

DOES YOUR OPERATIONS STRATEGY INCLUDE YOUR OWN BUSINESS?

When defining and communicating your operations strategy, don't forget to address your own operations. It may sound like a needless reminder, but perhaps it is not.

As part of a recent speaking engagement, I asked the attendees to respond to a brief questionnaire on the state of an operations strategy in their companies. Of particular significance is the following finding:

The detailed operations strategy elements with the highest score (strategy defined and implemented) regardless of answers to other questions are (1) **Strategy re: insourcing vs outsourcing**, (2) **A target number of key suppliers**, and (3) **Strategy re: use of technology**.

The detailed operations strategy elements with the lowest score (strategy defined and implemented) regardless of answers to the other questions are (1) **Policies are consistent with operations strategy**, (2) **Production underlying approach, (like Lean or TOC)**, and (3) **HR approach consistent with operations strategy**.

The items that received the highest scores are certainly important pieces of an operations strategy. But 2 of the 3 focus on external upstream solutions. The items that received the lowest scores are decisions within the control of a company management team. And each of those 3 represents an issue that could make an operations strategy, and a company, fail.

Many obstacles to success are well contained within our own walls. It is up to management to lead the effort to identify and address them.

RCA RUBBER CO INTRODUCES NEW PRODUCT TO BUS MARKET

RCA Rubber Company, in Akron, has seen much of the rubber processing industry leave Ohio. They have seen Indian processors intensify price competition in their heavy transit markets. But rather than quit, they are beginning the journey of Lean Manufacturing and introducing a more slip-resistant tread to the bus market. The first new product introduction by RCA in several years, the APEX product family has already generated orders from customers who had begun to move business to India. Congratulations to RCA for their commitment to success.

THE BOY SCOUTS ARE RIGHT: BE PREPARED

As we experienced year-end 2003 under an Orange terror alert, we must wonder what another major terrorist attack would do to our businesses. In just a matter of a few weeks in December we also saw earthquakes hit California and Iran, heavy snows hit much of the Northeast United States, Mad Cow disease discovered in Washington state, and a flu epidemic. All this on top of the earlier SARS scare and West Coast dock lockout. We don't know what the next major business interruption will be, or where it will hit. We do know that something out of our control will happen that impacts our businesses. Don't be a victim who waited for something to happen before beginning to think about what to do. Work with your key suppliers and customers to create disaster recovery plans now, to ensure you do recover from disaster. Establishing mutually beneficial relationships with a specific agenda item of disaster recovery is a key first step.