How to increase competitiveness and growth
an SME perspective

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A simple truth about being competitive

- When you are being chased by a hungry lion, you don't have to be the fastest, you just shouldn't be the slowest!

- Equally, you don't need to be the best in the world, just the best in class

Evolution

- It is not survival of the fittest, strongest or biggest that drives evolution but the ability to adapt to changing situations and to capitalise on them before everyone else does
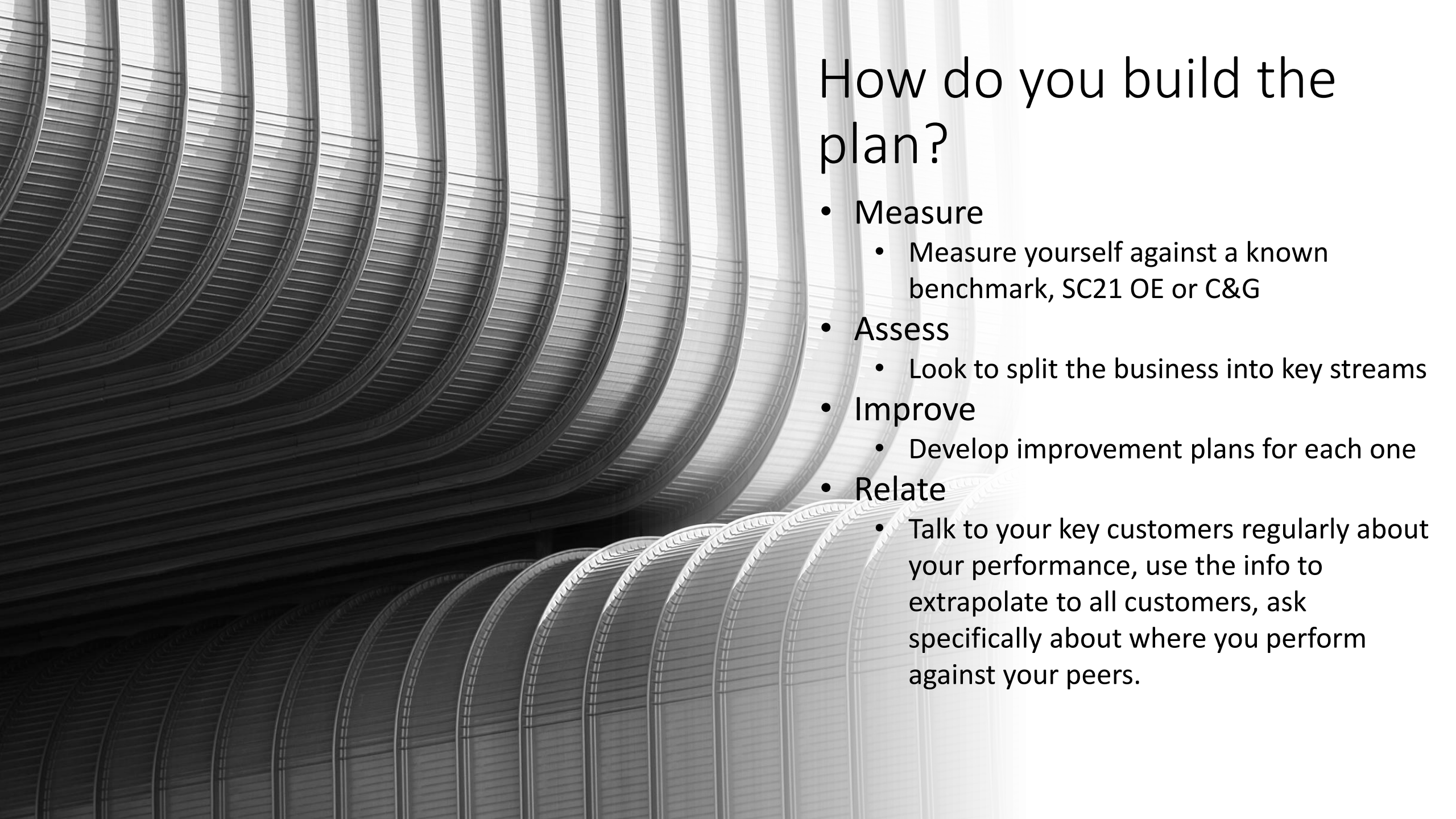
Productivity vs Competitiveness

- Nationally we are asked to become more productive
  - Achieve more, and increase turnover with the same or less resource
  - However it's pointless being highly efficient if you cannot sell it to someone

- Competitiveness goes much further
  - Become the most adaptable provider in the network
  - Exceed your customers performance needs
  - Be a better supplier than the competition

How do you show that improvement?

- Benchmark with key customers your performance on 6 key measures of competitiveness
  - Quality – achieve zero defects, allow processes to drive quality not people
  - Delivery – on-time, every time
  - Cost – low enough the customer choses you, high enough for profitability
- These are all givens, but additionally
  - Technology and product – are you leading the way through new technologies
  - Flexibility – can you absorb and support customer alterations?
  - Overall experience – are you easy to work with?

How do you build the plan?

- Measure
  - Measure yourself against a known benchmark, SC21 OE or C&G
- Assess
  - Look to split the business into key streams
- Improve
  - Develop improvement plans for each one
- Relate
  - Talk to your key customers regularly about your performance, use the info to extrapolate to all customers, ask specifically about where you perform against your peers.

Where to improve

- There are 4 key business areas to drive improvement
  - Strategy and Management Systems
  - New Product Introduction
  - Manufacturing Operations
  - Supply Chain

Strategy and Management Systems

- Do you have a long term plan and vision
- Do you have steps along the way
- Do you have processes, people and skills to deliver the steps
- Can you and do you follow the processes you have defined
- Do you have the capacity for growth
- And can you articulate that to the customer clearly
- Can you link the goals and processes to everyone's goals and monitor
- When it doesn't work can you recover the plan
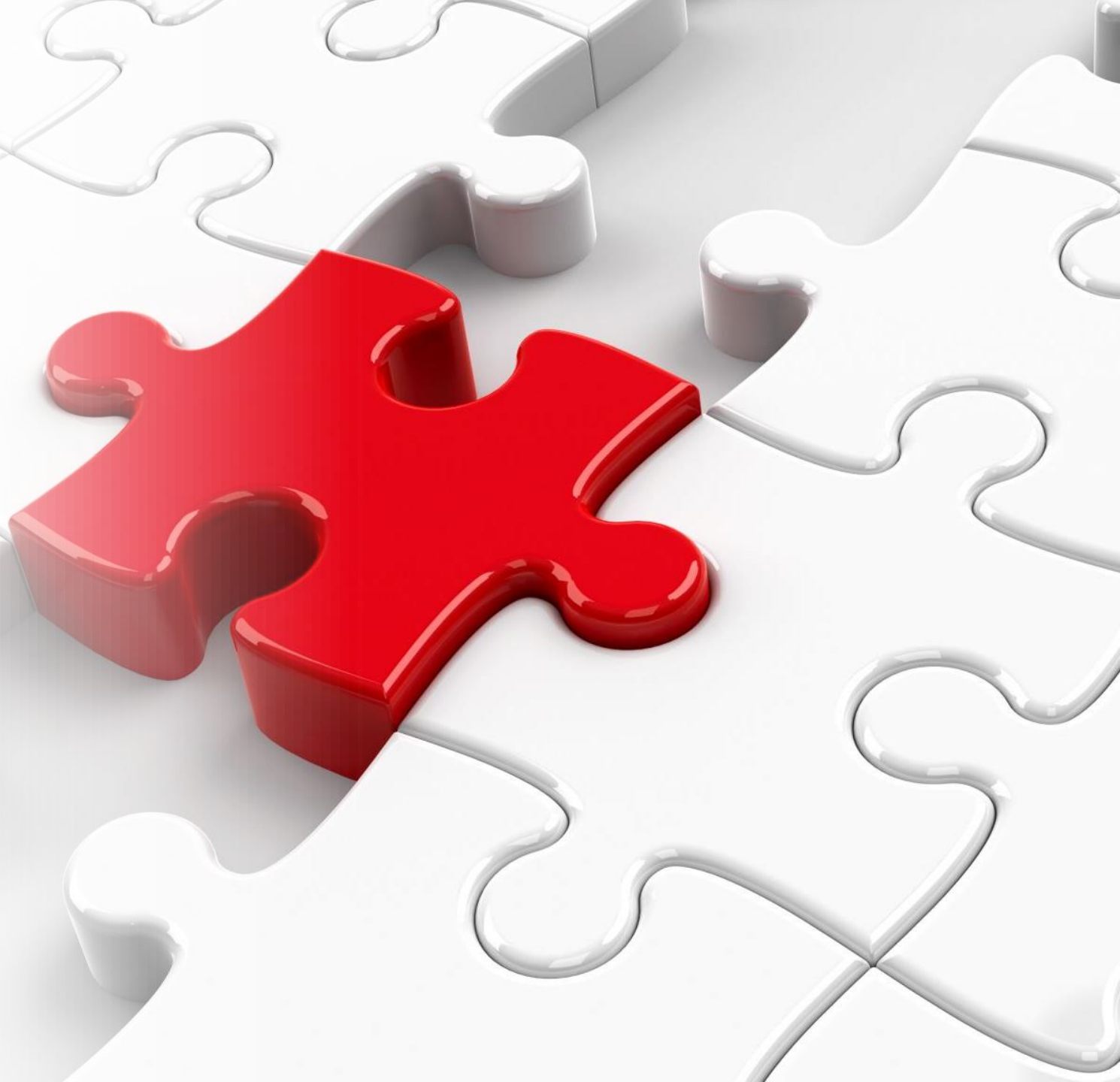
New Product Introduction

- Do you have a process to manage and control the various stages of introducing new products or processes?

- Do you build sufficient time into those stages to complete all the required back office tasks?

- Do you hold reviews with customers that measure the progress, success or otherwise of the launch?

- Do you review your launch to improve the next one?

Manufacturing

- Do you have documented processes to ensure repeatability of production?

- Do you have a good planning process that allows you to meet customer required dates?

- Is there a clear indication of current status against the plan in each area?

- Is there a process to escalate issues quickly?

- Do you have a process to link all other functions to the plan and drive their daily actions to support it?
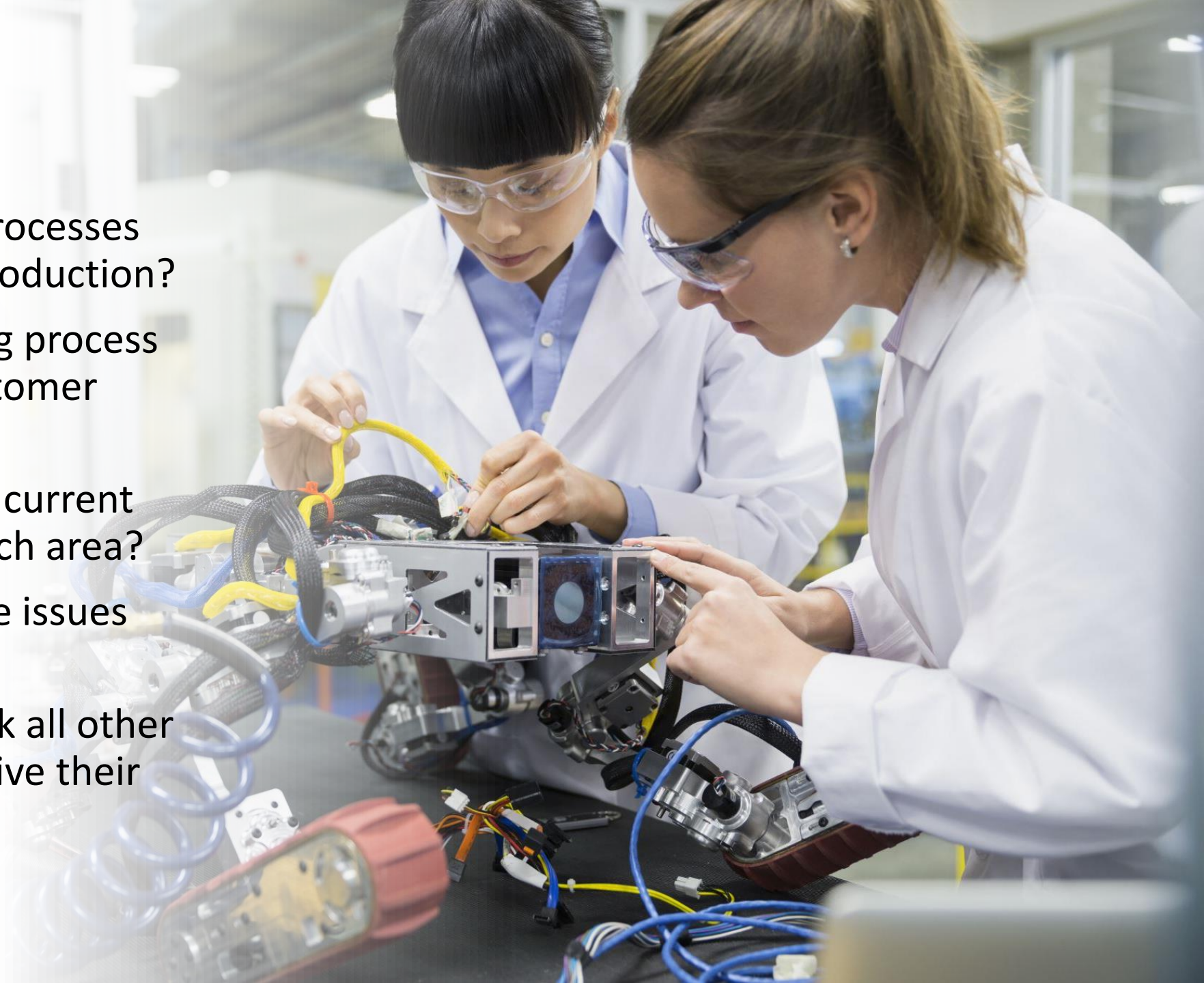
Supply Chain

- Do you have a process to link and control all elements of the supply chain from customer demand to sub-supplier?

- Do you monitor and improve both internal and external performance?

- Do you measure on time launch rather than on time delivery?

- Do you work with your partners to remove waste and delay in the supply chain?

- Do you monitor at the lowest possible level achievement of plan to allow linked plans to be achieved?

Conclusion

- The points here are not overly complicated.

- Indeed, they are mostly common sense.

- But to learn to do them well, repeatedly, and to improve, often requires someone else to facilitate your team.

- Find and use experts to deliver a broad plan that will affect your bottom line.

- Talk to your customers and suppliers, tell them what you plan and when you achieve shout about it.

- Develop your management team to drive to be best in class.