

# **SPEED** .....a **COMPETITIVE Tool !**

*Article By: **Fernando Kevin Vince**  
PhD, DBA, MBA, MBus (Prof Acc), MM, BBA*

## **Introduction**

Customers develop perspectives of their suppliers as total entities, thus every aspect of the customer-supplier encounter needs to be managed consistently in order to keep the customer coming back to do more business. Leading and managing in today's business environment may be described as similar to finding oneself in the middle of a white water kayak race. The environment is turbulent, with intense competition and ever demanding customers who have more choices today and even more to come in the future. More choices translate into increased challenges for organizations. "Speed" is one of those challenges that may provide the organization a competitive edge. Many companies today are struggling to become 'Time Competitive Suppliers', Speed has become a competitive tool that organizations need to embrace at every level and process. It's not merely about being fast or first but topping it with competitive quality and better value.

A fundamental measure of speed is "Cycle Time" and the key components of cycle time may be defined through a simple equation:

**Cycle Time = Processing Time (PT) + Inspection Time (IT) + Move Time (MT) + Queue Time (QT) + Storage time (ST)**

Cycle time has a big impact on customers (Internal & External) because time is money and delays affect delivery and cost. Reducing cycle time and speeding up operations while maintaining quality:

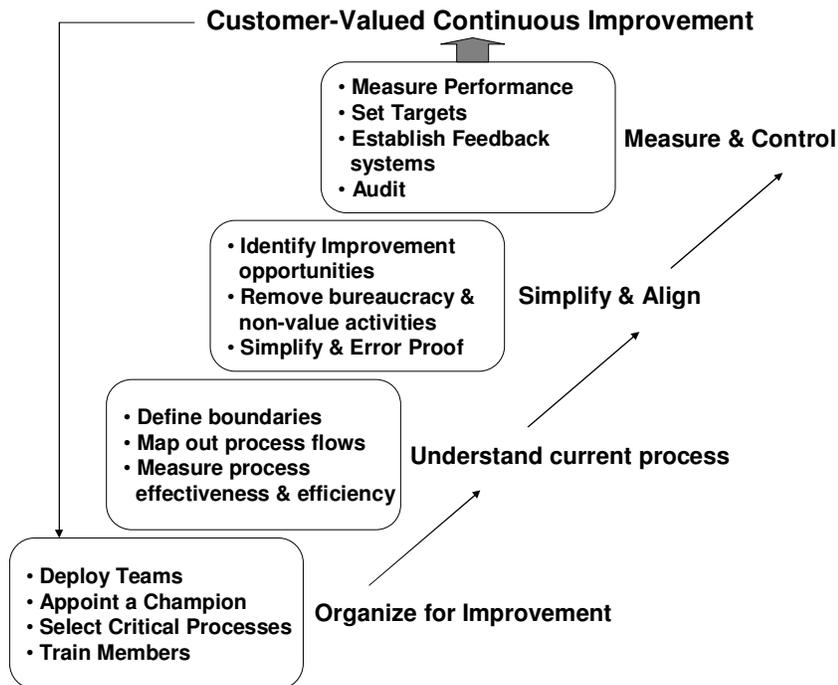
- Frees up resources;
- Reduces costs;
- Improves quality;
- Provides increased value;
- Increases customer satisfaction and thus sales revenue.

## **Process**

Efforts to improve speed require organizations to review business processes systematically, apply innovative thinking and commit to continuous improvement. Improvements to processes for better speed typical seek to eliminate errors, minimize delays, increase flexibility, modify flow sequences, use technology and improve information management for timely decision making. Driving such

improvements requires a planned approach involving 4 cyclical stages. These have been outlined in Figure 1.

**Figure 1 Four Stage Cyclical Process**



The process outlined in Figure 1 identifies the four major steps that need to be taken to:

- Organize organizational resources and define focus areas for improvement;
- Understand current process as a jump off point
- Identify opportunities and solutions to simplify and align business critical processes for improved speed and reliability
- Establish a system to measure and control the gains achieved

In a complex environment, process simplification equips an organization to respond faster and decisively leveraging on market opportunities and correcting errors resulting from unexpected developments. Work done in organizations is filled with examples of time consuming and non-value added activities, such as:

- Duplication of effort
- Fragmented work tasks
- Complex process flows and bottlenecks
- Prolonged meetings
- Excessive handling and movement
- Collection and reporting of unused data

Where an effective manual process exists information technology and automation methods provide a means to speed up processes and activities. A basic question that needs to be addressed when looking for opportunities to automate is – Where to begin to Automation? A possible suggestion would be to look for processes that involve:

- Repetitive operations and would improve if performed faster
- Work that requires communication among individuals and groups that are physically apart
- Operations where standardized IT/IS systems are available
- Manual processes that have been improved to their maximum and require automation for further improvement

## **Conclusion**

Speed and its characteristic “Short Cycle Time” is not achieved by simply working faster. Instead it requires simplification, automation and continuous improvement efforts resulting in processes, systems and structures that are aligned with customer needs and business objectives. Working with limited resources requires leaders and organizations to make choices on priority processes that need to be improved for competitive market positioning.

**- The End -**