

**Purpose of this series of articles:**

The articles in this series are all related to *PERFORMANCE*. We will address one or more of the elements of performance and stake out a position in the space of each article.

**Topic: Speed, Quality and Economy**  
– or –  
**Faster/Better/Cheaper**

**The Value Proposition:**

In business today, if you can consistently produce **faster, better, and cheaper** than your competition you have a tremendous advantage. Your company will be able to produce products and/or provide services that are superior in quality to those of your competitors. You'll be able to develop and deliver those products to your customers faster than your competitors. And, your products and/or services will be priced the same as, or even less than, the inferior products and services of your competition.

The results are obvious. You are in a position to provide much greater *value* to your clients and customers and, given comparative shopping and distribution of this information within the marketplace, very soon you should have a much greater market share.

Speed, quality, and economy are the efficiency factors of performance. More than any others, these factors contribute to your company's short term profitability and growth. And, this, in turn, contributes to your long term viability and success.

Paying attention to these factors (at least as much as your competitors) is a sort of *entry fee* for staying afloat in your industry. Most industries foster a very competitive environment and most companies are constantly trying to increase their competitive advantages – that means trying to improve efficiency. If we do not work at least as hard as our competitors on improving our efficiency we might as well be giving away market share, and sooner rather than later we will be bested by our competitors. Doing better than our competitors on speed, quality and economy is the key to continuing success.

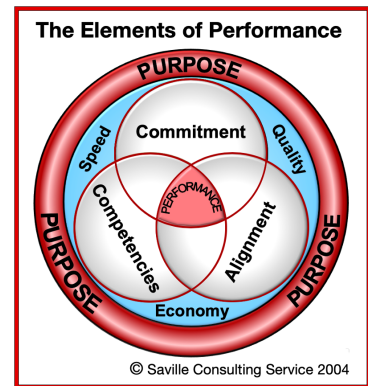
**The Action Agenda:**

So, what does it take to operate faster, better and cheaper? If operating faster, better and cheaper is part of your purpose, it takes **commitment** to that purpose, special **competencies**, and organizational **alignment**.

**Start with commitment.** It is one thing to espouse the importance of speed, quality, and economy and quite another to build organizational commitment to that mode of operation. The experience of Total Quality Management (TQM) in many US companies provides a case in point. When TQM first became popular in the US (after much success in Japan) many US companies embraced the TQM process and procedures and spent great sums in implementing quality circles and other mechanisms to build quality into operations. Most of these same companies became disenchanted with TQM because of lack of results and TQM fell out of favor. Some time later, there was a quiet resurgence of interest in TQM and considerable successes by companies who were willing to work to establish and maintain a company-wide work environment (read: culture) in which the importance of the quality ethic to business success was truly understood and valued. The difference between the first and second experiences with TQM was that success was achieved only after investing in building commitment to quality.

It is interesting to note that the first of Edwards Deming's 14 points on how to bring about Total Quality was to "create constancy of purpose," and in discussing this point Deming noted the importance of commitment.

It is the same with economy and speed. It is not easy to find new ways to take cost out of, and/or put more value into, our products and services on a continuing basis. Also, getting to market with new products and services faster than our competitors and delivering those products and services to our customers with more and more speed are very demanding challenges. Continuing improvements in process, procedure, systems, structure and individual initiative come only when there is meaningful commitment both organizationally and at the individual level within the company. For this level of commitment people must appreciate the need for speed, the importance of quality and the critical role of cost in creating value. They must know why it is advantageous to them and their company to be faster, better, and cheaper. [Another article in this series treats building commitment.]



**Competencies are next.** Commitment alone will not produce the desired results. The company must possess, at both the organizational level and the individual level, the proper collection of knowledge, skills and attributes – competencies – to get the job of “faster, better, cheaper” done. There are many competencies required and some of them will be unique to your company in accomplishing your company’s specific goals and objectives.

In this article we list a few of the more interesting competencies that you may want to consider to achieve speed, quality, and economy in your company. We have grouped the competencies in categories. As you will see some of the competencies could fit into more than one of the categories. As you review the competencies listed below think about the strength of this competency (or function) in your company.

#### **Operations:**

- Continuous process improvement procedures are in place and aggressively utilized
- Work force encouraged and empowered to improve production and service delivery processes
- Supply chain management for greater leverage of economies of scale, purchasing power, etc.
- Effective links between production and new product development
- Feedback from customers and clients effectively communicated to production and new product development units
- Specific measures are in place and utilized to improve value-add of products and services
- Vendor quality program aggressively pursued
- Management expertise in outsourcing arrangements

#### **Strategic Operations:**

- Rapid new product development capabilities that are responsive to market demands
- Innovation in value-add services and products
- Cross pollination of ideas among different divisions of the company to ferment innovation in products, services, applications and solutions
- Sharing “best practices” across entire company is aggressively pursued and specific methodologies are in place to facilitate sharing of best practices
- “Transportable” manufacturing competencies to facilitate lowest total cost solutions (including both manufacturing and delivery costs)
- Creation of “disruptive technologies” (to create a leadership position in the market)
- Building alliances

#### **Direction:**

- Proper attention to managing change
- Clarity in the relationship of speed, quality, and economy to accomplishing company goals and objectives
- Leadership competencies in building commitment within the work force

#### **Planning and Budgeting:**

- Valuation of products and services for the purpose of value pricing
- Evaluation of production systems, service delivery systems, quality systems, customer satisfaction systems, efficiencies, and continuous improvement systems

#### **Information and Monitoring:**

- Improved “environmental scanning” to identify potential major technological shifts and applications of new and existing technologies.
- Scanning for potential enabling technologies
- Collection and analysis of information on: new technology, competitors, efficiency and performance, customer satisfaction

#### **Management Information Systems:**

- Flexibility of MIS to accommodate new analyses, new questions, new concerns, etc.
- Seamless integration of all locations to obtain accurate information on costs of production, delivery, etc. in order to achieve lowest total cost production

#### **Support Functions:**

- Recruitment of specific talents needed to achieve company goals and strategies
- Performance management systems aligned with strategic goals
- Training, education and development programs in place to support accomplishment of strategic goals
- Internal communication mechanisms (for communication both up and down) in place and effectively utilized

#### **Marketing:**

- Effective utilization of market information in the design of new products, services and solutions needed by customers and clients
- Effective customer education campaigns to create awareness of, and cultivate needs for, new technologies, products, services, applications and solutions

#### **Sales:**

- Customer satisfaction information used to improve the work of the sales force
- Information obtained by sales force about product performance, quality of services, and customer needs effectively communicated to operations, new product development, marketing and other divisions

#### **Customer/Client Relations:**

- Knowledge of customers' industries and strategic business objectives is cultivated and emphasized

#### **Company Culture:**

- Intense customer focus is pervasive among the entire work force
- High level of individual pride in company products and services
- Two-way communication between management and work force encouraged and facilitated
- Creativity is valued, strong, and encouraged
- High levels of cooperation among all business units
- Recognition and rewards linked to performance, value-add, and achievement of company goals and objectives (including "faster, better, cheaper")
- Appropriate levels of risk taking is encouraged and supported
- Resilience to change is understood, valued, and cultivated

**Alignment is the next challenge.** Within the context of a company or other organization, alignment is the degree to which everyone is working together toward the accomplishment of the same goals and objectives. [See the treatment of "Alignment" in another article in this series.]

To illustrate what alignment means, think about the list of competencies above and then take a special look at the four competencies listed in the "Support Functions" category. Then think about the extent to which the recruitment, performance management, training and internal communications programs in your company are aligned with company goals and objectives – and specifically the speed, quality, and economy objectives. If that is too much to think about all at once, just think about whether or not rewards and recognition within your company support *faster, better, cheaper*.

In the organizational context, alignment is having all of the company's policies, procedures, processes, systems, and structures make it easier for people at all levels to pursue company goals and objectives. Working to achieve alignment is sometimes tedious, but is very worthwhile. It is a powerful thing when people are supported and encouraged in all their interactions with the company to perform well and to focus their performance on accomplishing a set of common goals and objectives. Alignment yields the types of results and consistency that are only possible when people's best efforts are constantly reinforced. Alignment is a critical element in achieving consistent results in speed, quality, and economy in your company. And, the consistency of those results are your key to success.