

Turn Problems Into Profits

Real world tools
to engage employees
and find & implement solutions
to problems and opportunities.

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~~impossible!~~



Treasure Hunt



Dr. Deming



Engagement and Empowerment Works

Industry Week: *80% of the world-class companies have at least 50% of its workforce participating in self-directed or empowered teams*

U.S. Labor Department: *finds that empowered employees have much better chances to produce higher profits for their organizations than non-empowered ones*

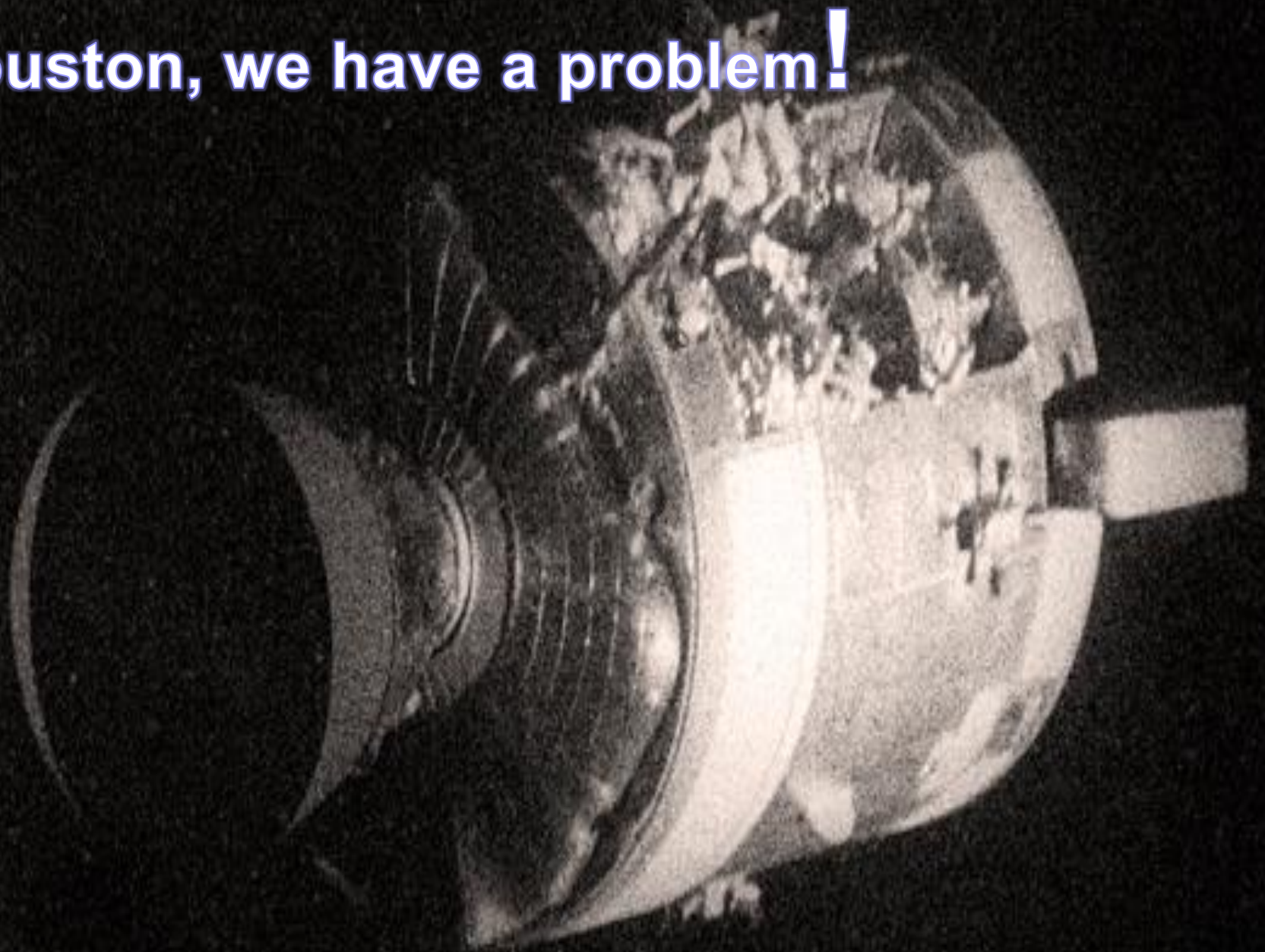
Towers Perrin: study found that high engagement firms had an EPS growth rate of 200-300% higher than low engagement companies.

Gallup: Top decile companies have 3.9 *times* the Earnings Per Share (EPS) growth rate



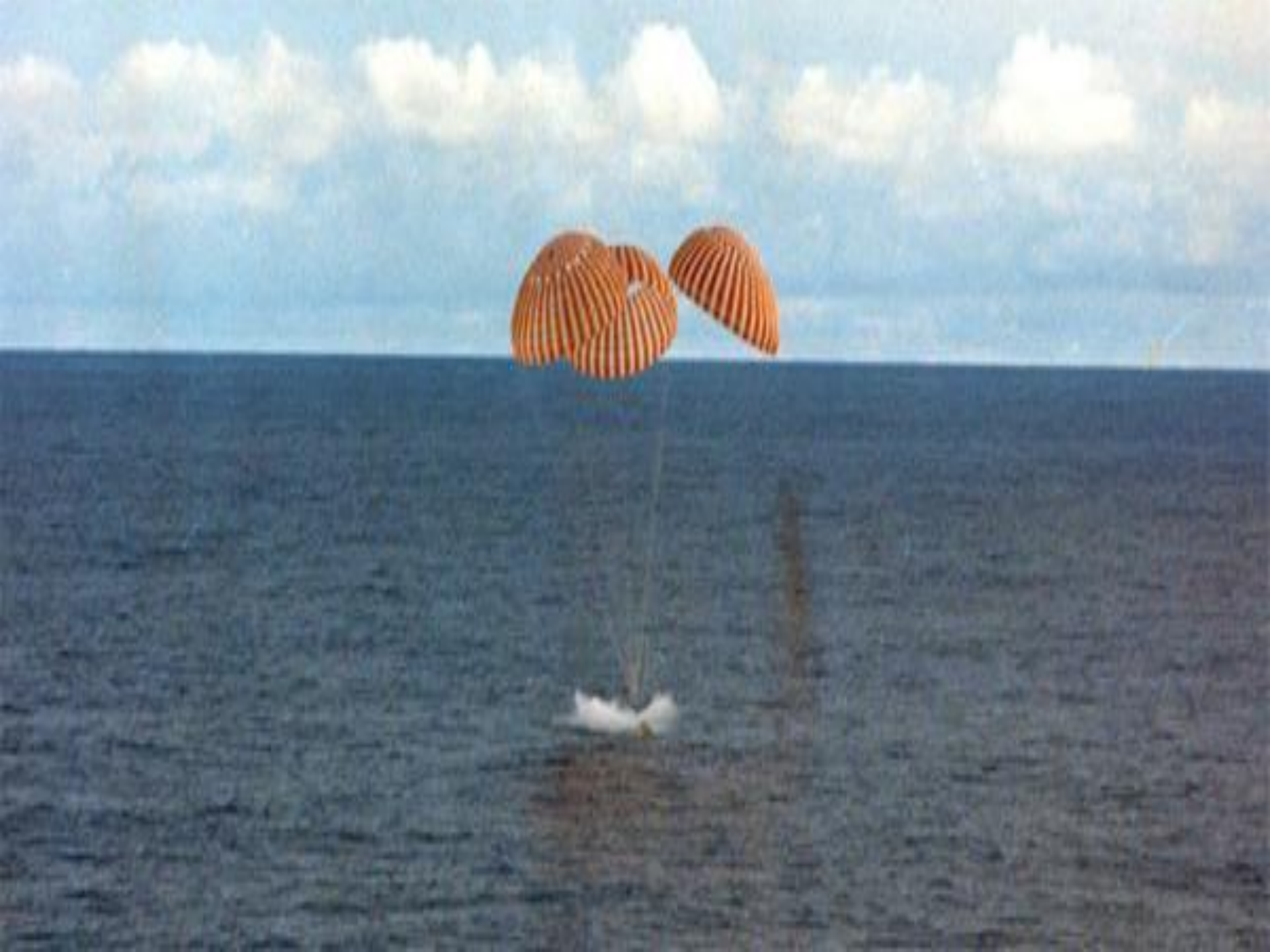


Houston, we have a problem!









What you are going to discover?

- Employees engaged through teams
- that will find & implement solutions to problems & opportunities
- Accelerate profitability
- Good to Great



See Your Goal - NAICS: furniture stores (not household)

		\$ 0-1	\$1-3	\$3-5	\$5-10	\$10-25	\$25+
		Sales millions					
Best	{	23%	26%	22%	24%	21%	17%
Average	{	4%	11%	10%	10%	10%	9%
Danger	{	-3%	2%	3%	3%	2%	4%
		% profit / total assets					

Step #1 - It all starts with your people!!




Top 10 Challenges

- 1- Declining or flat sales
- 2- Lack of profitability
- 3- Quality issues, scrap, waste, rework
- 4- Lack of written procedures
- 5- Poor employee attitude
- 6- Inventory control problems
- 7- Costing / pricing
- 8- On-time/on-budget issues
- 9- Tight cash flow
- 10- Communication breakdowns

Q: What's Your Top Challenge?



Discovery Team – Problem Identification / Ideation



**What are your biggest problems?
How can you get more efficient?
How to grow sales?
How to be more profitable?
How to be more competitive?
How to increase customer satisfaction?
How to expand?**

What can be better?

Q: What can be improved?

Q: 2 Hours, what would you discover?

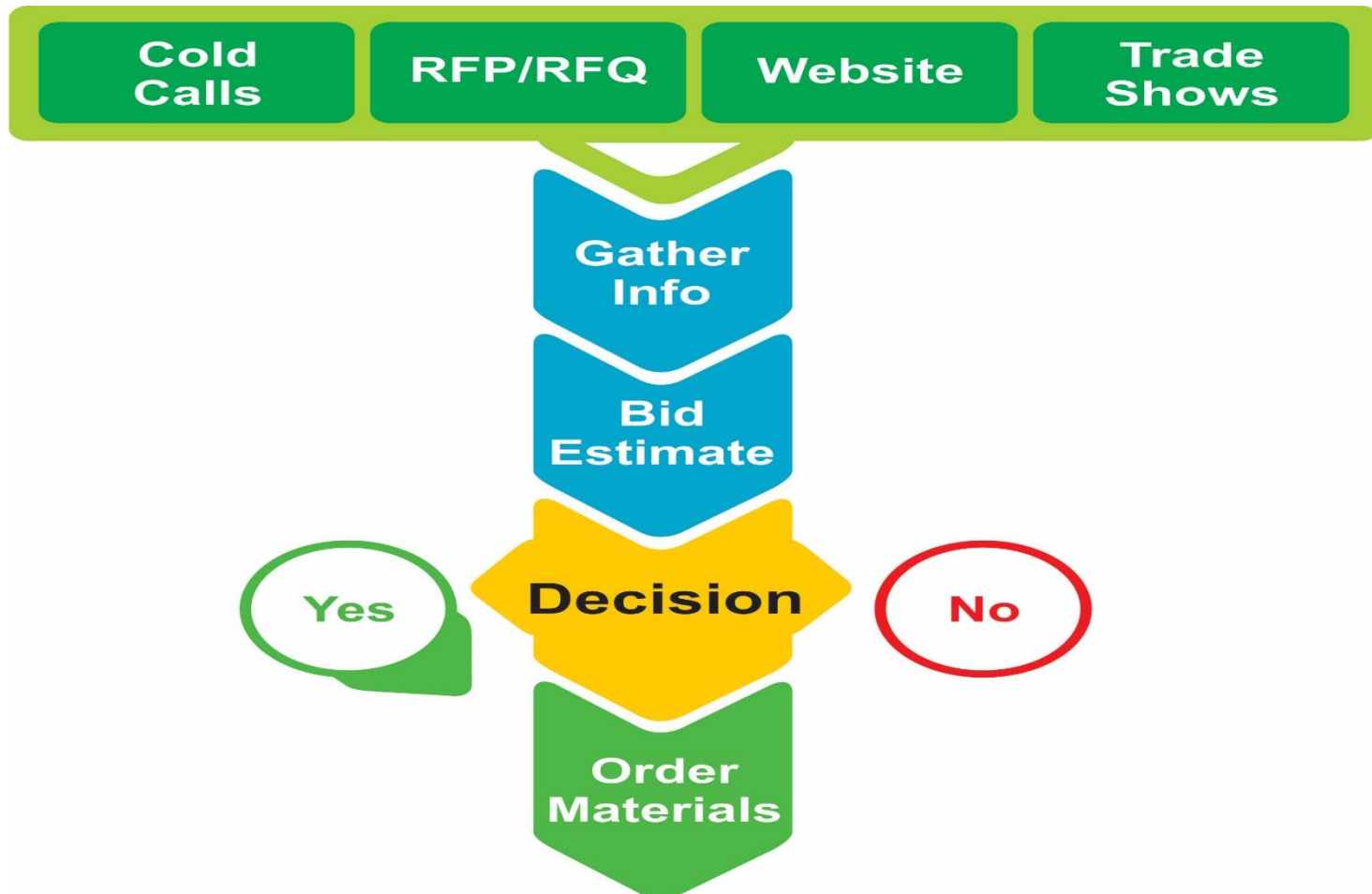


Business Process Mapping



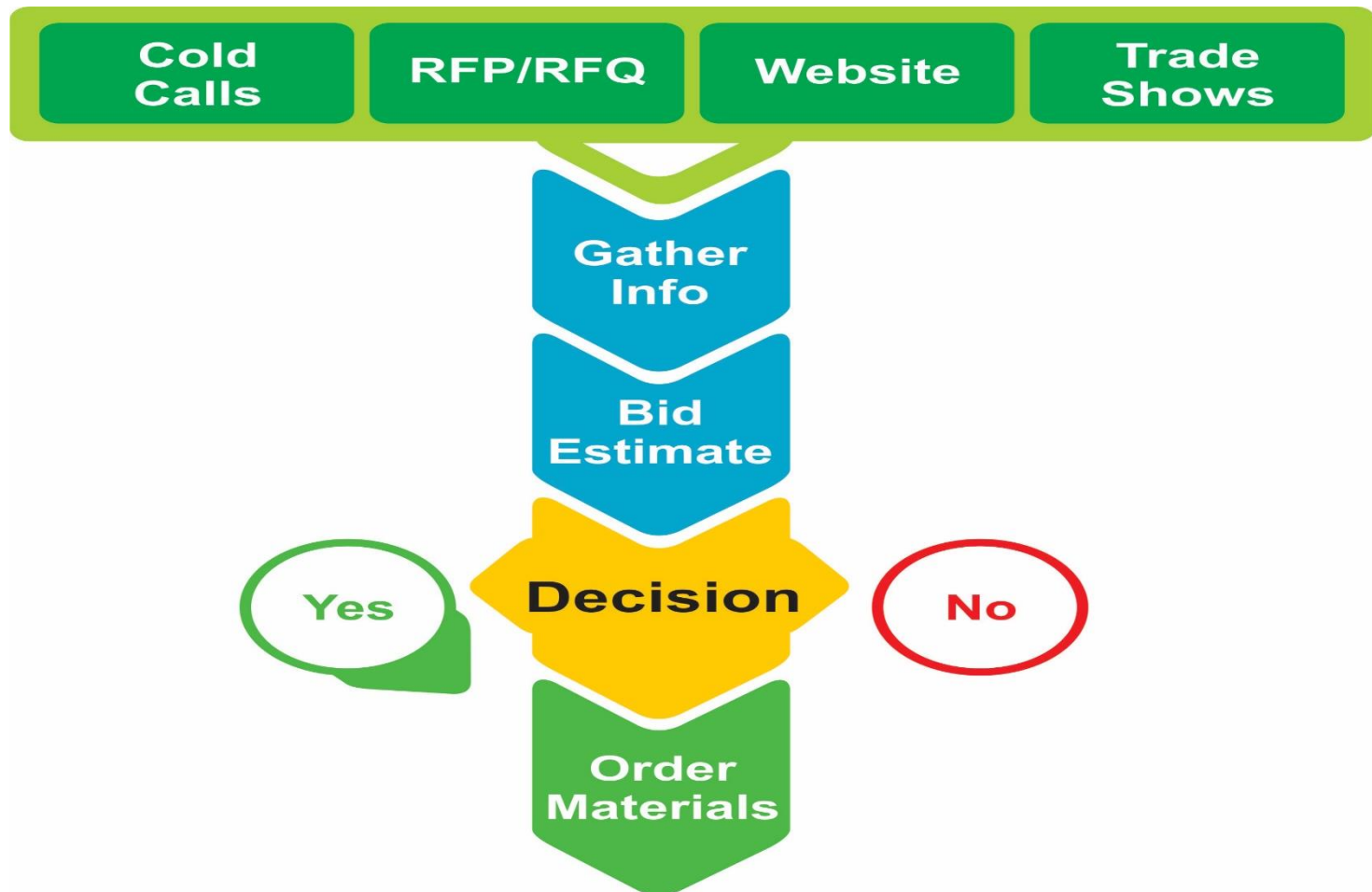


Business Process Mapping





Business Process Mapping





Discovery Teams Spark Engagement



Handwritten notes on yellow sticky notes, organized in a grid-like fashion. The notes are arranged in approximately 10 rows and 15 columns. The handwriting is cursive and appears to be a list or index of topics, possibly related to a research project or a collection of ideas. The notes are placed on a light-colored surface, and the overall layout is neat and systematic.



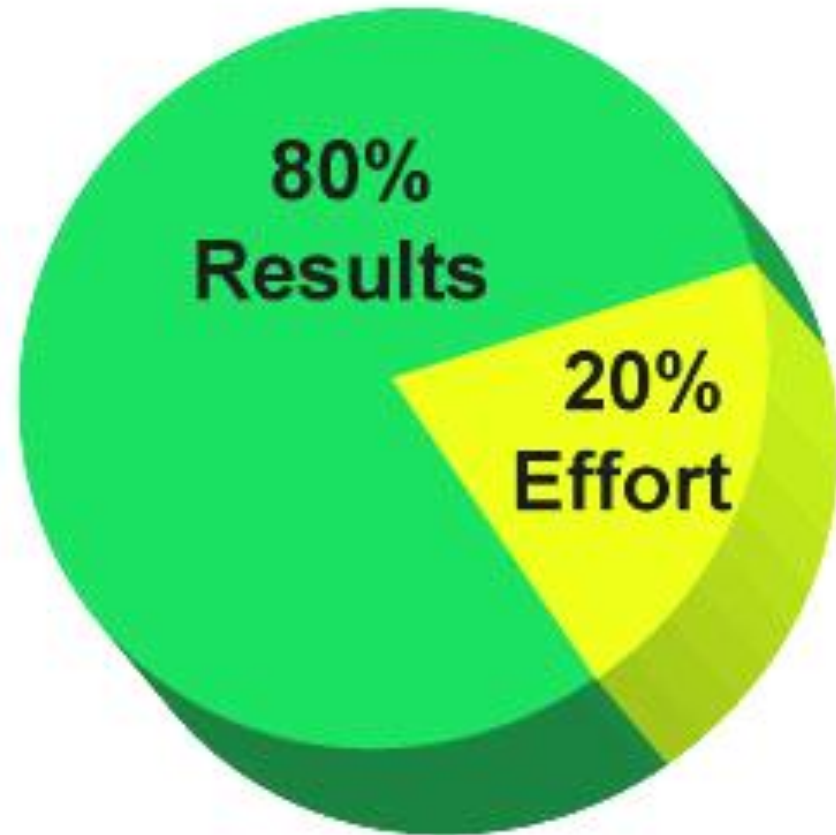
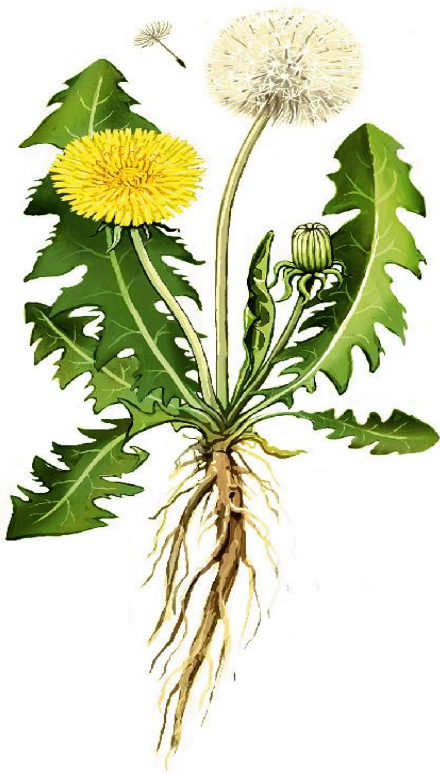
The 7-M Analysis

Organizing Opportunities Into 7 Areas

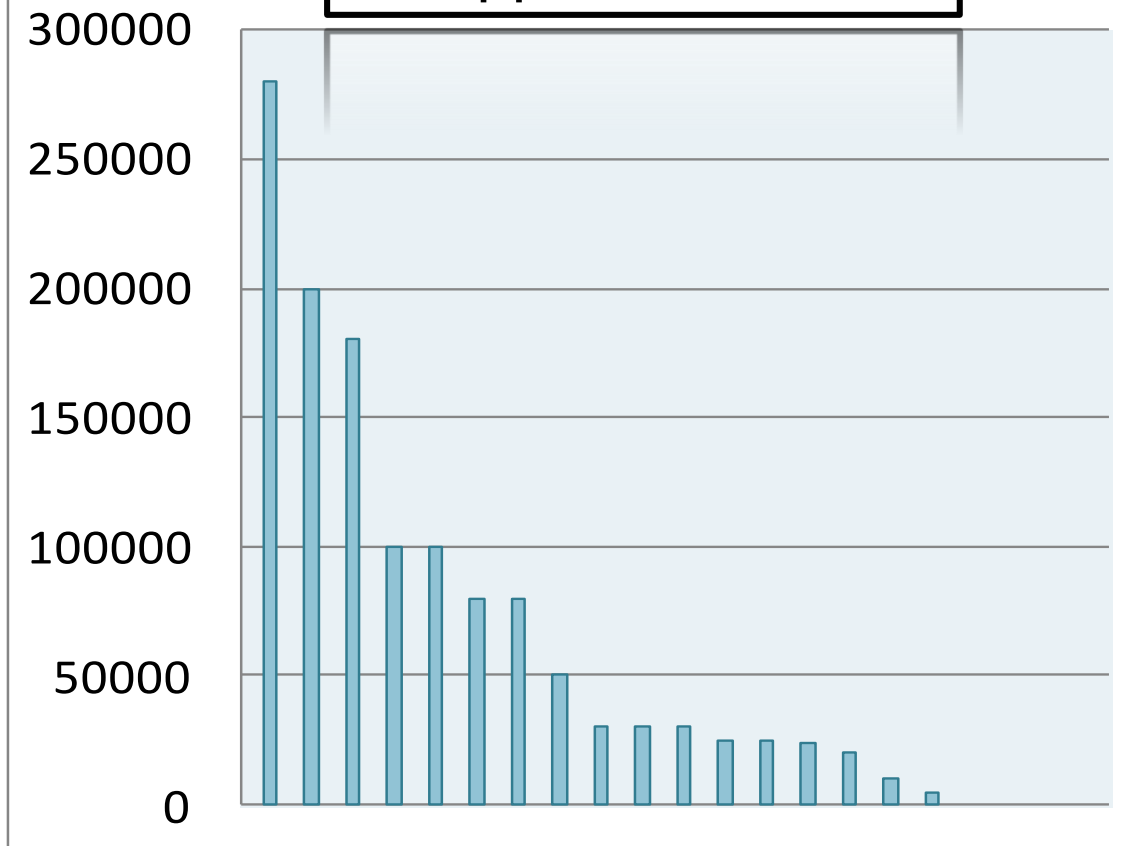
<u>Manpower</u>	<u>Machinery</u>	<u>Methods</u>	<u>Material</u>	<u>Money</u>	<u>Management</u>	<u>Marketing</u>
Company Culture	Floor Layout	Company Processes	Inventory	Proper Budgets	Org Structure	Sales Functions
Staffing Levels	Equip Usage	Flow of: Paper, People, Product, Dollars	Parts	Timely Reports	Clear Position Definitions	Price Strategy
Training Needs	Maint. Programs		Scrap	Proper Controls	Scheduling	Promotion
Motivation / Rewards	Reliability	Operation Reporting	Waste		Communication	Branding
	Bottlenecks		Quality	Adequate Capital	Proper Meetings	Accurate Orders



The Pareto Principle



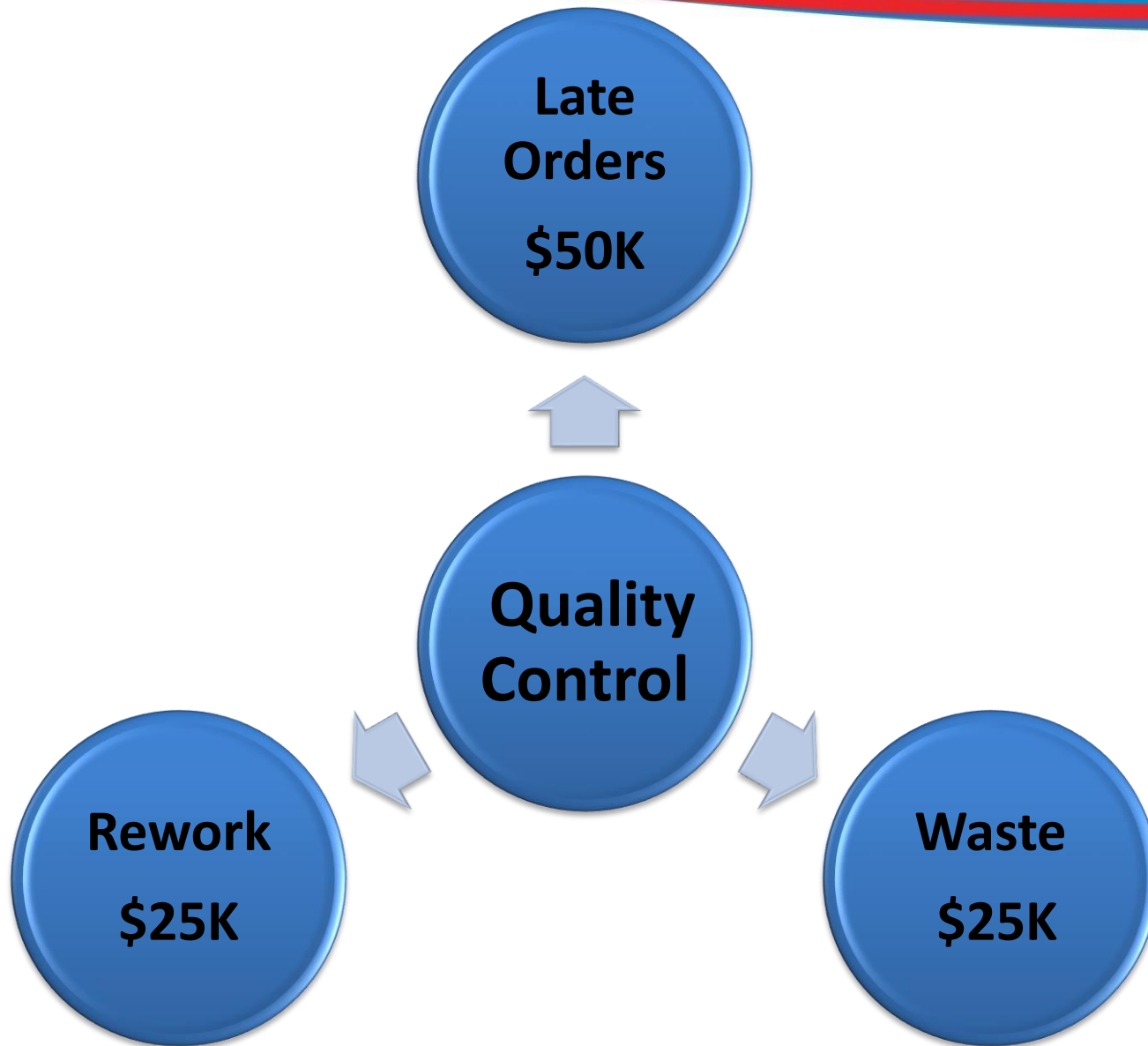
Rank Order of opportunities



A close-up photograph of a man with glasses, resting his chin on his hand, looking thoughtful. The background is blurred, showing other people in a meeting setting.

Valuation Discussion

- Select #1
- Analyze its value



\$100,000 Opportunity

Who is the smartest person in the room?





➤ What solves problems faster?

Teams?

Or

Individuals?



Tiger Teams





Week 1: Create the team

- **Project: Create Great Customer Experience**
- **Goal: Increase sales 50% in 12 months**
- **Team: 2-kitchen, 1-front of house, 1-manager**
- **Why?**



Week 2: Find Root Causes

- **Inconsistent food quality**
- **Better customer service**
- **Stock-outs – inventory management**
- **Cleanliness standards**



Week 3: Implement Solutions

Problem

- **Food quality**
- **Better service**
- **Stock outs**
- **Cleanliness**

Solutions

Standardize recipes
Share best practices
Utilize the POS
Set standards/checklists



Results

- **25% increased revenue in first 30 days**
- **More referrals / return patronage**
- **Positive Yelp reviews**
- **Responsiveness to add-on sales**
- **Engaged staff – more pride**
- **Happier customers**



Team Benefits

- Rapid High Quality Solutions
- Buy-In From Employees
- Improved Accountability
- Improved Attitude



Teams Ignite Engagement



Team 1
Paperwork



Team 2
Quality



Team 3
Inventory



Team 4
Service

People + Engagement =





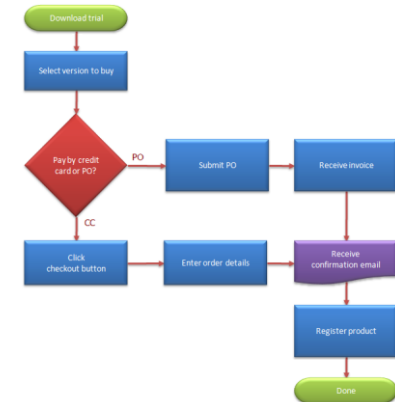
Q: What do these two things have in common?



A: Standard Operating Procedures



Standard Operating Procedures



KPI



① Open the mouth of the case after turning the camera off.



② Put the camera into the case, connecting the DICAPAC lens adapter to the lens.



③ Zip the case and press and fold along the folded line.



⑤ Remove the water and then take the camera out while keeping the mouth part in a downward position.



⑥ Disassemble the lens from the lens adapter and turn it on after reassembling it.



④ Velcro it together.





Create Better Reporting

- Historical Reporting
- Do Bankers Like Good Reporting?
- Real-time measurements:
 - Financial
 - Operational
 - Accountability





Discussion: Profit Improvement

- Example #1: A company generating \$3 million in revenue delivers a 10% bottom line (\$300,000)
- Goal: Increase the bottom line by \$100,000
- Question: What are the options?





Discussion: Profit Improvement

Option #1

- **Action:** Grow sales by 33% (\$1,000,000)
- **Result:** Delivers a bottom line of \$100,000 (10%)

Questions?

- Is this easy to do?



Discussion: Profit Improvement

Option #2

- **Action:** Address internal problems / opportunities worth 3% of sales
- **Result:** Delivers a bottom line of \$100,000 ($3\% \times \$3\text{M} = \$100,000$)

Question?

- *Which is the faster?*



Sales Growth

- How internal improvements grows sales:
 - Better customer experience
 - Higher quality
 - Documented procedures
 - Less customer complains, rework, waste
 - More customer loyalty





The Cycle of Success: Tools for Business Success

4

Sustaining

Months 9, 10, 11, 12

- Leadership Skills
- Communicating Effectively
- 5S, Capacity, Scheduling
- Forecasting & Budgeting

1

Discovering

Pre-enrollment
& Month 1

- Discovery Team
- 7M Analysis
- Cost Reductions & Cash Flow Management

2

Implementing

Months 2, 3, 4

- Tiger Teams
- Standard Operating Procedures
- Key Performance Indicators

3

Aligning

Months 5, 6, 7, 8

- Employee Training Programs
- Position Definitions
- Organizational Structure
- Sales and Marketing Strategy



Outstanding Results

- **Results:**
- Increased revenue and profits
- New products / services
- Referrals & Reviews
 - E.g. 5 stars on yelp
- Engaged workforce
- Enhanced business valuation
- Less stress operating the business

Honestly ask yourself



WORK **ON**
YOUR BUSINESS
NOT **IN**
YOUR BUSINESS





Conclusion:



What do you think, what did you discover?

Supporting Strategies Scholarship

- **Discovery Sessions**
- **Goal: Find 100 Ideas Worth \$1,000,000**
 - **(1 hour per week, 4 weeks)**
 - **Time and Timing**



Contact Information

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