

3M Makes Critical Supply Chain Decisions Using Expert Choice

CASE STUDY



- Challenge** Streamline critical supply chain decisions and make the process consistent worldwide.
- Action** Introduced Expert Choice to Supply Chain teams to instill common practice that ensures better results.
- Results** Dramatically increased speed to and quality of important supply chain and other business issues.

[Challenge]

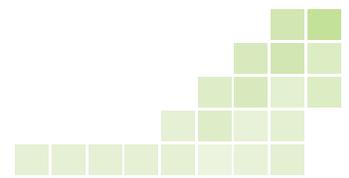
Almost everyone knows 3M or its products. The 105-year-old company is a \$21-billion technology giant with major brands like Post-It Notes® and Scotch Tape® on its roster as well as innovative products like multi-layer optical films that go into LCDs. There are six major business units with 40 independent divisions in the company, operating with hundreds of offices, plants and suppliers around the world. 3M also has a number of core technologies feeding into its different markets and crossing over business lines. Needless to say, its supply chain was a robust and complicated network.

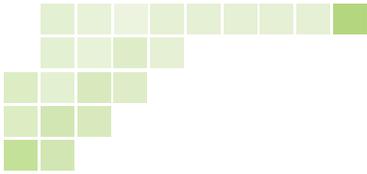
Critical supply chain decisions – like where to locate a plant or whether 3M should make or buy a product – were taking too much time. The Corporate office interacts with all the business units and sought a better way to make sense of how the technologies and business were interrelated.

It was clear that 3M needed to disentangle the puzzle first. At the same time, there was a critical need to streamline the process and create efficiencies. As one would expect, there were always competing demands and factors that came into the decision process, including a complicated array of technologies and markets. The ultimate challenge became getting people to agree on what was important and moving forward with a specific plan.

“We found we had a lot more in common than we realized. The tool greatly reduced the amount of arguing. Now we discuss benefits and tradeoffs. It’s much easier to gain acceptance on final decisions.”

Pierre J. LaMere
Manager
Supply Chain Strategy & Design
3M





Action

After benchmarking decision processes internally, 3M realized that although they had successes in different pockets, there was no one complete process in place nor was there consistency built into the business. That is when Corporate brought in Expert Choice.

3M started with a few decisions. Within one month, they decided Expert Choice was the right choice for 3M. From there, they deployed EC's Green Belt Training Program which was the catalyst for widespread use. Training provided a quantum leap in understanding what was possible and how to apply learning in real business situations.

Right from the start, Expert Choice helped 3M package their procedures and gain significant efficiencies in terms of moving through the overall decision. The ability to combine quantitative and qualitative data and then represent the results graphically has helped in packaging decisions for final approval. Additionally, it's invaluable to run through numerous "what-if" scenarios with skeptics. This tool created both a final consensus as well as the ability to defend a decision. Today, 90% of 3M's decisions involve the model for selecting a supply source.

For 3M, once these efficiencies were developed, speed became a key element. The team began to standardize the analysis process, and develop a common language for decision-making. As Corporate trained more and more people on Expert Choice, the company was able to spend less time overall in the decision-making cycle, as well as much less time in endless debates.

Results

Realizing success early in the implementation process has led to an array of benefits from Expert Choice, including:

- Better agreement on important matters
- Greatly improved speed to decision
- Better use of quantitative and qualitative measures
- More defensible results

"People have different opinions of what is important in a decision. Providing a process by which they are going to arrive at the prioritizations of objectives really neutralizes a lot of what in the past has been very endless bickering ... We haven't had an instance yet where people have said 'no I can't live with that!'"

Pierre J. LaMere
Manager
Supply Chain Strategy & Design
3M

Here's just one example. When 3M first started building the decision-making process with Expert Choice, the goal was to get the process down to a 3-month window. After a year of using the product, 3M's goal is to streamline decisions into a 3-week window. In moving toward this goal, the team is building a broader group of people worldwide who are able to facilitate the process.

Today, 3M is able to use one model for most of their supply source applications and they have run 20-25 different decisions through the model successfully. Now, 3M is discovering new applications for the model, such as more portfolio decisions and decisions on where to locate distributions centers.

Expert Choice brings rational decision making to a complex world. Since 1983, Expert Choice has been a leader in collaborative, decision making software serving more than 100 of the Fortune 500 and 30 U.S. federal agencies. Expert Choice software is taught in over 100 universities and used in 60 countries worldwide. Its solutions are designed for business and government leaders who want to save time and improve their bottom lines.

