

“When the going gets tough the smart get going”

Here we are again, yet another economic down turn for companies to survive. More redundancies, quick fixes adapted to cope with the short-term issues facing the company. Long-term strategies put on the backburner as an option rather than a solution. The nearest point of focus is the results of the next quarter. Business improvement is either put on hold or used to reduce costs rather than to improve overall performance. The company grinds to a halt.

Just like in all the previous recessions most companies react too slowly to change and fail miserably in their recovery, never pro-actively prepared or flexible enough to ride the storm.

Today’s market in the 21st century, especially since the arrival of the Internet, demands lower costs, more variety and shorter lead times to delivery. You incur bigger inventories, increasing wage bills and higher overheads. You aim to increase efficiency by making investments in equipment and technology, just to find that all that's been achieved is additional costs further down the line. The treadmill spins faster and the workforce and managers fight to keep up.

The last thing you need now is a recession. “Bang it hits you”, and panic sets in because you were totally unprepared and in come the quick fixes to address the problem.

No matter how big your organisation, this is the reality of today’s market but “when the going gets tough the smart get going”

What do smart companies do?

They become World Class. This is no longer an option; it is not something that you might look into when times are good, these days becoming World Class is the key to survival.

World Class is about being number one in terms of performance and is achieved by focussing on customer needs and by staying one step ahead of your competitors.

Becoming World Class is not just a quick fix that can be implemented over night. It is a never-ending journey to stay one step ahead. The drive to become World Class should be the strategy of the company.

So where do we start?

The first step is to become Lean or waste free. An organisation that is waste free is more efficient, less costly and more adaptable to change. Japanese firms like Toyota use the phrase ‘muda’ to describe any non-value adding activities in a process – something the customer should not have to pay for, because it is waste. Linking your operation, whether it is manufacturing, purchasing, finance, marketing or service closer to true value enables you to become more competitive even when times get tough.

By applying the right approach you can improve efficiency, reduce lead times, inventory and overheads without any compromises on quality. Furthermore, by standardising lean processes throughout your organisation makes the most of any investment in people, processes and equipment.

Once your company has developed a culture forever pushing to become waste free, it's all about setting in motion a sustained strategy to continuously drive the company toward the World Class goal.

The organisation with its ever improving processes, people and technology will always be ready for recession because it is aligned to changes in customer demand, competitor behaviour, as well as environmental and political change. The eye is now on the horizon, not just on the tactical needs and requirements of today.

There is no better place to start than right now. Push aside the negative short-term thoughts and begin to think smartly for the future. Becoming World Class is no longer an option – it is survival.

