

## Is Incremental Improvement Enough?

By Jeff Wiltsie, President of Manufacturing, Vanamatic Company

By Miles Free, Director, Industry Research and Technology · mfree@pmpa.org

Is incremental improvement enough for our industry's long-term survival? How many precision machining companies will perish in the next 5 years?

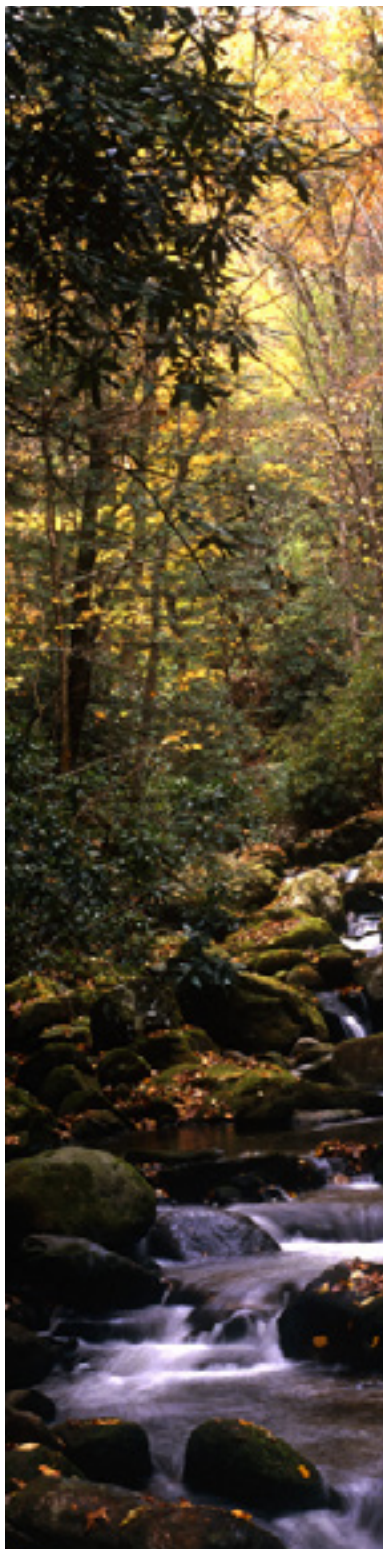
The traditional path to continuous improvement will not be good enough for them. Getting away from mere traditional thinking is critical if the companies struggling to meet today's customer demands for service, competitive pricing, just-in-time and quality are to remain sustainable. These companies need more than incremental improvement. They have to develop bold new visions of where they will be in the future and then begin to cut a path through the jungle to get there.

**Creative thinking versus traditional thinking—adding a new dimension to “value added.”**

Traditional thinking and operating practices are no longer good enough to make it all the way down the path. Doing the same thing better will not be enough to get through the jungle; the vines grow rapidly and block our way.

Creative thinking, innovative practices and vision are the tools we can use to cut a path to our sustainable success—the beach where the fruits of our labor are abundant. How do we get there?

First and foremost, we must understand our customers and continue to open the communication channel with them. Are they successful and profitable? Do their visions for the future parallel our vision for the future? Do we understand



their current and future wants and needs? Can we react quickly enough to fulfill their wants and needs?

Understanding our customers' businesses will keep us aligned with their wants and needs and provide a path to the doors of opportunity and success. Open, honest communication is essential in a long-lasting relationship.

Second and equally important, our vision for the future has to be a shared vision. Everyone in the organization must understand and agree with the vision. Even more important is the unified effort of the organization to continually review our success and make adjustments to stay on the most direct path to our vision.

Third, redefine “value added.” If we are profitable and customers agree to pay us for our products and services, everything we do in our organization is “value added.” Continuous improvement and long-term success depend on our abilities to find and implement value added cost reductions everywhere possible throughout the organization.

Doing the same thing we have always done just a little bit better will eventually lead to a dead end with no escape, in a jungle filled with known and not-yet-known hazards to our organizational survival.

Fourth, make sure you are in the right business. Make sure you understand your business. There are a lot of articles written on strategy and management for business. What we don't see a lot of

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## Incremental continued.....

is information on properly defining your business.

If your business' mission, means of production, market and methods are aligned, strategy will not be important. You will be advantaged by being properly equipped for your trip through the jungle.

When was the last time your team sat down to discuss what your business' purpose and definition really are? When was the last time you gave that definition a reality check—so that you have the right assets and people to match the definition?

There are a lot of noises in the jungle. Are you paying attention to the right ones to ensure your future success? We are all vulnerable during those moments when we are so occupied by the immediate issues that we forget to check our surroundings and our own status. In such moments, we can fall victim to the perils of the jungle.

Do you know and are you using the appropriate survival skills to find your way? Do you have a process to make sure you know the status of your markets, customers and competitors? These are important clues to help you stay on the path.

Do you have a process to evaluate your organization's status? If the path takes a steep turn up ahead, are you fit for the climb? Are you on the right path? How do you know?

Continuous improvement through incremental improvements is a skill of daily living. Without it, you will lose competitiveness. Others will grow and improve while you slowly decline. But incremental improvement is not enough. Taking proactive steps to assure that you understand your customers and can anticipate their needs is essential to remaining their preferred supplier.

Having—and sharing—your vision is critical if your organization is to execute successfully as a team when confronted with impossible challenges. Relentlessly reduce cost and improve value. Value-added cost reductions can be found throughout your organizations. Have a system to reduce cost and improve value—everywhere.

Finally, make sure you know, understand and keep your actions consistent with your definition of your business. Trying to be all things to all people is a sure way to become yet another casualty on the path.

Traditional thinking got us here. We thank those who helped us get here. We will honor their contributions by employing our best creative thinking to meet the challenges we face today. To do anything less is to ultimately fail.

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PMPA Annual Meeting  
75th Anniversary Celebration  
October 17-21, 2008  
Waikoloa Beach Marriott Resort & Spa  
Waikoloa, "The Big Island," Hawaii

PMPA Management Update  
Conference  
February 26-28, 2009  
The Westin Tampa Harbour Island  
Tampa, Florida