



Three Choices for the Year Ahead

By Miles Free, Director, Industry Research and Technology / mfree@mpa.org

How will you face 2011? With fear or confidence? Caution or urgency? Boldly or hunkered down?

You have a choice, and that choice will set the stage for your success or pain in the year ahead. What three choices will you deliberately make to assure that your customers know your business exists to help them remain Number 1?

Choose to Document Your Shop's Capability for On-Time Delivery.

What is your capability for on-time delivery? Not your compliance rate. Not your scorecard. Your capability. Statistically speaking, Cp, Cpk. You don't know it, do you? That's okay. Nobody does. But in the market for precision machined products that has emerged from the ashes of the 2008-2009 recession, one truth exists: it is delivery, not price, that is the determinant of whom is awarded the quote.

Buyers of precision machined products no longer have the luxury of lead times, forecasts or production plans to afford them the time to shop around. **THEY NEED PARTS NOW.** If your company recognizes that and is organized to get to "Yes" on the earliest requested delivery, you will have a sustainable competitive advantage.

It's not about fear, caution or hunkering down. It's about confidence in your defined process and being properly compensated for helping your customers with their urgent needs.

This can only work if you have a defined and ongoing management review of that process. Take corrective action on all those things that can prevent hitting that delivery commitment. Your shop can be the preferred supplier to all of your customers — if your system is congruent with your customers' priorities on delivery.

It's about on-time delivery. Do you have a process? Do you track conformance? Do you correct non-conformance? Do you know the statistical capability of the process for quoting and attaining on-time as promised delivery? Why not?

Choose to Have the Cleanest Shop in the Universe.

I recall when a colleague was given a "battlefield promotion"

from Inside Sales Manager to Plant Manager at a steel plant that was closing. My colleague confided to me by saying, "I don't know how to run a plant; I don't know this; I don't know that." My comment to her was simple:

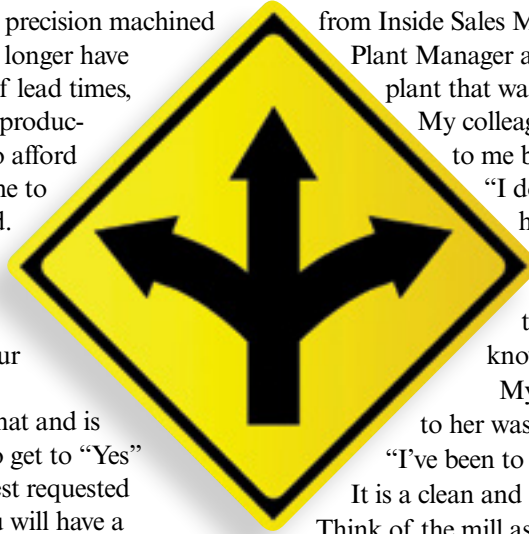
"I've been to your home. It is a clean and safe place. Think of the mill as your home.

Does it meet your standards for safety? Does it meet your standards for housekeeping? If you don't tolerate dirty laundry on the floor in your home, why would you let your crew put debris or rags on the floor of the shop — your home-away-from-home?"

During the period of time that she was plant manager, her plant (despite the stress of imminent closing) had the top safety record, the top on-time performance record and the best crew attitude.

There was no uncertainty in her crew. They knew that she expected an orderly, free-from-trash, no-waste work environment (and lunchroom). That's how she managed. Along with that came improved safety, attitude and performance. Those are not bad side effects from just focusing on one area. What area do you choose to focus on in 2011? And what do you expect as the side effects of your choice?

(Continued on page 3)



In This Issue...

- Three Choices for the Year Ahead
- Predictive Index: Learn How to Make Better Hiring Decisions and Develop High-Performance Sales Teams
- Industry Leaders Agree: PMPA's Management Update is a Must!
- PMPA Calendar



(Continued from page 1)

Choose to be the Most Customer-Intimate Company You Can Be.

This, of all the possible choices you can make, will pay the greatest dividends. By increasing your customer intimacy, you increase your knowledge of not only the customer's stated needs, but also of its people, systems, culture and ways of thinking (knowledge of its unstated needs). This means you will understand the "Why?" and not just the "What?"

What does it mean to be customer-intimate? For starters, it means that you know the 5W-2H of that company and its business. (5W-2H is Who, What, When, Where, Why, How and How Many.)

How many ways do you have to connect with this company? Is it just your sales department talking to — or receiving faxes or emails from — a buyer? Are your engineers talking with the company's engineers? Have your production and shipping people visited the customer to see how your products are received? If your shop supervisor had to call the customer, does he or she know whom to ask for

and at what phone number?

Some of the top PMPA shops I support have so many connections into their customers it would almost take a neurosurgeon to find them all. That assures continuing, ongoing, value-added business.

As 2011 begins, I am asking you to be mindful of what you hope to accomplish this year with the resources that have been entrusted to you. Do you choose to just react as opportunities or challenges arise? Or, do you choose to consciously create the conditions you and your team need for success?

Will you and your team be the best darn firefighters in the industry, reacting to every urgent need and turning the shop around on a dime? Or, will you choose to set a deliberate course that sees its goal as achieving those things that are of lasting importance rather than obeying those

of momentary importance?

During the recession, reacting to the tyranny of the urgent kept us alive; in 2011, focusing on things of lasting importance will help us thrive.

This year could be the year we choose to put the "tyranny of the urgent" in its place. At the beginning of the new year, everyone talks about resolutions. By February or March, it is usually proved that those resolutions were just talk.

The 2008-2009 recession taught us that without demand, we have no business. Our customers represent demand for our shops. Our customers are truly the most important focus for our success in the year ahead.

What three choices will you deliberately make to assure that your customers know your business exists to help them remain Number 1?

"Reacting to the tyranny of the urgent kept us alive; focusing on things of lasting importance will help us thrive."

(Continued from page 2)

major customer, but outsourcing has changed that. Today, you have to have a better customer mix and you have to hire the right people.

"For companies with fewer than 50 employees, hiring the wrong people can be a major drawback," he continues. "Many business owners say their number one problem is employee turnover. The key to hiring and retaining good employees is understanding what motivates them.

"The Predictive Index identifies a potential hire's strengths and motivations and then matches

those qualities to specific jobs. When employees like their jobs, they are more committed and the company is more productive.

"The PI shows in what environments employees will thrive," Mr. Hawreluk says. "It also tells us how people are best motivated, how they handle pressure, how they make decisions and how much risk they are comfortable with. When you align the environment of the job with the environment that somebody best thrives in, success skyrockets. The PI takes away

some of the mystery in hiring and managing people.

"My goals are to help educate PMPA members and give them information," Mr. Hawreluk sums up. "A better understanding of employee personalities can help companies invest in the right people. Owners and managers will learn a lot by attending the Management Update sessions. They will gain new insights into the role that personality assessment can play in successful hiring, retention and leadership development."