

Management Consultants to the Precast Industry

RESULTS IMPROVEMENT BULLETIN

PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN

Precast Business Results Improvement Bulletins are published by MJS Management Services. Additional bulletins that summarize current management challenges and solutions for the precast industry can be found at www.mjsmanagement.net.

MJS Management Services is a consulting firm that provides business results improvement for the precast industry in North America. For assistance with this or other management challenges please call us at 206-388-5209 or contact us by email. For a full description of the services provided by MJS Management visit our web site.

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TOP BUSINESS MANAGEMENT TOOLS SURVEY

Bain & Company, a global consulting firm, regularly surveys its clients to determine the top 25 most popular management tools and techniques. These are the methods businesses are relying on to reach growth and profit targets.

This Results Improvement Bulletin summarizes Bain's Top 25 list and adds tools that we find are popular in the precast/prestressed industry.

MJS Management Services can assist you to use these business tools to achieve growth and profit targets by helping with such key management questions as:

- **Which of these tools will provide the greatest benefit to my business? Where should we focus our efforts?**
- **Am I missing opportunities by not introducing certain of these concepts to my business?**
- **I've tried some of these techniques but am not satisfied with the outcomes. How can I get better results?**
- **How can I speed implementation of these management tools and adjust them to suit the unique needs of my business?**

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Bain & Company's Top 25 Management Tools Survey

Management Tool	% Of Survey Respondents Who Use This Tool
1 Strategic Planning	89
2 Benchmarking	84
3 Mission and Vision Statements	84
4 Customer Segmentation	79
5 Outsourcing	78
6 Customer Surveys	78
7 Customer Relationship Management	78
8 Corporate Code of Ethics	78
9 Growth Strategies	76
10 Pay-for-Performance	76
11 Core Competencies	75
12 Contingency Planning	70
13 Strategic Alliances	69
14 Change Management Programs	64
15 Knowledge Management	62
16 Balanced Scorecard	62
17 Downsizing	59
18 Total Quality Management	57
19 Reengineering	54
20 Supply Chain Integration	52
21 Economic Value Added Analysis	52
22 Activity Based Management	50
23 Merger Integration Teams	37
24 Corporate Venturing	32
25 Stock Buybacks	18

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An interesting exercise is to compare Bain's list to the management tools used in your business. Some adjustments are needed because Bain's clients tend to be larger, public companies. But many of these companies are often top performers in their industry and known for their leadership in adopting best practices.

Some of our less formal observations related to use of the top 10 management tools within the precast/prestressed industry are:

- Strategic planning and mission/vision statement processes have grown in popularity in the last 5 years but could be used more effectively.
- Benchmarking has been popular but has met with mixed success due to difficulties in comparing across product lines, coding systems and processes.
- Customer segmentation is a low priority in the industrial project-based world of precast/prestressed concrete. Precasters tend to focus more on competitor and market analysis although these efforts are often incomplete hampered by a lack of information and analysis.
- Most precasters use outsourcing opportunities for engineering, drafting and some fabrication functions. By contrast, certain industries focus exclusively on core competencies (such as marketing or product development) and outsource many manufacturing and administrative functions.
- Some precasters are beginning to adopt customer relationship management processes to improve sales programs.
- Efforts to develop growth strategies are hampered by cyclical markets and limited competitor/market analysis. A smaller number of precasters have had success in entering new markets and developing new products.
- Many precasters use basic pay-for-performance systems.

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In the precast sector we often find that noticeable opportunities for improved results can be achieved through better strategic planning, in-depth competitor/market analysis and more creative growth strategies. Well thought-out benchmarking and best practice projects (see the Benchmarking Results Improvement Bulletin for tips) also generate quick performance improvements.

Other management tools that we speculate are on the most popular list of many precasters include:

- Process improvements (cycle time, quality, cost) – initiatives to improve productivity in both manufacturing and administrative functions are a high priority. A broad range of tools are employed including:
 - lean manufacturing principles;
 - continuous improvement;
 - process re-design and technology investment to streamline key processes across the organization (sales, estimating, engineering/drafting, project management, scheduling/resource planning and administrative/financial processes).
- Product innovation – develop new products and use new materials.
- Repositioning – attempt to move from commodity to more valued added supplier positions.

Better use of management tools is a key driver of improved business performance. Management teams often look to external business consulting firms to assist with the assessment and implementation of these tools. Because MJS Management Services works exclusively with the precast industry, we are ideally positioned to assist your business to adopt and gain value from these management tools.