

Introducing LeanControl RTO

"A chain is only as strong as its weakest link." – Thomas Reid 1776. We've known this idiom for over 300 years but do not seem to have applied it to the thoroughness required to create a Lean Enterprise. When we're thinking of being competitive in an ever increasingly competitive marketplace, it makes sense to continually improve on your weakest organizational links. Read on and understand the primary issues and solutions.

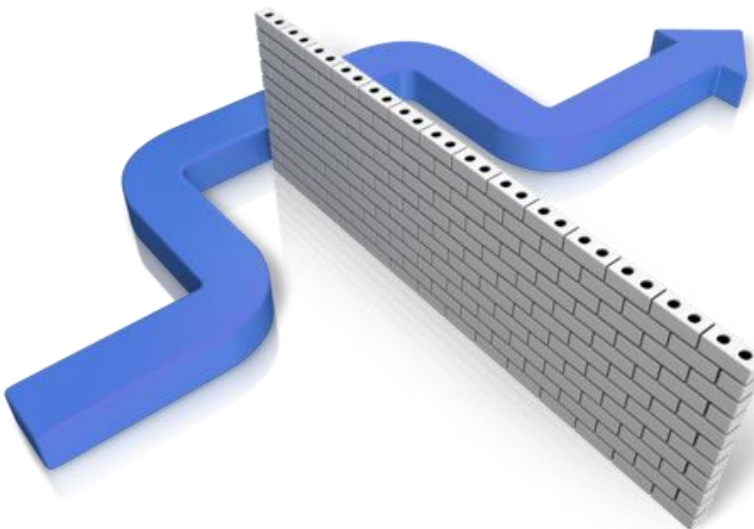


These weak links are ever changing. As you strengthen one, another one becomes the weak link. If a business condition changes, the links that were once perceived as being acceptable in strength may now be considered weak. However, the condition that will always be required to be competitive is that your organization has the right people executing the right processes in a timely manner.

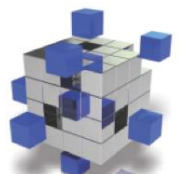
In order to plan and control the organization's activities, several components need to be in place.

- **Timely, accurate information** which may be received by internet, fax, verbal communication and other forms of information sharing among stakeholders.
- **Enterprise** systems that are properly configured to collect and distribute the information and assist decision makers in executing positional mandates. This often requires integration of a number of systems types.
- **Personnel skills** that facilitate good decision-making based on the information presented and teamwork to facilitate improvement initiatives.

The question becomes: "How does management ensure that information received is promptly executed through a process?" Moreover, how do they know that the process is



going to deliver a quality result? We know from experience that people will take short-cuts when they can, that they often don't know how a quality result can be consistently achieved. We also know that personnel changeover often results in the loss of a significant amount of knowledge capital.



The Issue is Multi-Faceted

Facet #1 - Knowing Your Business

Many organizations have taken steps to understand what their customers want...in other words, they have developed a document that states the expected quality, price point and delivery ability of a product or service. This document is often referred to as a Customer Value Proposition (CVP). That's a good first step but is unlikely to help you dominate your marketplace. More likely that knowledge, if you acted upon it, is just keeping you in the game.

To become a more significant force in your market, you need to understand the expectations of your Stakeholders...customers, suppliers, employees, community, governments and so forth. Once you have that research and have documented the Key Performance Indicators (KPI), then you have what's referred to as a Stakeholder Value Proposition (SVP). In today's world of social media, not understanding your organization's impact on all stakeholders can be harmful to your brand.

Facet #2 - Having the Right People

When it comes to 'having the right people', there are two parts to a human being that need to be understood: The knowledge capital (function execution); and, the social capital (workplace integration). Many organizations have good people doing reasonable jobs but good is the enemy of great and reasonable the enemy of superior.

To have the right people, the organization's personnel structure must be aligned to maximize the SVP and then properly align the people with the positions.

Facet #3 - Execute the Right Processes in a Timely Manner

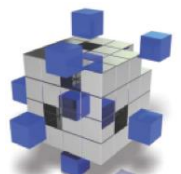
Organizations have many types of processes. In many situations, these processes have not been reviewed and aligned with the changing CVP or SVP or, if they have, it's not a continuous process to ensure that the processes are: a) executed in a timely manner; b) executed with a minimal amount of human effort; c) executed with a minimal overhead cost; d) not creating risk to the organization; and, e) able to execute the elapsed cycle time from beginning to end as fast as possible.

The entire idea of maximizing your true organizational potential is to reduce total elapsed business cycle time, human effort and overhead cost while minimizing your organizational risk factors.

Facet #4 - Fast, Accurate Information

There isn't a part of the organization that doesn't require and create information. It's the quality of the information being received, the speed at which it's recognized and the timeliness of action upon that information that often makes the difference between success and failure. In manufacturing and distribution, many organizations listen to sales representatives that say that ERP (Enterprise Resource Planning) solutions are the solution to the problem. This is only partly true. ERP solutions, even with some workflow management, will not ensure the timely and cost-effective transformation of an incoming piece of information into actions that will support the SVP.

The advantage of information is maximized when it is monitored for timely action and the 'human factor' of deciding what to do with it / who to send it to is minimized without taking away the decision making that your people in the organization need to make timely and accurate decisions upon.



The Solution is Multi-Faceted

Facet #1 - Knowing Your Business

Creating a SVP document that will properly assist you in developing the organization into greatness is a task made easier by a technology that creates two gap analysis reports. The Perception Gap Analysis shows the difference between *what you think* your Stakeholders consider as important aspects of your relationship with them and what they *actually think*. The Delivery Gap Analysis provides a view into the difference between *how you think you deliver* on the various aspects of your relationship and what the Stakeholders consider to be *your organization’s level of competence*.

Emercomm utilizes this technology in the Assessment Phase of an engagement. Neither we nor our client know what to concentrate resources on until we know what the Stakeholders actually think is important and how well those values are being met. However, once the assessment is validated, the ability to concentrate resources on the highest priority gaps is readily accomplished.

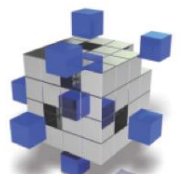
Facet #2 - Having the Right People

To have the right people, the organization’s personnel structure must be aligned to maximize the SVP and then properly align the people with the positions. In order to assist our clients in their effort to ensure that they have the correct person in any role, Emercomm developed the Total Employment Lifecycle Management methodology (TELM). TELM has several sub-methodologies that assist organizations in developing positional profiles (much more than a job description) in a quantitative manner. The organization can then validate the people currently in the position in a quantitative manner and develop solid plans to ensure the steady growth of the person and position within the organization.

TELM also has a technology component. Emercomm has developed an automated process management solution that assists the organization in tracking the progress of the person against quantifiable targets that are based on the positional profile. The solution also provides all employees with the ability to engage in making recommendations for improvement and ensures that the loop on all recommendations is closed...whether accepted or not.

Facet #3 - Executing the Right Processes in a Timely Manner

In order to control your environment, all processes that impact your CVP and many that impact your SVP need to be executed in a timely manner. Manufacturing organizations have invested in automation on the shop floor to decrease the total time that a product is in production and to spot quality issues at their source. Now, the organization that wants to go from good to great is investing in automation to control the business processes that impact value propositions. Look at the amount of paper that is in your organization and recognize its cost and risk factors (see True Cost: Paper later in this document). Using automated Business Process Management technology that is integrated to your ERP solution will remove paper, business cycle time, risks to your business and ensure that your business processes are every bit as efficient as your production (if not better).



Facet #4 - Fast, Accurate Information

Here's an acronym to remember: SPOE. **S**ingle **P**oint **O**f **E**ntry is the target for any information that your organization needs to have. Any time a piece of information needs to be entered / created twice in your organization you've added time, cost, human effort and risk to the business. There's the waste in doing it twice plus the loss of reaction time to the information. You also add the potential for transposition or another type of error to be introduced.

The need to have an integrated ERP solution is an absolute. ERP solutions facilitate the collection and dissemination of a vast amount of your organization's data. Your sales, operations, inventory and financials should be integrated in one system. Additional functions such as CRM, Payroll, HRIS and e-commerce may be useful and cost-effective, but the core integration is essential to being Lean.

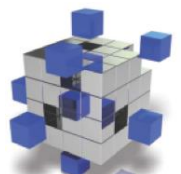
Shop floor systems (e.g. RFID, bar code, inline scanners, inline quality measurements, robotics), distribution systems (e.g. warehouse management, transportation management) and enhanced reporting systems (e.g. management dashboards, database alerts) all facilitate the use of information in various parts of the business.

Summary...Putting it all together

The SVP provides the roadmap to going from where you are to where your competition can't touch you. Assessing your gaps in your people, processes, technology and risk management becomes the first stage of getting to your goals. Acting decisively on a prioritized plan to address those gaps becomes the second and, if done correctly, the returns from correcting the highest priority issues will fund the balance of your journey towards becoming that market leader.

When you've accomplished a cultural change to being a Lean Enterprise, you'll find that banks and governments will want to lend you money or give you grants to continue to grow. People will want to work for you giving your organization the ability to pick the best people for your future. Current and future customers will call you first for new opportunities.

Maybe, from a completely selfish point of view, senior management will actually be able to lower their stress levels and actually take some vacation time without worrying what's happening in the business. These days, that's not a common occurrence for the majority of management personnel.



Introducing: *LeanControl RTO*

Creating a superior organization will require great people executing lean processes in a timely manner. All activities of the organization support the SVP either directly by adding value or indirectly by minimizing unnecessary time, effort, cost and business risk.

Emercomm has created a series of Lean Business Processes that will assist the manufacturing organization in controlling their business environments and ensure timely execution of business processes that will yield quality results worthy of a Six Sigma rating. When integrated with your ERP and other technology solutions, *LeanControl RTO* creates a nearly paperless business environment which further reduces time, effort and overhead costs...not to mention clearing all those cluttered desks.

By itself, *LeanControl RTO* process automation may not be the total solution necessary for maximizing return on investment. As part of the complete *LeanControl* solution, Emercomm provides the coaching and educational services that your people may require to successfully implement change in your organization

LeanControl RTO includes the following core modules which can be activated individually, in groups or in total:

- *LeanControl HRP* (*Human Resource Process Management*) solution helps you address the issues of risk, non-value-added cost and human effort in your human resources administration and the improvement of employee engagement and overall employment culture.
- *LeanControl CCPM* (*Customer Centric Process Management*) solution provides lean business processes from a customer quote request to collecting the revenue after the product has been shipped or services provided.
- *LeanControl SCPM* (*Supplier Centric Process Management*) solution includes lean business processes for operational, expense and capital product requisitioning, acquisition and payment including supplier RFQ tracking.
- *LeanControl OMPM* (*Operations Management Process Management*) is used to control the Sales & Operations Planning process, timely operations planning and reporting and ensure continuous improvement in managing organizational resources. OMPM also augments ERP solutions with processes that provide people with analytics in areas such as inventory planning and cost analysis, forecasting and lean methods (e.g., Kaizen processes).
- *LeanControl ITPM* (*Information Technology Process Management*) solution includes processes to protect the organization from undue risk due to issues resulting from information privacy, system disaster recovery and other technology infrastructure requirements.
- *LeanControl ECPM* (*Engineering Change Process Management*) solution includes processes to assist the organization in reducing the cost and elapsed time-to-market for new and upgraded products or services while ensuring that all regulatory requirements for your products or services are met. *LeanControl ECPM* also includes the Product Recall process management to ensure timely, accurate and auditable records are kept when a product has a quality issue that may / does result in a recall including corrective actions taken.





"Lean Organizations Win!"

For more information please contact us via email: services@emercomm.com

About Emercomm

We unlock an organization's potential by defragmenting them.

We work efficiently which gives everyone more time to enjoy life. We share the hard-working, entrepreneurial spirit of our founder Ken Cowman and his focus on helping companies achieve the ability to support all stakeholder values through continuous improvement and LEAN methodology to ...Unlock Potential! We put it to use all day, every day. We make it fun to passionately pursue our vision of "what's next."

Our commitments to customers, coaching, to one another and to our community are unparalleled, so we don't settle for great. We seek extraordinary. We don't rest until it's done right and take pride in knowing our clients are not only great, they're on their way to becoming market leaders.

