ACCELERATED GROWTH PROGRAM

A 3-step improvement process for any business.

BUSINESS SOLUTIONS

The Accelerated Growth Program

OVERVIEW

All Business Solutions (ABS) developed its Accelerated Growth Program to enable their clients to achieve rapid growth while maintaining stability. This three-step improvement process transforms your company to a high level of profitability with a strong competitive edge in your marketplace. These three steps utilize the continuous improvement process known as Theory of Constraints (TOC) along with our powerful transformational process of Strategic Planning. TOC was developed Dr. Eliyahu Goldratt (author of *The Goal* and *It's Not Luck*).

The elongated time frame for building a highly successful company is artificially imposed on us from our previous experience and management paradigms that have focused us on localized efficiencies and cost reductions. By consuming our management attention in the pursuit of small incremental improvements, we have accepted the mental limitation that it takes several years to build a highly successful business. In reality, TOC experts prove over and over that significant improvement in a company's performance (sales and profitability) can actually be achieved in a relatively short period of time.

When implementing our three-step process, ABS works with your company to:

- Implement weekly action steps that quickly bring your company's operation to peak performance;
- Increase the capacity of your internal business system until sales becomes the constraint; then
- Develop a market offering that allows you to achieve sales growth at a desired, predictable rate.

The first step in our improvement process is *getting your house in order.* To do this, you must implement system performance measurement metrics along with a constraint-based resource scheduling system that synchronizes your resources and focuses management attention on the right things … all the time.

The second step is to go through the strategic planning process and establish a continuous goal-setting, goal-achieving routine. The strategic planning process will further elevate the company along a clear path with defined direction and purpose. The implementation of the strategic planning process aligns and motivates your people as they become accountable in establishing your goals, strategic direction, and branding based around your vision, mission, and core values.

The third step in the ABS process is to develop a product/service offering that the market place simply can't refuse, positioning your company to dominate your market(s). We identify a core problem in your market that is at the root of the customer concerns and then create a solution for this core problem that is difficult for your competitors to copy. This "mafia offer" is so valuable to your customer base, and so far beyond what your competitors are offering, that you literally gain control of your marketplace.

While implementing and capitalizing on the *mafia offer*, your company will continually refine processes and repeat strategic planning annually to improve profitability year over year.

Phase 1 – Getting Your House in Order

Harmonize your resources to maximize your output and implement a performance measurement system that supports that.

Nearly all companies have existing capacity to get a much greater performance out of their current resources. The primary things that slow production and bog down capacity are multitasking, activity-based measurements, localized efficiency policies, and the misguided focus on cost savings. *The way* most owners/managers manage their resources *is what diminishes the output* of their resources and system. So, this leads to two important questions:

1. How does one change their management practices?
2. What are the right management practices to change to?

Our action-based process guides you through two major changes to "get your house in order":

- Implementing Critical Chain Project Management (CCPM); and
- Establishing a measurement system that measures the performance of your company as a whole system (rather than just individual components).

In order to get the most output from your existing business system, you must establish a working harmony of your resources and management policies. *All resources must be aligned.* Our solution for synchronizing resources is achieved by implementing Critical Chain Project Management (CCPM). It not only provides scheduling for individual projects, but it marries all projects together to maximize resource utilization. (For manufacturing companies, we implement Drum-Buffer-Rope scheduling to maximize the flow and minimize the lead time).

To begin the CCPM implementation process, you will get all company jobs/projects integrated within a single platform that manages all resources. In this project scheduling process, you will strategically select a "drum" resource that will determine the rate at which projects should be added to the system and the ideal start times. Identifying the drum resources allows for a dynamic resource management process so that projects can move seamlessly in and out of your "work-in-process" pipeline. Once you have selected your drum resource, everything else in all projects and in the system as a whole can be synchronized to achieve harmony.

When managing and scheduling projects, you will be managing a fluid stream of projects without the constant clunkiness of the "start", "stop", "start", "stop" you experience in traditional project management. Starting and finishing a project doesn't reset or clunk the system – it manages loading and handles the scheduling of projects and resources for you. Through the use of buffer monitoring, micromanagement is eliminated. It frees management up (by going from task management to project management) to spend their time on the truly important items that will grow and improve the company.

The second step to getting your house in order is to implement a measurement system that integrates with CCPM and correctly measures the performance of the business and its internal resources. Your current business measurements come from the Cost Accounting world—these measurements cause management to focus on cutting costs, increasing margins, and increasing efficiencies. Management mistakenly focus their attention on the myriads of details in the company, rather than focusing their attention on the one main thing, which is the performance of the company as a whole.

We work to implement the right operational metrics and implement a company scoreboard that provides an accurate reference to management to assess the value of their decisions and actions on a daily, weekly, and monthly basis. These new measurements are Throughput (T), Operating Expense (OE) and Inventory (I). In addition to these new measurements, we measure Net Profit (NP), Return on Investment (ROI), and lead time.

This initial phase (getting your house in order) implements a resource management process that establishes the order and harmony necessary to get far greater value out of your business system and, at the same time, implements new business system measurements that accurately guide management actions to improve their bottom line. By focusing on the few important things that control the performance of the company, management is able to determine and implement the few necessary changes that will bring about stability and growth.

Phase 2 – The Strategic Planning Process

Crystalize your direction and brand and establish the pathway and milestones to get you there.

Once your house is in order, you evaluate your well-oiled machine (company) and ask, "Now, where can we really go with this business?"

In Phase 2, we facilitate a team-building process with the management of the company to develop their strategic plan which consists of a vision statement, core values, a mission statement, 20-year and 5-year benchmarks, and 3-year and 1-year goals. We utilize the TOC thinking processes to help management create a core strategy that will make the 3-year and 1-year goals become a reality. Confidence in the sales and financial projections builds as it becomes clear how implementing the core strategy will deliver the planned results.

We take our clients through the Strategic Planning process after getting their house in order (Phase 1) for two key reasons. First, it is very important that management can achieve predictability in their business before they can really place confidence in the planning process. This predictability is achieved once the resources are in harmony and after lead times are reduced with a high level of certainty. The second reason is that once their operation is running smoothly, management attention is freed up to visualize and brainstorm an ideal future for their business. They are then mentally prepared to creatively visualize where they can truly go with their company, who they can really become in the marketplace, and see the value of the brand they have the potential to create.

Once a company has implemented a management system that is getting maximum results out of their resources, it positions them to provide significantly greater value to their market than their competitors are delivering. For example, if through phase 1 of our solution, a company reduces their lead time from 6 weeks to 4 weeks—and the standard among their competition is 6 weeks—not only can they offer 4-week deliveries to their customers, but they also have 30% more capacity that can be strategically utilized to add more value to the service they are providing; which in turn, positions them ahead of their competitors in their market(s).

We encourage our clients to make strategic planning an annual process where management go through an annual review of their strategies, rethink and review their competitive position in the market, and establish new goals for the next year.

Implementing this strategic planning process on the foundation of getting their house in order will produce a great amount of success. Businesses should reasonably expect increased profits of up to 5 – 10x previous levels with the successful implementation of Phases 1 and 2!

Phase 3 – Developing a Dominant Competitive Edge in the Market

Create and implement a high value market offer that positions you well ahead of your competition.

Phase 3 of our improvement process is all about creating a high value market offer for your target market(s) that will give you such a competitive edge over your competition so that you can literally control sales like turning the volume knob on your sound system. Dr. Goldratt labeled this high value offer your "*mafia offer*" because you literally create an offering that has so much value to your customer base that is too good for them to refuse; your market must take it or they could lose out in a big way.

For his clients, Goldratt established a *Viable Vision* of achieving a level of profitability within 4 years that was greater than their current level of gross sales. By creating and implementing their *mafia offer* he had clients actually generating net profits within a 4-year span that exceeded their level of gross revenue when the TOC improvement processes were initiated. This remarkable improvement was made possible by implementing a high value market offer that created a dominant competitive edge.

To develop a *mafia offer* for your business, we start by analyzing your current market(s) and determining their primary needs and greatest pains. We determine what issues are inherently present with the current market offers (from you and your competitors). We ferret out the top 3 or 4 issues and we utilize the TOC *Thinking Processes* to flesh out the underlying (core) problem.

Once we find that core problem, we leverage the strengths you developed during steps 1 and 2 of our improvement solutions to best solve this problem. What we come up with to solve this root problem is your new market offer … *your mafia offer*. Furthermore, we determine how to best position this new solution to your customers in a way that confuses your competition, making it very difficult for them to copy. We are certain that your new market offer will run counter to the existing paradigms in your industry because your competitors likely operate from the cost-based paradigm of saving money, being efficient, and cutting costs.

The implementation of your new market offer will require a new sales process that is similar to the Solution Selling method (reference to *Solution Selling* by Michael T.

Bosworth). Rather than leading with a sales pitch, your salesmen will start with "Here is the root problem that has been causing your grief, here is a solution that can solve it, and here is what it will do for you." We're not selling them a product or service; we're selling them a solution that will solve their primary concern but will also solve many other concerns the clients weren't even thinking of before. This new high value offer will be competitively priced, and it contains a holistic solution that far exceeds the value of your competitor's offers.

With the successful implementation of your new market offer, you will be able to literally increase your sales like turning up the volume on your sound system.