

Associated Industries of Missouri

Your Voice

February 2010

Magazine

**WELCOME TO MISSOURI, WHERE
ASSOCIATED INDUSTRIES IS
LEADING THE CHARGE
FOR BUSINESS**

**AIM'S 2010
LEGISLATIVE UPDATE**

**BEST PRACTICES FROM
AIM MEMBERS**

**MORE VALUE FOR YOUR
AIM MEMBERSHIP**



**Associated
Industries
of Missouri**

The Voice of Missouri Business.

Serving Missouri Business since 1919

RETURN SERVICE REQUESTED

Associated Industries of Missouri
3234 W. Truman Blvd.
Jefferson City, MO 65109

"We Have Met the Enemy, and He Is Us"

CONTRIBUTING WRITER: DUSTY CRUISE
President and Chief Executive Officer, Missouri Enterprise



This famous quotation uttered by Pogo the Possum in the comic strip (produced by Walt Kelly and carried in hundreds of newspapers across America from 1948 – 1975) illustrates a very salient point about the way that manufacturing companies, and businesses in general, operate today.

Let me explain.

Our Missouri Enterprise manufacturing and business management specialists often ask clients to identify the two or three top “real costs” that they face in today’s marketplace. Very often, our Missouri manufacturers respond with things like burdensome regulation, taxes, healthcare costs and others that are not generally under their direct control.

What they often miss is the “enemy within” or the costs on which they can have much more effect. In my experience, the largest of these are the non-value added activities that are part of their processes. These are operational activities that do not improve the product or service in the eyes of the customer. They are activities, also often called waste, which could be eliminated with no effect on the company’s end product or service.

Just a few examples of these non-value added activities or wastes

that do not support operational processes are storage, over production, multiple handling and transportation of parts and finished products, rework, approvals and frequent inspections.

Other activities support operational processes, but often increase costs much more than necessary.

Examples of these include time to set up equipment for different models; queues and storage of parts between use; distances between manufacturing operations, reach distances and improperly designed or sequenced operator

actions; and unplanned delays and downtime due to equipment failure.

These, to paraphrase Pogo the Possum, are “the enemy that we have met and who is us.”

Recognizing that these internally created costs erode profit margins and put manufacturers at a significant competitive disadvantage is the first step in a process we refer to as a Lean Transformation.

Fundamentally, a Lean Transformation enables a company to create an atmosphere or a culture in which positive change can occur and be sustained. Since this culture, to be effective, involves the entire workforce, it must be non-threatening (Lean does not mean cutting staff) and it requires “buy-in” or ownership of the culture by all.

As company-wide ownership and engagement in the culture of continuous improvement takes hold, internal teams can ask questions that will identify waste and improve the process and thus the company’s product, services and bottom-line. Questions like these are often asked:



- Are these activities really necessary for the process?
- Can they be eliminated without unintended consequences?
- Can these activities be done more efficiently?
- Can these activities be combined with others in the process?
- Are there flaws in the actual activity that can be corrected?

Asking these questions, developing plans based on the answers and implementing those plans can reduce the cost of the product (making them more competitive); improve quality and speed up delivery times. All things that will contribute to higher profits and a healthier bottom-line.

For much of our 25+ year history, Missouri Enterprise has been assisting small- and medium-sized companies in successful Lean Transformations. We have combined training with hands-on implementation assistance to bring a full range of Lean Transformation tools and techniques to companies in a wide variety of

industry sectors throughout Missouri.

If you think that “your enemy might just be you,” please call us. We can help.



About Missouri Enterprise

Missouri Enterprise is part of the U.S. Commerce Department National Institute of Standards and Technology Hollings Manufacturing Extension Partnership Program and receives support from the Missouri Department of Economic Development. It is an organization of experienced manufacturing and business management professionals who help Missouri manufacturing companies succeed with a combination of training and customized hands-on implementation services. Its services fall into three broad categories: Productivity Improvement; ISO/Quality Management Services; and Innovative Growth Strategies.



About the Author

Dusty Cruise brings more than 30 years of manufacturing experience to his position as president and chief executive officer of Missouri Enterprise. Dusty's past positions in manufacturing and operations leadership provide a framework for him to effectively interface with all functional areas of a manufacturing enterprise seeking to improve organizational effectiveness. Dusty has a first-hand, realistic knowledge of manufacturing. He understands how the impact of material, labor, and overhead affect the bottom line and integrates improvements in these areas with the rest of the operation to achieve bottom-line growth.

Before becoming president and chief executive officer, Dusty served Missouri Enterprise as a project manager, regional vice-president, vice-president of service delivery, and executive vice-president. Dusty can be reached at 800-956-2682 or at dcrui@missourienterprise.org.

