

**Roughly West: Focusing the Enterprise
in Unfocused Times**

By
Thomas K. Ryan
Principal

TKR Consulting Associates
103 Arbor Ave.
West Chicago, IL 60185

phone: 630.876.0608
email: info@tkrconsulting.com

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Introduction

During this period of economic confusion, virtually all organizations are pulling back on any investments they are planning for extending their businesses or building their competitiveness. This is absolutely the wrong thing to do. Enterprises are doing this because they are uncertain about which direction to take. The result is that the enterprise lacks focus and is becoming stagnant. An enterprise that has a direction to follow that is flexible yet focused will always gain an edge over its hesitant competitors, especially in unfocused times like these.

How to Manage the Investments

It is a fact of life for most companies that during an economic slowdown, funds that can be spared for improvements and investments are significantly reduced. This makes it even more imperative to have good controls in place to manage those funds and investments and to have metrics in place to insure that the desired benefits are being realized. We advocate a repeatable cycle that focuses on having a strategic direction that is executed in small chunks with metrics to measure effectiveness.

- First, have a “roughly west” plan that establishes the general direction that the enterprise is going to pursue as well as the role each area will play in moving the enterprise in that general direction. Remember, “roughly west” is somewhere between northwest and southwest; but it is certainly not east. Add detail to the plan by evaluating where the greatest gain or largest pain is – select that project and then execute it. Control the scope of the project to allow it to be executed within 90 days. Such a short duration allows more immediate feedback and it is easier to get organizational commitment and focus.
- Next, measure those results. Communicate to the enterprise that the project attained its goals, the plan works, and we are on the right course. Build confidence and commitment.
- Next, re-evaluate the “roughly west” plan. Maybe what you thought would be the fourth phase should now be the second phase. Keep each phase to 90 days and execute each in turn.
- Finally, remember that no one can predict all the implications of any one strategy over a 2-3 year period but that should be the time period of the strategic plan. An additional value of the 90-day phases coupled with plan re-evaluation is that you don’t need to nail down all the details or have a highly polished crystal ball. You can avoid paralyzing exercises in contingency planning and get on with leading the company “roughly west”.

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The following two charts help drive home the payback benefit of the 90-day phase concepts. The phased approach gives you a low-cost, low risk, and rapid entry into supply chain management. The areas under the curves describe the total costs and values of each approach. It is clear to see that the phased approach model delivers more value with reduced capital outlay increments spread out over time rather than the traditional “big bang” approach.

Figure 1:
Incremental Payback

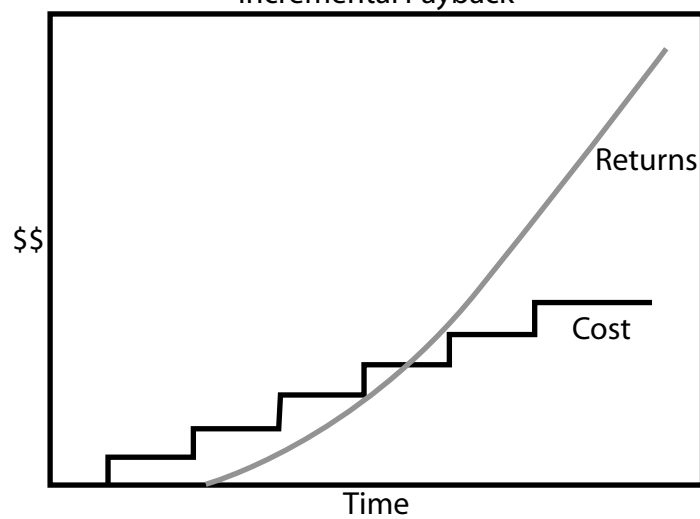


Figure 2:
Typical Big Bang Payback

