to-end production network, including external factors that impact it before and after the manufacturing process.
- **Move problems off the line, not along the line.** Understand where problems are occurring along the production line and their root causes so they can be solved rather than just shifted up and down the line.
- **Use pilots to gain momentum.** Execute a systematic improvement approach on a pilot value stream that can demonstrate value and help sell the idea to the organization.
- **Insist on results.** Define success and how it will be measured. Then insist on a clear link to the business impact and value of any operational transformation efforts.

The big idea

Building an operational plan that reflects a company's overall business strategy helps drive operational excellence and enables the production of quality products at the lowest cost per value.



Learn more

Supply chain and manufacturing operations transformation often encompasses a broad range of strategic issues like **Manufacturing Strategy and Operations**. To learn more about how Deloitte can help, visit www.deloitte.com/us/scmfstratoperations.

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