Complete Corporate Services

Operations Management

Critical analysis and evaluation of the operations of Complete Corporate Services focusing on: Supply Chain Management Inventory Management & Lean Synchronisation

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Executive Summary

Complete Corporate Services ("CCS") offers licensed investigation, debt collection and risk management to the legal industry, business and individuals. Articulated process design exists, fulfilling customer needs, and such efficient design is reflective in customer satisfaction.

A critical analysis and evaluation of the CCS operations in terms of its Supply Chain, Inventory and Lean Synchronisation revealed a range of inefficiency, waste, bottlenecks, non-compliance with performance objectives and wait time.

For CCS to enhance its efficiency, investment into an online operations platform and artificial intelligence and other technology is required.

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1. Introduction

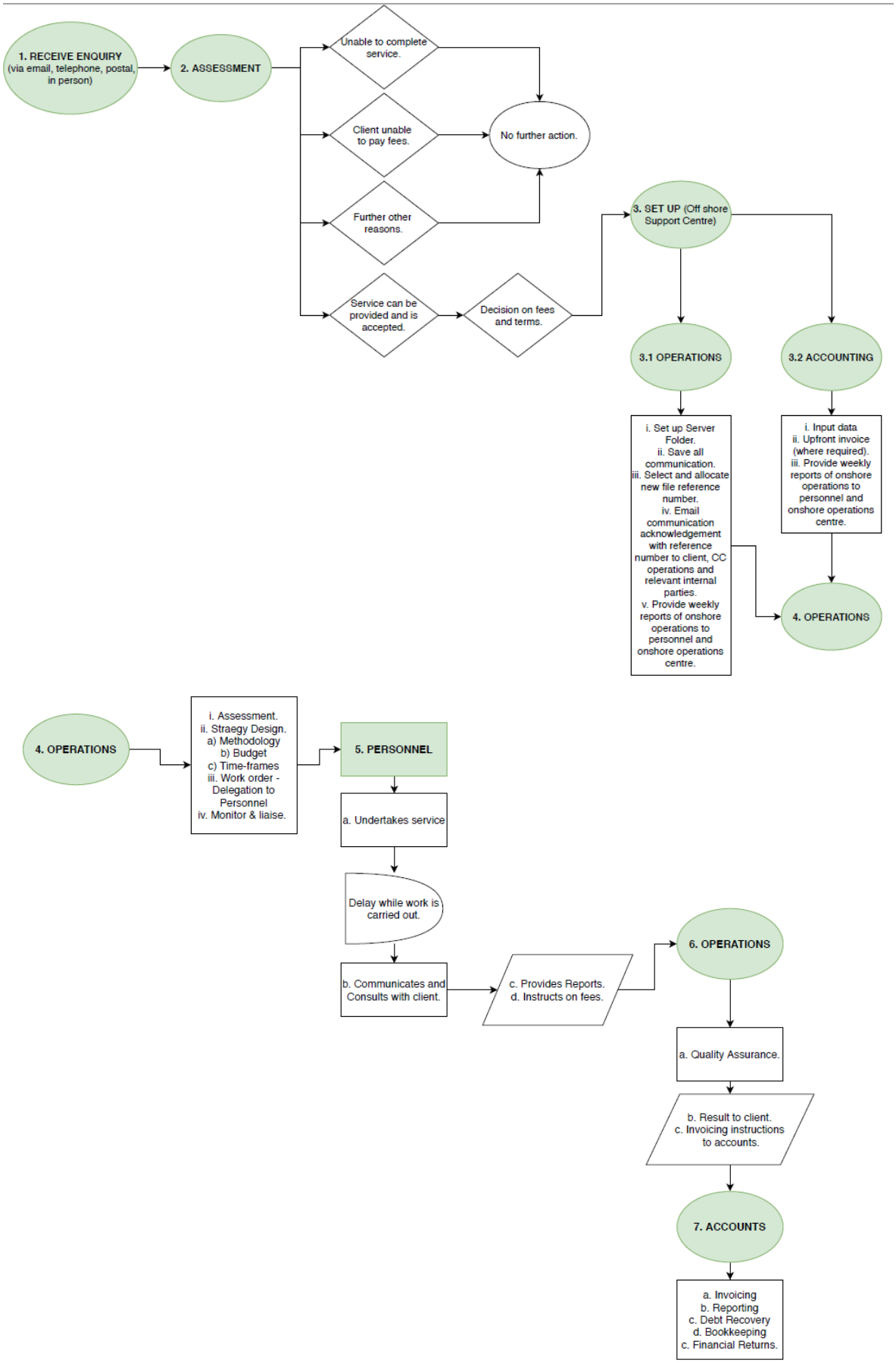
Complete Corporate Services ("CCS") is a licensed investigation, debt collection, and risk management business which was established in 2011. The company provides professional services (Slack & Brandon-Jones, 2018, p. 169), is task-based with a high level of service discretion. Providing multiple service types, operational process design transforms input resources to service outputs. Each matter requires assessment, strategy, methodology and advice.

CCS process designs are aligned to strategic business objectives. Performance objectives are the provision of Quality, Flexibility, Speed, Dependability, and Cost (Slack & Brandon-Jones, 2018, p. 55).

The CCS process map displays the number of units and flow in the process of its operations.

The writer will critically analyse and evaluate process number 4, 5 & 6 of its organisation operations concerning its Supply Chain Management, Inventory, and Lean Synchronisation and provide informed recommendations for improvement.

2. CCS Process Map



3. CCS Operations

Critical analysis and evaluation were undertaken, and recommendations provided concerning the following three processes within the CCS operation.

Operations; *(step 4)*

Upon a decision being made to provide the service and agreement with the client, discretionary decisions are made with respect to:

- Further assessment of the request for service;
- Strategy development, including methodology, budget, and time frames, with performance objectives of quality, flexibility, speed, dependability, and cost;
- Design of a formal work order for personnel to follow;
- Service monitoring;
- Client liaison and progress reporting.

Personnel *(step 5)*

- The implementation of the work order and provision of the organisation's services.

Operations *(step 6)*

- At this point in the operations process, the service is examined, quality-assured, and results are provided to the client.

4. Supply Chain Management

"Supply Chain Management can be defined as the management of relationship flows between the 'string' of operations and processes that connect suppliers and customers" (Slack & Brandon-Jones, 2018, p. 290).

a. Analysis outcomes:

i. There is an emphasis that supply chain objectives are clearly articulated and in line with organisational goals;
ii. There is a required relationship present between the entire process in operations and the three units are connected;
iii. The supply chain requires a relationship between and within the supply chain;
iv. At all stages of the supply chain, there is an emphasis of efficiency, *(lean supply)* and performance. *(quality, speed of response, dependability, flexibility and cost of final supply);*
v. Customer experience when they purchase the CCS service is paramount. Customers are often involved in or about to be involved in litigation, of life-changing events and are emotional. Timeliness, convenience, regularity, reliability and minimum cost are customers' objectives. The CCS supply chain objectives aim to be appropriate, available, meet price and delivery requirements and received as promised;
vi. The nature of the service, including demand for service, often creates unforeseen increase or decrease in demand, or a "Bullwhip" effect (Slack & Brandon-Jones, 2018, pp. 260-263). Agility in terms of leanness and responsiveness is required;
vii. The design of the supply chain is a combination of the use of internal and outsourced personnel;
viii. The specific design has been created to ensure business continuity and minimise the effects of disruption;
ix. There is a substantial degree of centralised manner of systems and control and customer service, extensive outsourcing, mixed with white labelling of other experts services, joint ventures with suppliers. The relationship with suppliers is critical;
x. In terms of purchasing and procurement, CCS has multiple suppliers rather than a single supplier controlled by service-level agreement, and there is a level of stability in the consistent supply relationship and quality;
xi. In terms of supply availability, CCS operates a lean operation and just-in-time (JIT) inventory management *(personnel)* approach

b. Evaluation:

In terms of evaluation of the supply chain of the three relevant processes, the writer found the following:

i. The three supply chain processes appear to meet with organisational strategy and objectives in terms of fast response, reasonably low throughput time, deployed inventory/flexible suppliers. Demand for services can be classed as *"innovative"* and in terms of demand, are unpredictable, changing, high in variety, and subject to price markdowns. There is a short lead time, but profitability is high. An organisational strategy is to have agile (Barrat & Eagle, 2017, pp. 34-41) chain management (Slack & Brandon-Jones, 2018, p. 249);

ii. The organisation has assessed and identified risk within its supply chain in terms of standard for Risk Management (International Organization for Standardization, 2018);

iii. In terms of relationships, the writer evaluates the relationships within the three processes as a combination of both *contract-based 'transactional' relationships* and *long-term 'partnership' relationships* (Slack & Brandon-Jones, 2018, pp. 249-252). As employees and in the case of some contractors, long term multi association partnerships are present. In other cases, personnel are contract-transactional based after being rigorously assessed. Trade-offs (Slack & Brandon-Jones, 2018, p. 680) are a regular occurrence to fit with customer budgets personnel. In both instances, relationships are well-founded by legal agreement, induction, training and ongoing dialogue and support. The supply chain is applied internally and externally. However, CCS has large potential exposure to risk associated with a combination of outsourcing and infrequency of demand and service customisation;

iv. The supply side of the chain is reasonably well managed in that there are numerous suppliers, bound by a service agreement, in multiple strategic locations and with varying necessary skills, experience and qualifications (Slack & Brandon-Jones, 2018, pp. 252–260);

v. Due to a large number of personnel *(inventory)* supply to the customer is well managed with a flexible supply network;

vi. The processes are subject to dynamics and to some degree, a minor *"Bullwhip effect"* (Slack & Brandon-Jones, 2018, p. 239). CCS customers do not commit to agreements regarding the level of required service. Requests are made on a job-for-job basis, on an infrequent basis. Nevertheless, CCS appears to be conversant and set up to address this;

vii. CCS does not exercise enough control regarding the speed of delivery of services to customers. Personnel may lack speed and be subject to delays. Process design lacks initiatives to enhance speed. This is where the most improvement is required. (Slack & Brandon-Jones, 2018, p. 200), and improve throughput time and cycle time (Slack & Brandon-Jones, 2018, pp. 191–205)
viii. Supplier mismatch of perception is well managed through effective documentation and briefings;
ix. In the writer's opinion, the three processes of the supply chain are adequate but not operating efficiently.

c. Recommendations:

The writer recommends the following:

i. Enhance the focus on workforce labour planning and focus on Tier 1 supplier risk (Deloitte, 2020);
ii. Audit deep into the supply chain and hold suppliers more accountable (Deloitte, 2020);
iii. Enhance formal task precedents and processes and educate to reduce bottleneck stages;
iv. Invest in supply chain resilience to react quickly to disruption via flexibility *(network agility)* (Schatteman, Woodhouse, & Terino, 2020);
v. Align IT systems, including cloud-based solutions, a real-time visibility platform, rapid generation of insights, (ability to analyse data), decentralisation of centralised support functions, and support to evolving work requirement (Deloitte, 2020);
vi. Invest in new and emerging technologies such as artificial intelligence (AI) (Schrauf & Berttram, 2016).

5. Inventory Management

a. Analysis outcomes:

Inventory can be described as the "*management of the accumulations of materials, customers or information as they flow through processes or networks"* (Slack & Brandon-Jones, 2018, p. 301).

i. Why does CCS have inventory (Slack & Brandon-Jones, 2018, p. 310)? As a service business, CCS invests in service inventory, (Daskin, 2010) for clients to obtain the desired services in a timely basis, in the manner they require, and at a satisfactory price. Its inventory includes but is not limited to:
   - Contracted service providers;
     - Located throughout Australia and overseas;
     - With specialist skills *(e.g. Handwriting expert).*
   - Internal personnel;
   - Customers;
   - Marketing and Client databases (Slack & Brandon-Jones, 2018, p. 319);
   - Specialist search facility databases and software;
   - A cloud server;
   - Email server;
   - An extensive suite of precedents and policy;

ii. There is a *'buffer'* of inventory for irregular uncertain demand (Slack & Brandon-Jones, 2018, p. 313). The business does not have supply contracts with its customers and is subject to job per job demand at irregular time periods. The nature of demand involves tasks in various locations by personnel with specialist skills. E.g. A workplace injury investigation in Mackay or a surveillance investigation in Sydney;

iii. Processes and inventory, include inventory that allows trade-offs between the competing variables of the *purchase cost* and *holding cost*;

iv. All personnel are bound by contract, provided with training and induction. They access other quality online inventory to complete tasks;

v. Communication and reporting, including the uploading of visual evidence, conferencing is used exclusively;

vi. Offshore personnel provide a range of administrative and operational support;

vii. A continuous review system is based on the reorder level approach and uses a *fixed quantity* order. Orders are placed

from customers, and reviews are undertaken to identify the correct personnel for the task.

b. Evaluation;

i. The role of inventory within the business appears to be understood and despite a never-ending search to acquire more specialists in more locations, CCS has more than adequate inventory to address demand and short term opportunity (Slack & Brandon-Jones, 2018, p. 317);
ii. The Economic Order Quantity ("EOQ") and Economic Order Batch ("EOB") are not relevant;
iii. Orders for fixed inventory have been controlled and procured at the right time to allow the business to scale up. Orders for service providers are controlled and procured with flexibility, on a job per job basis and in the right time frame to supply the service. There is a continuous and periodic review (Slack & Brandon-Jones, 2018, pp. 331-332);
iv. There is no real holding cost in terms of capital or space, loss of quality, tie-up of capital (Slack & Brandon-Jones, 2018, p. 316). Despite a large number of inventory service providers the "*Pareto rule"* (Slack & Brandon-Jones, 2018, p. 333) does apply in that over 80% of customer demand is completed by less than 20% of personnel or use of other inventory. The ABC inventory analysis principle does exist to some degree (Slack & Brandon-Jones, 2018, p. 337) in terms of specific inventory being used more and having more importance or *usage value*; however, there are minimal costs associated with this. The writer evaluates CCS inventory as value-adding to its business;
v. Operational and organisational costs are associated with either capital investments and or personnel acquisition, due diligence and training (Slack & Brandon-Jones, 2018, p. 321);
vi. There is a cost associated with personnel becoming unavailable due to other opportunities. Management of relationships with suppliers and logistics service providers;
vii. The use of the internet reduces order and communication costs;
viii. There is flexibility in the model and safety stocks to cope with changes in demand;
ix. The Recorder Level and Reorder Point formula (Slack & Brandon-Jones, 2018, p. 329) have little effect on CCS inventory supply.

c. Recommendation:

With the view to reducing inventory (*personnel)* cost, creating greater efficiency and better use of customers as a resource, further investment should be made in the following areas:

i. Artificial Intelligence that replaces and performs most research tasks being undertaken by human sources;
ii. Information technology (IT) that control processes and reduce replication, uses the customer as a resource via customer input, (Daskin, 2010, p. 336) and reduces the cost of addressing non-compliance;
iii. A higher number of, and more advanced online electronic precedent and policy base, where a lot of the framework of produced work, is already completed in advance, in anticipation of demand (Chopra & Lariviere, 2005), and allow service providers access and direction to enhanced quality information, ultimately improving quality, response time, customisation and pricing;
iv. Moving the "Push-Pull" boundary to a "pull" approach, in which the supply chain switches to having the existence of adequate inventory, work completed in advance reducing wait time and responses to actual matches in demand, by forecasting and effectively reacting; "*Service inventory includes all process steps that are completed prior to the customer's arrival. Service inventories allow firms to buffer their resources from the variability of demand and reap benefits from economies of scale while also providing customers with faster response times.* (Chopra & Lariviere, 2005)*;*
v. The adoption of an attitude that service inventory (Hayes & Wheelwright, 1984, pp. 56-63) in view of terms of how CCS competes, creates client value. Each part of the service inventory should create value in terms of quality, speed customisation and price, produced through processes that are more attractive than competitors.

6. Lean Synchronisation

Lean synchronisation has the aim of using 'lean' or 'just-in-time' (JIT) principles to supply perfect quality products and services in synchronisation with the demand for them, with zero waste, and at low cost (Slack & Brandon-Jones, 2018, p. 385).

a. Analysis outcome:

vi. As per its organisational strategy, the business focuses on the elimination of waste, through lean thinking throughout the (Fishbowl, 2015)organisation and continuous improvement. The business and its customers benefit from this;
vii. Investment in the business's service inventory is based on *"Just in Time"* (JIT) principles (Fishbowl, 2015), and streamlined flow, with particular focus on the elimination of processing time, wait time and *"pulled"* through the system;
viii. CCS has a *"streamlining flow"* process, with flow analysis, layout, communication and reasonable or minimised visibility, but also agility, variety and flexibility, taking into account instability in demand;
ix. CCS is subject to a range of uncontrollable variables and barriers which have the potential to disturb lean synchronisation. These variables include;
    - Un-predicated or uncontrolled barriers to results; and
    - Third-party wait time.

b. Evaluation:

x. The CCS process and addresses organisation strategy and customer requirements (Slack & Brandon-Jones, 2018, p. 386);
xi. There is waste at the service provider step with inefficiency and inaccuracy in cost assessment, and approval of service provider costs, and room for improvement;
xii. There is a lack of real-time technology and waiting time and not managed effectively;
xiii. "Pull" strategy supports low holding cost *"buffer"* inventory and flexibility; however, there is third-party variability, which impacts on results;
xiv. Current precedent and policy documents play a role in quality assurance; however, requirement enhancement to improve quality and decrease negative customer perception;

xv. The business requires too much management coordination. There is a lack of automated processes, precedents and policy that create synchronisation and flow;
xvi. Productivity problems exist in the following areas:
    - Unstable demand;
    - Work in Progress (WIP) time;
    - Defective delivery of final outcomes in minor matters; Downtime and waste created by service providers and third parties (Slack & Brandon-Jones, 2018, p. 393);
    - Personnel who lack skills (Slack & Brandon-Jones, 2018, p. 390).

c. Recommendation:

"Lean thinking is all about adding value, where value is defined by the customer" (Julien & Tjahjono, 2009, p. 321). With the view to synchronising all processes simultaneously, creating higher quality/speed throughput and high output, the writer submits the same recommendations as offered in "Inventory Management – Recommendations" of this report.

7. Discussion – Linking Operations Improvement with Organisations Operations Strategy

The CCS operations strategy is in line with most business operations performance objectives. A large part of its objectives is the use of lean service (Slack & Brandon-Jones, 2018, pp. 372-263) or synchronisation strategy combined with high levels of customer service and quality outcomes to produce quality, flexibility, speed, dependability, and cost.

In achieving its objectives, CCS has advanced operational processes, including effective use of a range of service inventory and lean synchronisation; however, it lacks total efficiency and turn-around time in its Supply Chain, Inventory, and Lean Synchronisation for several reasons. To achieve complete efficiency, it must continue to update and invest in the ongoing audit and enhancement of the agility of its inventory *(personnel – talent challenge).* And, improve policy, precedents, databases, and real-time management Information Technology (Michel, 2016), to reduce waste and wait time and bottlenecks. An investment in Artificial Intelligence to replace most human source, would create more significant cost savings and efficiency. To enhance continuous improvement, CCS must embrace the journey. It must continue to investigate and invest on an ongoing basis into a high impact end to end next-generation platform to manage its operations addressing each lever one at a time.

8. Conclusion

The writer has undertaken analysis and evaluation of CCS operations concerning its Supply Chain, Inventory and Lean Synchronisation and has made several recommendations.

CCS operations are well advanced and in line with organisational objectives but lack complete efficiency.

To obtain optimum productivity in terms of cost, output, and resources (Slack & Lewis, 2017), CCS must devote resources to the enhancement of its current inventory, including the development and use of an online operations platform and artificial intelligence (AI) increasing scalability with current inventory.

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