

CASE STUDY

Supply Chain Strategy

MTM Transportation

PROBLEM / CHALLENGE

MTM, a specialty transportation company that uses external transportation providers, had a company strategic plan but not a supply chain strategy. Therefore, efforts to improve supply chain operations were haphazard and misaligned internally and with external suppliers. In addition, while every function had key performance metrics, they were not coordinated, lacked clear goals and not visible.

Performance Measurement and Supply Chain Strategy Assessment

An Assessment was conducted to understand how the company measured performance across all supply chain functions, what they were working on to improve performance and how the company strategy impacted supply chain.

IMPLEMENTATION DETAILS:

- Formed broad **Supply Chain Strategic Team**
 - Technology, customer service, transportation operations, field management
- Led team through **SWOT** and **Porters 5 Forces** analysis to set baseline of current state
- Created a **strategy map** based on the pillars of supply chain strategy
 - See graphic below and strategy map on next page
- **Gap analysis** guided focal areas for improvement
 - See gap analysis on next page
- Drove from **strategy** to **tactical** action items and **key performance measures**

Pillars of Supply Chain Strategy

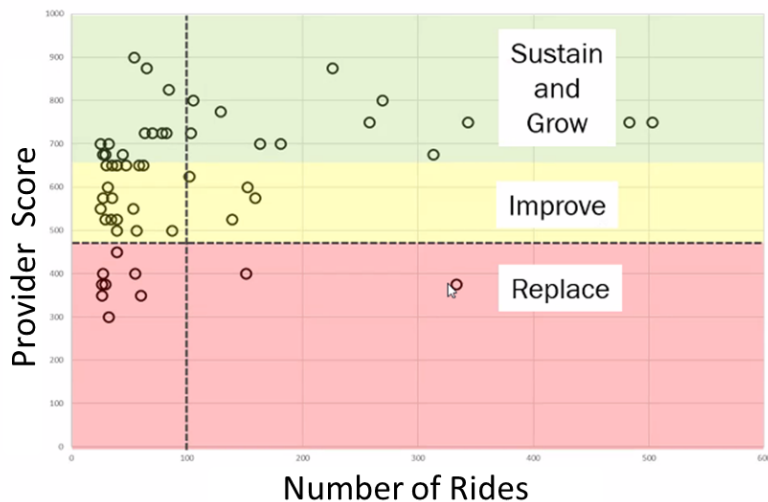
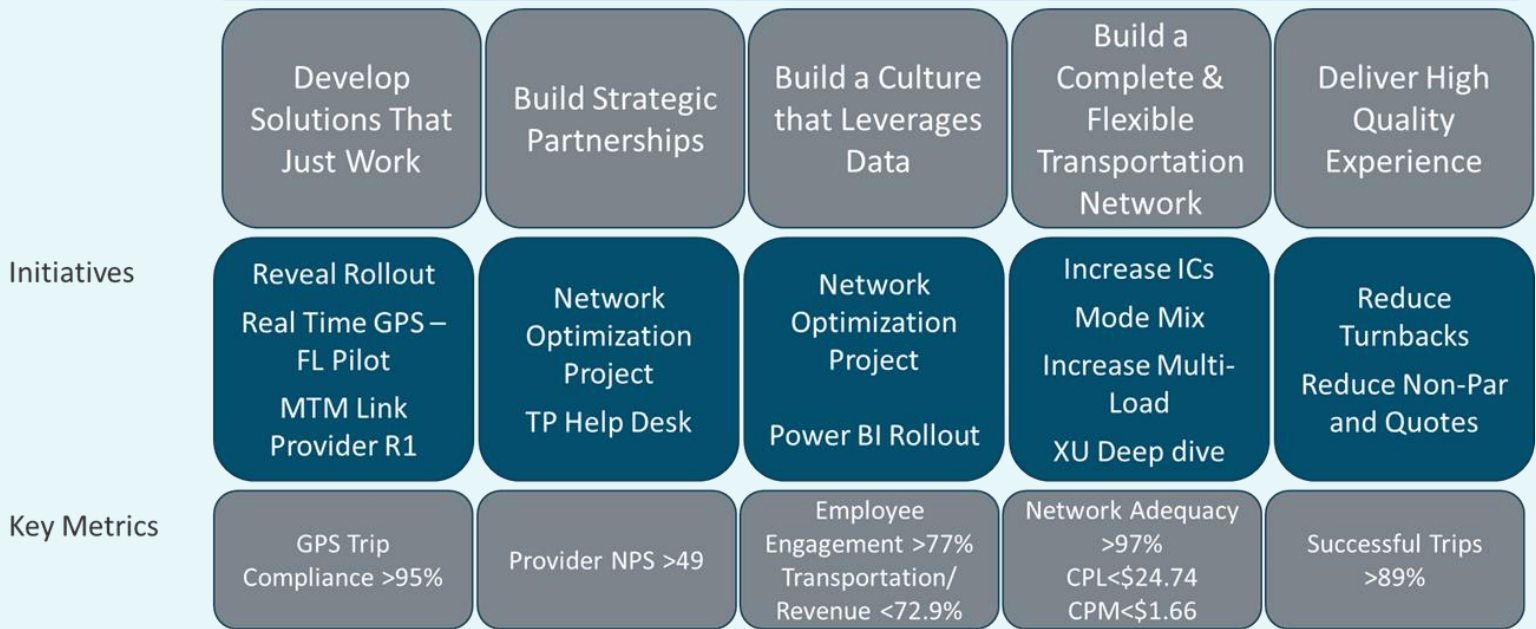


GAP ANALYSIS

Strategic Supply Chain Pillar	Rank	Very Strong	Satisfied	Needs Improvement	Lacking
Develop Solutions that Just Work	1	GAP			X
Build Strategic Partnerships	1				X
Build a Complete and Flexible Transportation Network	2			X	X
Deliver a High Quality Experience	3			X	
Build a Culture that Leverages Data	4			X	

STRATEGY MAP

Logistics Mission: To drive value while connecting members to healthcare solutions



Key Strategic Actions

- Build Strategic Partnerships:** Instead of working with many, smaller transportation providers, the company identified the providers they would help grow, to achieve economies of scale and lower costs. Business was moved from poor performing and smaller providers to higher performers.
- Build a Complete and Flexible Transportation Network:** The existing network was complete but not flexible. Customers required flexibility. The company used its upgraded supplier partnerships to build in greater flexibility to change routes as needed to accommodate customers. Because of economies of scale, this improvement was cost-neutral.

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