

# The road less traveled

Getting started with SCOR requires having great people in place, and then trusting them to get the job done right

by Peter Bolstorff

Consider the launching points of the following three companies, all of whom faced a number of challenges in getting started with a SCOR implementation. Picture yourself as one of these companies (you may find you share a lot in common with one of them):

## Company A

In no priority order, you have launched a top-down implementation of Lean Six Sigma; you've brainstormed projects, identified black belt candidates and training projects; are publicly held; initiated the deployment champion training; have great people; observed that at least half of the projects have something to do with supply chain; not yet assembled a baseline set of supply chain measures or enterprise critical-to-quality (CTQ) measures; found some challenges in wave 2 project and candidate selection; not yet thought of how to balance the deployment champion's longer term project portfolio (waves after the training projects have run their course); and heard of SCOR's great reputation and are [learning to connect the dots](#) on how SCOR, Lean and Six Sigma converge. Your industry comparison of key performance indicators places you at parity in operating income and 80th percentile in cash-to-cash days.

## Company B

In no priority order, you have disparate systems between many very autonomous business units; are publicly held; are a profit and service leader in an aggressive contract manufacturing industry; your growth plans include both organic market share and acquisition of new products in new and existing markets; have great people; are focusing on learning more about supply chain to [drive the next wave of improvements](#) both internally and to your customer base; are establishing corporate leadership to organize, facilitate and sell the concept of supply chain improvement into the business units; supply to various units of the Department of Defense who have endorsed SCOR as the framework of choice; and are leveraging SCOR to identify enterprise and business unit SCORcards. Your industry comparison of key performance indicators places you in 90th percentile operating income and below parity in cash-to-cash days.

## Company C

In no priority order, you are nine months post a major ERP system go-live event; are publicly held; have great people; are still [slugging through the learning curves](#) of how to use the new system; didn't implement new supply chain processes ahead of the go-live; didn't establish baseline measures for supply chain performance or learn how to use the new management reports;

spent more on implementation costs than expected; are in the process of coming up with a plan for the board which is now awaiting the promised return on investment; are launching a corporate initiative to consolidate some functions and processes into a centralized shared-services organization as a part of the aforementioned plan; and are leveraging SCOR to define enterprise and business unit SCOR-cards, improve transactional productivity, and define effective and efficient planning processes. Your industry comparison of key performance indicators places you better than parity (60th percentile) in operating income and below parity in cash-to-cash days.

## Getting Started

Whatever your company's current situation might be, getting started with SCOR involves three basic ingredients: great people, a willingness to learn and some kind of [a burning platform for change](#).

The process of learning SCOR is similar regardless of industry and type of supply chain challenges. Based on "lessons learned" with more than 200 companies, I suggest that there are four stages and associated hurdles a company must overcome to use SCOR effectively.

As summarized in [Table 1](#), each learning stage has a motive, objective and candidates to participate. Throughout this article, I will briefly describe each stage, list common hurdles and summarize how companies A, B and C managed the stages.

## Initial Exposure

The first stage — initial exposure to the SCOR model — is motivated by individual or organizational curiosity about SCOR, driven perhaps by a customer, supplier(s), internal best practices research, etc. The objective of this stage is to understand the benefits of SCOR and report findings with the ultimate goal of recommending the next steps for the organization.

Key hurdles to clear include:

- Convince yourself (as the evangelist) that SCOR can add value to your supply chain challenge(s).
- Convince an executive (the active executive sponsor) that SCOR can add value to your supply chain challenge(s), and that learning more is a good investment of time and resources.
- Set a date for a SCOR executive briefing between you and your executive.

The Company A evangelists — the directors of logistics and IT — first encountered SCOR at a one-day briefing in February. They convinced the vice president of supply chain to

attend in October, and together they organized a briefing for a target audience in November.

The Company B initial evangelist — the CEO — had previously used SCOR. He convinced the ultimate evangelist — the vice president of purchasing — in September. Together they convinced the COO as the executive sponsor and set the SCOR briefing for the CEO's leadership team in December.

The Company C evangelists — the directors of materials and customer service (who coincidentally were also program managers for the ERP implementation) — were introduced to SCOR in November 2001. They convinced the vice president of operations and the CIO in November of the following year and set the SCOR executive briefing event for December.

## Learn How to Sell

The second stage — learning how to sell SCOR to the organization — requires a higher level of SCOR mastery for the individual(s) doing the selling. The motive is to convince the organization of the benefits of SCOR and demonstrate the relevancy of the model in supporting performance improvement.

Key hurdles to clear include:

- [Develop an effective "seller"](#) who is knowledgeable and confident in the basics of SCOR, and, more importantly, knows how the company may find value.
- Convince business unit leaders and their teams of the value of SCOR in helping them solve some of their supply chain challenges.
- Identify candidate projects as good SCOR pilot projects.

Company A's executive vice president of supply chain developed himself as the "seller," convinced his direct reports and business leader peer group of the value, and focused on building an enterprise SCORcard as the pilot project.

Company B's vice president of purchasing developed himself as the primary seller, convinced his peer group and one of the business unit leaders of the value, and identified building a SCORcard for one of the business units as the pilot project.

The evangelists for Company C took on the seller roles, convinced 40 or so of their peers and senior operational executives of the value, and used their current supply chain project list to identify several SCOR pilot opportunities.

## Learn How to Use

The third stage — learning how to use SCOR as a standalone approach or with other methods (e.g., Lean, Six Sigma, Class A, TOC, TQM, BPR) —

focuses on developing potential project leaders and team members with the motive of having them use SCOR in a supply chain improvement project. The objective is to introduce the details of each level of the SCOR framework and associated project deliverables so that project leaders are better prepared to navigate the SCOR Project Roadmap with minimal assistance similar to a Six Sigma black belt's training project.

Key hurdles to clear include:

- Pick the right project leader(s).
- Develop the skill and confidence level of the project leader(s) relative to the contents and timing of the project deliverables.
- [Scope out the right size project](#) — developing a draft project charter that demonstrates obvious return on investment.
- Where SCOR is subordinate to another method — have the right convergence vision and plan.

In many cases, companies decide to combine "Learn How to Use" with "Learn by Doing." This combination breaks the SCOR Project Roadmap into a 17-week cycle, each week focused on learning and completing a project deliverable. Milestone deliverables include things like a SCORcard, Geographic Map, SCOR Level Three Swim Diagram, and Project Portfolio. In each of the cases above, "Learn How to Use" and "Learn by Doing" were combined.

## Learn by Doing

The fourth stage — SCOR project implementation — involves guiding a project team through an actual project. There are several flavors of motives at this stage.

First, the organization has an immediate supply chain performance issue (cost, delivery, inventory, etc.) that it wants to solve using SCOR. Or, second, the organization is looking to leverage SCOR and another method (e.g., Lean, Six Sigma, etc.) together to put in place a continuous improvement framework. Or, third, the organization is already using SCOR but wants to broaden its use in other divisions.

In all cases, the objective of this stage is to [teach the project team about SCOR](#) while they are using it to improve performance. The results of the project weigh as high as or higher than the learning.

Key hurdles to clear include:

- Assemble the right project team.
- Assemble the right steering team.
- Have a project leader that is capable of mentoring the design team through the building of each SCOR deliverable on the SCOR Project Roadmap.

Company A picked the Lean Six Sigma implementation leader as its

## What is SCOR?

The **Supply Chain Operations Reference** model, developed by the *Supply-Chain Council*, provides a standard methodology for managing supply chain projects centered on Plan, Source, Make, Deliver and Return. SCOR is **SCTN's** recommended implementation model for supply chain initiatives.

While the author is affiliated with the Supply-Chain Council, this article was prepared under the direction of **SCTN** and was not subject to prior review or approval by the Supply-Chain Council or any of its members/affiliates.

## resources

Supply-Chain Council's workshop schedule  
[www.supply-chain.org](http://www.supply-chain.org)

Department of Defense's online SCOR course  
<http://gravity.lmi.org/course>

SCOR Metrics definitions and benchmarking source  
[www.pmgbenchmarking.com](http://www.pmgbenchmarking.com)

SCORWizard case study demonstration and associated videotape  
[www.scorwizard.com](http://www.scorwizard.com)

SCOR, Lean, and Six Sigma Convergence  
[www.theaitgroup.com](http://www.theaitgroup.com)

Supply Chain University  
[www.pragmateg.com](http://www.pragmateg.com)

*Supply Chain Excellence: A Handbook for Dramatic Improvement Using the SCOR Model*, by Peter Bolstorff and Robert Rosenbaum [SCTN's publisher], available April 2003 from AMACOM  
[www.amanet.org/books/index.htm](http://www.amanet.org/books/index.htm)

TOTALsupplychain.com's SCOR Overview webinar  
[www.mfg-erp.com/eventarchive/bolstorff0813.html](http://www.mfg-erp.com/eventarchive/bolstorff0813.html)

pilot project leader and combined “Learn How to Use” with “Learn by Doing”; the project charter for the SCORcard pilot was completed with an obvious ROI result; the initial SCORcard deliverables took five weeks to complete; the implementation leader developed an initial convergence plan focused primarily on better project and potential candidate selection.

Company B picked two project leaders — the vice president of purchasing representing the corporate role, and the director of materials representing the business unit — and also combined “Learn How to Use” with “Learn by Doing”; the project charter was completed with an obvious ROI result; the initial SCORcard deliverables took five weeks to complete.

Company C picked the director of materials (former ERP program manager) as the project leader and also combined “Learn How to Use” with the “Learn by Doing” phase; the project charter focused on one of the potential pilot projects leveraging improvement of the Planning processes defined in SCOR; the ROI was previously calculated and agreed upon; the design phase was completed in eight weeks.

Each of these companies has enjoyed great success with the getting-started phase of using SCOR. Starting with great people and respecting the [natural laws of progression](#) through each learning phase, each company has fostered a positive momentum that is getting bigger and rolling faster with each day. ◀

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Peter Bolstorff is the founder of Minneapolis-based **SCE Limited**, a training firm spun off from *PRAGMATEK Consulting Group Ltd.* that is

focused on educating the do-it-yourself business marketplace in supply chain improvement techniques. He chairs the SCOR Integration Committee and the Supply-Chain Council's Technical Committee, and designed the Supply-Chain Council's executive education series to aid in the successful implementation of SCOR. He is serving a two-year term on the SCORboard, the board of directors for the Supply-Chain Council.

To reach Peter Bolstorff: [peterbolstorff@attbi.net](mailto:peterbolstorff@attbi.net)

For more about SCE Ltd.: <http://sce.webex.com>

To comment on this article: [sctneditor@penton.com](mailto:sctneditor@penton.com)

**Table 1**

Learning Stage	Motive - Objective	Who's Learning?
Initial Exposure to SCOR	Investigate SCOR and Report Back Findings	Initially Any Interested Party;  Generally migrates to an Evangelist and, ideally, an Active Executive Sponsor
Learn How to Sell SCOR to the Organization	Sell the Organization on the Benefits of Using SCOR and Prepare Them Accordingly	Core Team including the Evangelist and Active Executive Sponsor; Targeted Business Unit Leaders and potential project sponsors
Learn How to Use SCOR as a Standalone Project or with Other Methods	Develop Project Leaders — Evangelists to navigate the SCOR Project Roadmap	Evangelist and other Targeted Project and/or Business Leaders
SCOR Project Implementation	Coach a Project Team down the SCOR Project Roadmap; Or Provide Technical Support for Specific Supply Chain Design Issues	Evangelist, Project Leaders, Design Teams, Steering Teams, and Project Sponsors