

Module 1

*Section B: Value Proposition, Methodologies,
and Organizational Design*

Term

Agile supply chain

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Balanced scorecard

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Buffer

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Business context summary

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Constraint

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DMAIC

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Gemba

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Genchi genbutsu

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A list of financial and operational measurements used to evaluate organizational or supply chain performance. Dimensions might include customer perspective, business process perspective, financial perspective, and innovation and learning perspectives. It formally connects overall objectives, strategies, and measurements. Each dimension has goals and measurements.

The ability to respond quickly to unpredictable changes in customer needs by reconfiguring operations.

Used in the S: Set the Scope phase of the SCOR Racetrack to identify and document the business and establish a high-level view of the competitive landscape. Composed of a business description, challenges and opportunities, a value proposition, critical issues, risks, financial performance, an internal structure profile, and an external profile.

In theory of constraints, time or material that supports throughput and/or due date performance.

A six sigma improvement process composed of five stages: (1) Define - Determine the nature of the problem; (2) Measure - Measure existing performance, and commence recording data and facts that offer information about the underlying causes of the problem; (3) Analyze - Study the information to determine the root causes of the problem; (4) Improve - Improve the process by effecting solutions to the problem; and (5) Control - Monitor the process until the solutions become ingrained.

Any element or factor that prevents a system from achieving a higher level of performance with respect to its goal.

A Japanese phrase meaning to visit the shop floor to observe what is occurring.

The place where humans create value or the real workplace. Also a philosophy: "Go to the actual place; see the actual work."

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Lean six sigma

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Poka-yoke

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Postponement

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Quality

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Root cause analysis

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Six sigma

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Six sigma quality

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Total quality management (TQM)

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Mistake-proofing techniques designed in a way to prevent an error from resulting in a product defect. For example, in an assembly operation, if each correct part is not used, a sensing device detects that a part was unused and shuts down the operation.

A methodology that combines the improvement concepts of lean and six sigma. It uses the seven wastes of lean and the define, measure, analyze, improve, control (DMAIC) process from six sigma and awards recognition of competence through judo-style belts.

Conformance to requirements or fitness for use.

A product design or supply chain strategy that deliberately delays final differentiation of a product (assembly, production, packaging, tagging, etc.) until the latest possible time in the process. This shifts product differentiation closer to the consumer to reduce the anticipatory risk of producing the wrong product. The practice eliminates excess finished goods in the supply chain. This strategy is sometimes referred to as delayed differentiation.

A methodology that furnishes tools for the improvement of business processes. The intent is to decrease process variation and improve product quality.

Analytical methods to determine the core problem(s) of an organization, process, product, market, and so forth.

A management approach to long-term success through customer satisfaction; based on the participation of all members of an organization in improving processes, goods, services, and the culture in which they work.

A set of concepts and practices that focuses on reducing variability in processes and reducing deficiencies in the product. Important elements are (1) producing only 3.4 defects for every 1 million opportunities or operations and (2) process improvement initiatives striving for six sigma-level performance.

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Value chain

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Value chain analysis

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Value stream mapping

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An examination of all links a company uses to produce and deliver its products and services, starting from the origination point and continuing through delivery to the final customer.

The functions within a company that add value to the goods or services that the organization sells to customers and for which it receives payment.

A lean production tool to visually understand the flow of materials from supplier to customer that includes the current process and flow as well as the value-added and non-value-added time of all the process steps. It is used to help reduce waste, decrease flow time, and make the process flow more efficient and effective.