

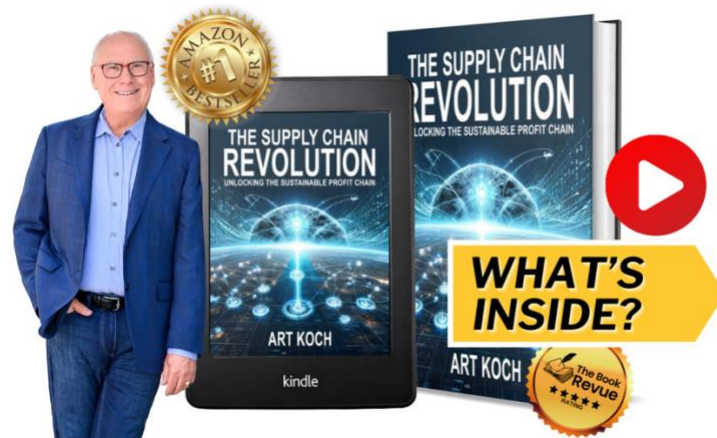
Art Koch's Profit Chain® Tips

The Supply Chain Revolution: Unlocking the Sustainable Profit Chain What's Inside Chapter 9?

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Let's continue with my What's Inside the Book series - here I share what you'll find in *Chapter 9: Turbocharging Supply Chain Sustainability*.

Have a look at the video for more detail. As before, I have included a short summary of what you'll find in the video below.



[Click for Video](#)

Turbocharging Supply Chain Sustainability

In Chapter 9, Art Koch introduces the concept of “entropy” in supply chain management (SCM) and its detrimental effect on business processes. Just like divers use tools and techniques to avoid the bends, organizations need to establish strong processes to prevent entropy from creeping into their operations. The chapter emphasizes the importance of sustainability, both in profits and corporate culture, and presents “Entropy Busters,” a three-phase methodology to minimize disorder and improve operational excellence.

Understanding Entropy in SCM

- Entropy refers to the gradual decline into disorder, much like an old, neglected farmhouse.
- In business, this manifests as inefficient processes, firefighting, and costly mistakes like inventory errors, rushed orders, and customer dissatisfaction.

Entropy Busters Methodology

- A three-phase process designed to combat entropy and restore order:
 - Phase I: Problem identification.
 - Phase II: Operational excellence through visual daily management.
 - Phase III: Team empowerment and sustainability.

Firefighting vs. Process Management

- Many businesses fall into a cycle of firefighting, which creates short-term fixes but doesn't address the root causes.
- Koch advocates for building robust processes and following through with sustainability checks to prevent chaos and reduce total cost of ownership (TCO).

Five Essential Management Principles

- Engage the team in problem-solving.
- Stay focused on key performance indicators (KPIs).
- Avoid distractions and maintain discipline.
- Play to win—don't settle for temporary fixes.
- Become a leader who empowers the team to make small, incremental improvements.

Sustainability in SCM

- Building processes that minimize entropy is key to achieving long-term success.
- Leverage automation, enterprise planning systems, and structured daily management to avoid entropy and ensure continuous improvement.

If you want to discuss this topic further and how it might impact your business, schedule a 30-minute call with Art here. [30-Minutes with Art](#)
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Carpe Diem,

Art Koch



Find out more about "The Supply Chain Revolution" [here](#).

amazon

Get your copy on [Amazon](#).

Art Koch's Profit Chain®

Create dramatic improvements to inventory velocity, customer service, and corporate profits.

If you have any questions or concerns about your operations and supply chain business strategy, please contact me by [e-mail](#) or at +1 (336) 260-9441.

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Self-Ranking - Pick one of the four questions below and fill in your comments relating to the current month's newsletter in the space provided.

1. Don't think this applies to your business or enterprise? (Write three to four reasons why it might not.)
2. A new idea and strategy; we need to work toward it. (Brainstorm the first steps.)
3. We can do better. We just need to modify our strategy, and now we are moving in the right direction. (What are the next steps to ensure success?)
4. Our team gets the time to keep their minds fresh, and we plan to live our dreams. (Comment on how you're ready.)



- _____
- _____
- _____
- _____

Thanks in advance for your time and for being a loyal client. Looking forward to helping you and your team again soon.

Carpe diem,

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Don't be afraid to call with any questions or comments.

Entropy Busters®

Stop letting the process manage you! Become the champion of your game plan and achieve sustainable profits.

The Inventory Doctor®

Assessing the health of enterprise inventory and procurement practices.

Inventory Is Evil!™

in·ven·to·ry / 'in·vən-ˈtôr-ē / noun

Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.

in·ven·to·ry is evil! / 'in·vən-ˈtôr-ē is 'ē-vəl / phrase

"Left unchecked inventory has many negative unintended consequences to profitability. It hides problems; therefore, it delays fixing problems!"

Transforming Problem Chains into Profit Chains™

Sign up for our monthly newsletter

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