

PROCESS REENGINEERING: ...Should I or Shouldn't I?



By Debbie Junge

For many dealers, these tough economic times have literally meant a struggle to survive. And even with the recent up-tick in business, there is always a question about the future ...What should we do to stay current and viable? How am I going to maintain or increase profits in this competitive environment?

As annuity accounts have dwindled in many markets and the need for new business development has risen, dramatic changes have been forced upon almost every selling organization. In many dealerships the old paradigm of sales-people doing it all—finding, closing and managing the projects through job closeout—has evolved into distinct separation of business development and account/project management roles. This shift has forced dramatic changes to the process model that supports the sales efforts.

Step back and ask yourself

Is my current process model sufficient to deliver quality product solutions and superior services on a consistent basis? Are our people, processes and technology in full alignment with our current selling and business strategies?

If not, don't be surprised...you are not alone! Quite often a dealer's initial investment in technologies, development of processes, roles and responsibilities took place long ago. They

have been tweaked over time but rarely overhauled to keep pace with the ever changing business climate, sales environment and customer demands and expectations.

In the business best-seller *Good to Great*, author Jim Collins studied companies that dramatically improved performance, as reflected in market value appreciation, by achieving a distinct break with the past.

According to Collins' research, what makes a company great is disciplined people, disciplined thought and disciplined actions over an extended period. The recipe for greatness, as Collins puts it, is having the "right people on the bus" and the "discipline to confront the most brutal facts of your current reality" in thought and action.

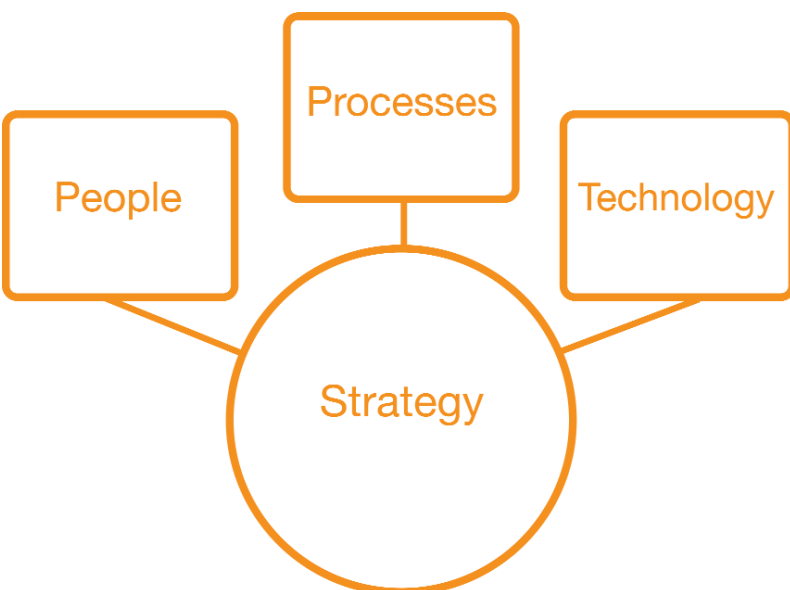
Simply put, this good-to-great result comes from the right people applying the right principles in the best possible way. This is what Process Reengineering is all about: selecting the right people to drive and lead systematic improvement in a prescribed, disciplined, measurable and repeatable manner.

Basic principles

The fundamental premise of Process Reengineering is to identify what the customer values. What does the customer want today? What will the customer want tomorrow?

The customer defines the behaviors in the value stream that are value added. To be value added, any process or activity acting on the product or service in anyway must meet three key criteria:

- The customer must be willing to pay for it. (in monetary terms, time or other resources)
- The activity transforms the product or service in some way.
- The activity must be done correctly the first time.



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Processes must also include business value added activities that may not be of value to the customer but which are necessary to run the business.

An efficient and effective process model creates customer value and eliminates errors, waste and non-value added activities that over time contribute to eroding profits, lost revenues and a decline in customer satisfaction or retention.

Waste Not...Want Not.

The sources of waste are everywhere:

- Making mistakes
- Rework, revisions, research or replacement
- Having incorrect, incomplete information and instructions or unclear processes
- Outdated tools or technology...not fully using the features and functions or multiple technologies that do not integrate
- Manual documentation versus electronic
- Access to accurate, real time data
- Duplication of work or information
- Breakdown in communication or execution
- Lack of consistency and reinforcement
- Unbalanced workloads
- Not enough true sales time for sellers
- Involving the wrong people in activities
- Having people work improperly
- Lack of training and skill development
- Money left on the table...lost revenues or profits ...low margins.... not charging enough or at all for services... or inefficient job costing methods
- Spending more time or money than necessary on the wrong priorities
- Not benchmarking or tracking performance to identify potential trends or challenges

The expenditure of wasted resources, people, time, energy, effort, money and non-value added activities impacts company performance and profitability.

Over time it can lead to human struggle that damages the psyche and morale of your employees, impacting job satisfaction, performance or turnover.

Eventually, these internal challenges may no longer be transparent to your customers, leading to a loss in customer satisfaction, retention or the ability to make a reasonable profit.

To shed light on whether or not there is a case for change in your organization, consult with your employees and managers. They are your first and best barometer to uncover waste, non-value added activities and any internal human struggles.

What should you do next?

A process reengineering initiative is not for the faint of heart. Reinventing yourself to become a lean organization delivering superior product solutions and services involves restructuring of the organization and processes.

Current principles, beliefs and culture can be enablers or barriers to the desired changes. Some people are “change embracers”, some are “wait and seers” and “some are resisters to the end.” The nature of change in itself is difficult.

Understanding the nuances of every department, dissecting what is working and not working, designing the new process model and implementing and reinforcing the changes can all become overwhelming.

Be prepared ...it will take a considerable commitment from your team and investment of time, energy and resources to achieve success and desired results.

Make a decision early on whether or not a process improvement initiative is something you can handle in-house or whether it requires outside assistance from industry consultants.

If you decide that you need guidance, selecting the right consultant entails understanding their concept, approach and methodology. Equally important is how they adapt to the specific conditions and environment of your company.

If you decide to go it alone, assign a Process Champion to spearhead the initiative and follow these steps:

- Establish your vision
- Assess current processes
- Redesign the new process model
- Align technology, roles and responsibilities
- Create a master plan for change
- Roll-out, train and Implement
- Measure and track performance
- Create a culture of continuous improvement

The clock is ticking, the world is changing and so are your prospects and customers. Now is the time to assess your business and determine if you are keeping pace.

Do you exceed customer expectations? Are you profitable and positioned for the future? If not, take action. You have a lot at stake!

Debbie Junge brings over 30 years of sales, management and consulting experience in the contract furniture industry working with dealers and manufacturers. Since founding Junge + Associates in 2004, Debbie has leveraged her real world experiences helping clients build high performance sales teams, leaders and organizations. Her consulting services include personalized coaching, training and implementation of best practices with a focus on hiring, sales, leadership, operations, and financial performance. For more information visit www.jungeassociates.com