

Operation Excellence

January 21, 2013



“Denial ain’t just a river in Egypt!”

“It ain’t what you don’t know that gets you in trouble. It’s what you know for sure that just ain’t so.”

“Get your facts first, then you can distort them as you please.”

--Mark Twain

Mark Twain has been attributed to have said all 3 of the above. [Al Gore later claimed credit for the Denial one, but as he also claimed to having invented the internet, until I’m given further proof, I’ll go with Mark Twain.]

While these 3 quotes may be good for a smile, they are a very real indication of some of the issues that I have been coming across during the past couple of years. As such, they merit a discussion here.

Why is the New Year going to generate fantastically different results (for your company) than last year? What has changed?

Some of the biggest failures that I have been witness to during the past couple of years are at companies that have managers that without taking serious, focused, well-conceived actions believe that their results are going to dramatically improve.

Also, I’ve recently had discussions with several managers and business owners that, I sadly conclude, are only based on wishful and optimistic changes in the overall market place to take their companies to the next level. Far too often, I don’t see a “get real” assessment being made of: the company, the market that they are participating in, and their organizations. There is evidence of “denial”, “ain’t so”, and “distortion” rather than developing focused plans and actions, and changes in business processes and practices that would give their organizations a more solid path to success.

- If your problem is poor quality, is better scheduling going to fix the customer service (delivery) issues? After exhibiting a strong case of “Denial” about the quality issue, the perceived solution was a need for “reorganization” of the production staff. Two reorganizations later, (and layoffs), and price renegotiations with a major customer, the organization is operating nowhere near their potential as

the first pass yield is still the non-recognized issue. Management refused to recognize the “elephant in the room” was quality – specifically first pass yield.

- When the data from the field shows products are failing in about a year, taking the action to extend the warranty to 2+ years is not going to solve the problem – while you may be buying time, you are more likely to be in “Denial”; and unfortunately it may be “what you know for sure that just ain’t so!” Another old Missouri saying is that: “After 3 days, a dead fish isn’t going to smell any sweeter.”
- If you are currently turning your inventory ~3x and you claim that you can get it to 8x, but you don’t change any of the “rules of the road” (practices and procedures) that you use to manage your entire supply chain”.... Guess what folks – it ain’t (with respect to Mark Twain) going to happen. “Denial.” “...Ain’t so.”
- If Charlie is a long term employee, but you know that he is a “C” player – just hanging on and just getting by, are you really doing the organization a favor by leaving “Charlie” in a vital role? “Charlie” is probably doing harm to the entire organization. A quote that I have recently seen, really struck home with me. Les Wexner, CEO of clothing retailer the Limited, “If I don’t make the tough decisions about the people who are preventing the enterprise from being successful, then I am putting at risk 175,000 people who are depending on that leadership.” This situation can be especially difficult if “Charlie” is either a long term employee, family member, (or both—YIKES!) “Denial.” “Ain’t so.” “Distortion.”
- Our industry is “different”. This comment wins the award of all three Mark Twain quotations -- Denial! Just Ain’t so! And Distortion! Some of you recall my writing about what I’ve learned from Pat McDonnell (themcdonnellcompany.com). [Pat is author of a wonderful book “Everybody Wants To Go To Heaven -- 6 Steps to Organizational Excellence”.] Pat and I recently had occasion to have another brief but insightful discussion while swapping war stories – and this was a common theme... when you have a manager who starts telling you “our industry/company is different”... 99% of the time that is a C performer/manager that is just covering his hind parts and scooting by... instead of defining opportunities and making plans for success, they are playing the victim -- they are “denying” their individual failings, professing a belief of what most definitely “ain’t so”, and “Distorting” the facts.

So, what can we conclude? It is hard to plan AND IMPLEMENT changes. Most closely held companies do a poor job of it. Just hoping that 2013 is going to be phenomenally better for your firm isn’t going to make it so. If you aren’t making your company/organization better, you are falling behind, because your competitors are probably working harder at making their company better than you are!

Focus, employee involvement (no one person can do it alone), being “real”, and challenging your assumptions about what is both making you successful as well as limiting your current and future results are all required to contribute to ongoing success.

To assist you, I’m listing 3 books/articles that you might want to consider adding to your library:

- “Everybody Wants To Go To Heaven – 6 Steps to Organizational Excellence”. Patrick J. McDonnell –

- “A New Game Plan for C Players”. Beth Axelrod, Helen Handfield-Jones, and Ed Michaels. Harvard Business Review (You want the 8 page article not the 3 page summary... sign up for free and you have access to the 8 page article.
- “Mastering the Rockefeller Habits – What You Must Do to Increase the Value of Your Growing Firm”. Verne Harnish

All three books/articles are excellent. Of course, a catalyst/agitator/advocate, is extremely important too... that is where I come in!

2013 is here. Whether we like it or not, time marches on. The old Chinese proverb is that: “A man can never put his finger in the same river twice.” By itself, hoping that “things will get better”, is not an action, it is at best a prayer. Fresh, fair, brutally honest assessments need to constantly be made about our enterprises. Assumptions need to be challenged and plans and actions have to be made and followed up on.

If you are having concerns about your organization’s current results, or your intuition is causing you to have thoughts about your organization’s potential results, please give us a call. We can help you with the process.

“Profound knowledge must come from outside the system – and it must be invited in.”

--W. Edwards Deming

All the best!

Jim Covington

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