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“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.” — Charles Darwin

If only all American manufacturers acted as if this Charles Darwin declaration were true. While some companies constantly work at becoming more competitive every single day, others continue to act as if 1950 is right around the corner.

Simply saying “We’ve always done it this way” is not the key to future success. The world really is changing daily, with customer expectations and global competition increasing constantly. What has “always worked” – heck, what worked yesterday – won’t cut it moving forward.

If American manufacturers want to survive, many need to begin by waking up. Hitting the snooze button again hoping for a better result at the next alarm sound is unlikely to make operations more competitive. There are plenty of strategic and tactical tools to consider and surely one of them can help your company survive and even prosper.

Let’s consider three time-tested approaches that could help many manufacturers: MRP/ERP, Lean manufacturing, and Theory of Constraints.

Materials Requirement Planning (MRP) systems were available in the late 1960’s. Throughout the 1970’s, ‘80s and ‘90s they evolved into Manufacturing Resource Planning (MRPII) and Enterprise Resource Planning (ERP) systems capable of integrating most company data.

Yet many companies that bought the software still struggle with the basics. Admittedly for some businesses Lean Manufacturing may be better means of shop floor execution, however ERP systems continue to be an excellent planning tool. But ERP can’t improve your company’s performance if system users do not understand fundamental concepts. Nor can it pay for itself if management supports a lack of discipline that encourages ignoring the system. Typical ERP packages have capabilities that can benefit many manufacturers, but none can save a company that doesn’t assimilate the education, training, and disciplined approaches that success requires.

Lean Manufacturing focuses on three things: (1) value as defined by the customer, (2) the elimination of waste, and (3) continuous improvement. The concepts of Lean, based on the Toyota Production System, were born in the mid 1940’s and continue to evolve today. Lean philosophy and tools are hardly cutting edge, and are proven with the success stories of thousands of companies across numerous industries. But education, training, and discipline are once again key to success. Companies that implement Lean are not guaranteed survival, but their chances are much better than those of most companies that fail to focus on improving every single day.

The 1984 book *The Goal* outlined a manufacturing concept called Theory of Constraints (TOC). It demonstrated that not all improvements are equally valuable, and how concentration on the constraint will increase throughput and profits. TOC continues to evolve today, as manufacturers throughout the world utilize TOC

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concepts to drastically improve the output of production, the success of projects in terms of time and money, and the optimization of the entire supply chain. Focusing on what matters is not particularly radical advice.

While it takes an understanding of each to determine how to best utilize ERP, Lean, and/or TOC in improving your company's operations, to reject all three without that understanding is like rolling over and hitting the snooze button.

Manufacturing employment is declining throughout the world. But the demand for goods and services is not. While efficiency improvements may mean that not as many people are needed to provide them, people will still be needed. And they can be in the United States if our manufacturers take advantage of available tools.

Effective use of ERP, Lean, and TOC all require a management committed to implementing the concepts. Not just trying them, but living them. Maybe one or more of those tools is just the ticket to helping your company succeed. But doing what you've always done is not.

To the companies that have aggressively learned from others and work daily to improve: congratulations. To those of you who are just getting started but fully understand the need to develop change as a core competency: keep it up. It's challenging, but worth it. To the rest of you: unplug that snooze button and wake up. Before it's too late.

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