

Gartner for Supply Chain Leaders

Scenario Implication Diagnostic

What it does?

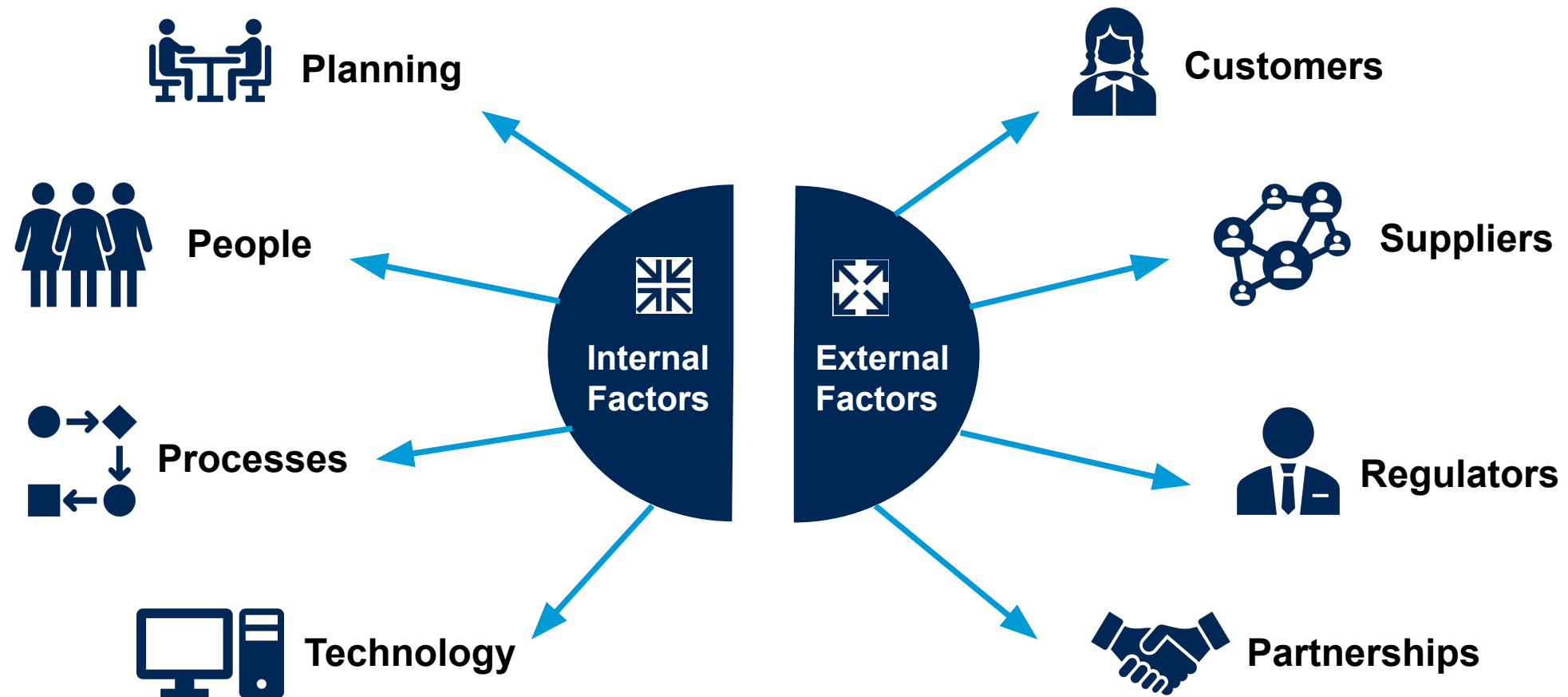
The Scenario Implication Diagnostic provides sample diagnostic questions to help understand the implications of scenarios for the quality function.

Instructions

Slide 1: Review the various internal and external factors to consider while diagnosing scenario implications for quality.

Slide 2 – 5: Use the questions, outlined across the various internal and external factors, to uncover implications, risks and opportunities for quality under different scenarios.

Factors to Consider For Determining Scenario Implications for Quality



Diagnostic Questions for Scenario Impact Brainstorming

Instructions:

- Review and answer the questions below to understand the scenario implications for the quality function across the following internal factors.
- Modify or add questions which may be relevant for your quality function.



Planning

Implications: How does this scenario impact quality's budget, strategy and organization structure?

Risks:

- Would this scenario require us to make incremental or disruptive strategy changes?
- What would be the impact on budgets during a particular scenario (for e.g.: during an economic downturn)? How do we justify our budget or new investments if our revenue declines?
- If a site is closed (manufacturing, distribution center, retail, office, lab), do we have at least one alternative site identified to keep the business running?

Opportunities:

- How do we create a dynamic change management strategy and build a culture where our employees adapt quickly to change?
- Will this scenario have a positive impact on costs, quality levels and asset utilization?
- Can we move faster on strategic bets to strengthen our position before scenario changes?
- How can we optimize the structure of quality function to improve service delivery?
- How do we build upon existing cost optimizing initiatives?



People

Implications: How would this impact our current staffing plans? How does this affect the morale of quality teams and the quality focus of our employees?

Risks:

- Does this scenario negatively impact ownership of quality amongst our staff?
- Does it impact the availability of staff (e.g. auditors) at certain sites?
- Does the quality staff have the appropriate skills to manage the changes brought about from the scenario?
- Are there gaps in our existing talent engagement mechanisms that may fail to help us retain high caliber talent?

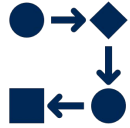
Opportunities:

- How will upskilling and training the workforce help respond to the changing business needs? How can we train our staff to remain agile during changing business needs?
- Can we ease business partner effort on quality activities and initiatives to ensure optimal use of capacity?
- Are there latent hires in other organizations (including competitors and service providers)?
- What can we do to shape quality culture, messaging and the impact of change on our people and environment? How can we use the opportunity to mitigate employee resistance to change?

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Processes

Implications: How does this scenario impact our existing quality processes, systems and controls?

Risks:

- How adequate are the existing procedures and controls to manage the incoming change in business requests?
- Does this scenario require establishing/modifying any processes?
- Does the scenario impact our ability to carry out quality processes effectively?

Opportunities:

- Can we fast track approval exceptions to help business partners cut back on process rigor to enable quick response to changing priorities?
- Can we speed or scale any existing pilots to enable speed and reduce effort e.g. automation?
- What functional capabilities are scenario agnostic?
- Which repetitive/low-value tasks can be standardized or automated?
- How can we optimize processes to reduce time to market?



Technology

Implications: How does this scenario impact our data and analytics management processes and services/processes delivered through software, applications and technology?

Risks:

- Have we underinvested in technology to manage this scenario?
- Do we need to make significant changes to our existing technological resources to mitigate the scenario?
- How would the data collection and reporting be impacted due to this scenario?

Opportunities:

- What technologies can we adopt to meet demand changes and improve customer experiences?
- Can we build the analytics capabilities to help business partners with informed faster decision making?
- What upgrades would this scenario require in software, applications and technologies?
- Does IT or another function within the organization have technology that can be leveraged to manage issues arising from this scenario?

Diagnostic Questions for Scenario Impact Brainstorming

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- Review and answer the questions below to understand the scenario implications for the quality function the following external factors.
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Customers

Implications: Does this scenario lead to significant changes in the customers' preferences, strategic priority and service expectations?

Risks:

- Does this scenario lead to customer complaints and concerns that represent changing needs?
- What would be the negative effects of cost cutting on customer experience?
- Do we have a customer facing point-of-contact and escalation team in place?
- What's the risk to the financial health of our customers?

Opportunities:

- How can we use this opportunity to enhance customer quality and meet customers' expectations?
- How can we create customer or segment specific communication strategy to share product impact details?



Suppliers

Implications: How does this scenario impact our suppliers and their business continuity?

Risks:

- What's the risk to the financial health of our suppliers?
- Are we prepared for the risk of increased supplier quality defects?
- How well-equipped are our critical suppliers to meet the change in demand?
- How much visibility do we have into the supplier quality risk levels for our tier-1 raw material/part/component suppliers and contract manufacturers that may be impacted by the scenario?

Opportunities:

- Do we have pre-qualified alternative suppliers to support our operations if our critical suppliers shut down or are unable to fulfil demand?
- Are we prepared to qualify suppliers faster as we find replacement suppliers for those that are impacted by the scenario?
- How can we create a faster (bare minimum) new supplier onboarding plan for high risk supplier-facing scenarios?
- What work can be migrated back in-house or to lower-cost service providers?

Diagnostic Questions for Scenario Impact Brainstorming

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- Review and answer the questions below to understand the scenario implications for the quality function across the following external factors.
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Regulators

Implications: Does this scenario lead to any changes in regulations affecting our products/services?

Risks:

- Do we have a team in place to monitor any changes in regulation affecting our organization?
- How would our processes be impacted in the wake of revised regulations and standards?
- Does this impact our product/process ability to comply with regulations?

Opportunities:

- How can we pivot our processes to quickly cascade regulatory changes across the organization?
- Can we deploy a different engagement approach to engage with the regulators?



Partnerships

Implications: Does this scenario impact the obligations agreed upon in the contracts/ agreements? How does it impact distribution of work between in-house staff and third-party service providers?

Risks:

- Would the third service provider be able to fulfill the contractual obligations?
- What's the risk to the financial health of our partners?
- How does this particular scenario impact the services we deliver through third party providers?

Opportunities:

- What are the areas in the third party contracts that need to be revisited and renegotiated to manage the scenario?
- Which critical service providers can we strengthen our partnership with to manage changes arising from the scenario and realize long-term cost savings?
- What work can be migrated back in-house or to lower-cost service providers?
- What alternate fee arrangements can we pilot with our service providers at this stage?