

Manufacturing Today Europe

<http://www.manufacturing-today-europe.com/2017/12/14/ready-for-change/>

December 2017



HOME NEWS FEATURES EXCLUSIVE FEATURES PROFILES CONTACT US CUSTOM MEDIA OPTIONS MEDIA PACK



Les Brookes highlights the important points to consider when undertaking a business excellence programme

In today's market, manufacturers, like all businesses, must fight harder, faster and smarter than ever before. The modern world is consistently inconsistent, characterised by consumer transience, faster-moving trends and increasingly volatile markets. Excellent service is still demanded by customers but brand loyalty, if it exists at all, is driven by convenience (even more so than price). The pursuit of excellence is a never-ending story. The growth of automation and technology has transformed the landscape and in changing times, manufacturers have to be lean and agile, and continue to adapt.

To extract the best possible performance from any business, it is vital to strike the right balance between people and behaviours, processes and tools. Hitting the 'sweet spot' where these overlap is fundamental to facilitate lasting change. Success is irrevocably linked to ambition. This is not about issuing platitudinous targets like doubling the size of the business; it's about genuine passion and desire to be the best and exceed expectations. It's about grasping new ideas and driving them forward to a successful outcome.

Lead by example and inspire your people

All too often when trying to improve business performance, organisations launch into tackling their processes and tools with enthusiasm and vigour, but overlook the importance of people and their behaviours. If you want to move towards business excellence, it is essential your business first recognises that people are the key drivers for change and that your success depends on your organisation's ability to cultivate the right environment for change.

A culture is needed whereby everybody understands the significance of their individual contribution and work as if it was their own business is the objective. It is important to realise, however, that this is a two-way street; everybody needs to know what's in it for them, if you want them to perform to the best of their capability. It is dangerous to underestimate the importance of reward and recognition.

ARCHIVES

Archives

ADS

ADVERTISE IN MANUFACTURING TODAY?

Manufacturing Today can help market sales and marketing objectives, whether and awareness based, or more return focused marketing such as lead generation business opportunities. MT's readers are players in the future and more likely customers - of course that's if you, as manufacturing, want to lead your industry world class too.

Leaders need to become role models for the rest of the organisation. So, they not only dictate the cultural change in terms of business needs, but lead by example. By practicing what they preach, they distinguish themselves as true leaders, rather than managers.

If you want to galvanise and embolden employees to achieve excellence, remember that people tend to own what they create. High levels of staff involvement in a change process not only leads to cultural change, it also underpins sustainability. Remember, the people closest to where the work gets done are the ones who best understand what's not working well – and given the right opportunity and encouragement, are the ones who can provide solutions to problems. By giving everyone in the organisation a voice in leading the process of change they begin to realise the positive impact that they can have in the future of their place of work.

Manage demand

Arguably, all successful business planning begins with effective demand management, not least in the manufacturing sector; understanding consumer demand is an essential prerequisite to gaining control of your supply chain. Fully integrating product portfolio development into your demand plans, collaborating with supply chain partners on demand management and responding to demand signals as close as possible to the consumer, will all help ensure your business becomes more efficient, producing less waste and generating more profit.

For the most advanced supply chains nowadays high performance execution of demand assists the most effective execution of the demand plan by enabling manufacturers to respond to real-world events, and market shifts on a daily or even hourly basis. Demand Sensing creates an accurate realtime picture of changing demand, based on the current realities of customer behaviour. If you're looking to make the jump from being 'good' to being amongst the 'best' businesses, then high performance demand sensing and execution is the game-changer.

Ideal inventory

Managing the eternal struggle between too much inventory and not enough lies at the heart of effective supply chain management, but it's an equation manufacturing organisations continually fail to get right. When it comes to optimising inventory, the choices go far beyond simply stopping production. By properly analysing the decisions it makes regarding service levels, cycle times, the utilisation of production capacity and safety stock, a manufacturer can create a list of options to ensure it is always carrying the right amount.

For example, if your service levels are at 98 per cent, dropping them to 95 per cent might increase the risk of some customers not always getting products on time but this will be far outweighed by potential savings if it also provides an inventory reduction. Rather than wait for the next brave soul to just stop production until inventory runs dry and let hist

Integrated business planning

Manufacturing businesses report better results when Management Business Reviews focus on the on a 24-month horizon to facilitate the delivery of strategy, and they gush about the benefits of benchmarking progress against their peers. Through effective Integrated Business Planning (IBP), manufacturing firms can align the company plans every month, allocating critical resources – people, equipment, inventory, materials, time and money – to most effectively satisfy customers, in the most profitable way.

A well-established Integrated Business Planning (IBP) process not only ensures effective decision-making based on robust forward plans, it allows people to continually learn how to make improvements. They have to anticipate what happens next, not just respond to what has happened. This means they and the organisation as a whole, are always in control of providing excellence even if its definition is constantly changing. Competition and technology

ARCHI

Archives

AD

ADVERTISE IN M
TODAY

Manufacturing Today can be sales and marketing objective and awareness based, or more focused marketing such as lead business opportunities. MT's players in the future and more customers – of course that's manufacturing, want to lead world class too.

both evolve so quickly, it is difficult to anticipate the impact on your own business. So, you also have to be agile and responsive, but in a cost-efficient manner. There should be no surprises – an effective IBP process and the right leadership and behaviours, will make sure you are able to constantly fine tune your performance.

players in the future and their customers – of course that's if manufacturing, want to lead y world class too.

For top performing manufacturers, IBP is now evolving into Enterprise Integrated Business Planning (EIBP); delivering a new level of benefits beyond what the human eye can see, enabled by enhanced analytics and predictive modelling.

In summary

Today, excellence is not optional but essential to survival. Competitive advantage is not driven by the resources a manufacturer controls, but those it can access. The path to success no longer lies in clawing your way to the top of the heap, but in nudging your way to the centre of the network. Change can be swift, difficult to predict and seismic. If you're not ready, your competitors will be there to catch the ball. Excellence comes from strong and ambitious leadership supported by a fully integrated business planning process.

Les Brookes

Les Brookes is CEO at Oliver Wight EAME. Oliver Wight, believes sustainable business improvement can only be delivered by your own people; so, unlike other consultancy firms, it transfers its knowledge to you. Pioneers of Sales and Operations Planning and originators of the fundamentals behind supply chain planning, Oliver Wight professionals are the acknowledged industry thought leaders for Integrated Business Planning (IBP).

www.oliverwight.com

TAGS: [Les Brookes](#) [Oliver Wight EAME](#)