



Common Overlooked *Controllable* Supply Chain and Inventory Management Costs

that can enhance the bottom line

StrategyDriven™

effective executives, efficient employees

Common Overlooked *Controllable* SC & IM Costs

To meet current financial challenges, business leaders should broadly focus on a variety of business functions such as human capital management, information technology, supply chain / inventory management, and oversight, each of which contributes to rising O&M spend.

Based on StrategyDriven's experience, substantial savings are available to business leaders in the near-term through the implementation of contemporary market-based business practices in these areas.

We cannot solve our problems with the same thinking we used when we created them.

Albert Einstein





Supply Chain / Inventory Management

Overall Goals: **Eliminating unnecessary inventory, reducing expediting costs, and lowering warehouse spoilage while maintaining high parts availability.**

Optimizing vendor supplied parts and service quality and costs

- **Aligning Work Management and Supply Chain goals to promote overall station success**
- **Fully integrating the Work Management and Supply Chain functions**
- **Reconciling parts data and consolidating like stores within individual warehouses and across the organization, as applicable**
- **Correcting inflated parts inventory stocking logic**
- **Expanding on intra and inter company inventory sharing**
- **Implementing vendor consignment for consumables and non-safety related parts**
- **Leveraging organization-wide contracting for parts and services**

A Different Approach... to identifying cost saving opportunities

Effectively dealing with today's financial risks means treating them as an important factor within the decision-making process. It also demands application of a business acumen that safeguards operational safety and production reliability while innovatively applying contemporary business practices across *all* functional areas to simultaneously reduce costs.

Business practices and operational methods of leading companies, regardless of industry, should be aggressively sought out, understood, adapted, and implemented. When seeking to identify innovative performance improvement opportunities while concurrently protecting safety and reliability, business leaders should apply the following principles:



- **Exercise Integrity Without Excuses** – Challenge long-standing biases and push beyond established performance standards to unleash added business value. Exert a healthy challenge to unsupported, resistive assertions that your business' operations are unique and/or special.
- **Pursue Real Cost Savings Not Efficiency Gains** – Demand improvements that drive actual budget reductions through material (supplies, tools, parts, and equipment) elimination, headcount and/or overtime reductions, and contractual savings. Efficiency improvements yielding little or no budgetary returns simply represent an added expense.
- **Pay for Measurable Value** – Examine the cost of every proposed organizational, process, and technology change against its expected added benefit and only pursue those meeting a predefined return on investment and payback period. Reject (and consider rolling back) those changes not quantitatively meeting these thresholds.
- **Consider the Broader Market When Identifying Solutions and Determining Their Value** – Seek and adapt contemporary business practices for your business' particular operating environment. Use broad market-based standards when evaluating performance effectiveness.
- **Think Holistically** – Look beyond line organization structures, policies, and supporting technologies. Explore the relationships and value drivers of supporting functions; exploiting their economies and respecting their constraints to maximize overall organizational value generation.

Applying these principles helped reveal the commonly overlooked controllable cost reduction opportunities... and there are many others. StrategyDriven believes executives and managers incorporating these principles into their performance analysis and improvement selection processes and then effectively executing on the resulting alternatives provide themselves and their business an opportunity to thrive in today's competitive environment.

The StrategyDriven Difference

StrategyDriven uniquely combines decades of complex operating experience, deep business acumen, extensive knowledge of regulatory agency protocols, and industry specific methods and tools to provide solutions that enhance operational safety, reliability, and efficiency. We possess unique hands-on operations, maintenance, work management, engineering, and large project management experience; making us credible advisors who can support you in making effective, meaningful change.

- 'Stood the watch' at commercial and military facility in operations, maintenance, engineering, work management, craft supervision, and major projects management positions
- Authored or contributed to the development of numerous industry guidelines and associated evaluation methods involving safety culture
- Led teams of industry professionals in the qualitative and quantitative assessment of operational performance and safety culture at over a dozen domestic and international industrial facilities

Our professionals have been awarded top industry licenses, certifications, and qualifications:

- U.S. Nuclear Regulatory Commission Senior Reactor Operator License
- U.S. Navy Chief Nuclear Engineer Officer Qualification
- Institute of Nuclear Power Operations Plant Operations Evaluator Qualification
- National Academy for Nuclear Training Event Investigator Certification
- Project Management Institute Project Management Professional Certification

Diverse, Global Client Experience

StrategyDriven advisors serve the global Energy Industry...

United States

- 35 nuclear power plants from 20 utilities
- 18 U.S. nuclear powered naval vessels
- 7 coal-fired fossil power plant from 3 utility
- 1 natural gas delivery system from 1 utility

Canada

- 4 nuclear power plants from 4 utilities

Japan

- 1 nuclear power plant from 1 utility
- 1 U.S. nuclear powered naval vessel

United Kingdom

- 2 natural gas-fired power plants from 1 utility

Central & South America (El Salvador, Peru, and Brazil)

- 1 hydro dam from 1 utility
- 1 diesel generator power station from 1 utility



StrategyDriven Insights Library

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StrategyDriven regularly publishes unique points of view on the principles, best practices, and warning flags associated with performance assessment and improvement related areas of:



Strategic Analysis

StrategyDriven's Strategic Analysis Forum provides materials focused on the iterative evaluation process to determine a company's current health, future viability, and strategic improvement opportunities.



Business Performance Assessment Program

StrategyDriven's Business Performance Assessment Program Forum presents the methods for performing independent, objective, and self-critical evaluations that reveal high value-adding improvement opportunities.



Alternative Development

StrategyDriven's Alternative Development Forum provides key principles and practices for developing high quality business cases from which organizational investment decisions can be made.



Alternative Selection

StrategyDriven's Alternative Selection Forum focuses on the principles and practices enabling leaders to most effectively choose those improvement initiatives most aligned with the organization's values and goals while offering a maximum value return to the organization and its stakeholders.

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