



Ames Quality Forum

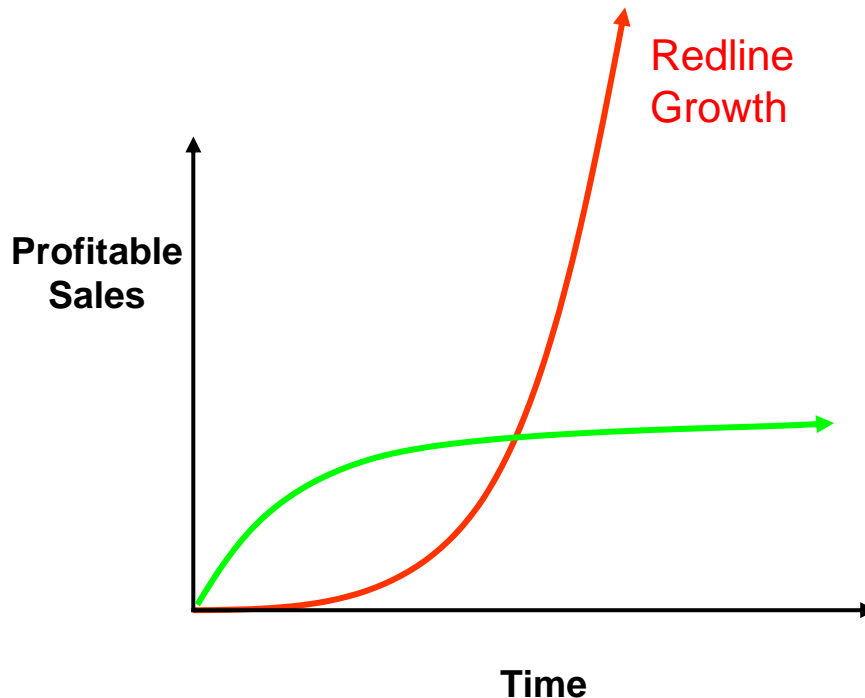
Creating Sustainability
Through Planning, Performance, Results

December 2005



WHY! Company, LLC
Planning • Performance • Results

Hitting the Redline



Most Organizations Can Easily Hit The Green Curve – Where Sales And Profits Are Growing at an Acceptable Rate, But What Constrains Organizations From Hitting Redline Growth?

What is Required to Hit the Redline Level of Growth?

Every for-profit organization has at least one constraint to profitability. How do we know? Because an organization is unable to make an unlimited amount of profit. If the tail is wagging, there must be a dog. -Eli Goldratt



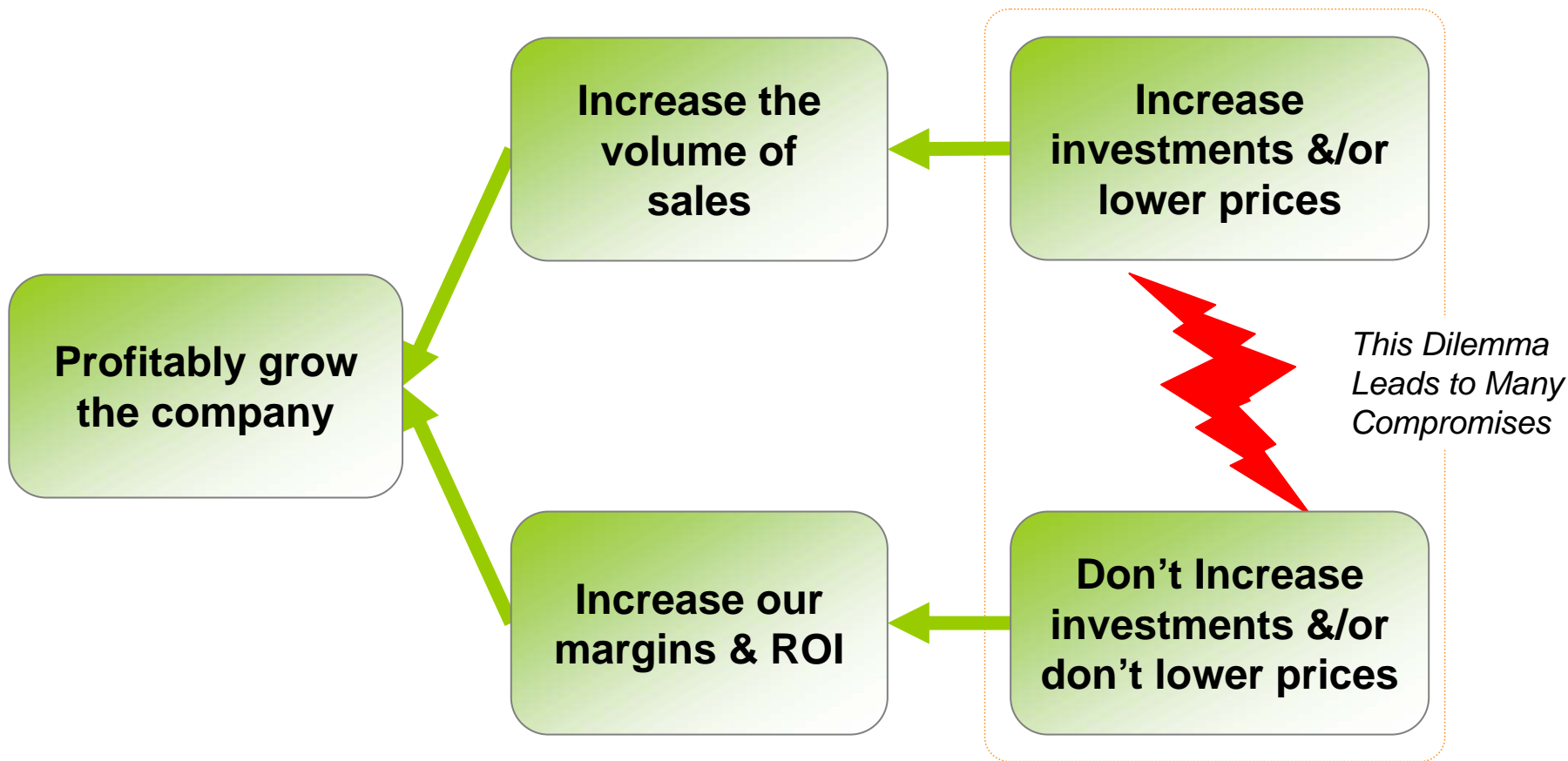
Understanding the Constraint to Redline Growth

Every Organization has at Least One Constraint. How do we know? Because All Organizations Are Not Able to Achieve an Unlimited Amount of Profit. There is ALWAYS a Constraining Factor. To Hit Redline, we must Understand Where the Constraint Is.

Goal

Needs

Actions





What Are Some Ways that We Compromise In Reality

One Hand - Increase

Other Hand – Don't Increase





In order to begin finding a solution, a Leader must understand the reasons why this dilemma occurs

Our market is typified by price pressures.

Quality and performance are very important.

Market entry barriers are relatively low.

**Increase
investments &/or
lower prices**








**Don't Increase
investments &/or
don't lower prices**



A Leader must set the criteria by which any good solution will be judged.

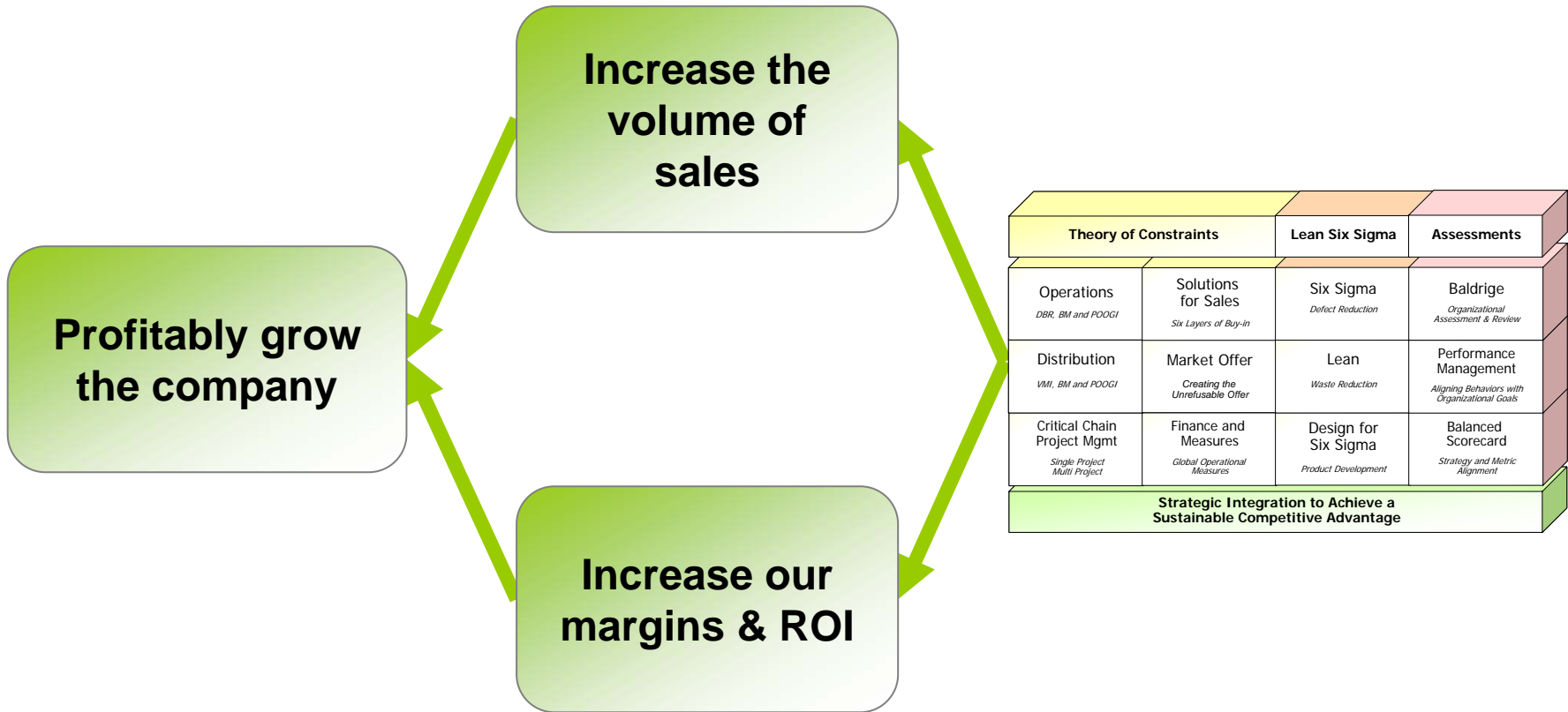
The more criteria that are satisfied, the better the solution.

-  Enable an increase in sales
-  Enable an increase in profitability
-  Enable highly reliable service quality levels
-  Significantly reduce cycle time of sale
-  Require no significant upfront investments

Solving the Organizational Dilemma



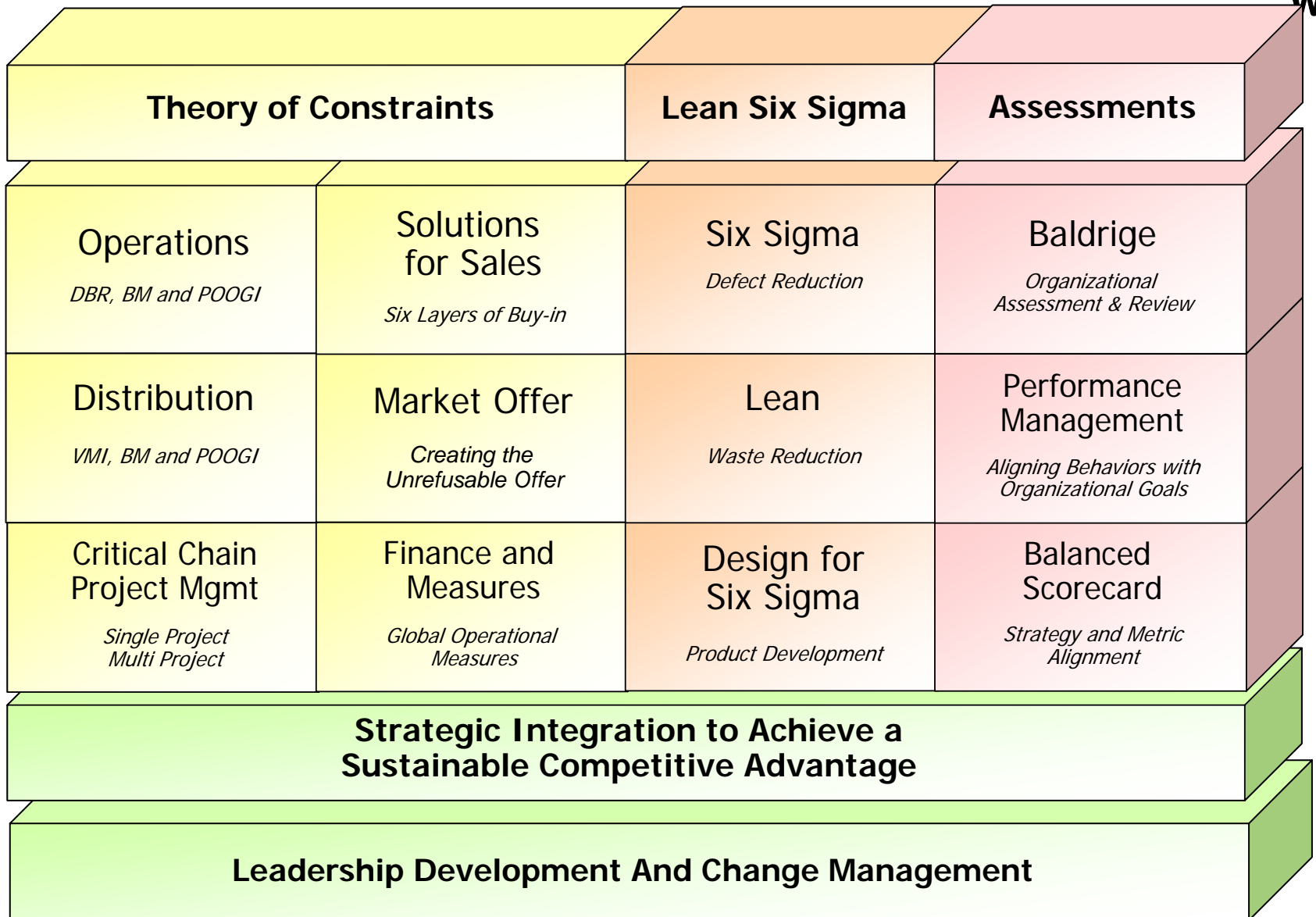
The Solution Must Allow Us to Increase Sales Volume While Not Incurring Additional Operating Expense or by Ensuring a Strong ROI.
 What Are Some Tools that May Help Us To that?





WHY!

Complete Solution Set



The Wholistic Model of Sustainability?



Any model of sustainability must address planning, performance and results. The “What” are we doing, the “How” are we doing it, and the “Why” are we doing it.



Planning – *What to...*

- Internal Assessment & Diagnostics
- External Market Analysis & Research
- Strategic Planning & Deployment

Performance – *How to...*

- Process Management for Results
- Process Improvement of Results
- Process Control & Sustain Results

Results – *Why to...*

- Customer Loyalty
- Employee Loyalty
- Shareholder Loyalty



Sustainable Flow



Organizational Assessment

- Internal Assessment
- Seven Key Areas
- Financial Impact

Market Analytics

- External Assessment
- Market Opportunity
- Value Proposition

Strategic Integration

Future Reality

Creative Tension

Current Reality

Need to Improve

Process Management

- Core Processes
- Supporting Processes
- Flow Management

Process Improvement

- Statistical Analysis
- Teamwork
- Tool Kits

Process Sustainability

- Drivers of Behavior
- Standards
- Ongoing Improvement

Matrix of Services Solution Sets

Theory of Constraints

- Operations
- Distribution
- Project Management
- Solution for Sales
- Market Offers
- Finance and Measures

Lean Six Sigma

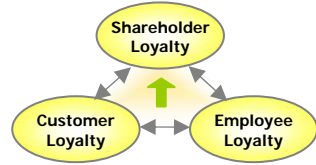
- Six Sigma
- Lean Enterprise
- Design for Six Sigma

Assessments

- Baldrige Assessments
- Performance Mgmt
- Balanced Scorecard

- Combination of Services
- Integration of Services
- Change Management

Business Results



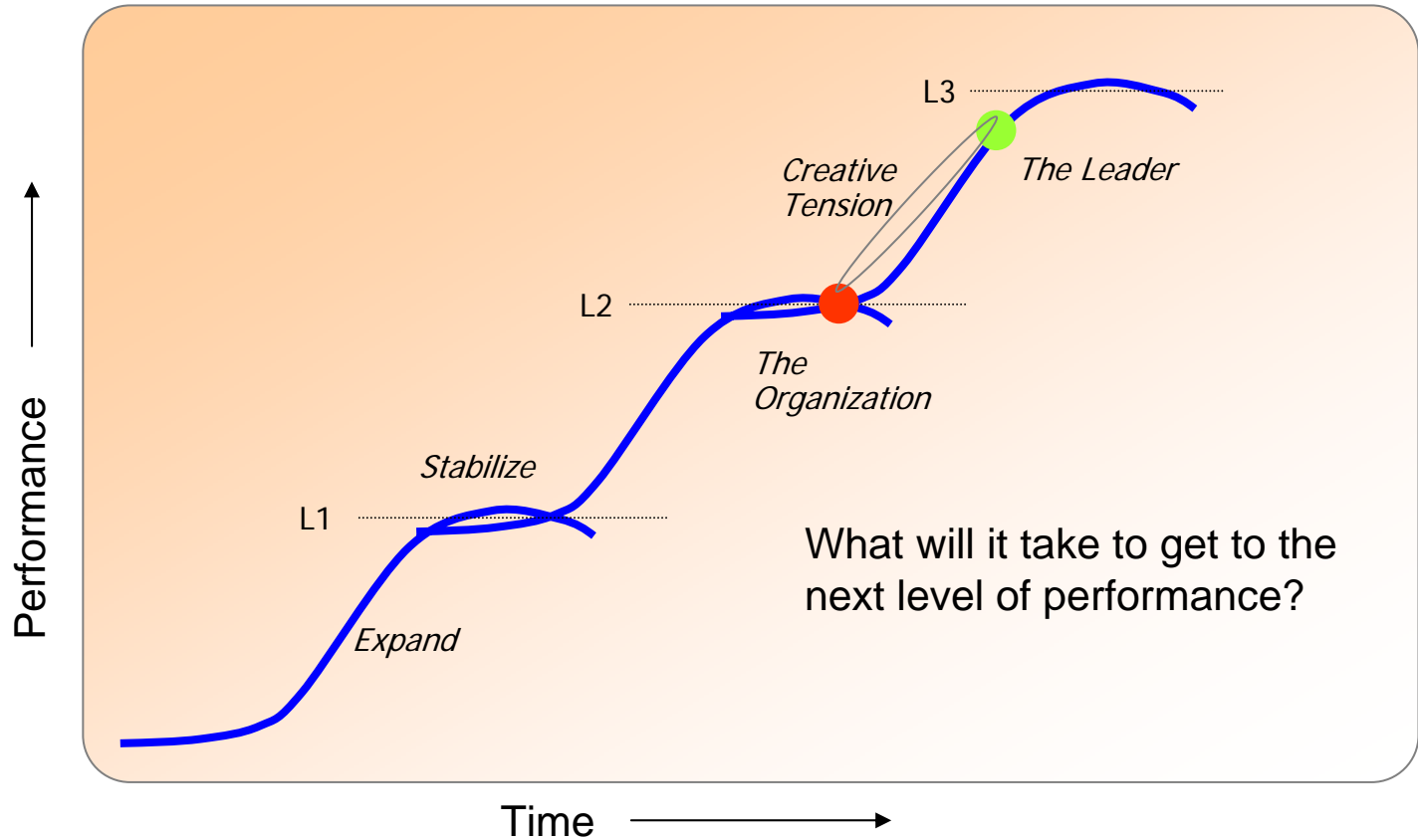
- Profitable Growth
- Customer Loyalty
- Employee Loyalty

Feedback for Continuous Improvement



Creating Sustainable Growth

A leader must live in the organization that exists three to five years from now.



Remember – Your Focus Determines Your Reality. - Yoda



Three questions that every leader needs to answer for their primary stakeholders?

1. WHY! to our customers by from us?
2. WHY! do our people work with us?
3. WHY! do our shareholders invest in us?

*When you change the way you look at things.
The things you look at change. -Chris Ahoy*



Today's Presentation Can Be Found at:
www.whycompany.com/library.htm



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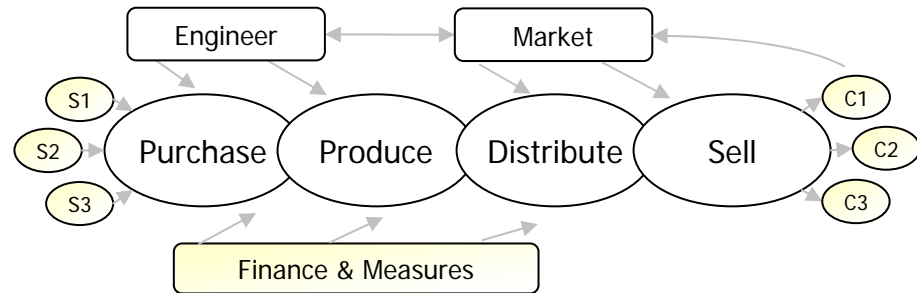
RedLine – Maximizing Throughput Potential



Competing Supply Chains.

The enterprise of the future will be comprised of competing supply chains. Those who act first stand the best chance of gaining the most.

WHY!'s RedLine Enterprise Performance System will maximize the throughput potential of your supply chain by synchronizing actions to the control point governing profit flow.



- Step 1 Commit**
Synchronization of the entire supply chain requires commitment and drive. Results are produced only through 100% commitment by the enterprises' top leaders.
- Step 2 Diagnose**
Only by understanding the current performance of the supply chain can the true potential value of RedLine be determined. The diagnostic process provides clarity.
- Step 3 Prescribe**
All supply chain enterprises are different. To reach the true potential, a prescription of services is written that drives the enterprise to maximize its throughput potential
- Step 4 Produce**
Nothing happens without action. The implementation team comprising logistical solution experts will be assembled and assigned to produce RedLine results.
- Step 5 Improve**
Continuous monitoring, adjustments and synchronization of the supply chain ensures the sustainability of results as conditions in the environment change.










How WHY! Works



WHY! Matrix of Services

Theory of Constraints		Lean Six Sigma	Assessments
Operations <small>DR, BR and POCG</small>	Solutions for Sales <small>Six Layers of Buy-In</small>	Six Sigma <small>Defect Reduction</small>	Baldrige <small>Organizational Assessment & Review</small>
Distribution <small>MR, BR and POCG</small>	Market Offer <small>Creating the Unrivaled Offer</small>	Lean <small>Waste Reduction</small>	Performance Management <small>Aligning Subunits with Organizational Goals</small>
Critical Chain Project Mgmt <small>Single Project Multi Project</small>	Finance and Measures <small>Global Operational Measures</small>	Design for Six Sigma <small>Product Development</small>	Balanced Scorecard <small>Strategy and Metric Alignment</small>
Strategic Integration to Achieve a Sustainable Competitive Advantage			



WHY! Involvement	Limited Involvement	High Involvement	Full Involvement
Matrix of Services 	One Area Only	More Than One Area	Almost All Areas
Degree of Involvement  	Speaking And Training Within One Matrix Of Services Area	Training And Integrating More Than One Matrix Of Services Area	Max Level Of Integration - Driving Results In Most Of The Matrix Of Services
Timeframe 	Hours/Days	Days/Months	Months/Years
Skin in the Game 	Little To No Assumption Of Risk Related To Results	Some Assumption Of Risk Related To Results	Max Assumption Of Risk Related To Results
Typical Pricing Structures 	100% Time/Material	60-80% Time/Material 20-40% Performance	10-20% Time/Material 80-90% Performance
Performance Guarantees 	Training & Development Guaranteed	Integration Results Guaranteed	Profitable Results Guaranteed