

## Competing on the Basis of Time

By James Shearer

Name a manufacturing industry, a service industry, or a competitive sporting event where speed or time isn't a major factor in success! Without thinking about it, quickly name just one. While there actually are a few, they are certainly not all that common. (In sports, figure skating, gymnastics, weightlifting, golf, and field events come immediately to mind but that is the short list! Even competitive chess and championship billiards have a "fast response time" requirement as part of the rules.)

Ask yourself who the leaders are in a specific field or endeavor. Then ask why they are leaders. One of the common threads will likely be that they are faster than their competition. The business world certainly follows this paradigm - those who rise to the top frequently do so because they are not only very good but also very fast at what they do. Manufacturing and service companies that do the right things and do them faster than the competition will have a strong competitive advantage and point-of-differentiation. Simply stated, companies that are faster and more responsive to effectively satisfying customer needs will be more successful, and they will ultimately win!

One of the business leader's responsibilities is to assess his/her organization's ability to compete on the basis of time – to be more responsive. A critical goal for the leader is to completely embed the concept of "doing all things related to the business cycle with a true sense of urgency" in the culture of the organization so that is the natural, normal, and expected way to do things. If the leader is successful, the company will be on the right track to being more responsive to customers and using speed as a competitive advantage.

A really great definition of the business cycle is "beginning when a potential customer has an itch and ending when a company has been paid for scratching that itch." (Author unknown). One effective way for the leader and management team to assess how well and how fast the elements of the business cycle are being done is to flowchart every individual element of the entire business cycle.

By listing and flowcharting every individual element or step in the various business processes, the company can identify every possible opportunity to increase the speed with which the individual step and the overall process are being performed. (Note: the absolute fastest way to do an individual step is to eliminate it – to not do it at all. Any steps that are identified in the analysis as redundant or unnecessary should immediately be removed from the process).

Although by no means a comprehensive list, the following are common to many businesses and could be analyzed for effective speed:

- How soon does the business recognize new market trends or needs?
- How fast is the “new product development” cycle?
- How fast are orders entered and acknowledged?
- How fast is the factory able to produce the products?
- How fast can a production line, process, or factory be changed over from one product to another?
- How fast does product get from the factories into the warehouses?
- How fast are orders picked and shipped to customers?
- How long is the transit time for shipped orders?
- How fast is the billing cycle?

For each process above there may be a few or many individual steps. Each step should be identified and listed in the flowchart, and each step should then be analyzed to determine how to increase the speed of the step without compromising the quality of the needed work.

Using the flowcharting method and the examples above, the management team can begin to identify a far more comprehensive list of critical processes and steps unique to their business cycle. Once this has been accomplished, the creative input, wisdom, and experience of the management team can attack every opportunity for increased speed!

To absolutely maximize the potential time savings and speed increases, companies should compare their critical business processes, cycles, and elements not only with their direct competition but also with non-competing organizations known for offering “best of class” service or performance. For example, the banking industry might benchmark against the fast food industry to assess and improve “retail transaction speed,” the appliance industry might benchmark against the toy industry to assess and improve the

speed of the new product development cycle, and the local auto dealer might benchmark against the “fast oil change” franchises to improve cycle time for simple automotive services.

Whether it is how fast an order can be entered and shipped; how fast a new product can be designed and manufactured; how fast a production line can be changed from one product to another; or how fast a company responds to a customer complaint, the company that does it faster will inevitably have an overwhelming advantage over the competition. And, the competitors will tremble!

How does your company stack up?