

Lean & Agile

In Supply Chain Management



In today's volatile markets, efficiency alone isn't enough.

Stability without flexibility can make the Supply Chain fragile

Agility without discipline can drive up costs too much

Lean & Agile combined:

Blending Lean's focus on efficiency with Agile's ability to adapt to change.

How the combination works to boost performance:



Lean for Efficiency & Waste Reduction



Agile for Responsiveness & Flexibility

- **Eliminates non-value-added activities (waste) in the supply chain**
- **Streamlines processes, reduces excess inventory, shortens lead times, etc.**
- **Standardizes work for predictable, stable demand**

- **Rapid response to sudden demand changes or supply disruptions**
- **Flexible sourcing and production to cope with variability**
- **Decentralized decision-making to act quickly**

Examples in SCM:

- **Just-in-Time (JIT) production to keep inventory low**
- **Optimizing transportation routes**

Examples in SCM:

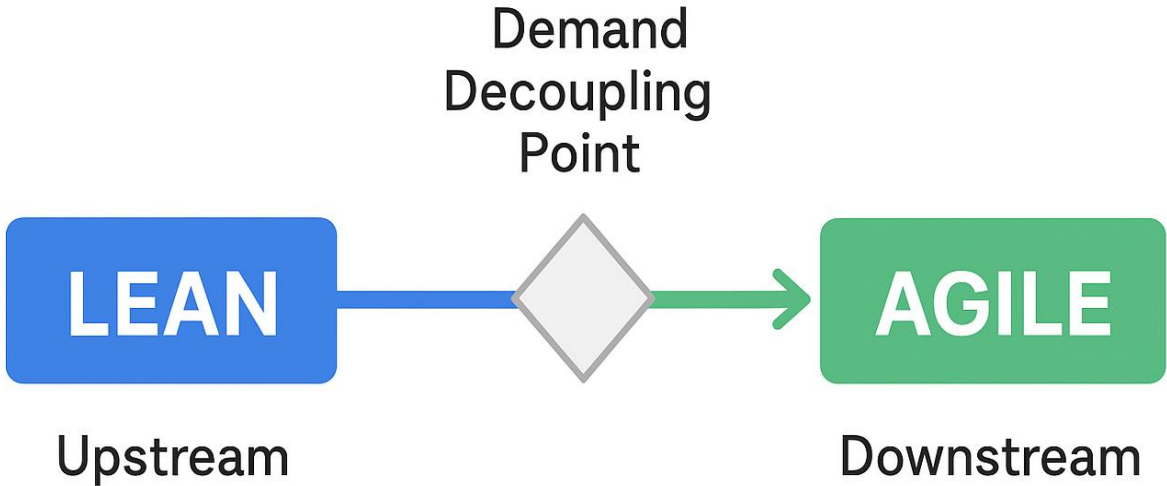
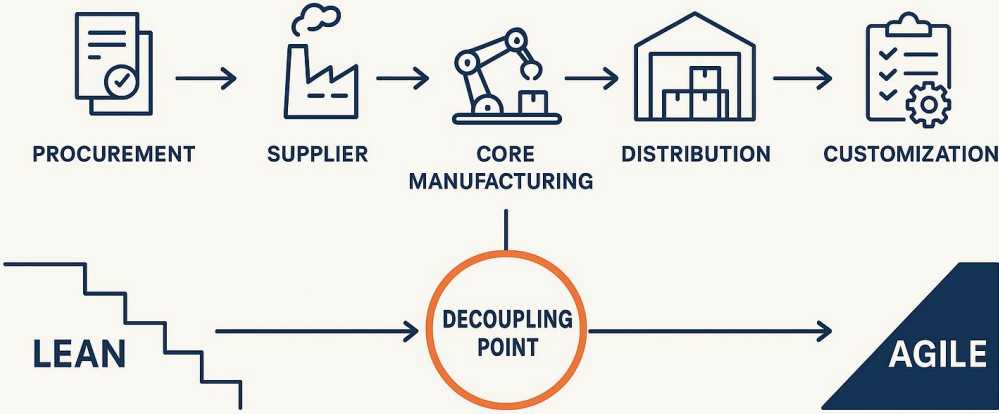
- **Cross-functional teams responding to supplier shortages**
- **Postponement strategy (final assembly delayed until customer order is known)**



Lean & Agile in Supply Chain Management

Supply Chain Stage	Approach	Benefit
Upstream (suppliers, raw materials)	Lean	Keeps costs low and operations efficient when demand is stable.
Downstream (final production, delivery)	Agile	Responds quickly to customer-specific requirements and market changes.

Lean Efficiency meets Agile Adaptability



Example in Practice:



A smartphone manufacturer might use

Lean principles for standardized component production
(mass-produced screens, batteries)

Agile principles for final assembly based on last-minute
customer preferences
(color, storage size, accessories)

