

When Will it Ever Be Good Enough?

For many coating operations, the answer is: Never.

The kaizen team, comprised of the department supervisor, two equipment operators, a maintenance technician, the customer service manager and a member of the finance group, had just completed its report, during which the outcome of the kaizen event was shared with the company's senior leadership team.

The results were impressive: a 40 percent increase in throughput and a projected 20 percent decrease in rejects, both achieved with a minimal capital investment producing a payback period of less than two months. The team gleamed as it received praise from the chief operating officer. Toward the end of the meeting, she asked, "How can we duplicate those results on the other coatings line in your department?"

The kaizen team leader thought to himself, "Really? When will it ever be good enough?"

Another company I know well starts at one end of its plant every year and conducts kaizen events on production lines from that end to the other over the ensuing 12 months. At the beginning of the next year, the team starts over and again proceeds from one end of the plant to the other.

"Really?" thinks one machine technician. "When will it ever be good enough?"

In accordance with the requirements of its ISO registration, a custom coater builds a metric to measure customer satisfaction, amalgamating on-time delivery, product returns and customer complaint data into a single number that rates customer satisfaction on a scale of 0 to 100. Beginning the year with a score of 80, the calculation yields the coater a score of 95 by the end of the year. During the quality audit, the external auditor praises the performance,

and then asks how the team about its plans to achieve an even better result the following year.

"Really?" the quality manager asks a co-worker following the meeting. "When will it ever be good enough?"

A private-equity-backed metal finisher finishes the year with record earnings which, when used to calculate its relative enterprise value against the sale prices of similar companies, produces a monster equity valuation far beyond what anyone imagined before the purchase of the business. With two years to go before the planned sale of the company, the board chairman asks the senior leadership team for its plan to double earnings during the next 24 months.

"Really?" the CEO is tempted to ask. "When will it ever be good enough?"

I had the good fortune to lead a custom coating operation for nearly a decade. Thoughts return to a meeting our team had in which we reviewed financial results from the previous month. It had been our best month ever. We enjoyed record performance in every metric; revenue was higher than it had ever been before; and labor, materials, transportation cost and utilities were right on track. We marveled at the results, surprised

in a way that we were able to produce such impressive ones.

"Great job," I told the team. I went on to ask for its plans for the following month. Revenue was projected to be even with that of the previous month.

"So," I started, "Let's go around the table and talk about how we can generate additional efficiencies this month so that we can set another record."

"Really?" inquired our vice president of operations. "When will it ever be good enough?"

My response was one word: Never.

Great performance will never be good enough. That is not to say that we shouldn't celebrate it, that we shouldn't reward it, or that it's fair to our people to consistently place the proverbial carrot in front of the horse and set goals so high that they can never be met. Rather, once a goal is met and we have celebrated and rewarded the accomplishment, we must quickly move on to setting the bar even higher. To do anything less would be quitting.

For as rigorously as we strategize to build a world-class operation, for as well as we execute on our plan, for as hard as we are willing to work to accomplish our goals, our competitor may strategize better, might execute with greater precision, might be willing to work even more diligently.

For as long as customers desire better performance, faster lead times, better quality, more effective logistics and more economic value, we must strive to provide them, or someone else will.

For as long as investors want to maximize the return on their investments, we must facilitate the accomplishment of their goals or risk a lack of capital to accomplish ours.

When will it ever be good enough?

Never. ■■■



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