

# Value Chain Management

## Trying Things at Detmold

**Presented by Ed Rosser**  
**-Value Chain Manager –**

***DETMOLD PACKAGING***

**Detpak**  
A MEMBER OF THE DETMOLD PACKAGING GROUP

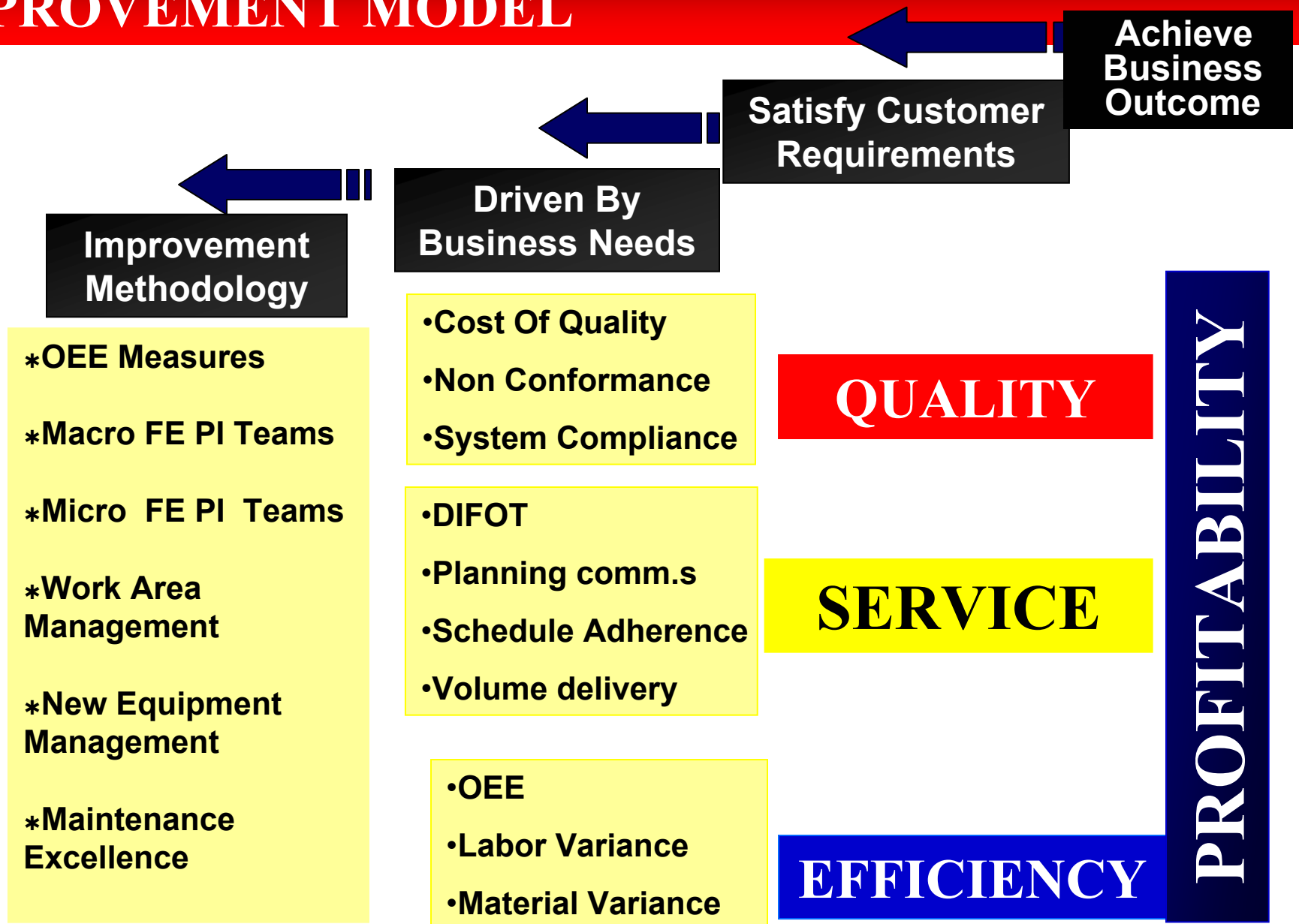


The **DETMOLD PACKAGING** Group

**Detmold**  
Industrial Packaging

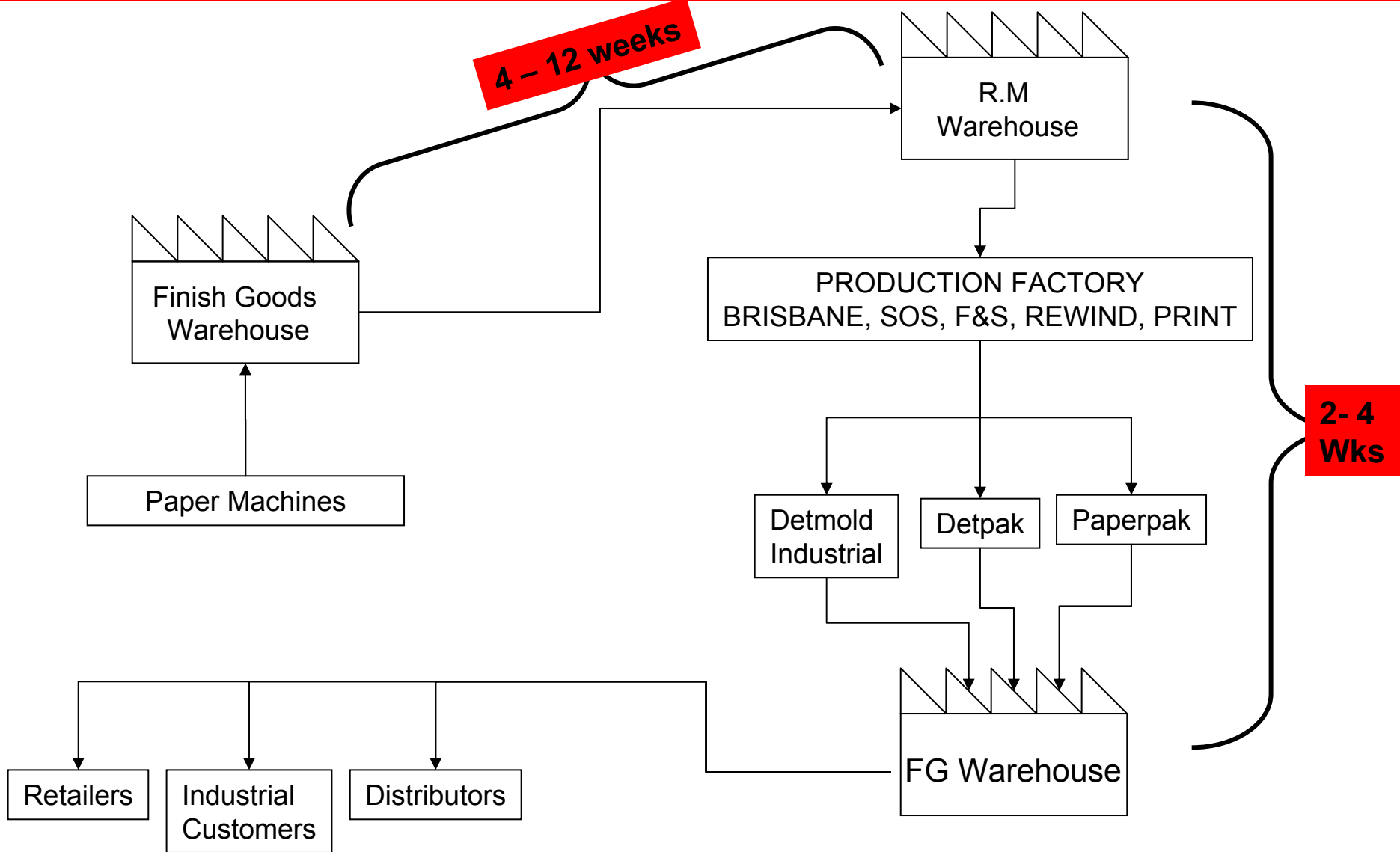
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# IMPROVEMENT MODEL

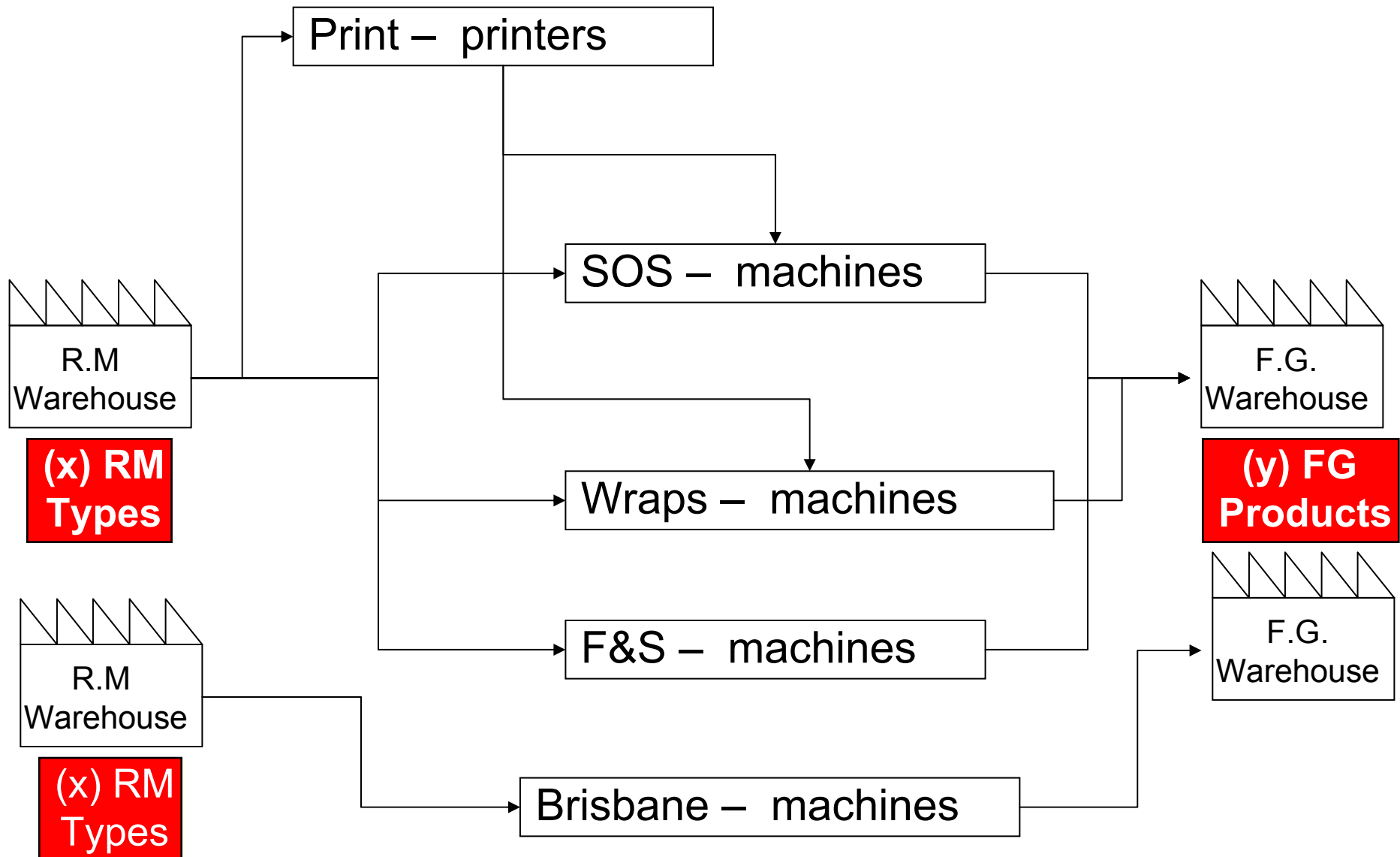


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# The Value Chain



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# UNDERSTANDING WHERE YOU ARE IN YOUR JOURNEY



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# THE VCM ROADMAP AT DETMOLD

1. Developing a measure of DIFOT.
2. Establishing the delivery standards and making them explicit.
3. MRP at Detmold.
4. Hiring the VCM.
5. Understanding the drivers of VCM
6. Setting the Goals for VCM.
7. The Barriers to improving the Value Chain

# DIFOT AWARENESS @ DETMOLD

1. Developing a measure of DIFOT.
  1. Making the system automatic
  2. Getting belief in the measure.
2. Making DIFOT part of the KPI system:
  1. Management level
  2. Shopfloor level
  3. Support service teams
3. Managing the DIFOT measure

# OPERATIONS STANDARDS

1. Agreeing the Delivery Standards:
  1. What were the previous implicit delivery standards?
  2. Detpak
  3. Detmold Industrial
  4. Paperpak
2. Repeat Orders versus New Orders.
3. Managing Sales order placement in relation to standards.

# MRP @ DETMOLD

1. How can MRP work at Detmold
  1. Paper lead times compared to delivery standards. (Don't try to tell Sales how to do their job)
  2. Forecasting.
2. Stock targets
  1. Locally supplied
  2. Imported
  3. Managing the correct paper for each order. ( The quality system)
3. Evening out demand for better paper ordering.
  1. Educating sales about operational capability.
  2. Developing a system for FG stock management.

# THE DRIVERS FOR VCM

1. Managing Complexity.
2. Understanding that sales “don’t know” about operations.
3. Balancing the Demand versus Capacity.
  1. Sales budgets are monthly and fluctuate
  2. Operational capacity is a daily limitation.
4. Managing operator capacity
  1. Building labour capacity in advance.
  2. Having a budget for direct labour.
5. Machine Production Capacity
6. Supply lead times and stock management
7. Picking the “easy” product lines.

# SETTING GOALS FOR VCM

## 1. Goals

1. Stock targets
2. DIFOT
3. Schedule Adherence
4. Labour variance
5. Material Waste
6. Profitability
7. Cash targets.

# BARRIERS TO VCM

1. My KPI is more important than your KPI
2. Changing customer expectations
3. Keeping sales to standards
4. A tool for total Supply Chain visibility
5. Complexity of the business to enable visibility of decisions.

That's all for today.

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