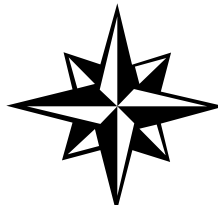
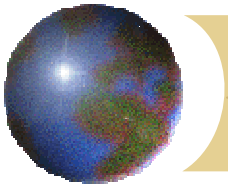


Being a World Class Enterprise (WCE)



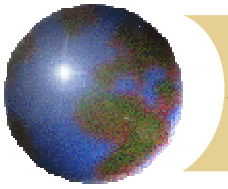
Joe Mignone

JFM Global Associates



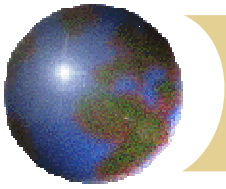
Being A World Class Enterprise

Involves ALL activities within the organization. (Sales, Finance, Manufacturing, Engineering, and Human resources, etc.)



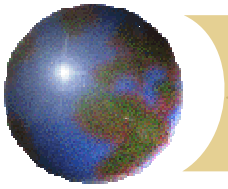
A World Class Enterprise

- ✿ Always produces the right product or provides the right service for the right markets at the right time, while providing an advantage over their competition
- ✿ Streamlines and improves its operation's, to make employees focus on value-added work, makes the business easier to manage
- ✿ Incorporates a strategy of effective long range planning process
- ✿ Implements meaningful performance measures which contribute to the success of the business



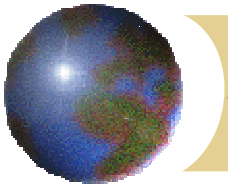
A World Class Enterprise

- ❖ Employs the latest business technologies available
- ❖ Constantly Reviews the current methods of doing business to become the supplier of choice while increasing profits
- ❖ Provide defect-free components, products or services and continuously provides superior value to their customers
- ❖ Reduce cycle time to the value-added level
- ❖ Incorporate continuous improvement in all they do



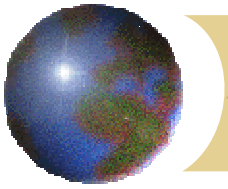
A World Class Enterprise

- ✚ Has an infrastructure for excelling in each of their business activities
- ✚ Has a vision to lead the organization towards a desired leadership position for dominating their specific market
- ✚ Has the ability to create value and wealth for their stockholders
- ✚ Responds quickly to market changes without incurring additional cost



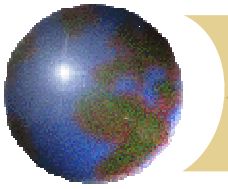
A World Class Enterprise

- ✚ Is better than almost every other company in its industry
- ✚ Continuously improves its competitive priorities and their business critical success factors
- ✚ Is more efficient, effective, and flexible in meeting customer needs
- ✚ Views quality from a global viewpoint in every operation and function within their worldwide organization









Norms of a WCE

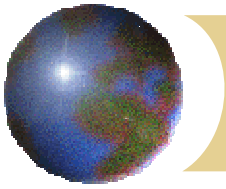
- ✚ Pursuit of a Common Mission
- ✚ Integrity
- ✚ People
- ✚ Quality
- ✚ Customers/Suppliers (internal and external)
- ✚ Social Responsibilities



Norms of a WCE




Pursuit of a Common Mission

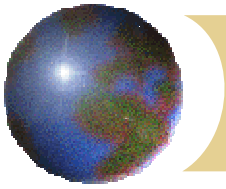
-  Develop and agree on common goals
-  Communicate goals and assignments clearly
-  Understand the consequences of all actions on customers, suppliers, and other employees
-  Contribute to success of the organization through cooperation and interaction
-  Align measures across activities, products and processes
-  Share information and resources



Norms of a WCE

Integrity

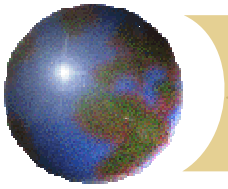
-  Build honesty, trust and fairness in all business relationships
-  Maintain consistency in words and actions
-  Adhere to ethical standards and codes of conduct



Norms of a WCE

People

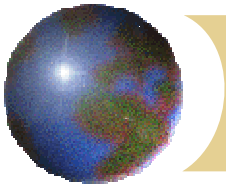
- Employees are our most valued asset
- Allow decisions to be made by those closest to the work
- Develop employees to their potential
- Practice active listening and consideration of other viewpoints
- Provide frequent, consistent, timely, honest and objective feedback
- Promote an environment conducive to innovation, creativity and initiative



Norms of a WCE







People

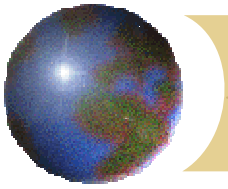
- Promote the use of teamwork
- Treat all employees with dignity and respect
- Maintain a clear, healthy, injury free, and environmentally safe workplace
- Encourage commitment and sensitivity to others
- Affirm the belief in and reliance on the goodness and capability of people
- Value and respect individual differences



Norms of a WCE




Quality

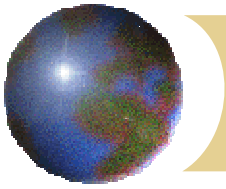
-  Achieve defect-free performance as measured by your customers
-  Quality at the source
-  Talk/Listen to customers
-  Set measures for success
-  Use tools to improve
-  Promote continuous learning and improvement to meet the needs of a changing environment



Norms of a WCE







Quality

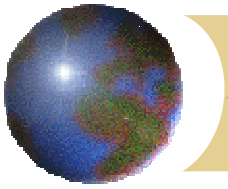
-  Simplify or improve processes to eliminate non-value activities
-  Quality is what your customers say it is and not how you perceive it to be
-  Quality at the Source
 - Accept nothing less than 100% quality from whomever passes the work to you, internally or externally
 - Pass nothing less than 100% quality on to your customer, internally or externally



Norms of a WCE



Customers/Suppliers

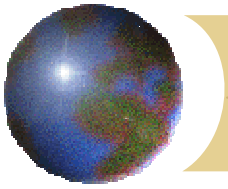
-  Honor commitments consistently
-  Meet/exceed your customer expectations
-  Know and understand your customers and suppliers
-  Share risk and rewards
-  Expect excellence in execution and continuous improvements
-  Develop long term strategic alliances



Norms of a WCE

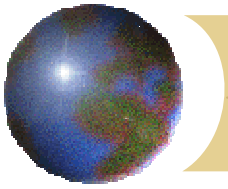
Social Responsibilities

-  Encourage the continual development and well-being of others
-  Support the community in which you live and work



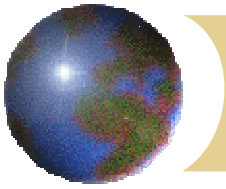
WCE Manufacturing Strategies for Success

- ⊕ Achieve determined manufacturing volume commitment
- ⊕ Ensure productivity use of total available capacity
- ⊕ Retain highest value-added or core activities and outsource when appropriate for the business
- ⊕ Provide educational and training opportunities to all employees



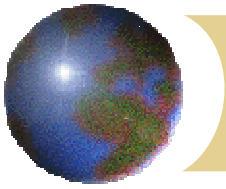
WCE Manufacturing Strategies for Success

- ❖ Simplify all systems and processes
- ❖ Implement synchronized work centers
- ❖ Continuous reduction in total product cost
- ❖ Continuous quality improvement
- ❖ Manage the company's asset base to support financial targets and objectives
- ❖ Develop and implement multi-skilled work teams



WCE Manufacturing Strategies for Success

- ❖ Develop and improve your strategies and flexibility to ensure your long term success
- ❖ Develop partnerships and teaming arrangements with customers and suppliers
- ❖ Continue to certify your supplier base
- ❖ Meet certification requirements of various international organizations required to do business
- ❖ Improving your entire business by continuously replacing; methods, processes, systems and improving the culture



WCE Manufacturing Strategies for Success

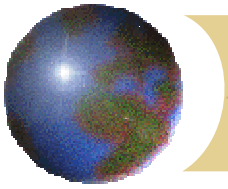
✚ Reduce:

- ✚ Product Cost
- ✚ Lead Time
- ✚ Cost of Quality
- ✚ Hazardous Waste

✚ Develop employee potentials

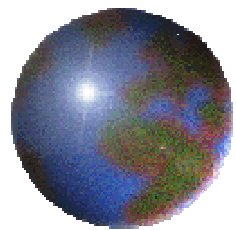
✚ Continue to focus on customer needs and satisfaction

✚ Accelerate Suppliers and Customer involvement

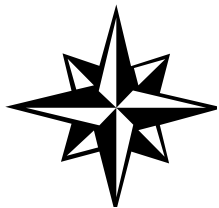


Other WCE Strategies

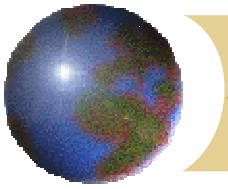
- ✦ Achieve ISO certification, as required
- ✦ Incorporate, Continuous Process Improvement, Lean and Six Sigma
- ✦ Accelerate suppliers involvement and certification
- ✦ Customer partnering
- ✦ Supplier teaming
- ✦ Develop, design and produce high-quality products while responding to market changes
- ✦ Reduce: product cost, lead time, cost of quality, hazardous waste, etc.



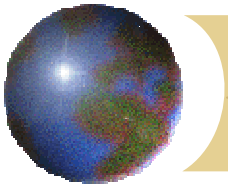
Transforming Your Organization



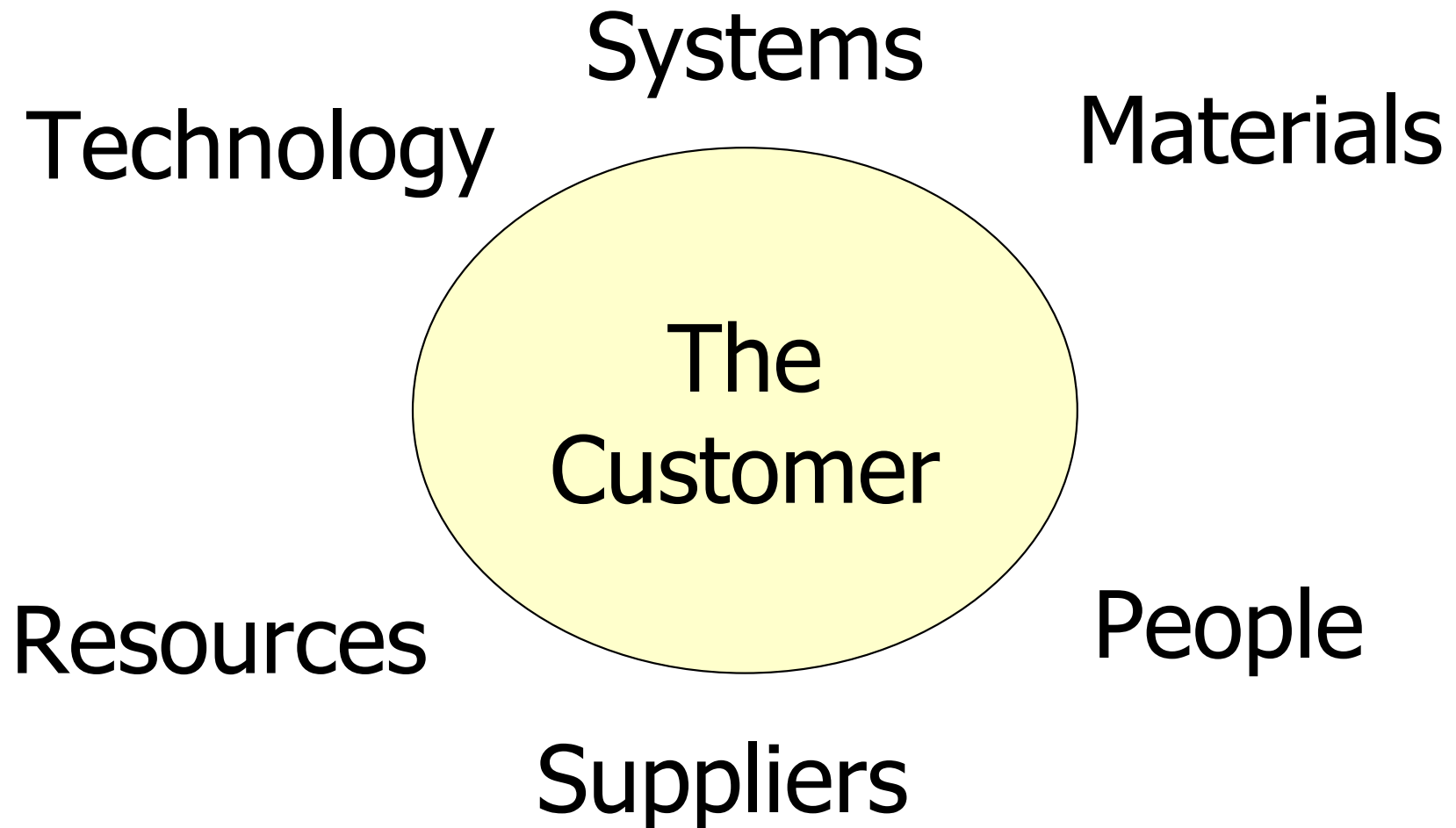
Joe Mignone
JFM Global Associates

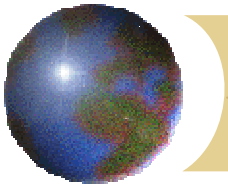


The ENDANGERED organization always finds comfort in the fact that “IT’S ALWAYS BEEN DONE THAT WAY AND WE DON’T NEED TO CHANGE!”

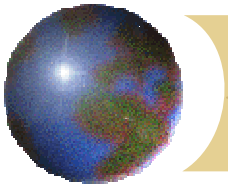


Components of Business

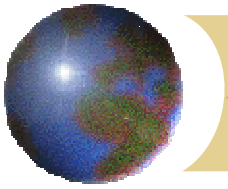




Organizations need to ensure they change their relationships with their customers and suppliers by building alliances, networks, partnerships, and other types of collaborative relationships.

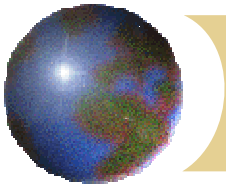


In today's competitive global environment organizations need to focus on the bottom line, building partnerships that will drive business change, and promote a sustainable competitive advantage.



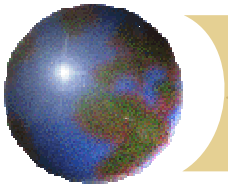
The Peter Drucker Essential Questions for Today's Organization

- ❖ What is your Mission (business)?
- ❖ Who are your customers?
- ❖ What does the customer value?
- ❖ What are the organization's results?
- ❖ What is the organization's plan?



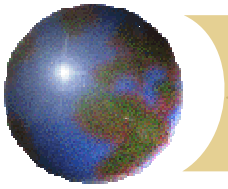
Today's Organization

- ✚ Every department, function has a multitude of charts and graphs showing the one or two points that make them look good
- ✚ It's not easy to detect true progress towards the strategic objectives of senior management
- ✚ It's not easy to recognize functions that are positive or negative contributors to success of the organization



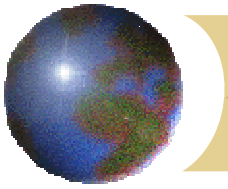
Vision for Tomorrow

- ✚ Quality and Customer satisfaction are the norm
- ✚ Change is a constant condition
- ✚ Simplify and streamline processes
- ✚ Eliminate non-value activities
- ✚ Reduce cycle time and related cost



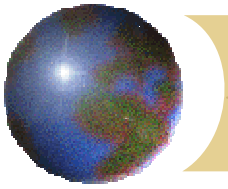
Today's Organization Must:

- ✿ Nurture a culture that fosters communications
- ✿ Creates trust
- ✿ Builds mutual respect
- ✿ Addresses employee's work-life balance concerns
- ✿ Encourages customer and employee involvement
- ✿ Chart a course of cultural change



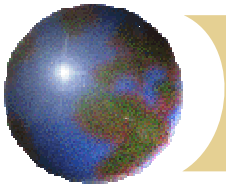
Today's Organization Must:

- Be built for speed and agility
- Have the capabilities to sense discontinuities and significant change in their environment
- Develop responses and make decisions with less than perfect information
- Set the context for individual behavior
- Avoid chaos



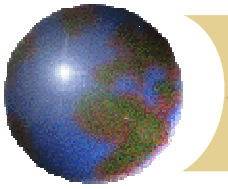
Organizational Success

- ✚ Replacing obsolete measurements is a necessary step towards success
- ✚ Installing and fully using appropriate new measurements and rewards greatly accelerates progress towards success
- ✚ There are limited organizations today worth benchmarking in important area of performance measurements



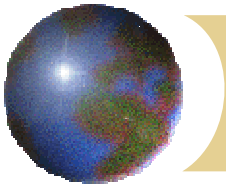
Transforming Your Organization

- ✚ Understand your true business
- ✚ Identify the friction points between your staff and customers
- ✚ Identify all waste
- ✚ Educate employees to think and act for success
- ✚ Have business metrics and requirements which drive the right behaviors
- ✚ Have both mature processes and workforce



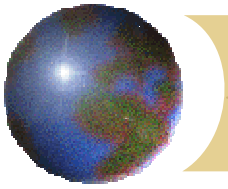
Enhancing Your Organization's Systems

- ✚ Break down operational silos
- ✚ Build incentive plans that encourage collaboration and development
- ✚ Build good relationships with your suppliers
- ✚ Flow current processes and identify where they can be improved

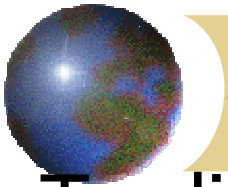


Enhancing Your Organization's Systems

- Know the business case for each improvement
- At first keep the projects small so you can go for wins
- Make sure you collaborate with all departments involved
- Establish a set of best practices

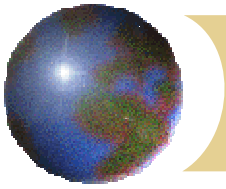


An organization prospers to the degree it has the capability and capacity to adapt and evolve based on the reality of the world in which it exists. The heat shields that have insulated organizations from the demands of their world are burning away.



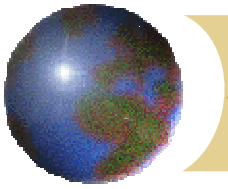
Traditional Organization vs. Learning Organization

	Traditional Organization	Learning Organization
Attitude towards change	If it's working don't change it	If you aren't changing it won't be working for long
Attitude towards new ideas	If it wasn't invented here, reject it	If it was invented or re-invented here, reject it
Who's responsible for innovation?	Traditional areas such as R&D	Everyone in the organization
Main fear	Making mistakes	Not learning or adapting
Competitive advantage	Product and services	Ability to learn, knowledge and expertise
Manager's job	Control others	Enable others



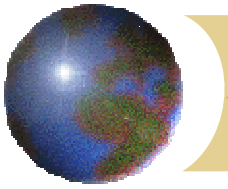
Transitioning to a WCE

- ❖ The best way to plan for change is to examine the practices of a World Class Enterprise:
 - ❖ They have clearly defined and articulated Vision & Mission statements
 - ❖ They have clear ideas on the purpose of their organization, who they are, where they want to be and how to get there
 - ❖ Their goal is to fulfill the current and future needs of their customers



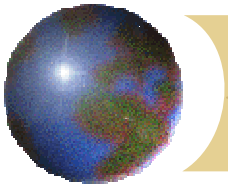
How Well is your Organization Operating vs. the Competition? (Areas to Benchmark)

- ✚ Scrap and rework as a % of sales
- ✚ Cost of goods sold
- ✚ Warranty cost as a % of sales
- ✚ Return on capital investment
- ✚ Customer rejection rate (PPM)
- ✚ Training hours and investment
- ✚ Customer retention rate
- ✚ Operating equipment efficiency



How Well is your Organization Operating vs. the Competition? (Areas to Benchmark)

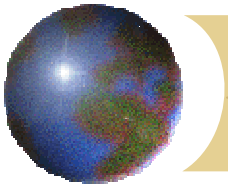
- ⊕ Overseas sales (% of the total sales)
- ⊕ Machine availability
- ⊕ Cycle time
- ⊕ Market focus
- ⊕ On-time delivery
- ⊕ Improvement tools (Lean, Six Sigma, etc.)



WCE Manufacturing Performance Measurements

- ⊕ Perfect order rate (perfect deliveries/total deliveries -%)
- ⊕ Annual storage utilization (occupied capacity/total capacity - %)
- ⊕ Total inventory turn rate (annual dollar – volume shipments/average on-hand inventory) turns
- ⊕ Warehousing costs as a percentage of shipment value [(labor+overhead)/shipment dollar volume]

/ = divided by



WCE Manufacturing Performance Measurements

- ⊕ Order cycle time (order release to ship time – hours)
- ⊕ Customer delivery lead time (receipt of order to delivery – days)
- ⊕ Order fill rate (orders filled complete/total orders - %)
- ⊕ Order accuracy (error free items/total items shipped - %)
- ⊕ On time delivery rate (orders delivered on time/total deliveries - %)

/ = divided by