



Our Year In The Gym

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The worst memories of my adolescence were of nearly failing gym class. I was never an athlete. I lived in a small ranch home, so even stairs were a challenge to a flatlander like me.

Workouts involved pushups, chin-ups, running laps, and the lung-destroying stadium steps that nearly killed me and destroyed my GPA. My basketball experience was limited to shooting hoops alone in my backyard, where I never had the room to dribble, advance the ball or pass. It was a painful and humiliating experience when I tried out for the school team. We'll leave it at that.

Our industry has just emerged from its own "Year in the Gym," a workout characterized by humiliating decisions to right-size our workforce, along with painful endurance and sprint sessions. In these sessions, our shops learned to survive on next-to-no-cash flow and no lead time when we got an order. We also had to somehow get the work out with fewer



people and with no cash to get the supplies we needed.

The other morning, I saw a shirt on a person that said, "Pain is weakness leaving the body." Based on this gym wisdom, our industry has lost a lot of weakness, since we eliminated a lot of waste and redundant capacity.

But what do we do now that we have left the gym, eliminated our extra weight and become lean, mean, competitive machine shops? We need a different approach now that we are outside the gym, rather than the one we used in the gym.

Vision. While we were in the gym, our vision was to just make it through the current pain and get to the next one. Survival and tolerance of the pain are the visions of the gym. Anything else is an unwelcome diversion to concen-

tration and the work at hand. But mere survival is not a vision for success outside the gym and back in the world.

How has your vision changed now that your company is no longer in the gym? We just had a PMPA strategic planning session where we reconsidered our vision and mission. Have you done this in light of your company's emergence out of the gym and back to a "business as kind-of-usual world?" Does your vision coming out of the gym focus on profits or is it still seeing memories of volume to be regained?

Mission. While we were in the gym, our mission was to keep going and to do whatever it took to keep going. Obviously, eliminating waste and relentless cost-cutting was the order of the day.

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Now that we are out of the gym, perhaps it is time to look at whether we are still well served by focusing on eliminating. Perhaps our mission is now the rebuilding of our enterprise. Now that your firm is out of its year in the gym, I hope that your mission is more aligned with adding value and less focused on making stuff cheap.

Highest and Best Use. Just as I found out as a hopeful, potential student athlete that my "highest and best use" had nothing to do with a basketball and other athletics, all of us have learned that we too have shed some dreams, plans and other baggage in our past year in the gym.

We built organizational muscles able to do more work with less. We are able to work more flexibly. And, we created in our culture an attitude of getting to "yes" instead of the reflexive "no, that's not how we've done it before." Our year in the gym has helped us find our strength, just as it has helped us find our weakness – pain.

What is our core competency? The second, third and following months with next-to-no-orders

showed us what it was that the market absolutely had to have from us. It was the orders we did get. Look hard at those orders. Your customer base and the market are telling you an important lesson about what they value about your shop.

What is it that you can add that will enhance your value in the future? "What doesn't kill us makes us stronger" is a quote that reminds us that now that we have survived and been strengthened, we need to look anew at our capabilities and what it is we would like to accomplish. We have emerged from our year in the gym given this new opportunity. How can we best equip ourselves going forward?

Sales. I have yet to meet a company that has enough sales. When I managed a steel plant, when I managed a division and when I have visited a shop, I have always looked for constraints to operations. Bottlenecks. Things

that slowed down the activity. That way of thinking was an easy lesson for me from having read Eliyahu Goldratt's book, *The Goal*.

I have never visited a shop that had more orders than it had capacity. Until our year in the gym, I knew shops whose emphasis wasn't so much on actively pursuing sales as much as it was on cultivating existing customers. Our year in the gym has given us plenty of time to evaluate this as an area for improvement.

I hope that when I visit your shop someday, you will be able to show me that your bottleneck really is operations, and that you have sales orders that are a multiple of your available capacity. In such a case, you will be able to help your banker and your suppliers out of their year-and-a-half in the gym.

Author's note: Special thanks to Randy Markey of Capital Acceleration Partners for the metaphor, "The Year in the Gym."

"Mere survival is not a vision for success outside the gym and back in the world."

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Through the meetings, training programs, reports and more, we give you the tools to grow. We look at emerging markets and let you know what's hot and what's not. PMPA programs help you understand your markets so you can make sense of the issues. And, we provide relevant information to help you make informed decisions.