

Rapid Sustainable Profit Improvement In 30 Days

LEADING ORGANIZATIONS REQUIRE AN APPROACH TO IMPROVEMENT THAT IS FACT-BASED, RAPID, AND, MOST IMPORTANTLY, SUSTAINABLE

In the current economic downturn, every company is trying to mount an assault on costs, eliminate processes that don't add value, and find creative ideas to drive new revenue. In these times, "doing more with less" becomes an uninspiring cliché. What managers ought to be looking for are ways to use the economic downturn to embed cost-saving processes that will be sustainable, even after the economy rebounds.

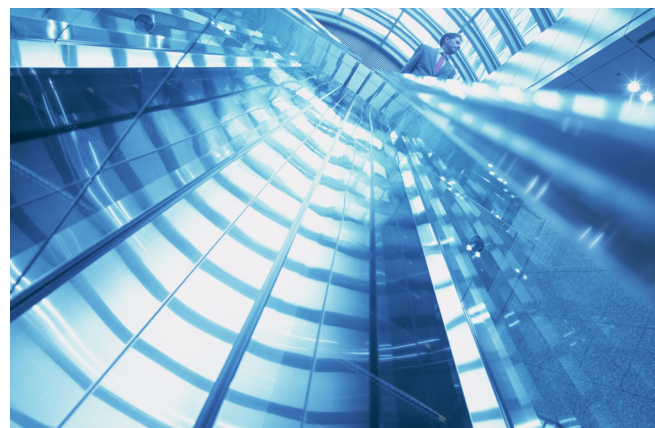
Embedding continuous improvement mentality into an organization is hardly new. Many of the most admired companies have built such steps into the daily cadence of their management teams and associates. These organizations have become incredibly adept at articulating and implementing their corporate strategy through thoughtful execution. Due to effective recruitment, nurturing, and development of their employees, they have the advantage of facing off against the competition with an engaged and innovative workforce that goes above and beyond the expectations of their customers.

But what happens when these well-tested methods no longer generate results? What if the performance of once-strong organizations begins to taper off and it becomes clear that stakeholder expectations will not be met? There is not enough time to go back and relearn processes that may have taken years to implement across an organization. Command and control, methodology-intensive programs may have worked in the past, but in today's Google-speed economy, a rapid approach to performance improvement is mandatory.

Rethinking Process Improvement

For almost two decades, SSA & Company has been working with clients to rethink the fundamental process needs of competitive organizations. Over and over again, we have seen the need for a basic approach to process transformation that can occur in weeks, not months. The result is what we call a 30-Day Performance Improvement Program. It deliberately pursues the hard-to-find issues using a fact-based, data-driven analytical framework. Its broad view of an organization's operations allows managers to quickly assess the entire company on a strategic level, isolate key performance issues, and make rapid changes. Once these improvements are implemented in conjunction with an appropriate focus on change management, the company is permanently transformed, and benefits accrue on an ongoing basis.

The 30-Day Performance Improvement Program is grounded within SSA & Company's philosophy that the accuracy and credibility of projected benefits remain a cornerstone of success. The program includes an overarching focus on a detailed and thorough financial and operational analytics component. It is designed to make sure that companies quickly realize performance improvements and cost savings throughout their operations. Short-term quantifiable results and sustainability are critical measurements for success.



The 30-Day Program works because we focus a client and its leaders on identifying the key drivers of business value. By understanding an organization's core competencies, key signature processes, and value streams, we can improve processes and reduce costs first in the areas of greatest benefit to your business. One of our initial activities, for example, is to analyze cost and revenue streams and identify imbalances between investment and results. This guides us to understand where process improvement and cost reduction opportunities exist.

Beyond Lean Six Sigma

This rapid improvement approach grew out of business transformation concepts that we pioneered more than a decade ago. But unlike the traditional Lean Six Sigma approach, we have focused on those steps that can be implemented immediately and generate rapid improvement. Key features include:

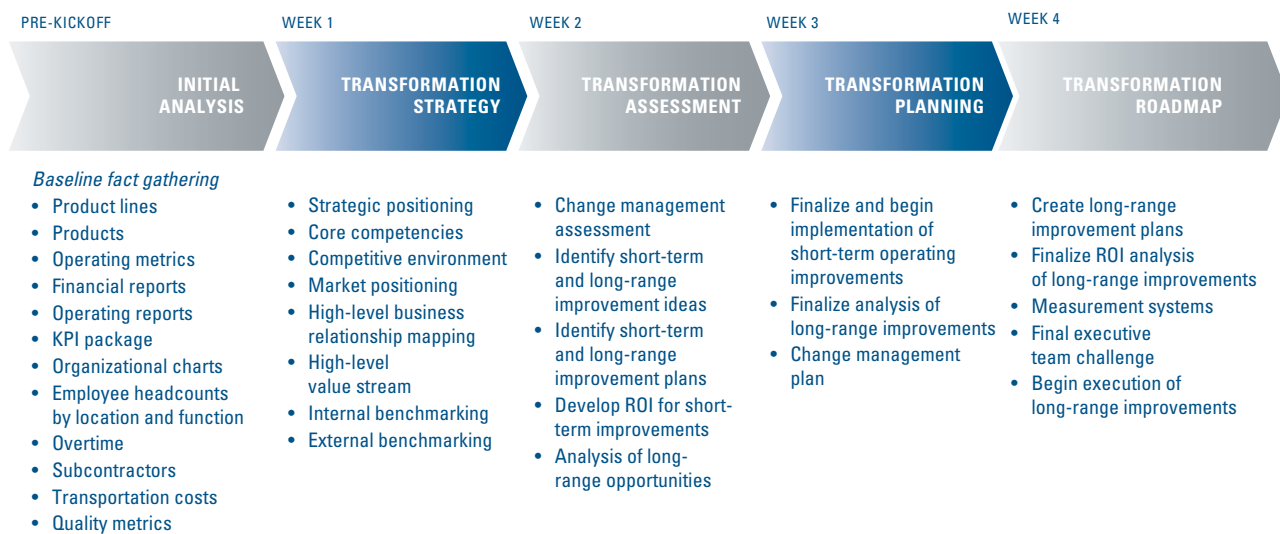
- ❑ Strategic end-to-end view of the organization
- ❑ Data-driven, fact-based analysis of revenue growth, performance inefficiencies, and cost drivers
- ❑ Detailed drill-down in key opportunity areas

- ❑ Internal and external benchmarking
- ❑ Development of realistic, measurable, and sustainable results
- ❑ Identification of short-term and long-range high-impact projects
- ❑ Assessment of key organizational and change management challenges
- ❑ A quick assessment phase followed by multiple rapid implementation efforts.

Four Weeks of Process Innovation Change

As the chart shows, an initial analysis of the company is followed quickly by the creation of a transformation strategy that leads, ultimately, to an organization roadmap for long-term change. With the right level of engagement, our approach consistently delivers significant improvement ideas within two to four weeks, which are typically implemented quickly enough that benefits begin to accrue within one to two months. The 30-Day Performance Improvement Program is self-funding and consistently delivers benefits that exceed requisite investment levels by a factor of five.

30-Day Performance Improvement Program



Sample 30-Day Results

PROCESS IMPROVEMENT

Leading US Contract Research Organization:

Our team identified an opportunity to increase operating margin by 6% in a contract research laboratory. Our recommendations were the result of an end-to-end value stream analysis and group brainstorming meetings that identified process inefficiencies and redundant work steps. Based on our initial assessment and subsequent detailed analysis, the opportunities were identified within 30 days and were implemented within 2 months of our involvement in the organization.



DISCRETIONARY EXPENSE REDUCTION

Offshore oil exploration company: Our team identified an opportunity to reduce annual food service costs by \$500,000 while also improving the quality of the food and service to the employees. This improvement was the result of an internal benchmarking assessment and detailed analysis of both the cost and quality of the food service provider. Our team also surveyed the employees using the food service and determined that the lower-cost alternative actually provided a higher satisfaction level, thereby improving morale and employee engagement.

ADMINISTRATIVE EXPENSE REDUCTION

\$45 B retailer: Our team identified an opportunity to decrease annual corporate back-office administration expenses by \$800,000. Our recommendations included elimination of unnecessary processing steps and an overall improvement in the end-to-end workflow. This analysis was done within 30 days and was implemented within 3 months after the start of the assessment.



