The Effects of Schedule Volatility on Supply Chain Performance

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Abstract
Schedule volatility is an unfortunate fact of life facing most suppliers of both products and services. In this paper we are concerned with establishing the magnitude of the problem faced and the resultant effects on supply chain performance. Empirical data collected from fifty-nine value streams is statistically analysed to investigate the negative effects of volatile customer schedules on performance. The evidence has been acquired predominantly via the rigorous site-based Quick Scan Audit Methodology. For each value stream the forecast error is evaluated, and confirms the excessive volatility of the orders placed by many customers. A comparison between the automotive and non-automotive supply chains is conducted to assess the generic nature of the resultant relationships. We have concluded that volatility is a universal problem not confined to particular industries. Hence solutions initially proposed for the automotive sector may well find successful application elsewhere.

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