

Steps in the internal phase of the supply chain	Typical activities to reduce lead times
Customer order processing	Shorten administrative procedures
Material lead times	Purchasing-based negotiations to reduce lead times including consignment inventory arrangements
Order backlog/forward load	Adjusting short-term capacity to reduce the length of the order backlog or forward load
Process	Decreasing lead time through a combination of: <ul style="list-style-type: none"> <li>• reducing set-ups</li> <li>• shortening process times</li> <li>• holding inventory to move increasingly towards an assemble-to-order and make-to-stock position</li> </ul>
Postprocess tasks	Reducing the overall time it takes to complete: <ul style="list-style-type: none"> <li>• testing</li> <li>• packaging</li> <li>• despatch arrangements/documentation</li> <li>• delivery</li> </ul>

**EXHIBIT 5.23** Elements of operations lead time and typical actions to reduce the length of time involved