



Least Total Cost and/or Total Landed Cost

Ford Class Aircraft Carriers - demonstrating how innovation is achieving dramatic savings over the life of the equipment. This video shows how the Navy is designing for lower cost of operations, lower cost of human resources, improved "UpTime" performance and more.

July, 2021: <https://youtu.be/CqxjzfudGAc>

Gaining cost savings for operations costs, both equipment and personnel, maintenance and replacement costs, costs of support and acquisition all have choices to be made, starting with the design. Any VALUE CHAIN begins with design. It is often said that 80% of the lifetime cost of any value chain is determined up front at the design stage. The ability to reduce production, service and maintenance operations costs comes from better designs. The ability to operate and generate productivity comes from the initial design.

Advances in ocean going vessels has certainly changed dramatically from the days of Viking warriors sailing and rowing their way across oceans to the new Ford class aircraft carrier. Take a moment, 12 mins actually, to listen to how the Navy has achieved remarkable improvements, gains in productivity and long-term cost reductions, Least Total Cost or by another label, Total Cost of Ownership, (TCO), by investing more in the front end at the design stage. And the new aircraft carrier is impressive to hear about along the way too!

When I work with clients, we look at long term objectives, not just least cost per unit today. By doing that, we find new opportunities to root out low performing processes that limit profitability. Sometimes it helps to get back to the design stage when feasible. Often it means we work inside design teams to help them learn how to design for optimum supply chain performance. In the end, if you have the coolest product on the planet but your supply chain can't reliably deliver, your business will not get past average...

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