

Tough times can be enlightening

By [Frances Wright](#)

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South Africa has followed the world into a period of lean times as the global economy splutters and recession looms for the world's largest economies. Tough times do not necessarily mean going out of business, however, for companies prepared to take the necessary steps to trim waste and streamline their operations.



By working smarter, implementing lean manufacturing processes and ensuring business operations are as efficient as possible, companies can ride out the bad times and be in the perfect position to take advantage of the market once the economy improves. There are certain critical aspects to remember when preparing for better times and surviving the lean times.

Don't become invisible

Do not cut marketing. Between 3 - 5% of turnover, whatever that amount is, should still be spent on marketing. If you stop, you become invisible and will struggle to take advantage of the eventual market upturn.

Keep your R&D going. Keeping your company and its products in line with the latest technical advances is critical if the company is to be able to provide solutions to meet the new needs of customers when the economy improves.

Work smarter. Well-developed processes will assist companies in standardising the services they offer. This will ensure customers receive the same level of service, no matter how tough the economic environment gets, which in turn will ensure they remain loyal to the company. Furthermore, service processes will be easy to expand at the upturn, ensuring standards are maintained as more business comes in.

Improve production. Doing proper capacity planning will ensure that there is no wasted capacity and a critical path analysis on processes will reduce bottlenecks and eliminate waste in the production process.

Restructure inventory. When there is no capacity for waste or for carrying large stock supplies, different inventory options such as Just-in-Time planning must be considered and implemented.

Measure performance. A performance management system is a critical component of any efficient organisation as it ensures that every process and action undertaken by employees corresponds to specific items on the company's balanced scorecard. Each employee is therefore measured according to the scorecard, making sure everyone is focused on achieving the goals of the company. This also means each employee needs an accurate and dynamic job description.

Measure numerically. If the measurements above are numeric, the scorecard and job descriptions can then form part of a reward and recognition system that awards good performance. When scorecards and job descriptions are missing or vague, rewards are sometimes randomly awarded to busy people who may not actually be advancing the company's agenda.

In a poor economy, operations, human resources and marketing must all be streamlined and efficient as well as 100% aligned with each other and with the company's strategy. It is always a tough call, but any component of the organisation that is not producing and delivering according to the company's strategy must be cut.

IT plays critical role

Holistically, IT plays a critical role in the optimisation and streamlining process. However, there is often too much wastage in the technology sphere as too many people pay top dollar trying to get IT on the cheap and building companies to suite the IT solution. An investment in the appropriate upfront consulting will justify itself repeatedly if done correctly.

In fact, without the appropriate technology investment, companies will be unable to measure, control and improve their processes and this will make it harder, if not impossible to make it through the lean periods, ready to succeed when economic circumstances improve.

ABOUT THE AUTHOR

In her capacity as MD, Frances Wright (BScH, MBA) is responsible for the overall management of Trinitas Consulting. She specialises in communications, marketing and the implementation of systems and processes that minimise waste, streamline business practices, enhance productivity, and maximise service delivery to a varied client base. Frances is currently reading for her PhD in Entrepreneurship. Contact her at tel +27 (0)11 566 2016 or email frances@trinitas.co.za.

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