



Management Services

Management Solutions
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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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PROCESS IMPROVEMENT – WHERE IS THE POTENTIAL?

Every precaster is striving to identify opportunities to improve their performance. Process improvements should be at the top of the list of methods to achieve better results. In fact, initiatives such as lean manufacturing, continuous improvement, capital equipment and technology upgrades, standardization, ISO or customer relationship management (CRM) are other labels for programs where the goal is to revamp and streamline important processes.

A successful process improvement project will provide very quick payback on the time and resources invested.

MJS Management Services can help you to create better business results from improved processes by:

- **Helping to identify high payback process improvement targets.**
- **Providing the expertise to develop significantly improved processes.**
- **Providing the resources to ensure process improvement projects are completed quickly.**
- **Bringing fresh ideas and best practices to help construct streamlined and effective processes.**



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PROCESS IMPROVEMENT – KEY METHODS AND TARGETS

Some common sense targets for effective processes are:

- Perform the activity right the first time.
- Eliminate duplicate effort and handling.
- Ensure each step in the process adds value and is needed.
- Effectively use technology to streamline and automate processes.

These goals sound simple but it is surprising how, over time, processes deteriorate to the point where they become inefficient and ineffective. People performing the process often see the awkwardness and faults but accept these as “the way we’ve always done things”. Or, the perspective of the person is based only upon viewing a part rather than the entire process. As such, they don’t recognize how an earlier step could be modified to streamline or eliminate a later step. Lastly, many organizations resist change so good ideas for process revision are ignored.

Process Improvement Pitfalls To Avoid

For something that sounds simple, the failure rate for process improvement activity is high (by some estimates, more than 50% of process improvement projects fail to meet expectations). Common reasons for failure are:

- Turf issues prevent good ideas from being implemented.
- The project team does not have the skill set to see the broad perspective needed for improvement. For example, they attempt to optimize process A->B->C without recognizing that step B can be eliminated.
- Process improvements that result in “change for the sake of change” rather than a genuinely improved process. In other words, much effort goes into changing a process but the revised process is no more or perhaps less effective than the original. This happens when the forecasted benefits of a process change are not adequately calculated and are not subject to a “reasonableness check” review.

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High Potential Process Improvement Opportunities

Precasters typically can achieve noticeable improvements in the following process areas:

Process	Symptoms
Manufacturing processes – scheduling, production, material handling and field activity	Low productivity, overtime, high costs, quality issues, old equipment, inefficient administrative functions, project delays, high freight costs.
Overall management system	Unproductive meetings, goals unclear, accountability unclear, poor communication.
Sales	Too much paperwork and administrative activity, low suspect to prospect to sale conversion rate.
Sales to operations turnover	Poor communication, information missing, duplicate handling.
Operations information transfer to accounting (costs, % complete, ship/erection status)	Duplicate handling of information, incomplete or inaccurate information.
Project management	Incomplete information stored in many locations, no unified view of project status, fuzzy lines of authority, weak follow-up.
Engineering/drafting	Drawing delays, drawing or bill of material inaccuracies, low productivity.
Financial	Duplicate handling, missing information, reporting to management incomplete, old technology.

Good quality process improvement activity will result in quick, noticeable improvement to these and other areas of your operation. A few final questions to consider: what processes are on your improvement list? what are the expected benefits of an improved process? does the team working on the process improvement have the right skill set to achieve the target results? And finally, do you need assistance from knowledgeable specialists to create streamlined processes?



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Using External Resources On Process Improvement Projects

External consulting resources are often used on process improvement initiatives to provide:

- A scan of key processes, noting areas of inefficiency and improvement opportunities relative to industry best practices. This information can be used to prioritize process improvement activity.
- A proven methodology for successful process improvement.
- An outsider's ability to challenge the status quo and be less accepting of current practices.
- Knowledge of improved processes and best practices. This takes the guess work out of developing new processes.
- Knowledge of where technology can be applied to streamline and automate processes.
- A better sense of the benefits that a process change can produce thereby avoiding time wasted on process changes that yield only marginal performance improvement.
- Strong implementation and change management skills necessary to install process changes.
- Better ability than in-house teams to resolve cross departmental boundary and turf issues.
- The focus and the time to complete the process improvement project. Often day-to-day work pressures mean in-house teams can struggle to find the time to spend on the project.
- Knowledge of the entire process or "total system" so that opportunities to eliminate redundant steps can more easily be identified.

If you retain a consultant to assist with a process improvement program, much more value will be provided if the consultants are highly familiar with precast and prestress processes.