

WHY AREN'T WE PERFORMING AS WELL AS WE SHOULD?

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This is a question often asked by manufacturing organizations that know they have improvement potential but don't necessarily know how to go about maximizing it. Manufacturers can minimize costs and increase operational stability by focusing on the primary areas that influence performance: production, inventory, supply chain management and those dreaded (but real) overhead costs associated with general and administrative activities.

Rising manufacturing production costs continue to have a negative impact on profits in business today. Prices for raw materials, water and transportation costs have seen increases causing gross margins to decline, inventory values to increase and unwanted constraints to cash flows. And although energy costs have declined, market volatility is still a real reason for concern in the industry. Meanwhile, health care costs are skyrocketing, adding to the cost of employee salaries and other paid benefits businesses. All of these factors combined are leading to declines in net profit for many organizations.

So how do manufacturers combat these problems which can soften demand for their products and continuously put pressure on margins? The simple answer scares many businesses in today's manufacturing sector. It's change! But not just any change, it's the right change.

By looking at new ways to improve manufacturing resource productivity and by improving business process efficiencies on the production floor and in the "business office", companies are seeing dramatic improvements in their gross profit, cash flow and net profit. In addition, workers are shown to be more enthusiastic, engaged and positive when they are allowed to participate in continuous improvement programs that leverage all the benefits of Lean, Six Sigma, and TOC (Theory of Constraints).

SO WHY ISN'T EVERYONE DOING THIS TODAY?

1. Fear of change – Sometimes it takes a leap of faith...
2. Failure to set clear goals and objectives before you start – Proper measuring motivates good people...
3. Internalizing the program start-up responsibility – It is always harder to do it yourself...

"WE CREDIT SYNERGY AS ONE OF THE KEYS TO KEEPING US IN BUSINESS DURING THE DOWN TURN. IT ENABLED US TO HAVE TIGHT CONTROL OF OUR COSTS AND INVENTORY. I WOULDN'T HAVE WANTED TO FACE IT WITHOUT SYNERGY."

Jacky Beshar VP - GROOV-PIN

FEAR OF CHANGE:

Dr. Deming spoke often about the role fear plays in damaging a company's effort to improve. If there is a culture of fear then it is likely the workers will be hesitant to try something different and therefore nothing will improve. However, evidence repeatedly shows that those businesses that do the best with their improvement efforts have a workforce that has been empowered to make changes and through positive experiences, learned to embrace it.

In these cultures, managers also become progressive enablers for the employees, rather than "traditional" managers that may not entrust their employees with improvement goals and responsibility. In these environments a manager's leadership skills and business knowledge becomes an even greater asset shared throughout the company. It's a win-win for everyone that successfully breaks the mold that fear creates.

Clear Goals & Objectives: What gets measured gets done! If only it was as easy as it sounds, but the truth is that without setting clear goals and objectives we could be measuring the wrong things. And without establishing the priority for achieving them, your organization will be wasting considerable time and energy working in an uncoordinated effort toward the wrong end point. With a clear list of goals and a prioritized list of objectives in hand, your team can begin developing the plans to achieve those objectives that will kick-off programs that drive real continuous improvement.

This simple, but important decree will ensure that;

- People and teams are working on the right activities
- The effectiveness of each change can be easily measured
- Employees are aligned and the conflict or confusion created by the "wrong" metrics is avoided

INTERNALIZING THE PROGRAM START UP:

Change is not simple, and becomes far

more difficult when it involves a change in company culture. Skilled and knowledgeable facilitators can effectively help cross-departmental core teams develop more efficient processes while bringing visibility to an improved work environment.

"IN A TIME WHERE MANUFACTURING COMPANIES IN AMERICA ARE STRUGGLING TO SURVIVE, SYNERGY RESOURCES STRATEGIC BUSINESS PLANNING PROGRAM HAS PROVIDED OUR COMPANY WITH A ROADMAP TO ACHIEVE WORLD-CLASS PERFORMANCE. THIS PROGRAM HAS RE-ENERGIZED OUR EMPLOYEES AND OUR MANAGEMENT TEAM AND FOCUSED OUR COMPANY ON GROWTH AND EFFICIENCY THROUGH OPERATIONAL EXCELLENCE. THROUGH THE EXECUTION OF THIS PROGRAM WE NOW UNDERSTAND THE OPPORTUNITIES WE HAVE FOR IMPROVEMENT AND WE ARE EXCITED ABOUT OUR FUTURE AND THE PROSPECT OF CONTINUING OUR PARTNERSHIP WITH SYNERGY'S STRATEGIC BUSINESS SERVICES TEAM"

Richard Meisenheimer
President & Second Generation Owner
Spectrum Associates

History and experience have proven that once people see how their own lives will be easier and more fulfilling they will rapidly become excited about change. But it is also recognized that the highest level of success achieved in continuous improvement efforts are found in those situations whereby companies understand the challenge and bring in professional facilitators to get a jump-start on moving the program forward.

Simply stated, all continuous improvement projects stand a better chance for success when:

- Fear to change is replaced by targeted improvements
- Objectives are clear and goals are defined, priorities are established and responsibilities are communicated
- Improvements are approached with the aid of a skilled facilitator, knowledgeable in the various improvement techniques of Lean, Six Sigma, and TOC.

When these factors are soundly in place, it is then and only then that the benefits of change are understood and the improvements gained are effectively sustained.

