



# The Quarterly Review Versus the Digital Business Review

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Quarterly Business Reviews (QBRs) between a Supplier and Customer offer an opportunity for both parties to review the account in a more structured and in-depth context than may otherwise be communicated in the normal course of business. Forward thinking companies today see opportunities to improve the timeliness and content of the Business Review with the Support of a Digital Supply Chain. Here are some of the difference.

### **A QBR is retrospective, not forward thinking like a Digital Business Review**

The typical content of a traditional QBR includes a review of backlog, quality issues for the last quarter, on-time delivery metrics (OTD) and generally some type of performance scorecard. There is likely a discussion about project development or new products to be introduced, but for the most part the information shared is retrospective. It is historical about what has occurred in the most recent quarter.

DIGITAL SUPPLY CHAIN BECAUSE OF THE REAL-TIME ACCESS TO COMPONENT DATA...

A Digital Business Review is much different in its advanced inclusion of data analytics. Information that was previously too cumbersome to aggregate and include is now available at the touch of a button in a Digital Supply Chain. For example, a supplier of Printed Circuits Card Assemblies may find it very easy to provide a customer with the top twenty component cost drivers, supply chain market health and risk assessment by component, top negative cost variances, top leadtime increases, shipment velocity and predictive modeling of assemblies shipped, and real-time capacity scenario-based planning.

This information is more accessible in the Digital Supply Chain because of the real-time access to component data, as well as the interactive auditability of the data.

**In a tradition QBR, Suppliers emphasize cost and value opportunities, instead of actually delivering value**



I had the opportunity to observe a QBR between an electronic component distributor and a Contract Manufacturer. The Supplier kept emphasizing the tremendous pipeline of raw material they had invested in to support the Contract Manufacturer's requirements. Two glaring issues actually served to undermine the intent of the Supplier's value proposition.

First, the pipeline was a phantom representation of inventory and did not represent physical goods in the warehouse. The Supplier had mischaracterized their issued, but as yet unreceived purchase orders, as investments in a raw material pipeline, although no actual investment had been made.

Second, at the Contract Manufacturer's insistence, and after a fair amount of difficulty, the Supplier brought up the detail of the components that were pipelined. When compared to the Contract Manufacturer's forecast requirements, what the Supplier had pipelined was completely misaligned with what was likely going to be required. It was clear the Supplier had pipelined components based upon historical usage without reference to forecast demands. To this the Supplier tried to put a positive spin on the discovery and said, "well, that's why these QBR's are valuable". I disagree, human resources should not be deployed to discuss at length in a large and expensive meeting what two machines talking to each other can easily resolve in milliseconds.

In a Digital Supply Chain, the Contract Manufacturer and Supplier would have their respective planning resources connected to each other so one would feed the other and thus achieve a much higher degree of alignment. Sure, changes always occur, but in a Digital Supply Chain, the dynamic nature of business is recognized earlier, and action is taken with greater velocity and accuracy.

**Why quarterly? Why not monthly? Why not "whenever I damn well feel like it"?**

The most powerful difference between a traditional QBR and the way information is shared in a Digital Supply Chain is the timing of when information is shared. In a traditional QBR, management schedules are coordinated, conference rooms are reserved, meeting invitations are issued, agendas are emailed, and presentation are prepared.



In a Digital Supply Chain, literally none of that occurs. Suppliers often provide Customers a portal where this information can be accessed and assembled professionally in real time. Customers have the self-service opportunity to request this information wherever and whenever they feel like it.

You can order toothpaste at three o'clock in the morning mid-flight from Chicago to Hong Kong and have it delivered to your hotel before you arrive. Why should your supply chain not provide you the same type of convenience?

The Digital Supply Chain offers shared access to information that is unparalleled in a traditional supply chain.