

hawkeye planner



KANBAN IN THE KITCHEN: A RECIPE FOR SUPPLY CHAIN EDUCATION

The supply chain is for smart people. Not too many people understand the basic concepts, let alone the more sophisticated approaches and ideas. Supply chain professionals always try to promote and share what they are doing, but their presentations are usually met with glossy-eyed stares. What we are trying to do is extremely complicated, so unfortunately people just don't get it.

HOGWASH!

The supply chain is one of the most simple, easy to explain functions around. The supply chain has a simple goal: to fulfill product and service demand effectively and efficiently. The involved activities are really not some theoretical construct; since the supply chain always ends up with physical products that are bought, made, moved, and stored. Yes, some of the strategies and processes become complicated, yet they can always be tied back to the real world. For a broad audience to understand (and support) supply chain management, they need a very practical education with tangible examples. For that, all you have to do is go to the kitchen.

I tried this education with someone who is probably the furthest away from supply chain management I could think of—my mother. My mother has been a homemaker for over 30 years and is a smart woman who runs the household (and my father) like a business. Would she understand supply chain concepts?

I started with her shopping list. What was she planning on getting from the supermarket? Bread, turkey, cheese, potatoes, chicken breast, one quart milk, Cheerios, asparagus, tomato soup. How did she decide what to get? Well, she was planning on serving leftovers tonight because they would be out all afternoon. Dinner the following evening would be chicken with asparagus and mashed potatoes. Lunch tomorrow would be sandwiches and soup. And of course, Dad has cereal for breakfast each morning. And why go today? Well, it was going to rain tomorrow, so she didn't want to drive in wet weather.

"Mom," I said, "You are a supply chain expert." She looked at me as if I was ten years old. "Seriously, you are. Let's look at all of the things that you did. First, you figured what the demand for food would be—that's forecasting. Fortunately, your customer, Dad and yourself, will consume whatever you make. Then you decided how and when you were going to your meal—that's production scheduling. You knew that today wouldn't be a day to cook, but you already planned out tomorrow's menu.

“Then, you figured out the ingredients that you needed—that’s material requirements planning. You mentally went through your meal plan, and figured out what ingredients went into each. We call that a Bill of Materials explosion. I noticed that you didn’t put mustard or mayonnaise on your list. I am guessing that you already have enough in the refrigerator to last you a while, so no need to buy more. And you are buying tomato soup, although I see that you already have one in the cupboard. I know what you always say; it’s always good to have an extra can for a rainy day. In my world, that’s ‘inventory management with safety stock rules built in.’”

My mother thought for a moment, then laughed. “I’m glad that we are both supply chain experts, even if you do need a lot of fancy names for all of the things that I do normally. Will any of these fancy ideas actually help me to do anything better?”

We talked for a few more minutes about where she could improve. I looked through the cupboards, and found a lot of extra cans of soup and other goods. I rearranged the cabinets to have a spot for each item and threw out some of the out-of-date (obsolete) products. Then we talked about how many cans of tomato soup she needed at any one time. We wrote a card under each can that said “buy 1 can of tomato soup” or “buy 1 can of creamed corn.” As she used that can, she would pull the card to use it as part of her shopping list.

“I like this little setup, son,” my mother said as she smiled. “What do you call this?”

“It’s called Kanban, Mom. It’s a Japanese inventory and replenishment technique.”
“Can-Ban: got it, works great for cans. I can’t wait to tell my friends down at the gym about how my son is so smart.” She gave me a big hug.

“I’m sure they will appreciate it,” I replied. “Oh, and Mom, about Sunday dinner this week. You know that I love meatloaf, but maybe Dad would appreciate something different. Maybe we should talk about managing New Product Introductions.”

My mother smiled and shook her head. “That time you almost got me. Your father wants something different than meatloaf? Now you’re dreaming.”

Oh well, I guess that some things don’t change.