

Need a Competitive Advantage Fast? Try Speed by Dan Light

There has been a tremendous growth in the number of companies adopting business improvement programs such as process reengineering, 6 Sigma, lean manufacturing, the Baldrige Criteria for Performance Excellence and, CMM/CMI as well as other total quality management programs. This would lead one to believe that there maybe a broad understanding that there needs to be an effective way to institutionalize change management in order to cope with competitive pressures and the demands of a dynamic marketplace.

Unfortunately the need to improve may exist but the evidence shows that the best of intentions are prone to failure. The reason for failure is a list as long as the number of available programs. Not least among all the reasons for failure is:

- lack of senior management commitment,
- the effort is viewed as a program and not a viable strategy,
- the process is managed via a separate organizational unit, and
- the preponderance of work is expended arguing about which tools to use.

The common denominator is that more often than not failure occurs as a result of trying to cram your situation into someone else's model for success.

Just like no two snow flakes are alike, no two organizations will respond the same way to the same stimulus. Organizational differences, or cultures, indicate that there might also be differences in how change should be viewed and implemented or which program will or won't work. Fortunately all of the issues can be greatly minimized, and process quality can be enhanced, by focusing the improvement on strategy (why), structure (how), and results (what).

Quality is not a competitive advantage but the absence of quality is a competitive disadvantage. Today quality, of both products and services, is the price of admission. We've been through the quality revolution and if you don't have it by now you're probably going to get it. Quality must remain, as Ford says, job one making it vital to continue use of those strategies, processes and tools that have brought you to your current level of success. However, what good is the best product or service, delivered where the customer wants it, at a competitive price, in the correct quantities, at the level of quality they've come to expect if it isn't on time?

Of all the quality related options available to gain a competitive advantage, the one worth the company's valuable time and attention is speed. As a business strategy that means, redirecting thought, energy, resources and attention from cost to time. Time-based strategies provide a greater variety of products and services at lower costs and in less time. In addition, properly implemented, time-based strategies produce rapid and real results.

In their book, *Competing Against Time*, George Stalk and Thomas Hout identified the Point Zero Five to Five Rule which states that most products and services are only receiving value .05 to 5 % of the time they are in the organization's value delivery systems. It doesn't take a rocket scientist to figure out that 95 to 99.95% of the time you are doing work nothing is happening.

Tom Peters said, this rule is the world's greatest good news/bad news story. The good news is that in all probability many of your processes are so messed up that there is an awesome opportunity to get better. Just by starting to look at what you are doing, assuming that the .05-5 Rule is in effect, you'll get better. The bad news is that if your competition starts looking at what they're doing before you start, you could get nailed to the wall. The message to senior managers is get fast or fall behind.

The "fast or fall" approach and supporting business structure is not new or unique, it's tried and true; it's called Business Process Improvement through Cycle Time Reduction. Increased speed through cycle time reduction does not detract from, or reduce, a commitment to quality. It builds on all of the programs and tools that have been in use for more than ten years, Continuous Improvement, CI squared, TQM, TQL, Lean, 6 Sigma, etc. They basically represent the same process, perhaps with different names and tools but the same thing none-the-less. What cycle time reduction does, in effect, is to take all the good represented by the different programs and add speed. Speed is the focus of BPI through cycle time reduction.

In the future neither you, your competition, nor your customer will be the same so you really don't have a choice if you are serious about growing your business. Get fast or fall behind – what will it be?

Dan Light Consulting works with services contractors and systems integrators who struggle with controlling cost and the realization that the business isn't reaching its full potential. Our clients have experienced a 95% reduction in the cost of under performing business systems and increases in new business win rates to above 80%.

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