

# Improving Delivery Performance Through Supply Chain Redesign - A Case Study at ASSA ABLOY Entrance Systems

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**Distribution has undergone major changes in recent years and the pressure from customers on efficient services has increased. From having been seen as a costly necessity, it is now seen as a means of achieving a competitive advantage. This article summarizes how ASSA ABLOY Entrance Systems, a global leader in entrance solutions, can redesign its order-to-delivery (OTD) process and improve delivery performance.**

ASSA ABLOY Entrance Systems has experienced good economic growth much due to acquisitions. That has broadened the product portfolio and increased turnover, but also led to challenges mainly related to alignment and finding synergies between acquired businesses. The production is widely spread across Europe, leading to challenges to coordinate material flows. The company identified low delivery performance and therefore, a thorough analysis of the OTD process was conducted. It identified several issues assessed to negatively affect the performance in terms of reliability and speed. They were related to the physical setup, strategy, reliability, silo-thinking, IT-setup, planning, communication, and performance measurement. To address these challenges, strategic improvement proposals have been identified in the following areas:

- Strategy
- Governance
- IT-setup improvements
- Performance measurement
- Enhanced planning

Firstly, a broadened strategic scope which is aligned with corporate strategy and focuses more on customer experience is supposed to guide all decisions at the different levels of the OTD process. That will lead to alignment and unity across the chain.

Secondly, a new governance structure is required to enable management and improvement of the process. It will be a cross-functional team with stakeholders from different parts of the OTD process. It will follow-up and act on deviations.

The third improvement is related to the IT-setup at the company, which is currently fragmented and contains many different, incompatible systems. A compatible setup would enable information sharing, integration and visibility required to support the OTD process and enable good delivery performance.

Further, improved performance measurement will increase the knowledge of the process. What is not measured cannot be managed. It is therefore important to measure relevant activities to identify deviations and strive towards continuous improvement.

Lastly, all priorly presented improvements will enable the planning concept to be redesigned, containing smaller buffers, and utilizing data to plan last-mile deliveries. By implementing the presented improvements, the company has the potential to significantly increase delivery performance, instantly and for the future.