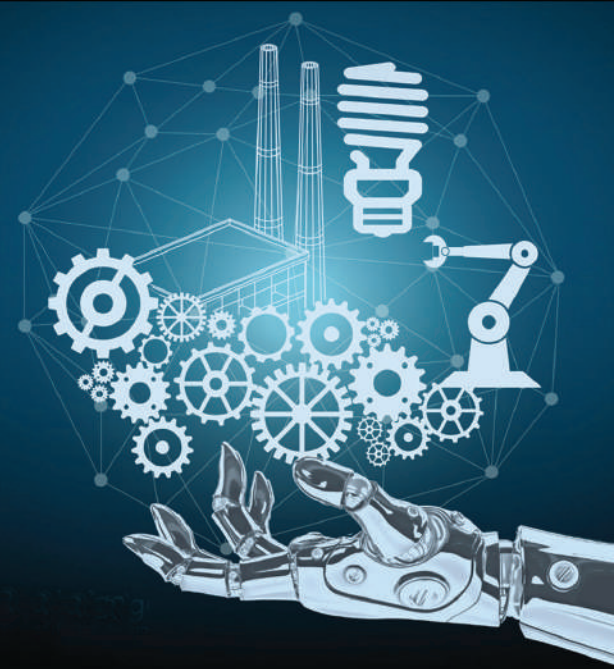# MANUFACTURING MASTERY
Quick-Reference Guide

Chapter 1: The Manufacturing Metamorphosis Imperative

- Metamorphosis is a struggle between now and the future; the future always wins.

- While manufacturing will not die, individual manufacturing companies will if they do not learn to thrive in our evolving world.

- Profit maximization interferes with forever. Earning, saving, and investing of strategic profits facilitate endurance of your business

If your organization is intimidated by the requirements of accelerating improvement, your personal, demonstrable openness to learning and calm guidance through ambiguity will make an important difference.
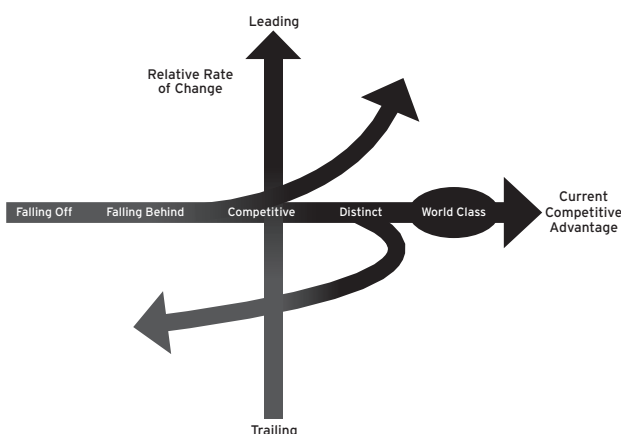

Figure 1.1 The Manufacturing Metamorphosis Imperative

Chapter 2: If Vision, Mission, and Core Values Don't Anchor Your Business, What Does?

- As transparency increases, consumers can make informed choices on something other than price. And they will.

- Purpose does not have to be world-changing, and should not be quixotic. But if few share it, endurance will be elusive.

- Because every manufacturing business requires the help of its constituencies, focusing on value that matters to them as well as yourself is a requirement of building endurance.

Take a hard look at your mission, vision, and documented core values. Do behaviors and decisions reflect them consistently? Members of all five of your constituencies would love to believe in and care about the future of your manufacturing business. Make it easier for them.

Figure 2.1 The Five Constituencies of Every Manufacturer

Chapter 3: Enterprise Capabilities

- The day you are no longer willing to be satisfied with what exists, you can begin the process of designing for endurance.

- Enterprise capabilities are not defined by your product. They are the thinking, integrating, and value-adding your organization has mastered that differentiate you.

- The more adept leadership becomes integrating organizational capabilities, the less ambiguity matters.

If your products and customers disappeared tomorrow, what important value could your manufacturing business offer the next day? If that's a difficult question, consider which processes and capabilities would enable you to replace those products and customers with even better ones in reaching your mission. Those are the enterprise capabilities to focus on first.
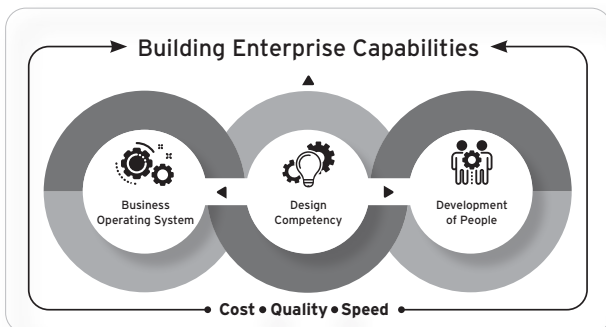

Figure 3.1 Building Enterprise Capabilities
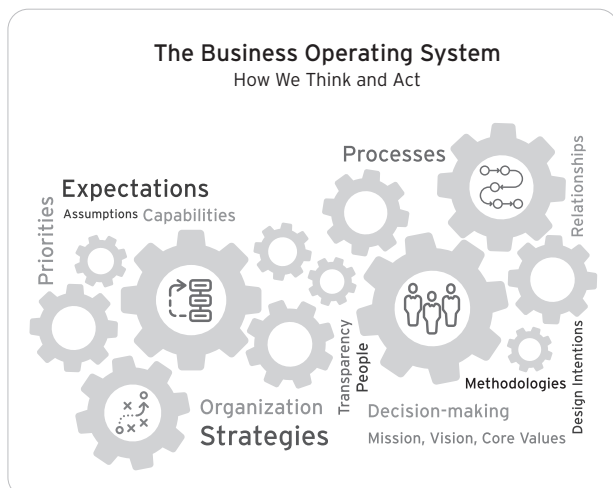

Figure 3.2 The Business Operating System: How We Think and Act

Chapter 4: Relationships Were Easier in High School

- Leadership requires a common understanding of how each of your five constituencies can and should impact your progress.

- Peer relationships, in which each party receives targeted benefit for equitable compensation, facilitate endurance.

- It is a problem when a constituency is being failed and no one notices or takes action.

Whether considering quality, speed and cost attributes, or competencies reflected in agility, resilience, and responsiveness, all constituents impact your reality. What one thing could you simplify to make it easier for them to help you?
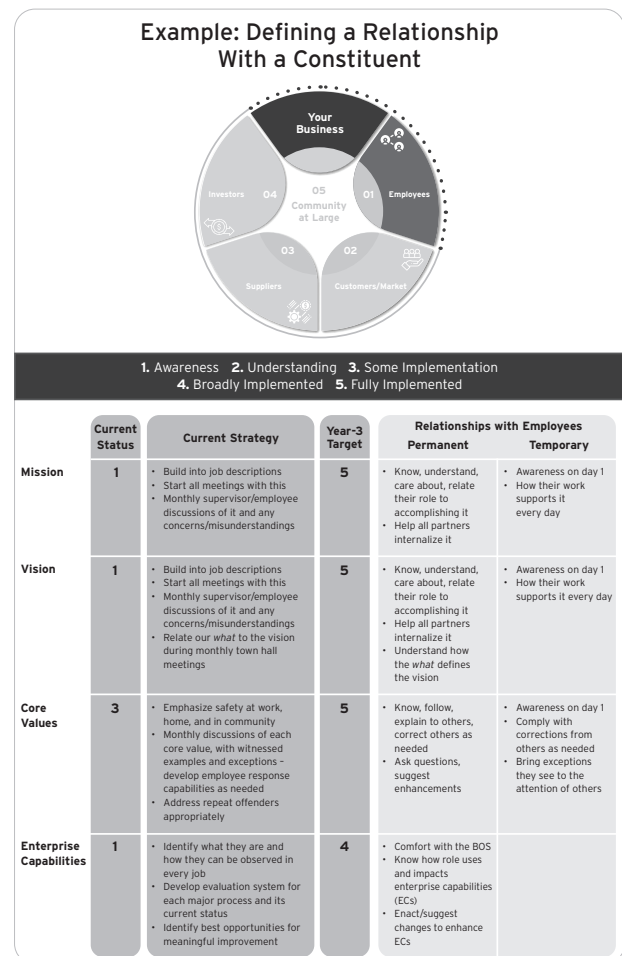

Figure 4.1 Defining Constituent Relationships

Chapter 5: The Road to the Future

- The fundamental question is: By executing our strategies, are we pursuing the most effective alternatives to make progress toward our mission and vision?

- The content of that plan, which defines your road to the future, is the vehicle to create agility, responsiveness, and other capabilities you believe integral to success within the cost, speed, and quality parameters you specify in its design.

- Defining the current best path to the future cannot be an annual event; it must be a living process.

Strong strategy requires both vertical and horizontal input in the decision-making process. Managing the right level of detail in the development and finalization processes is important to speed and effectiveness. Top–down strategy without that input is typically not implementable.

Figure 5.1 Which is the Road to the Future?

Chapter 6: The Fallacy of Trickle-Down Strategy

- Your defined strategy will be guiding hundreds of daily decisions throughout the organization, as well as setting significant priorities. If it doesn't, what is the point?

- Strategy implementation will build lines of sight among all levels of the organization to strategic priorities, clarify connections, receive and incorporate feedback, and define meaningful metrics that highlight both progress and exceptions.

- Alignment is not one-and-done.

Verification of significant decisions and actions by overtly connecting them to the strategy should be built into leadership discussions. Similarly, all employees should be able to connect their priorities and decisions to the strategy. That is how line of sight provides alignment throughout the organization.

Figure 6.3 Business Operating System Litmus Test Example

Chapter 7: Transitioning Operations from Tactical to Strategic Thinking

- If your customers' value-adding thinking isn't evolving quickly, you're in a dangerous market. If yours isn't either, you're in a dangerous business.

- Not every decision is strategic, but every decision should be guided by strategy. The much-discussed concept of alignment requires that.

- An enduring manufacturer is always searching for better ways to create and deliver more value in support of the mission.

Reactionary, tactical thinking should be the exception, not the rule. Mutually finalized strategy and retained line-of-sight deployment processes enable that. Leaders who consistently voice strategic considerations in priorities and decisions propel the organization forward.

Chapter 8: Overcoming Obstacles

- By recognizing and eliminating self-induced obstacles, you will convert external obstacles into mere bumps in the road.

- Our passion is rarely limited by low expectations, but our progress toward it certainly is.

- Leaders have the tools to manage the many demands on the business, not by reducing expectations, but by defining priorities.

Which of the five common self-induced obstacles described in this chapter is limiting organizational progress the most in your business? Choose a single step and begin diminishing that impediment.
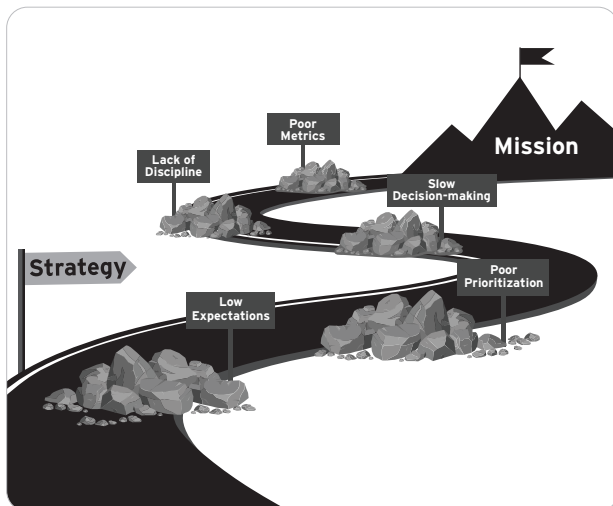

Figure 8.1 Common Self-Induced Obstacles

Chapter 9: Strategy Defines Organization

- Organizational structure is a strategic choice and should not simply default to "what we've always done."

- Companies are often organized by skill set or primary tasks, not by authority or decision-making responsibilities. Structures rarely are designed to instill core values or magnify human potential.

- If the executive team of an organization believes it has all the expertise it will ever need, endurance is not within the realm of possibility. Intentional, lifelong learning should be designed in.

Understanding why you have the current organizational structure—and why a different structure might better facilitate endurance—is a great place to start.
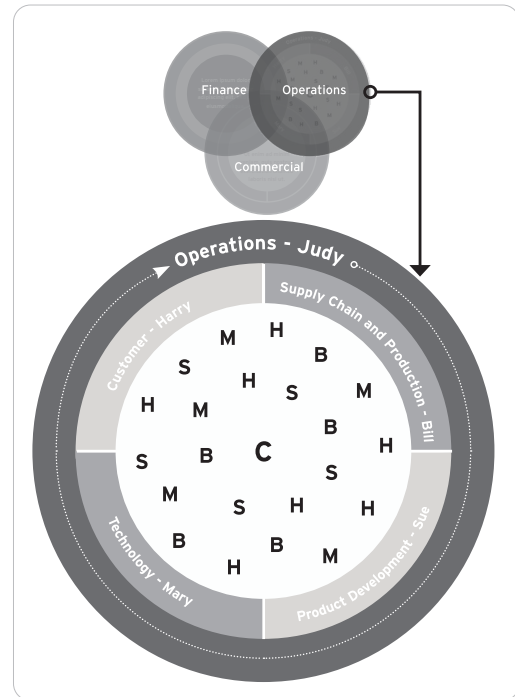

Figure 9.1 Circle Organization Structures

Chapter 10: The Evergreen Manufacturer Begets the Evergreen Customer

- One of the lasting challenges of an enduring business is retaining the commitment to passing the baton of a healthy company.

- Businesses that endure focus on ensuring the future, not on building a bigger today. Perhaps that distinction is why so few manufacturing businesses do stand the test of time.

- The one competency that will underlie your future is that of recognizing and adapting the capabilities that tomorrow requires. That competency must be a process, not a hope or dream.

Making more and more money may please you, but the rest of the world really doesn't care about that. Continually delivering increasing value as the mission and vision become ever closer gains the active support of all your constituencies. Some people search for meaning; others create meaning by building a successful and enduring manufacturing business.

About the Author

Rebecca A. Morgan is an economist by education and an expert on the business of manufacturing by experience. Her 14 years working in large and diverse organizations including Nestlé and TRW enabled her to live the strategic and tactical thinking and practices of large manufacturers. Since founding her consulting business, Fulcrum ConsultingWorks, Inc., in 1990, she has worked extensively with all organizational levels within a wide variety of manufacturing industries and company sizes to maximize the contribution of operations to the business. Her clients represent a broad spectrum of industries, attesting to the expansive value of her thinking: Moen, VitaMix, GE Reuter Stokes, Avery Dennison, Kennametal, Kinetico, Pentair Water Group, PPG, Zimmer, and more. Her sweet spot is with closely-held mid-size ($100MM-$1B) manufacturers.

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