

The Right Flow  
the online supply chain newsletter  
to help you simplify supply chain planning  
by Mike Doherty & Jeff Harrop of Demand Clarity Inc.

Sent to the greatest people on earth the 1st Wednesday of each month. Please pass on The Right Flow to those in your network. To unsubscribe or change address, follow instructions at bottom.

"Words are the most powerful force known to mankind."  
- Roy Williams

September 2010 Issue

Supply Chain Stories

Stories are arguably the most powerful way we communicate. While people usually enjoy a new idea, they love a story about the idea, how it works, why it works, and who is doing it. Stories spread. Hearing the same story enough times cements it in your head. Which of course, can be a good thing, but sometimes dangerous.

Stories, then, shape your views of the world.

What stories are you listening to? Or telling yourself?

Bill was a shop-keeper in England who lived a very uneventful life. Never learning to read or write, Bill married, tended to his business and died at age 52. Bill was what you'd call an average bloke.

Ed, on other hand, was a pompous ass. Extremely well educated, he had the gall to call himself "the 17<sup>th</sup> Earl of Oxford". Ed not only learned to read and write, but he became a master of this craft - learning to write razor sharp stories, poems and letters.

Ed's stories were based on real situations that actually happened. Feuds between families, adultery, seduction and deceit were themes of some of Ed's greatest works.

Ed decided that people needed to read his wonderful stories and announced to his inner circle that, indeed, he would share his stories with the world. His inner circle was horrified.

Many of them were the actual characters in his stories and they were aghast at the thought of sullyng their good name. Ed really was the 17<sup>th</sup> Earl of Oxford and many of his characters were high ranking officials in government and society.

Ed needed to be stopped.

They offered to pay Ed an astonishing sum of money, annually for the rest of his life, if he agreed to publish his stories under a different name. Ed immediately obliged and chose a name at random.

He chose the name of our aforementioned merchant, Bill. Except that he decides to use Bill's more formal name, William. William Shakespeare.

Does it surprise you to learn that the greatest writer of all time was not really William Shakespeare - an illiterate shopkeeper, but actually Edward de Verve?

Are you beginning to see the power of a story?

Supply Chain professionals are story tellers as well (after all, we're people too). Here are a few common stories that you either heard or told to someone along the way:

- You cannot accurately forecast by item/store, so it's not worth doing
- Forecasting demand requires complicated algorithms and mathematical geniuses
- Outrageous lead times is the price you must pay for sourcing product from overseas
- All partners in the supply chain need to forecast demand
- Suppliers will never plan and ship to a schedule of projected orders and eliminate forecasting
- Double handling the product is never value added
- Forecast accuracy is the most important thing on earth
- Store level inventory accuracy is nearly impossible to achieve
- Business processes need sophisticated systems to make them work

Remember, just because something seems to make sense on the surface doesn't mean it's the truth.

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More Stuff for You

Thanks to the brilliant Roy Williams, who uncovered and exposed this story in his fabulous book, "Secret Formulas of the Wizard of Ads". To receive your weekly dose from the Wizard, sign up here:

<http://www.mondaymorningmemo.com>

If you haven't ordered your copy of "Flowcasting the Retail Supply Chain" yet, or if you still want to learn more about Flowcasting before you buy, please visit our book website:

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Once there, you can learn more and download the first 2 chapters of the book for free (don't forget to tell your friends and colleagues!) or if you're ready to buy, you can link to the ordering page.

If you're looking to buy an individual copy, you can also get it for a good price on amazon.com. They keep running out of stock, so you may need to wait (they should probably READ the book instead of just selling it!):

<http://www.amazon.com/Flowcasting-Retail-Supply-Chain-Martin/dp/0977896307/>

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Until next month, all the best,

Mike Doherty & Jeff Harrop - Demand Clarity, Inc.

helping you simplify supply chain planning

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