

Transforming Your Supply Chain

From Cost Containment to Strategic Value Creation

New Demands on Procurement:

- Changing nature of global competition
- More complex supply chain operations
- New risks from uncontrollable externalities
- Greater expectation for tangible value to the end customer
- Growing scrutiny around responsible business practices

Like many business leaders, you are likely evolving your view about the criticality of supply chains in managing your global competitiveness and risk exposure.

A range of factors may be prompting you to reshape your supply chain strategy: From high capital requirements and lagging utilization rates, expanding global distribution networks, and capacity shortfalls to inadequate responses to product demand, infrastructure limitations, and security concerns.

At the same time, new pressures to better manage the value stream are necessitating a more strategic approach to value creation for the end customer.

This changing supply chain landscape is making it more challenging than ever to improve growth prospects and profitability performance while also driving long-term competitive agility, resiliency, and risk management.

Changed Circumstances Dictate a Different Approach

The good news out of all the upheaval is that procurement can now provide the critical control companies need to better drive their immediate and long-term financial performance – *when it is optimized as a strategic asset.*

Welcome to the next-generation model of procurement practice at Maine Pointe: **Total Value Optimization, or TVO.**

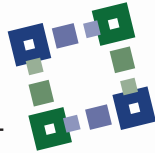
TVO guides companies in transitioning away from the historic constraints of procurement: Instead of a mechanism for cost containment, procurement becomes a differentiated driver of strategic value creation that positively impacts the top and bottom line.

TVO cultivates relationships with suppliers uniquely capable of delivering continuous innovation, financially accountable sustainability practices, and tangible value to all stakeholders – including the end customer.

Suppliers are viewed as value providers, rather than cost drivers; enablers rather than inhibitors. They function as strategic partners who can respond rapidly and propose innovative solutions to difficult manufacturing, sourcing, logistics, and distribution challenges. All of this is achieved within a framework that encourages open dialogue, team decision-making, and interdependent business relationships – premised upon a high degree of trust.

TVO also empowers the procurement executive for a new role as the orchestrator of collaboration – where communication is facilitated across internal business units and external supply chain interests.





TVO: A New Context for Strategic Procurement

Sharper Focus...

...on impact and risks outside of the traditional cost containment and improvement efforts.

Greater Awareness...

...of stakeholder attention on Sustainability and other responsible business practices.

Better Clarity

Amidst Complexity...

...bringing greater opportunity in a globalized economy.

Enhanced Visibility...

...across the supply chain and value stream, making awareness a tool for achieving better results.

Transparency...

...clearing a path for supplier innovation and resourcefulness, engendering collaboration with sourcing clients and benefitting the end customer.



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By aligning internal business mandates with external supply chain capabilities – and fostering collaboration between the two – companies can achieve more efficient operations, improved productivity, less downtime, increased revenue and, ultimately, better value to the end customer.

Supply Chain Strategy as Value Creation

Successfully implementing TVO entails embracing a holistic view of your company's footprint and where you are positioned in the broader ecosystem – from your suppliers' suppliers through to your customers' customers.

It requires a different way of measuring success with a commitment to change your organization's culture around how internal and external stakeholders work together, how problems are approached, and the manner in which opportunities are pursued.

Maine Pointe's Total Value Optimization can result in:

- Greater creativity in, and access to, intellectual property
- A more robust innovation lifecycle
- Extended product longevity and greater utilization
- Enhanced throughput and velocity to market
- New levels of customer fulfillment and satisfaction
- Incremental gains in mindshare
- More competitive specifications standards
- Easier access to under-utilized supplier resources
- A higher level of operational discipline
- Creation of more attractive warrantee terms
- Enhanced visibility of demand drivers
- More impactful environmental and sustainability practices
- Greater attentiveness to license-to-operate responsibilities
- Reduced costs in maintaining quality standards
- Expanded potential of alternative logistics strategies

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