

CONSULTANTS [corner]



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Question: You developed a methodology known as the "Operations Audit?" What is its purpose?

Beat's Answer: Companies are constantly engaged in acquiring specific methodologies (including software) to implement in their day-to-day operations, whether it's Six Sigma, TQM, EFQM, SCOR, etc. All this is possible by building up internal and external resources, which requires the time-consuming accumulation, analyses, and interpretation of data; the creation of standard operation procedures; and the writing of checklists, manuals, training courses, and reports.

The problem with these methods is that they are largely based on the theoretical knowledge of processes and their effects on the company. Operations Audit relies on an overall sampling of all business processes over the course of a few days. All information and data available during the audit is analyzed. Operations Audit is based on reality, so, depending upon the department being audited, it could consist of, for example, on-the-spot checking of a training certificate of forklift drivers and/or the comparison of stock between the storage location and the warehouse management system. Internal weak points are identified with a minimum of investment and man-hours. This reduces error rates and operation costs, and increases productivity.

Question: How do you conduct an Operations Audit?

Beat's Answer: In the initial preparatory phase (which takes about two working days), the audit days are fixed. To ensure that these days are put into an objective context, two reference days (the same weekdays of the previous working week) are selected, and all relevant data such as inbound and outbound delivery volumes, working hours, and personnel are logged and processed.

Depending upon the size of the company, individual workplaces are divided up into sections, the number of auditors required is determined, and a schedule for the team is drawn up. Finally, the documents needed for the audit are drafted and the auditors are issued their instructions.

During the one or two days of the actual audit, from the beginning of the workday to the end, all business processes and resources used are examined. Every worker is interviewed by several auditors about his job and is encouraged to point out any problems or difficulties he is experiencing. Thus, a picture of the processes and activities within a company can be obtained which is a good approximation of the actual situation. The audit team can also establish deficits and gaps in the knowledge of workers through the interviews and will be in a position to recommend appropriate training programs.

The data collected from the interviews and observations is analyzed. On the basis of this data, a catalogue of recommendations is drawn up with a timeline detailing cut-off dates for its implementation, which is discussed in detail with the supervising manager. Those charged with the management of the audited operation then initiate and institute the necessary measures.