

EXECUTIVE SNAPSHOT

- **Decision owner**
EVP Supply Chain
- **Outcome owner**
VP Operations
- **Cadence**
Weekly

SIGNALS FRAMEWORK

Outcome signals

- On-time in full (OTIF) delivery rate
- Customer complaint volume related to fulfillment
- Inventory holding costs

Driver signals

- Production capacity utilization
- Demand forecast accuracy
- Inventory levels by location
- Schedule adherence rate

Interpretation rule

Monitor driver signals to anticipate outcome risks; sustained negative trends in outcome signals require immediate escalation and corrective action.

ACTION TRIGGERS

Primary actions

- Adjust production schedules based on demand-capacity gaps
- Reallocate inventory across distribution centers
- Initiate expedited shipping when delays threaten service levels
- Communicate changes to sales and customer service teams

When to act

- Demand forecast variance exceeds capacity by threshold
- Inventory levels fall below safety stock at key locations
- Two consecutive weeks of service level degradation
- Identification of high-risk customers facing delays

GOVERNANCE AND BEHAVIORAL RISKS

Gaming risks

- Orders split to manipulate priority
- Ship dates adjusted to mask delays
- Low margin customers deprioritized without visibility

Priority conflicts

- Inventory turns versus service level targets
- Labor efficiency versus expediting needs
- Freight cost reduction versus customer satisfaction

Incentive risks

Bonuses tied to cost efficiency discouraging proactive service protection

DATA CONFIDENCE AND READINESS

Confidence level

Moderate

Known issues

- Late schedule confirmations
- Inconsistent OTIF definitions
- Manual overrides affecting data integrity

Readiness gaps

- Lack of standardized definitions
- Delayed data updates
- Limited automation in data capture

Recommended next steps

- Implement standardized OTIF definitions
- Automate schedule confirmation data collection
- Establish controls to limit manual overrides

BOARD OVERSIGHT AND ESCALATION

Board view

Summarized trends in service levels and key risks with focus on material deviations and strategic impacts.

Board pack (recommended)

- Executive summary of OTIF trends
- Key risk indicators and mitigation status
- Summary of recent escalations and resolutions

Escalation triggers

- Two consecutive weeks of material service degradation
- Loss of a top customer impacting revenue or reputation

OPEN RISKS AND RECOMMENDED NEXT STEP**Open exposure areas**

- Definition alignment of OTIF across regions and customers
- Data timeliness and accuracy in schedule confirmations
- Incentive structures balancing cost and service
- Cross-functional coordination effectiveness

Why these matter

- Addressing these areas strengthens decision safety
- reduces risk of misaligned priorities
- and ensures consistent customer service performance.

Recommended next step

- Standardize OTIF definitions and automate data collection to improve confidence and enable timely
- aligned decision-making.

Disclaimer: Outputs are AI-assisted decision support and require human review.