



RCG University

Implementing Radical Change: The Right Stuff

Over the years U.S. manufacturing companies lost substantial market share in many industries. Stiff foreign and domestic competition drove executives to seek solutions. MRP had its heyday, then JIT, CIM, TQM, and time-based competition. Quick-fix solutions failed, as well as downsizing and decentralization.

By now we understand what led to this bind --years of haphazard growth and piecemeal problem solving. We placed plants and equipment wherever space could be found. We sourced overseas in quest of cheap labor. We organized ourselves by functions, taking pride in getting the management process down pat.....so we thought. The results were bureaucratic organizations, slow to react to customer orders, slow to develop and produce new products, and high costs. Huge monoliths as IBM and GM built enormous empires over the decades and are now suffering dearly because they can no longer compete.

Yet some companies are making substantial progress in becoming highly competitive. A tractor facility that didn't know how much inventory it had within four walls in 1986, proudly boasts 26 turns today. A small plating company driven with fire and entrepreneurial spirit has transformed itself into a managerless dynamo, growing, expanding, and taking market share during recessionary times. What is it that these companies have that makes the difference? The following characteristics seem to be consistent in companies who are able to radically transform themselves.

Taking dramatic steps to become agile is necessary to be a manufacturing or distribution contender in the next decade. Organizations must focus on moving information and products quickly through the entire supply chain, distribution, assembly, manufacture, and supply. All physical events must be enacted swiftly, accurately, and effectively. The faster that parts, information and decisions flow through an organization, the faster it can respond to customer needs and orders.

Strong Leadership

The CEO drives the change process, leading the company to greater heights. There is no substitute for a strong leader. He sets the direction, and the priorities.

Consensus At The Top

The CEO and first reports agree wholeheartedly on the need for dramatic change, and all work together in defining the vision and the resources required for success. Teamship is real, not feigned. Contributions are sincere, not politicized.

A Shared Vision

A well articulated vision of where the company will be in three to five years, expressed in specific performance outcomes, cascades throughout the company. Every employee has personal objectives that tie to the vision. Each has a direct effect on the outcome, and a well-defined personal stake in achieving the vision.

The Right Attitude

Hidden personal agendas in top and middle management are cast aside to make room for a major collective effort. The theme is "get on board, or get out of the way." Those who block the effort are quickly disposed.

Commitment To See It Through

Plans do not get derailed at the signs of resistance or difficulty. Solutions to problems are found and implemented. If something doesn't work, something else is tried.



Winners never give up. Mistakes are learned from, techniques are mastered, skills are honed, weaknesses are strengthened, barriers are overcome, and the athlete becomes a relentless competitor. A vision of crossing the finish line in first place drives the athlete until the sweet smell of success is realized.

High Employee Involvement

All employees participate heavily in achieving team-based performance objectives. Individualism is not lost in the team environment, but reinforced. Problems are diagnosed and solved through teams that run their own operation. All participate in continuously improving personal, team, and organization performance. The focus is on quality, cost, delivery, and customer satisfaction.

Permanently Empowered Employees

Decisions are driven downward to the team level on a permanent basis, not a special project or temporary basis. Layers of management that get in the way of fast decisions are removed, and accountability rests with the team. Team leaders provide direction, priorities, and facilitation to the team. Teams evolve to self-management.

A Comprehensive And Systematic Approach

A comprehensive master plan is created that addresses key integrated leverage areas: culture, reward systems, strategy, process, structure, and staffing/skills. All leverage areas are linked and the plan is structured in manageable phases. The process is continuous.

Lots Of Guts

A willingness to take risks and attack sacred cows to achieve substantial results is prevalent. The focus is longer term, replacing the monthly P&L as the driver for everyday operations. Problems are anticipated and directly addressed.

Continuous Catalytic Activity At The CEO Level

Executives realize they do not have the objectivity, skills and experience to enact radical change. External, objective, apolitical, and experienced catalysts and consultants are used to help navigate, find direction, and implement plans.

Trustworthy Communications Top Down/Bottom Up

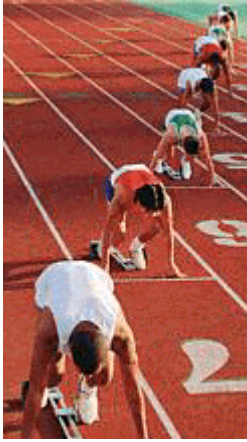
The CEO and first reports continuously, repetitively, and consistently meet with all groups for two-way communications. The CEO is highly visible to all. Weekly or bi-weekly employee exchanges take place. Fears are addressed. Truth and honesty prevails.

Ownership Of Change By A Vast Majority Of Employees

High employee involvement in problem solving, finding solutions, and implementing them creates authorship and ownership of the process. Peer pressure makes things happen. Employees are trained and learn new skills. Motivation is provided by the vision, strong leadership, team involvement, and reward systems that reflect achievement of the vision.

Financial Resources

Equipment and staffing are provided as part of the master plan. Substantial investments are made to reduce non-value added time on the shop floor and in the office. Cost/benefit analyses identify the results that will be achieved.



Why is this important? Competing is taking on tough, new proportions. A global resegmentation of markets is emerging that is changing the world economy. U.S. manufacturers face stiff offshore competition in most markets. Companies failing to respond to the challenge will find themselves left behind eating someone else's dust.

Extensive Education & Training at all Levels

Most employees, including upper and middle management, have been conditioned over the years to be individuals and stars. Our society teaches this. They simply don't know how to behave as team members should. Courses in dealing with personality differences, team building, stress management, conflict management, and many others can go a long way in getting people to work cohesively. In addition, courses in process mapping, set-up reductions, statistical process control, etc., can provide the techniques for re-engineering the processes.

Competing and leading in the next decade requires major renovations to the manufacturing infrastructure, and an acculturation process fueled by heavy emphasis on self-direction and empowerment. Those who accept the challenge can follow the experience of others who have demonstrated success.

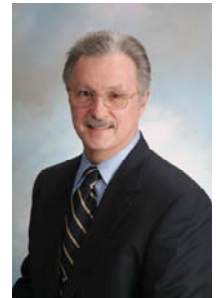
Seeking these qualities greatly enhances the chances of a successful outcome.

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Author

Richard G. Ligus is President of Rockford Consulting Group, Ltd., located in Rockford, IL., with over 30 years experience in manufacturing, procurement, transportation and distribution. He specializes in developing and implementing manufacturing, distribution, and supply chain strategies. Rich is an author and a speaker, and has developed seminars with the American Management Association. He is certified by both the Institute of Management Consultants and the National Bureau of Certified Consultants.



Rich has a bachelor of science degree in mechanical engineering from the New Jersey Institute of Technology, and a master of business administration degree from Rutgers University. He is a member of CASA/SME, and has been listed in Jane's Who's Who in Aviation and Aerospace. He has been a speaker at IMTS, USCTI, APFA, NEPMA, MCAA, Hand Tools Institute, CASA/SME, and others. He has appeared several times on WREX-TV, Mid-Morning Magazine.

About Us

Rockford Consulting Group is located in Rockford, IL, a city with a substantial manufacturing and machine tool history. An Illinois corporation, our company specializes in supply chain management, focusing in manufacturing and distribution operations management consulting. As companies search for ways to react to intense competitive pressures, we offer a unique group of integrated, dynamic state-of-the-art services to help clients develop world-class performance capability.

We facilitate the development and execution of supply chain, manufacturing, procurement, logistics, information systems, distribution, and organizational strategies that reduce delivery time, reduce cycle times, reduce costs, streamline information flow, streamline the organization structure, reduce manufacturing time, quicken the decision making process, and build a cohesive management team.



World-class performance requires speed, quality, agility, and endurance. In a highly competitive race for world market domination, there are no silver or bronze medals. You win or you lose. This degree of performance doesn't simply happen. It requires years of commitment, conditioning, and a vision of a gold medal.



Rockford Consulting Group has a cadre of the best consultants in the world today, providing high quality professionalism through the use of experience and innovation. We subscribe to the Institute of Management Consultants Code of Professional Conduct. We provide high-quality professional consulting services that span both technical and cultural issues. Our clients are treated as our highest priority. Everything that we do is client driven and for the client's ultimate benefit

Through our affiliate offices, we serve North America, Central America, South America, Middle East, Southern Africa, and China, with over 1000 specialists worldwide.

Consulting Services

The Strategic Planning consulting and facilitation services we offer, as part of our Supply Chain Management consulting portfolio, are:

- Raising awareness and involving everyone in building a new direction.
- Developing a new competitive direction for your business and becoming more customer driven.
- Developing the master plan while building a custom strategy for inducing radical change.
- Developing cohesiveness among managers using a team building approach that focuses on results.
- Creating a cohesive team environment through high involvement.
- Formulating teams to streamline processes, improve productivity and reduce costs.
- Developing missions, goals and objectives for self-managing teams that vertically link with the company's strategic direction.
- Using a state-of-the-art tool to integrate the vision with annual business/budget planning, and daily operations.
- Developing measurable action plans to ensure success.
- Creating accountabilities and linking the new direction with performance measurement and reward systems
- Collaborative Mission Statement Development
- Collaborative Statement of Purpose Development
- Collaborative Core Values Statement Development
- Top-down Objectives/Goals
- Vertically/Horizontally-Integrated Action Plans
- Collaborative KPI Development
- SWOT Analysis
- Gap Analysis
- Performance-based Reward System Development
- Performance Metric Development
- Benchmarking
- Global Outsourcing
- Acquisition Assessment
- Due Diligence
- Top Management Facilitation

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Rockford Consulting Group, Ltd.

- 7210 East State Street Century Plaza Suite 206 Rockford, IL 61108-2624 •
- Telephone (815) 229-2900 • Toll Free (800) 667-7495 • Telefax: 815-229-2612 •
- E-mail: rligus@RockfordConsulting.com • Internet: <http://RockfordConsulting.com>