**Define**

**Project/Team Charter**

Introduction:

Purpose: Revolutionize warehouse operations in line with the 2023 strategic plan.

Location: Adidas' 500,000 sq ft. warehouse in London, Ontario.

Background:

Response to a comprehensive study identifying opportunities for enhanced efficiency.

Strategic choice of the London Distribution Center as a critical facility.

Objectives:

Provide real-time visibility into inventory.

Reduce errors and streamline warehouse processes.

Contribute to improved overall operational effectiveness.

Timeline:

Duration: 12 months.

Phases: Planning, technology selection and procurement, system integration, employee training, and phased rollout.

Accounts for potential challenges, testing phases, and adjustments.

Benefits:

Optimizes current operations.

Future-proofs Adidas' supply chain against evolving industry demands.

Assumptions:

Stakeholder Engagement: Active involvement of key stakeholders.

Technology Compatibility: Seamless integration with existing infrastructure.

Employee Training: Structured program for warehouse staff.

Regulatory Compliance: Adherence to relevant regulations and standards.

**Project CTQ**

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| --- | --- |
| **Enhanced Operational Efficiency** | The RFID technology aims to streamline warehouse processes, reducing manual efforts in inventory tracking and management. This efficiency improvement will contribute to faster order fulfillment and overall operational agility. |
| **Increased Accuracy in Inventory Management** | The project seeks to minimize errors in inventory tracking, leading to improved accuracy in stock levels. This is critical for meeting customer demand, preventing stockouts, and optimizing inventory turnover. |
| **Real-Time Visibility into Inventory** | The implementation of RFID technology will provide real-time visibility into the location and status of each product within the warehouse. This visibility is essential for making informed decisions, optimizing stock placement, and improving overall supply chain responsiveness. |
| **Cost Reduction** | By automating inventory management and reducing errors, the project aims to lower operational costs associated with manual processes, stock discrepancies, and order fulfillment errors. This cost reduction contributes to the financial efficiency of the warehouse operations. |
| **Future-Proofing Supply Chain** | The strategic adoption of RFID technology anticipates and prepares Adidas' supply chain for future industry demands and technological advancements. This forward-looking approach ensures that the warehouse operations remain competitive and adaptable in the long term. |
| **Employee Productivity and Satisfaction** | The project aims to enhance employee productivity by automating routine tasks, allowing staff to focus on higher-value activities. Additionally, a well-planned training program is expected to increase employee satisfaction by empowering them with the skills needed for the new automated processes. |
| **Customer Satisfaction** | Ultimately, the improved operational efficiency, accuracy, and responsiveness enabled by RFID technology contribute to a better customer experience. Timely and accurate order fulfillment, along with reduced errors, positively impact customer satisfaction levels. |

**Toll Gates**

1. Define Phase: Project Charter Approval

A "go/no-go" decision could be made after the Define phase, during the approval of the Project Charter. If there are significant issues with stakeholder alignment, resource availability, or strategic alignment with Adidas' goals, the project may be terminated at this early stage.

1. Measure Phase: Data Quality and Feasibility Assessment

If the data collected during the Measure phase reveals insurmountable challenges, such as data quality issues, or if a feasibility assessment indicates that the chosen RFID technology is not suitable for integration, the project may be reevaluated, and a decision to terminate could be made.

1. Analyze Phase: Root Cause Analysis

In the Analyze phase, if the root cause analysis identifies fundamental issues that cannot be effectively addressed within the project scope, or if the analysis suggests that the expected benefits are not achievable, a "go/no-go" decision might be considered.

1. Improve Phase: Pilot Testing Results

During the Improve phase, if the pilot testing results are significantly below expectations or if there are unforeseen challenges that threaten the successful implementation of RFID technology, a decision to terminate the project or revisit certain aspects may be necessary.

1. Control Phase: Sustainability and Continuous Improvement

If the Control phase reveals that the improvements achieved are not sustainable or if the anticipated benefits are not realized over the long term, a decision to terminate the project or revisit the control mechanisms may be made.

**SIPOC Diagram:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S (Suppliers) | I (Inputs) | P (Process) | O (Outputs) | C (Customers) |
| RFID Tag Manufacturers  RFID Reader and Hardware Suppliers  RFID Software Providers  Consulting or Integration Service Providers  Maintenance and Support Service Providers | RFID Tags and stickers  RFID Reader and Hardware  Antennas  RFID Software  Consulting or Integration Service  Maintenance and Support Service  Data management system | Define Project Scope  Conduct Needs Assessment  Select RFID Technology  Procure RFID Technology  Develop Implementation Plan  Software Integration  Employee Training  Pilot Testing  Full-Scale Implementation  Data Security Measures  Monitoring and Evaluation  Optimization and Improvement  Project Closure | Automated inventory tracking  Improved Operational Efficiency  Increased Accuracy in Inventory Management  Real-Time Data Insights  Cost Reduction  Employee Empowerment and Training  Customer Satisfaction  Future-Proofed Supply Chain | Adidas London Distribution Center |

**Measure**

|  |  |
| --- | --- |
| Step Description | How to Measure |
| Define Project Scope | - Clarity of defined objectives and boundaries through stakeholder feedback. - Alignment of project scope with overall strategic goals. |
| Conduct Needs Assessment | - Identification and documentation of pain points and inefficiencies in current warehouse processes. - Stakeholder surveys or interviews measuring perceived needs and expectations. |
| Select RFID Technology | - Evaluation of technology options based on compatibility with existing infrastructure. - Vendor assessments, considering reputation, reliability, and customer feedback. |
| Procure RFID Technology | - Timeliness of procurement process completion. - Accuracy and completeness of delivered RFID technology components. |
| Develop Implementation Plan | - Adherence to the outlined timeline and milestones. - Resource allocation efficiency and adherence to budget. |
| Employee Training | - Assessment of staff competence in utilizing RFID technology. - Training completion rates and feedback from employees on the effectiveness of training programs. |
| Pilot Testing | - Success rate of pilot testing in a controlled environment. - Identification and resolution of issues raised during pilot testing. |
| Full-Scale Implementation | - Smoothness of the transition to RFID technology across the entire warehouse. - Post-implementation assessment of operational efficiency. |
| Monitoring and Evaluation | - Continuous monitoring of RFID system performance, including uptime and accuracy. - Regular data analysis for identifying improvement opportunities. |
| Optimization and Continuous Improvement | - Efficiency gains achieved over time. - Employee feedback on the usability and effectiveness of the RFID system. |