

## What type of supply chain do I have?

### Exercise 1: What type of supply chain do I have?

There are many differing questionnaires that are available to understand and measure your current supply chain. Some of these more detailed assessments are included in the links section below.

Step 1: To give you a first cut crude guide to your supply chain type, simply answer the below set of questions-based on **your** business to establish each your product/s supply chain. Remember you may require different supply chains for different products, depending on their characteristics.

Questions	Yes	No
Do I have predictable demand?		
Do I have few changes in orders?		
Do I have a low variety of offerings?		
Do prices remain stable?		
Are lead times long?		
Are profit margins low?		

Essentially, your supply chain objective is about matching supply and demand in the most efficient way possible. If you have ticked *Yes* to the above items, especially low variety and high volume, your product appears best suited to a lean supply chain (such as black buckets or tins of beans), with principles such as:

- Low throughput times
- High volume
- High utilisation
- Deployed inventory
- Flexible suppliers.

If you selected *No* for the above questions, especially the low variety and high volume, then you appear to have an innovative product, and in these cases, a responsive or agile supply chain would be better for your business.

If your product however is high volume and high variety, firms that outperform others are developing a le-agile supply chain.

# Get Supply Chain ready for Brexit

Step 2: To develop on this first step, consider the table below. Add a tick beside which is most relevant to your current supply chain. This will give you an early insight into your current supply chain.

Features	Lean supply chain	Agile supply chain	Le-Agile supply
Market demand	Predictable	Volatile	Volatile and unpredictable
Product variety	Low	High	Medium
Product life cycle	Long	Short	Short
Customer drivers	Cost	Lead time and availability	Service level
Stock-out penalties	Long-term contractual	Immediate and volatile	No place for stock out
Purchasing policy	Buy goods	Assign capacity	Vendor-managed inventory
Typical products	Commodities	Fashion or electronic goods	Product as per customer demand
Lead-time	Short	Short	Mix

Table 1: Lean, Agile and Le-Agile characteristics

Source: Agarwal, Ashish & Tiwari, Manoj. (2006). Modeling the metrics of lean, agile and leagile supply chain: An ANP-based approach. European Journal of Operational Research. 173. 211-225. 10.1016/j.ejor.2004.12.005.

# Get Supply Chain ready for Brexit

Step 3: If you have a mixture of ticks across the 3 supply chain types, then it is worth reviewing your current strategy to see if your supply chain is designed correctly for your current products. You may need to consider amending elements of your current strategy in line with the earlier best in class guidance and your answers below.

## Other Tools

You can access other tools in the further links below:

1. Lean Assessment tool (Commercial tool)  
[https://www.lean.org/FuseTalk/Forum/Attachments/AME\\_Lean\\_Assessment.xls](https://www.lean.org/FuseTalk/Forum/Attachments/AME_Lean_Assessment.xls)
2. Lean Assessment tool (Scientifically Developed) - for business use, go straight to the 51 items in Appendix A (grouped into 5 items)  
  
Pakdila, F and Leonard, K.M., (2014), 'Criteria for a lean organisation: development of a lean assessment tool' International Journal of Production Research, Vol. 52, No. 15, 4587-4607, <http://dx.doi.org/10.1080/00207543.2013.879614>
3. Huma, S and Siddiqui, D. A, Impact of Lean and Agile Strategies on Supply Chain Risk Management (May 8, 2019): <http://dx.doi.org/10.2139/ssrn.3384808>