

COMPANIES FOCUS ON WINNING WAYS

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The term “world-class performance” is used quite frequently these days. However, few companies can really define what it means.

During this decade of the 1990s, world-class companies continue to be distinguished by a number of distinct characteristics.

Managers have a global production strategy that is consistent with the firm’s capabilities and priorities. That strategy must deal with both the “hard” elements, such as plants and facilities, as well as with the “soft” elements, such as people, management and training techniques.

The strategy should be flexible and adaptable and should not be implemented suddenly in an all-or-nothing manner. Rather, it should be scheduled as a series of gradual, continuous improvements over time.

Successful companies generate products and processes in tandem in order to respond rapidly to changes in competitive products and markets. Flexibility in terms of design and output is the ultimate competitive capability in a time-based competitive struggle. Those who can rapidly design and produce new products in a flexible, cost-effective, volume-variable production system will be the winners.

During the 1980s, quality was a major differentiating factor. Without quality, firms found that they did not have the price of admission to the marketplace. In the 21st century, time-based competitive capabilities will continue to distinguish those companies that can compete from those that will fall by the wayside. The ability to produce a high-quality product on time, faster than the competition, represents a major competitive advantage.

Performance systems will be expanded to include nonfinancial or operation measures, such as manufacturing cycle time, set-up/changeover time, on-time delivery, engineering cycle time and order processing cycle time have become the important measures of manufacturing productivity.

Successful firms are characterized by teamwork and by the elimination of the line between managers and workers.

By focusing on production operations, these companies will drive out complexity, thereby reducing cost, shortening cycle time and improving efficiency. Vertical control over supplier networks and channels of distribution will also continue to be a critical element of success.

Tomorrow’s producers will

be dependent on those who come before and after in the manufacturing process. Supplier/customer relationships will become a common term to identify this success element.

These factors provide the infrastructure upon which a strong base of technology can be built. The elements necessary to become a world-class competitor are within the reach of every company, large and small. In one sense, being world-class has more to do with a mental approach than with size or resources.

World-class companies regard their customers, and serving those customers, as fundamental to their existence. They recognize that to be competitive, they must address the structural and infrastructural elements of a business. They constantly look for incremental improvements, knowing that the game is more often won by many singles than by one home run.

In the final analysis, it comes down to managerial leadership. World-class companies have world-class

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