



# Global Supply Chain Summit

## Supply Chain Risk Management - Making

Office for **Operational**  
**EXCELLENCE**

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**Office for Operational Excellence**  
**University of Alabama in Huntsville**

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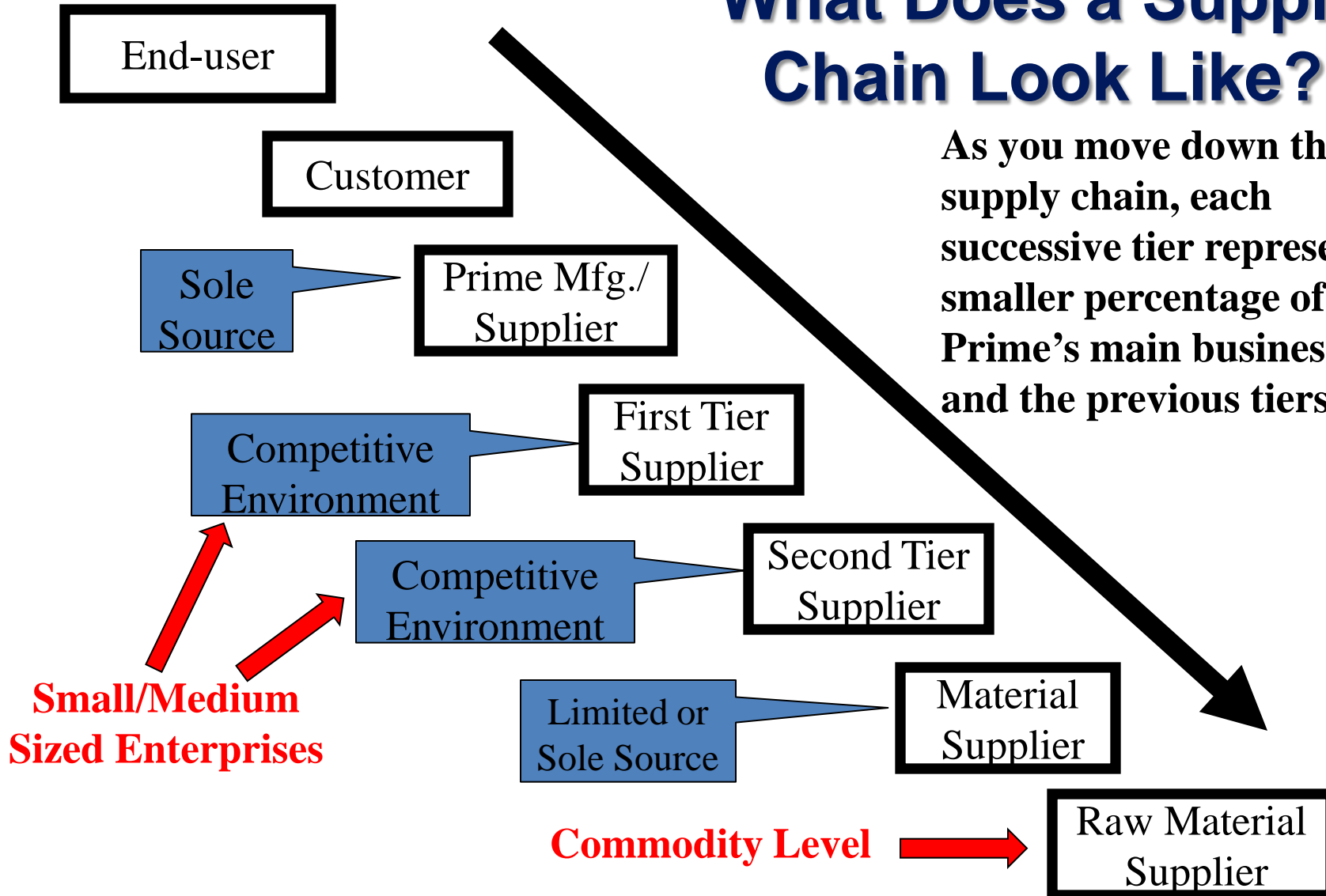
# “So where is this guy coming from?”

- **NASA – MSFC (7 years)**
  - Materials and Processing Laboratory
  - Chief Engineer/Project Office
- **Private Sector (8 ½ years)**
  - Precision Machine Shop (primarily aerospace)
  - High volume commercial production
- **University of Alabama in Huntsville (14 years)**
  - Directs office that operates as a consulting firm in academic research organization
    - Aerospace and Defense
    - Expanding into health care and energy
  - Supply chain/lean implementation and training at government and private sector corporations
  - Team lead for UAH AMCOM supply chain analysis team
    - Multi-tiered evaluation of the Army Aviation supply chain
    - Team visited over 70 suppliers



# What Does a Supply Chain Look Like?

As you move down the supply chain, each successive tier represents a smaller percentage of the Prime's main business base and the previous tiers.





# Lessons from the Road (Suppliers)

## Forecast

- Lower tier suppliers (below OEMs) are not sharing forecast to their suppliers sufficiently
- Suppliers would like at least an 18 month (or one lead-time) forecast
- Commercial sector provides more accurate and longer forecast than government (military) customers

## Lead-times

- Forging houses have reduced their internal lead-times by approximately 40% the last 10 years
- Forging houses have been reducing their set-up times (some cases by 75%)
- Machine shops appear to not have not reduced set-up times



# Lessons from the Road (Suppliers)

## Material Issues

- **Material availability and price highest risk unless OEM provides material to lower tier suppliers**
- **Distributors have allowed material inventory to drastically decrease thus increasing overall lead-times**

## General

- **Suppliers appear to be between 40% and 60% capacity**
- **Suppliers appear to be recovering the last couple of years from the economic downturn**
- **DoD suppliers have shifted their markets to approximately to 75% commercial and 25% government/military**



**For more information and availability for  
service, contact:**

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