

Aligning Customer and Supplier Goals

Gary McMann

Chief, Supply Chain Network

Los Angeles County Department of
Health Service

***Supply Chain Excellence:
Strategic Imperative***

Problem Statement:
Are the Fans Still Cheering?

- 1.) If not, why not?**
- 2.) If so, why so?**

Celebrity Status is Fleeting

“When things are going well, when the fans are cheering, why change a winning formula?”

(Poor Your Heart Into It, Howard Schultz)

Because:

- The world is changing (Healthcare Reform)
- Of the uncertainty as to why and how long they will continue to cheer
- What makes them cheer today may change tomorrow

Rules of War

Sun Tzu...ancient Chinese warrior

"know your enemy and know yourself"
before going into battle.

He warned "If you know yourself but not
the enemy, for every victory gained you
will also suffer a defeat."

Rules of Engagement

"know your **customer** and know yourself" before going into battle.

“If you know yourself but not the **customer**, for every victory gained you will also suffer a defeat.”

Breaking the Code to Building Trust

Pathfinder vs. Trailblazer

Pathfinder: Capitalize on successes of others that have created wins for the company

Trailblazer: Create customized win-win solutions that are “real and measurable”

~ Personal touch backed by results...builds trust ~

FACILITATING GREATNESS

Is Good...Good Enough?

(Not according to Jim Collins' book Good to Great)

- GOOD is the enemy of GREAT
- GREAT VISION requires GREAT PEOPLE
- FLYWHEEL THEORY...Precursors to Breakthrough
 - Disciplined Thought
 - Disciplined Action
 - Disciplined People

~ Our best hospitals and health systems will not stop at “good” ~

Fix the Problem then... Root Cause Analysis

- **Temporary fix**
 - Product outage...fill the order **FAST**
- **Permanent fix**
 - RCA...calculated, fact finding **solution**

Partnership Basics

- **Reduce the pain...**enhanced process/procedure
- **Limit the strain...**operational stability
- **Share the gain...**sustained and new cost savings

~ Degree of success starts and ends with customer engagement ~

Execution...Getting the Job Done!

“The people process is more important than either the strategy or operations process.”

(Execution, Larry Bossidy/Ram Charan)

- What method do you employ to ensure your people bring “true” value to your customers?
- When was the last time you were bold enough to ask your customer for candid, anonymous feedback...then do something about it?

Trust Erosion

- **Stealth representation**
- **Over promising & under delivering**
- **End runs**
- **After the fact notifications**

Holding Back...

Bureaucracy Busters

(Jack Welch, 29 Leadership Secrets)

- **SPEED**
- **SIMPLICITY**
- **SELF-CONFIDENCE**

~ Allow possibility by loosening the reigns ~

Value Pearls...

Learned on the Playground

- **Play Fair**

- Sign in/out when and where required
- No backdoor tactics
- Be factual...support claims with literature

- **Play Nice**

- Do not put down the competition
- Focus on what your product does best
- Under promise...over deliver

- **Play Hard**

- Go for the win...just be sure to take us along

What's Next?