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## **Sharpen the Focus on Business Fundamentals**

The August Focused Fire Newsletter broadly addressed business fundamentals. To recap, all business people need to share entrepreneurial goals, regardless of ownership or professional management, and implement programs to achieve them.

- Make the business successful and profitable.
- Help the business grow by adding value.
- Build stockholder equity and reinvest it for productive purposes.

Periodically, leaders must step back and ask if the business strategies, practices, processes, and products align with these profoundly important objectives. Make sure customer service and quality are included in the thought processes.

- Review business values, including integrity, quality, safety, and environment.
- During recessions, management tightens control of every business facet, frequently severely limiting the inputs from associates. Conversely, when asking a businessperson for their competitive advantage, many will respond "our people." Test this in your organization. When was the last time the executive staff parked their computers and toured the shop floor, talking to people about their concerns and ideas for actually improving the business? Do associates have a valid mechanism for providing inputs? Are they in the information loop? Do HR policies make sense for your business model? Are one set of measurements used for performance and another for promotions or merit increases? Employees are the most important business asset, and for all the rhetoric about involvement, the potential opportunities are largely untapped. Invite people into the business vision, and share the information they need to help you realize it.
- Continuing with the focus on human relationships, examine the quality of collaboration programs with customers and suppliers. These are profoundly critical opportunities, but

normally under or poorly utilized. Evaluate how to initiate or improve programs adding value to people, relationships, products, processes, and supply chains.

- Perform a comparative product analysis to establish marketplace potential and opportunity for product improvement and customer acceptance.
- Review the ability of processes to meet the three objectives and identify potential improvements and programs to achieve them.
- Contemporary corporate strategies are environmentally inclusive, targeting waste through process improvement programs and reduction of all types, including what/how much is recycled, repurposed, or discarded into the landfills. Your competitors may be actively implementing ISO 1401, and customers tracking your compliance.

Each point requires a total systems perspective, with details supporting the strategic conclusions. Rethink the issues, find supporting data, and convert the information into actionable form.

There are three operational areas, sharing strategic importance, where a more detailed assessment is beneficial. They are:

- Enterprise planning - ERP/MRP, CRM
- Process Improvement Programs – Lean, Lean Six Sigma, TOC, VMP
- Supply Chain management and Supply Chain Collaboration

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