

Management Consultants to the Precast Industry

RESULTS IMPROVEMENT BULLETIN

PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN

Precast Business Results Improvement Bulletins are published by MJS Management Services. Additional bulletins that summarize current management challenges and solutions for the precast industry can be found at www.mjsmanagement.net.

MJS Management Services is a consulting firm that works exclusively with clients in the precast industry to improve business performance and results. For assistance with this or other management challenges please call 206-388-5209 or contact us by email. Visit our web site for a full description of the services we provide.

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CHALLENGE: HELP WITH THE ANNUAL STRATEGIC PLAN

Like an invading army or a sports team, businesses need a strategy. Good strategies lead to success and winning, poor ones don't.

Most precasters have a strategy, whether documented or not, that defines where and how they compete. The best strategies arise from a strong understanding of strengths and weaknesses, competitors, market needs, and a sense of where opportunities lie. A complete business strategy deals with a number of complex issues and choices.

MJS Management Services can help you to prepare a winning strategy or evaluate and improve your current strategy. Some questions that precasters commonly ask as they work to improve strategy are:

- What is our strategy? Does our strategy have all the elements necessary to win?
- Does my organization have the skills and resources to develop a winning strategy?
- How do I know whether our current strategy is the best for our business? Have we considered all the options?
- Have we missed any critical information that would change our strategy and priorities?

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- With urgent day-to-day priorities, does our management team have adequate time to think about and develop a top quality strategy?
- How often should we revisit or update our strategy?

Management Issues in Strategy for Precasters

Some key areas to focus on in strategy are:

- Start with an in-depth understanding of the market and trends – who’s winning, who’s losing and why? Market share and trends, why? Price and margin trends, why? Customer trends and opportunities. Other trends – suppliers, materials, new products, technology, innovation, regulatory.
- Develop a good understanding of your business.
- Compare your strengths and weakness to **all** your competitors
- Identify your short and long term advantages and points of differentiation.
- Determine what you have to do to win the game by the biggest margin – in other words your strategy.
- Define targets and goals.
- Link strategy to execution, define effective action plans – what, who responsible, timetable, expected result (in specific business terms).
- Do a reasonableness check – will the strategy and action plans work.

Some obstacles to creating a quality strategy are:

- Lack of experience in the management team.
- The wrong process (none, or one that is too complex or bureaucratic for the nature of your business).
- Lack of good quality information especially on competitors and market trends.
- Lack of strategic thinkers at the senior management level.
- Lack of innovation resulting in a “new” strategy that perpetuates what has been tried so far.
- Lack of time.



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To generate new thinking, try looking at your strategic plan from different perspectives, for example:

Productivity strategy – improve cost structure, processes, quality and asset utilization (for example, adopt “lean/six sigma” principles including elimination of waste and continuous improvement).

Revenue and margin growth strategy – enhance customer value, identify new revenue possibilities

Market strategy – determine the best combination of price, product line offering, service levels, partnerships, brands. To encourage fresh thinking, compare and contrast alternatives to your current market strategies. Place an emphasis on “solution selling”.

Innovation strategy – create new products and services.

Areas that can be overlooked but that often have to be strengthened to achieve strategic objectives are:

People – build the competencies required to compete effectively through personnel development/upgrading, teamwork and knowledge transfer.

Information management – provide integrated information management solutions to automate processes and efficiently provide reliable, current management information.

Organization strength – create the culture (develop new attitudes needed to support changes in how business is conducted), leadership and alignment to achieve strategic goals.

Execution – create a strong link from the plan to action and results.

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Consulting Assistance to Help Create Better Strategies

With our knowledge of precast industry issues and trends combined with strong strategic planning skills, we are a good choice for a consulting resource to help you gain more value from the annual strategic planning exercise. We provide a range of services to help with improved strategic planning, including:

- **Facilitation** – we can lead your management team through an effective planning meeting. Our fresh perspective means that we'll challenge assumptions, highlight industry trends and identify new issues and options. We'll work with your management team to create an agenda and process that leads to a highly productive one or two day strategic planning meeting.
- **Observer** – we can attend your strategic planning session as an observer and provide valuable suggestions on how to improve your plan and to identify topics and opportunities your management team may be missing, including identifying when strategies are too focused on the status quo.
- **Review** – we can review your strategic plan results, then provide feedback to help create a more effective strategy and to identify missed topics and opportunities.
- **Comprehensive Strategy creation** – if you've not spent much time on strategy now may be the time to invest in a more comprehensive strategic plan to identify how to drive your business to the next level and compete more effectively.
- **Strategy process improvement** – we provide an effective process for assisting precasters to create and implement strategy.
- **CEO/Senior management coaching** – we help the CEO and/or senior management team to better understand key elements of strategy and their roles in creating strategy. With improved strategy skills and awareness, the management team is better able to define the road map for improved performance.

For more information on our services to develop and implement strategy email info@mjsmanagement.net or call us at 206-388-5209.