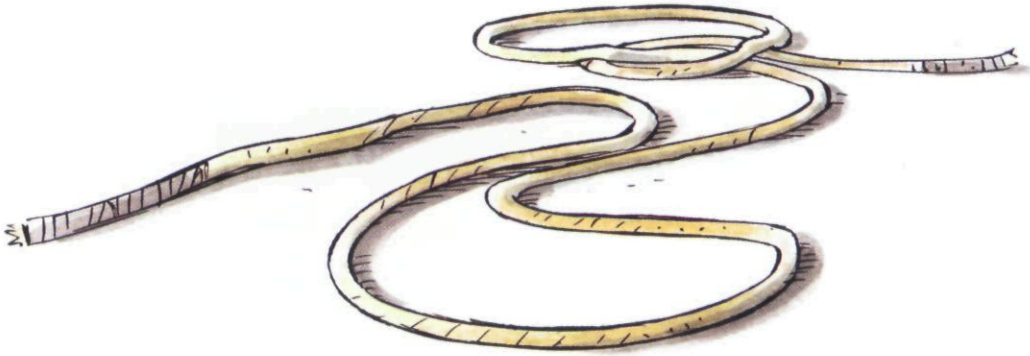
The executives who lead Voici Brands' various businesses own their bottom lines. Now the CEO wants to centralize supply chain operations. The businesses may save money – but the executives will lose control. How should this battle be fought?



The Tug-of-War

by Yossi Sheffi

WHEN JACK EMMONS, CEO of Voici Brands, stepped into the vast, brightly lit production area of the "supply chain city" in Shanghai, his jaw dropped. An ocean of uniformly kerchiefed and aproned Chinese women bowed over their sewing. There must have been a thousand of them.

"Each workstation is limited to a six-inch stack of material," Xao Li, the sales representative, pointed out in skillful English. "This floor is divided into three sections, one for each client. As you can see, our employees work under the best conditions. NGOs have nothing to complain about."

Li led Jack and Robert Dodds, Voici's CFO and Jack's sidekick on this trip, along a glistening green aisle, past row upon row of busy workers. Jack watched, fascinated, as the workers deftly pulled thread and material through the machines. In the distance, Robert caught sight of a Caucasian woman wandering the aisles in one section of the production floor.

"Who is that over there?" Robert asked.

"Ah," said Li, peering knowingly over his designer glasses at Robert, then at Jack. "I believe she is an inspector for Marquise. Her presence here ensures the high and consistent quality that Marquise expects."

The reference to Voici Brands' major competitor was hardly lost on Jack. Two years earlier, Marquise had consolidated its supply chain operations by outsourcing all its product lines to the supply chain city. In doing so, Marquise

HBR's cases, which are fictional, present common managerial dilemmas and offer concrete solutions from experts.

DANIEL VASCONCELLOS

had shrunk the time from fashion design to products' arrival in its retail stores from 50 weeks to 60 days, boosting its bottom line by 20%. Only a small part of the increase in profits was due to lower Chinese labor costs. Most of it was due to the faster time to market, which allowed Marquise to respond more quickly to the whims of its fashion-conscious customers.

As Jack and Robert followed their host out of the cavernous facility, Jack realized that the sewing operation was only the tip of the iceberg. Adjacent buildings housed every other stage of apparel production, such as weaving and fabric dyeing. In one dazzling, Silicon Valley–style office building, Chinese and Western engineers and designers worked side by side at large LCD screens.

"Our professionals can help you with every stage of production, in all your lines," said Li. "We take care of everything right here, from design through delivery. This way, you gain significant economies of scale. We can move from concept to production and distribution faster than anybody, so you speed your time to market and increase the level of service across all your brands. And as a large customer, you can be assured of dedicated attention. All you need to worry about is just selling clothes."

Jack laughed. "You make it sound so simple."

In fact, he had been increasingly worried about "just selling clothes." Over the past five years, Los Angeles–based Voici Brands had widened distribution from department stores in the United States to locations in Canada, Mexico, and Great Britain, as well as through catalogs and the Internet. But in the past two years, the company had started losing money. Competitors were outselling Voici because supply problems had affected sales.

On the drive back to the hotel, Jack frowned, recalling what had happened the previous holiday season with the Jacquie line of teen clothing. A particularly "hot" leather-trimmed miniskirt, modeled by pop star Jeni James in a Jacquie TV commercial, sold out almost immediately, but resupplies didn't make it to stores in time for Christmas. A local television station even aired a segment showing teens fighting over the skirts. Margie Rosen, the senior vice president in charge of Jacquie, took immediate steps to secure backup suppliers. She hired additional personnel to monitor these suppliers; even so, some batches had to be reworked. After the holidays, teens lost interest in the skirts. Inventory levels climbed. The remaining skirts were sold at a heavy discount. Meanwhile, a well-known industry analyst pointedly criticized the company for failing to shore up its operations, and Voici's stock took a hit. Being the professional she was, Margie assumed full responsibility, but Jack realized that it was not really a problem unique to her operation. The long time from design to market made accurate forecasting impossible. When supplier troubles resulted in stock-outs with Harry and Sally, Voici's line of children's clothing, Jack knew he had to take a good, hard look at the company's operations across the board.

As the car pulled into the long driveway of the hotel, Jack yawned. "Oh, my,"

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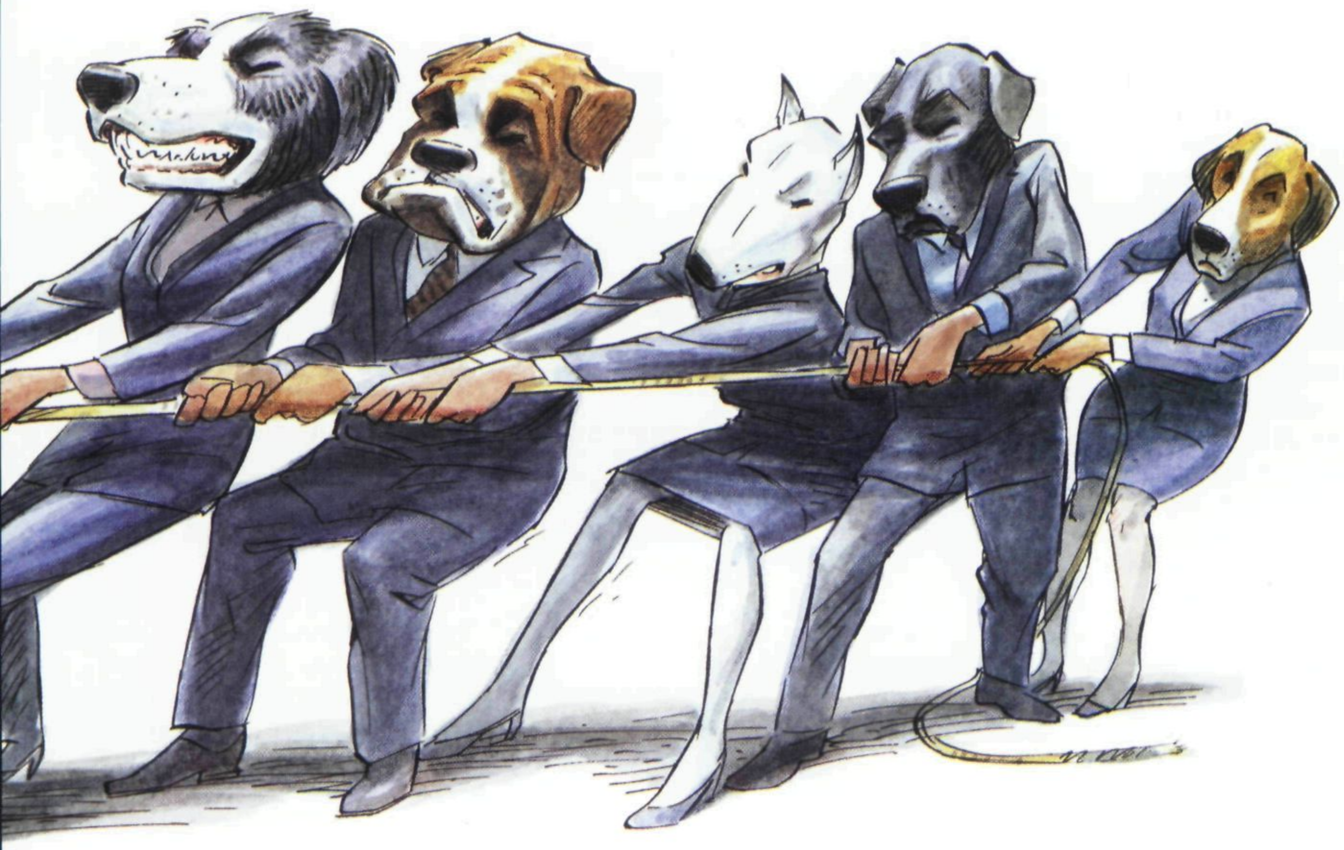

he said. "I'm absolutely beat." He shut his eyes and rested his head against the buttery leather upholstery of the Mercedes C320. "I wonder what time it is in Los Angeles."

Li, who was riding beside the chauffeur, checked his watch. "It's 3:02 PM, yesterday," he said. The car pulled up to the curb, and a valet opened the door. Jack, Robert, and their host climbed out. "It was a pleasure to have you with us," said Li, bowing deeply. "I wish you a very smooth journey home."

A Cozy Relationship

"Damn," Jack muttered as he nicked his neck with his razor. The white shaving cream bloomed red. He rinsed his face with water from the tiny spigot on the Air China Boeing 777 and dabbed at the wound with some tissue paper.

Since he'd boarded the plane, Jack had been struggling with the realization that negotiating with the Chinese supply chain city was not even an option for him. Voici was just too decentralized.

Founded in 1970, Voici Brands had begun with one line of clothing, acquiring four more brands over the next 35 years. Each business was like a subsidiary – complete with its own legacy, its own management, its own set of suppliers. Margie was typical of the lines' managers. Her knowledge of the fashion world, retailing, and the fine details of procurement commanded universal respect in the company. Truth be told, Jack even felt a little intimidated by her.

Like all the other lines' business heads, Margie had, over the years, forged stable and reliable contracts with suppliers – from textile mills to production houses, from customs brokers to warehouses, from technology consultants to transportation firms. Her employees worked with these suppliers, followed the unit's unique procedures, and trained on its systems.

Jack remembered how uncomfortable he was when he'd had to ask Margie about the leather shortage. It turned out that her main supplier, a firm in Australia, had been hit with a labor strike.

"Isn't that the same company that had management trouble a few years back?" Jack asked.

"Yes, it is," said Margie. "They were having some problems. They changed management, and everything has been fine until now."

"Well, what's the problem now?" asked Jack tersely. "And why are we still using these guys?"

"They use a specialized process that produces the very soft leather we like," Margie replied. "Our relationship with them goes back decades. Until the strike, they had always been reliable in terms of delivery."

Having been a unit manager himself, Jack understood the close relationships Margie and the other vice presidents had developed over the years with their suppliers. If anyone had tried to pull one of his critical suppliers – and still hold him responsible for bottom-line performance – he would have said, "Over my dead body."

Jack pulled the plug in the plane's miniscule sink and watched the shaving water spiral downward. "I can't shove consolidation down their throats," he thought. "Margie might get fed up and leave." Some of the other unit heads would feel resentful, too. They might act out and do some serious behind-the-scenes politicking. The consolidation initiative would be a big failure, and in three years' time, they'd be dancing on its grave. (And maybe *his*.)

He toweled his face, opened the folding door, and walked back to his seat, thinking again of the shiny production floor at the supply chain city, the hundreds of sewing machines, the intensely focused women in their kerchiefs – and Marquise, which was beginning to put the squeeze on Voici's market. "Change or die," he thought. "Change it is. But how?"

He resumed his seat and opened his magazine to a long article on supply chain management. The article described the success that a giant telecommunications company was enjoying, thanks in large part to the supply chain czar it had appointed to oversee logistics and procurement operations. This executive was depicted as a tough-minded leader who had created an organization responsible for all supply chain operations. By keeping only a select few vendors, he also became one of their biggest customers, so they had to pay attention to his needs. In the end, he saved the company millions through operational efficiencies.

"That's the kind of guy I need," Jack thought. "Someone to take the bull by the horns." Margie would certainly react negatively if she had to deal with such a person. To convince her and the other unit heads that this was a good idea would take some finesse. It would be better to start small.

"I'll ask the SVPs to volunteer parts of their supply chain for review," Jack thought. "If one unit finds that there's an area where it can save costs, the others might join in." With that, he smiled and put on his headphones.

Jack couldn't shove consolidation down their throats. Some of the unit heads might act out and do some serious behind-the-scenes politicking.

The Rottweiler

Grigio, Jack's favorite site for a long business lunch, was bathed in bright noontime sun that poured in through huge skylights, winking off the wine glasses and the copper-colored tile floor. Jack chose the special of the day, wild salmon. His guest, Ravi Chandry, opted for the scampi. The waiter thanked them for their orders and disappeared.

Ravi had been recommended by Mike Coverdale, Jack's mentor on the board, as someone who had effectively centralized all supply chain operations for T.M. Solden, the second-largest snack food and beverage company in the world. Mike had mentioned that Ravi, who looked to be only in his fifties, had recently "retired" and was spending his time playing golf and doing some consulting. "I don't expect he'll stay retired very long," Mike had told Jack. "He's well off financially, but he's too good at what he does. He'll get restless. Now might be a wonderful time to tempt him with a challenge."

Jack began by describing his trip to China and touching on some of the problems with Voici's supply chain. Ravi listened carefully, then launched into question mode. He first asked about Marquise and Voici's other competitors, grilling Jack about how their P/E ratios, times to market, and customer satisfaction compared with Voici's. Jack ran through the numbers as best he could. He was impressed with Ravi's professionalism and toughness.

Satisfied that he'd collected enough information to form an opinion, Ravi leaned back in his chair and wiped his mouth with his napkin.

"There is absolutely no question that you have to improve your supply chain speed and efficiency," he began. "First of all, your costs are buried all over the place. You have to start by measuring everything – and I mean everything. Once you do that, you can figure out what to do about streamlining your operations. It sounds as if Marquise has pulled far ahead of you in this regard." He looked deadly serious, staring across the table at Jack. "Given your competitive situation, you need to begin now."

When Jack described his concern about Margie and the other unit managers, Ravi smiled, displaying his overlarge teeth.

"I understand," he said. "It's a huge threat to these people for you to take their power away. But look at it this way: Your competitors are moving ahead fast. Your recent losses sounded alarm bells. If you don't act immediately, the losses will spread. When that happens, you might not be able to get a good deal even from the Chinese, who will sense desperation." He paused. "Frankly, your whole company will be in danger."

Jack knew it was time to put his cards on the table. "I've spoken to the board and the CFO," he said, "and I'm certain we can put together an offer that would please you."

Ravi looked impassive. "Jack, you need a Rottweiler for this job, and I would only consider doing this if the unit heads got an unequivocal message from you that they must comply. You haven't got time to build consensus. The job will get done a lot faster and yield benefits much sooner if you don't waste a year selling this internally. It's that simple."

A More Cautious Breed

Back in the office, Jack took a stab at sketching out an organizational chart. He wrote in Ravi Chandry's name for the new position of vice president of global procurement, manufacturing, and logistics. Alongside Ravi's box, Jack drew five more, filling them in with the names of Voici's unit heads. He began writing in the name "Tony Rini" and stopped.

Tony headed up Harry and Sally, the children's wear division. Children's wear was a steady line of business, but it was not the biggest or fastest growing. Tony was a highly capable ten-year veteran of the company; he'd worked in all its divisions. He didn't play politics, at least as far as Jack could tell. Of all the business unit managers, Tony had always seemed the most straight-up and trustworthy. He could win hearts and minds.

Jack erased Ravi's name and put Tony's in the box. The idea was interesting. Tony certainly had credibility with the other business heads. He knew not only how to get along with them but also how to get things done in the company. But Tony had never consolidated his own supply operations. Would he be able to pull it off? Would he want to? Jack asked his assistant to set up a meeting with Tony.

The following afternoon, Jack motioned Tony to a chair in his office and shut the door. "Tony, I want to bounce an idea off you – in confidence," he said.

Tony seemed pleased. "Go ahead, Jack."

One by one, Jack showed Tony the PowerPoint graphs that he had shared with the board. He ran through the numbers – first in general and then for Tony's unit. The analysis showed that by reducing the number of suppliers, each business unit would save 20% in the first year and at least 4% to 6% more the following years. Half the savings would be poured back into the individual units' marketing and sales efforts as well as bonuses for the top managers. "And overall, it looks as though your unit would stand to gain the most," Jack concluded. "So – what do you think?"

Tony paused, pressing his lips together, and then stood up and approached the whiteboard. He listed all the parts of his division's supply chain and matched them up with their respective contractors. "Just look at the transportation suppliers," he said. "We have product coming in from these ten companies, each with their own logistics operations." Some companies, he explained, provided their own transportation to Voici's warehouses in New York and Los Angeles. Others used contractors to get the product to the warehouses. Still others moved clothing directly to the stores. "My unit will have to change the terms of sale with our contractors." Tony continued to list subcontractors and sub-subcontractors on the far sides of the board, drawing circles around various groups and connecting lines. The board was beginning to look very messy; Tony's handwriting grew more crabbed. "You get the picture. This is really complex stuff. There are a million details to consider. Even narrowing down suppliers in a single unit can't be done overnight."

Jack stared at the board.

"My suggestion, if you really want to do something like this," Tony said, "is to go slow. Start with some low-hanging fruit that won't have a huge impact on existing operations. We could begin with low-level IT functions, for example. Get a few quick wins. Then we can move up because we will have shown that the concept works."

Tony really does know what he's talking about, Jack thought. "Tell you what, Tony," he said. "I'd like you, Margie, and the other unit heads to meet individually with me and Robert Dodds for an operations review. I think we need our CFO to help us sort through all this fine detail."

Butting Heads

At her review, Margie explained to Jack and Robert how her unit's fabric supplier network functioned. As she began to walk through the costs, Robert interrupted her.

"Why on earth does it still take almost a year to get something from design to market, even with all the investments we've made in IT?" he asked.

"We use the best-of-breed suppliers for everything," Margie replied sharply, "and each supplier uses its own best-of-breed suppliers. This means we have a deep supply chain. So the designs are great, and the manufacturing quality is there. But these guys all have many other companies competing for their time, and the handoff can be slow."

When Robert pressed her on the high cost of airfreight for her unit, she lost her temper.

"Excuse me, Robert, but I find it a bit odd to be quizzed by you on the costs of airfreight. I have 20 years of experience with this stuff. It's my area of expertise. Our forecasts may be a little off, but they are the best that can be done with a 50-week lead time – which is inevitable if you want to keep our quality as high as it is. Honestly, I wouldn't think of asking you how to put together an annual report. Why are we wasting time on this?"

"Sorry, Margie. I'm just doing my job."

"No, you're not. You're doing mine."

"OK," Jack said soothingly. "I think we've spent enough time on this for today. Margie's made her point, Robert. Let's continue this some other time."

As Margie marched out, Robert said to Jack, "They all have their pathologies. When you add them all up, they're not only costing us a lot of money – they may be putting the future of this company at risk."

What kind of leadership will get Voici's units to pull together?

• Four commentators offer expert advice beginning on page 46.

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Jack Emmons is wise to ask for the assistance of a supply chain czar, and Ravi Chandry could definitely help move Voici Brands into the future. But to succeed, Ravi will need to align the "three p's" – the people, the processes, and the programs.

Let me start with the people. The label I would use for the unit heads' mind-set, which is very common in large, decentralized organizations, is another set of p's – the passionate pursuit of parochial protectionism. Ravi is correct in saying that he would need unequivocal support from the top to give the units' supply chains an overhaul, and Jack has to help him navigate the organizational obstacles. But Ravi needs more than the support of the CEO; he must also have the full endorsement of the board. Without visible board support, the Rottweiler will be toothless.

The board must review, debate, and sanction the supply chain strategy in order to legitimize Ravi's authority in the eyes of all stakeholders. The blessing of the board ensures lockstep alignment between the supply chain strategy and the overall business direction of the company. Additionally, the board's input and guidance will help Ravi reach key milestones on time and on budget. (Once the board buys in, the company should consider instituting a formal communications program to promote the initiative internally so that it gains traction on all levels.)

Ravi needs more than the support of the CEO; he must also have the full endorsement of the board. Without that, the Rottweiler will be toothless.

If the board endorses his appointment, Ravi must clearly understand the supply chain processes in place before he tries to fix them. As he points out, the prerequisite for improvement is measurement. In companies that have highly effective supply chain management, there is no such thing as overmeasuring. Ravi and the other top managers must make reliable data gathering and measurement of the company's current performance a priority. It sounds as if Voici has made a big investment in IT, but it likely needs to invest even more. For example, the company may want its salespeople in the retail stores to use handheld computers to send sales data in real time to the inventory and production systems. That way, the right information gets to the right people at the right time, and it becomes both measurable and transparent. In addition, Voici should conduct a strict and comprehensive IT review and work hard to integrate its systems. Inventory management needs to coordinate with the people in manufacturing, logistics, planning, and financial reporting, for instance.

Once management understands precisely what it costs to put a skirt on a store rack, the company can begin trimming the excess from its supply chain. This is the program implementation phase, the goal of which is to narrow down the supplier base to a handful of strategically chosen, highly reliable vendors. Voici will have to cut out the smaller shops and move to larger service and materials providers like the supply chain city in Shanghai. Instead of working with a local trucking firm, for example, the company should choose a global logistics supplier like UPS. Jack, Ravi, and the business unit heads need to sit down and decide which contracts to renegotiate and which ones to get out of altogether. Tony Rini is correct in saying that it's best to start with the low-hanging fruit; weeding out the smaller suppliers first is the way to go.

How long will all this take? If Jack is successful in convincing not only the unit heads but all Voici employees that there is no other choice, the company may be able to realize significant cost savings in three to five years. I would venture to guess that it might take the company that long to meet its goals and catch up to Marquise. That may sound like a long time to endure the painful process of reengineering the company, but the pain will be worth it.

WENDY WRAY

Robert W. Moffat, Jr., (moffat@us.ibm.com) is the senior vice president of Integrated Supply Chain at IBM in Armonk, New York.

My advice to Jack is to ask Tony to run the integrated supply chain operation while running Harry and Sally at the same time. Tony is already trusted by his peers; he understands their pain points. By putting a unit head like Tony in charge of supply chain operations, Jack also ensures that the focus remains solidly on the people who buy Voici Brands' products, not just on reducing cycle times and so on.

To illustrate, allow me to describe how we integrated the supply chain in IBM. Prior to 2002, each line of business had its own supply chain. I was running three of IBM's businesses: personal computers, printing systems, and retail store solutions. In 2001, Sam Palmisano, then our COO, began talking with the unit heads about the need to integrate the supply chain. When he first approached us with the idea at a meeting, I thought, to use Jack's words, "Over my dead body." I knew how to run my businesses' supply chains. I was convinced that if some staff functionary at headquarters tried to take them away from me, my businesses would fall apart. I didn't want to have to answer to someone who was all about shortening cycle times; I was concerned about responding to my customers. I made my concerns known to the group.

A few days later, Sam told me not only that he had decided to consolidate our supply chains but also that he was putting me in charge–without relieving me of running the three lines of business. I was very skeptical, but I took on the new role, making sure I put extremely capable executives in place to help run the businesses as well as the different functions of the supply chain.

I knew that the heads of IBM's other units had many of the concerns I did about integrating the supply chain. Fortunately, because I was also a business line manager, they didn't see me as the supply chain guy; they knew I had to deal with the same day-to-day challenges they did. So they were willing to give me the benefit of the doubt.

The tough part was getting people from different areas of the supply chain to come together. I remember one big meeting (shortly after the integrated supply chain organization was formed) where birds of a feather really flocked together. Procurement people from one site had their own table; procurement people from another site had theirs. The same was true for every function in the supply chain. We were integrated on paper only.

So I presented a challenge: Let's find a way to save a billion dollars by cutting redundancies. One suggestion was to look at our contracts with suppliers. For example, we had dozens of individual contracts with one supplier in Korea – and none of them were coordinated. In the end, we formed a number of enterprise service–level agreements for better cross-IBM pricing and reduced the number of suppliers by more than half.

By putting a unit head like Tony in charge of supply chain operations, Jack would keep the focus on the people who buy Voici's products.

Eventually, eliminating such redundancies helped us smooth out operations. The first year, the integrated supply chain reduced overall costs by $5.6 billion. By the end of the second year, IBM's inventory was the lowest it had been in 20 years. Over the past three years, we have saved the corporation roughly $20 billion. Now that IBM is a service company, we're applying a lot of the principles we've honed in our hardware supply chain to improve our service supply chain.

Tony will quickly understand the much bigger picture of Voici's businesses and thus make decisions that benefit the company in the long run. It won't be long before the unit managers notice big improvements.

Jack can't afford to take a slow, incremental approach to change. There is a burning platform – he has to realize he's standing on it and quickly extinguish the fire.

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I agree with Ravi. Voici Brands is in trouble, and Jack can't afford to take a slow, incremental approach to change. There is a burning platform – Jack has to realize he's standing on it and quickly extinguish the fire. Otherwise, Voici could go out of business.

Jack must make everyone aware that this is a top priority and that business as usual is no longer acceptable. As a first step, he should establish a high bar and clear targets for performance. Reducing the company's supply chain costs by 20% to 25% over the next 18 to 24 months would be a good start. But Voici's problems are not just about cost. Marquise's time to market is six times shorter than Voici's. And last year, late delivery in the Jacquie line meant lost sales and deep markdowns. So improving responsiveness may be just as important as cutting expenses. No matter how the priorities are set, the goals need to match the strategies for each of the company's businesses.

Second, Jack needs to select a leader to drive the changes. I would not ask Tony to take on this role: That would be like putting your best cost accountant in charge of innovation. Bringing in a complete outsider like Ravi to fill a new organizational role would be risky, too. He might take too long to get up to speed or else jump in, make mistakes, and get booted before he has a chance to succeed. In my experience with similar change initiatives in short time frames at other companies, results drive the organization, not the other way around. In other words, Jack's time would be better spent driving for results that excite the organization to accept a new model rather than designing an acceptable model and convincing the organization it will produce results in the future.

Jack should think about how to use Margie Rosen. She seems to command the most respect (or fear) throughout the organization, and she is the one who is most unhappy. Jack can put her in charge of a steering committee that drives the initiative. That way, she has a stake in helping the mother ship make the necessary changes, and she can make sure the needs of her unit are fairly considered. Jack can also offer her the support of an expert such as Ravi, who might be hired as a consultant, at least in the beginning. Once the initiative starts generating successes and the unit heads offer ideas on how to succeed over the long term, Jack can install Ravi as the supply chain head. Essentially, it's a try-before-you-buy approach.

Throughout, Jack will have to clear other roadblocks that are bound to be placed in his way. The resistance will range from explicit refusal to participate to more passive-aggressive behavior – for instance, people saying they are on board and even reluctantly allocating resources to the project but, in the end, trying to torpedo any proposed changes. A common excuse for inaction is "We tried that already." Often, this dismisses suppliers or approaches that failed in the distant past but that may work in current circumstances.

One way to approach possible blockers is to enlist them as sponsors or "champions" of parts of the program. It's also a good idea to seed Margie's committee with at least a couple of the other business unit heads. And Jack should give the units motivation to succeed. For example, I agree that he could let each one reinvest half of its cost savings into growing its own business, as its unit head sees fit, and deliver the rest to corporate to improve profits. This would lessen resistance in the beginning and build momentum as results came in, creating an environment more open to change.

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Jack is right to want to cut the fat from Voici's supply chains, but intimidating the unit heads with a Rottweiler is not the way to do it. As far as I can tell, Voici Brands is still a healthy company, although it may have clouds on the horizon. Jack needs to think beyond raw economics and saving costs. He should consider how world-class supply chain services (SCS) could be used to accelerate profitable growth. The best way to begin is to make the business heads active and enthusiastic partners in Voici Brands' overall vision of success. The person in charge of the SCS organization will not only need to be a persuasive salesperson but will also have to deliver quickly on promises made.

I know this because my own company, Limited Brands, has undergone the kind of transition Jack is thinking about. A number of years ago, Limited Brands comprised 13 different lines of business. Each unit had its own people, processes, and technologies for logistics, compliance, procurement, and so on. My division, Limited Logistics Services, was designed to bring Limited Brands' entire SCS together.

Like any internal service organization, we had to sell our value-added services to the unit heads. We met with each of them to help augment their profit-growth plans with supply chain improvements. Our goal was to demonstrate that an enterprise service organization would be more competitive than individual support organizations with separate external suppliers. As part of our relationship-building effort, we developed a detailed customer service agreement for each unit. The agreements described the type and level of service we would provide in every area – transportation, supply chain engineering, regulatory and quality compliance, strategic procurement, and so on – as well as the roles that we and the units themselves would play in achieving performance targets. These agreements demonstrated our commitment to align our objectives with those of the units and to set and strive for, with the customers' partnership, stretch targets that directly supported each unit's objectives.

Jack should consider how world-class supply chain services could be used to accelerate profitable growth.

The unit heads could not live on promises alone, so we had to produce some early wins. We undertook several initiatives that could be launched relatively quickly and that would garner measurable results. For example, we redesigned and installed an enterprise warehouse management system that improved productivity by 20% to 30%. We also reengineered the delivery process so that our 4,000 store locations received products within predefined two-hour windows with 97% reliability – an improvement that got products on the floor faster and reduced selling costs. In the area of strategic procurement, we used best-in-class processes and technology to produce savings in the tens of millions of dollars while achieving better quality. Because we were able to deliver value quickly, business unit leaders became willing partners in consolidating supply chain services.

Where should Jack start? I would advise him to link accelerated profitable growth with changes needed in his SCS. I would also suggest that he ask whomever he puts in charge of the SCS division to become a valued partner to the business units and to do some high-level benchmarking internally and externally. Getting a rough assessment should take no more than four months.

Next, the SCS executive will need to take pains to show that the newly formed supply chain services division is fully supportive of, and aligns itself closely with, business unit objectives. By making information as transparent as possible, holding regular progress meetings, and giving all the credit for success back to the individual units, the supply chain head will build close, good relations across the units. Soon, Voici Brands will become every bit as competitive as it wants to be.

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