

Forward-Looking Consulting Services that Help Manufacturers Improve Sales, Operations, and Global Supply Chain Planning Processes



William Mrzlak
Founder, President & Managing Partner

ChainSequence, Inc.
www.ChainSequence.com

Contact:
William Mrzlak
847.382.6777
bill.mrzlak@chainsequence.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

“Many times, people are aware they have business challenges, but are paralyzed by the thought of making waves, or see a Pandora’s box of obstacles that stop them from addressing important issues. Our job is to break through that inertia with a sound business case demonstrating how they can, with minimal effort, create real, positive gains.” - William Mrzlak

CEOCFO: *Mr. Mrzlak, would you tell us about ChainSequence?*

Mr. Mrzlak: We collaborate with our clients to achieve logic-driven business solutions within the manufacturing environment. While much of our early work was based in the high-tech industry, we’ve successfully expanded beyond that market, assimilating our modules—supply management, demand/supply alignment, order management, and S&OP planning—into vertical solutions within the retail, CPG, education, and service industries, just to name a few. Our services focus on proven organizational planning and business planning to achieve measurable improvements in efficiency, operations, customer satisfaction, and, ultimately, our clients’ bottom lines.

CEOCFO: *Do many companies understand the need for better planning?*

Mr. Mrzlak: Sometimes knowing that you have a problem is half the battle. We’ve worked with many organizations that clearly have issues; one client joked, “Strategy is anything beyond the end of next week.” These companies are always in constant, chaotic, fire-fighting mode. If they would just take the time to sit back, assess and take a look at what is going on, a lot of this self-inflicted chaos could be reduced. Part of our job is to build consensus and help clients embrace change.

CEOCFO: *Is there a solution for every problem?*

Mr. Mrzlak: There is a solution for most problems. We’ve rarely come across a business issue that couldn’t be fixed when stakeholders resolve to actively pursue and follow through on solution development and implementation. Many of us have technical backgrounds. While we coordinate our work with various software vendors before and during deployments, our primary emphasis involves maintaining the integrity of the solution throughout the process. Many organizations will lock into systems and tools as the end-all solution to their problems, ignoring the need for a well-conceived roadmap. However, the art and science behind truly successful business planning depends on proven logic and rules-based governance, not technology.

CEOCFO: *On your site there is mention of a ‘progressive approach’ that provides custom solutions based on unique needs. ‘Before we get to the solution, what goes into understanding what a company needs vs. what they think they need?’*

Mr. Mrzlak: Many of our engagements, whether we are looking at supply chain planning or sales and operations planning, have very similar processes as well as very distinct ones. In both cases, we start with an assessment. This work may be a combination of evaluating the environment and also educating the organization on the traditional fundamentals and best practices governing supply chain and/or S&OP planning. Every organization is slightly different; many consultants will talk

a good game about best practices in a general sense, but can't articulate how these practices would best apply to the unique circumstances of a given client. One has to understand that a best practice for one company may not necessarily help another business, even if both businesses reside in the same vertical, manufacturing the same product. Even within global organizations, what happens in the Americas is very different from what goes on in Europe and Asia, which must be taken into account. Once we understand the client's environment, we look at the both the organizational differences and the cultural differences to get to the heart of the issues. From there, we work to develop appropriate solutions.

CEOCFO: *Would you give us an example of a type of business and how that might compare with another similar business?*

Mr. Mrzłak: Many of our clients are US based companies, with sales offices and/or manufacturing operations all over the world. Their corporate offices tend to be in the US—even if we're stationed in Europe or Asia, culturally we get the sense it's still a US-driven organization. In these cases, we look at an umbrella process and analyze how well the pieces fit together under that umbrella. At the end of the day, the bottom line can be found at the top of the organization, not just the sum of its parts. Starting at the C-level, we work our way down to get the full sales-and-operations planning picture as it relates to virtually all business units within that company. This includes but isn't limited to supply chain planning, finance, sales, operations, and distribution channels. We appraise each of these entities to measure how product is flowing, how a customer initiates an order, from beginning to fulfillment, and even how a new product concept will be manufactured, introduced to market, and finally delivered. We walk through each of these processes for each organizational unit, and then look at the differences as we move from one geographic region to the next. This methodology provides key insights that allow us to address common problems with solutions that will generally solve 80% of the issues across all regions. The one thing we want to avoid is a one-off custom solution for each and every region, product and organization.

CEOCFO: *What might you find when you are looking at the overall process where something simple might have been stalling it?*

Mr. Mrzłak: We're always on the lookout for tell-tale bottlenecks that are holding up a given process. Blockages could stem from a cumbersome physical process, a step in manufacturing due to a quality issue, a supplier quality issue, a poor distribution channel, or even a combination of these issues. Because our solutions sit on top of manufacturing, we respect the expertise of plant managers and stay out of their sandbox, or what I would call the manufacturing execution level. However, from a planning perspective, it's necessary to view the "hands-off" part of manufacturing from front-end to back-end to discover what may be causing time lags or problems with forecasting. For example, by the time a forecast is collected from a salesperson to the time it arrives at corporate, it could be as much as thirty days. So now, I'm planning to produce and deliver product on demand that is potentially a month old. Given the volatility of the markets, and today's customer's high expectations, we may be producing product where demand no longer exists because my signal is so old. We look at what is causing the lag and how many organizations orders must go through before fulfillment.

CEOCFO: *How long does a review take?*

Mr. Mrzłak: Reviews vary depending on 1) the size of the organization; and 2) how big and obvious the problems are. In some instances, it makes better financial sense to embed our team at a client site for a short, two-week educational session, working on that company's assessment as the teaching model. These education sessions provide a low-risk/high reward interactive workshop environment, and typically include client representatives from each region and impacted business units. We use experiential learning to educate clients on best practices while querying them on what's going on in their current environment. It's a win-win scenario in which clients gain a working knowledge of supply chain planning principles alongside an internal assessment that highlights bigger issues and presents some high-level solutions to those problems. For other organizations, the next level is more detailed. We may spend as much as two or three months to walk through a client's processes to lay out a map with more specific recommendations. Based on the results of this effort, we can develop a detailed plan that can be scaled up or down, depending on the size of the organization, and deployed with confidence.

CEOCFO: *Do companies typically accept your recommendations?*

Mr. Mrzłak: Where possible, we will give enterprises some alternatives. We don't claim to have every answer for our customers, but most of us have been doing this in excess of twenty years. There isn't much we haven't seen. We've learned what works and what doesn't. We also adhere to some crucial fundamentals. A good example involves working with an organization that's concerned about making reliable commitments to its customers and providing delivery as promised. One of our fundamentals is, "Once you make a commitment to the customer, you are not going to change that date because you got a better offer." Doing so violates one of our fundamental principles. We will provide the answers, give some recommendations, and we will provide a short-term, mid-term and long-term set of solutions, each of which can include implementation oversight. We advise organizations that they achieve the immediate value if they do a few things

right now. Committing to the mid-term level will gain more value, but the trade-off is a longer timeline to ROI. For businesses that must rely on a best-in-class system to maintain a competitive edge, the long-term level will provide the best overall value. This level can be phased to achieve ROI more quickly with long-range recommendations deployed sequentially over time.

CEOCFO: *How does the manner a company treats their employees come into play?*

Mr. Mrzlak: We've been the proverbial "fly on the wall" many times when it comes to observing different types of organizational behaviors. In addition to identifying and solving problems, a lot of our work involves change management. Change can be really difficult for some, especially when entrenched routines are involved. Facilitating advancement requires successfully persuading client teams to let go of bad habits and incorporate better ones. We've learned this provides the best pathway to success, and it is one area in which we differ from other consulting groups. Another differentiator is our philosophy of using small teams to provide better overall client value. We've witnessed instances in which a large consulting groups will arrive and provide a cookie-cutter solution with minimal client input, making the client feel like something is being done to them rather than with them. Our twenty years of experience means we don't have to bring in extra personnel and needlessly drive up project costs. Instead, we embed ourselves with the customer, provide expertise and guidance, and drive client teams toward project ownership. When we leave, our clients can carry it forward and build on its success to achieve long-term gains.

CEOCFO: *You mentioned going into some new areas, where, why and why now?*

Mr. Mrzlak: Our sweet spot was high-tech electronics for many years. We've done a great deal of work with semiconductor organizations all over the world, as well as with telecommunications and mobile handset enterprises. While that has served us well, given the dynamics of the marketplace, everybody is merging with one another and the market is getting smaller. From a growth perspective we have moved into new markets, building on work for retail, CPG, higher education, and services industries. In the beginning, it was difficult to gain acceptance as some decision-makers wanted us to have apples-to-apples supply chain experience. However, the fundamentals of supply chain planning require understanding constraints and creating governance rules, and a constraint is a constraint whether it's putting fruit in a can or assembling components for an electronic device. We have been steadily breaking that wall down and are pleased our portfolio continues to expand.

CEOCFO: *What is your strategy to reach new industries and new customers?*

Mr. Mrzlak: A lot of past work has been through repeat business from various individuals who worked with us firsthand as clients and realized the value of what we do. Once they've changed organizations, they brought us on to help recreate those successes. We expanded to new markets several years ago to create new opportunities through social media, networking, and targeted marketing campaigns. "Give us a typical problem," we say, "and we'll find a solution." By illustrating how we can apply fundamental supply chain planning principles in new ways, we're seeing interest from a wide range of progressive manufacturing firms that want to apply more proactive planning into their environment.

CEOCFO: *How far-reaching are your services in themselves?*

Mr. Mrzlak: We are technology agnostic by design. We believe in using the right tool for the job at hand, and pushing one product over another at the expense of a given project just to gain a better sales percentage from a vendor is not in keeping with our philosophy. While we understand that some other consulting groups do this, we have not partnered with or have technology agreements with any vendors. However, we are proficient in coordinating with many of our clients' software solutions providers out in the field. In our twenty-plus years of continual engagements, we've seen many different products come and go, while others are still being deployed in various ways. We provide evaluations and can make recommendations, or we can provide observations based on our experiences with similar projects.

CEOCFO: *How do you stay on top of changes in the process, changes in thought of industries that you are going to look at more now?*

Mr. Mrzlak: We have seen a lot of changes, particularly with regard to tech advancements that make our work more fast-paced. The world is getting smaller and client expectations are rising. Our group, traveling and working with a wide range of clients all over the world, is able to see these changes up front and learn from them. We also periodically participate on conference panels and are also involved in various organizations that promote information sharing and networking.

CEOCFO: *Are there problems you find more often than others?*

Mr. Mrzlak: There are. Many times, people are aware they have business challenges, but are paralyzed by the thought of making waves, or see a Pandora's box of obstacles that stop them from addressing important issues. Our job is to break through that inertia with a sound business case demonstrating how they can, with minimal effort, create real, positive

gains. Going back to my previous example about the fundamentals of committing to orders, making a reliable commitment to a customer based on what you have available demands an accurate, real-time statement of availability. If that statement is off, your commitment is going to be off as well. And so is your customer satisfaction rating. Bad reviews will eventually come home to roost. Developing a process that ensures your statement of availability is correct offers a fundamental, provable business case to initiate change.

CEOCFO: *What surprised you as ChainSequence has evolved?*

Mr. Mrzlak: One surprise has been how quickly the high-tech industry has evolved, changed, and consolidated. From a business standpoint, that has forced us to take stock and evolve our own business to stay competitive. Frustration drives innovation, and we're very pleased that we've actively branched out into new sectors and have broadened our professional horizons when we did. It's given us the assurance that our business model, regardless of product or industry sector, stands the test of time.

CEOCFO: *Why choose ChainSequence?*

Mr. Mrzlak: You opened up our conversation suggesting that we have a unique solution. We pride ourselves on that. Most generalist consultants can't provide what we offer—the invaluable expertise of a small but focused team that works collaboratively within complex client hierarchies to create constructive improvements in Supply Chain Planning and S&OP Planning processes. Our on-site guidance and hands-on approach ensures project success while giving clients the ability to recreate that success and manage new challenges in a global world.

