

Growing a Manufacturing Business

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Our family owned business is at a juncture. We manufacture and sell. We're pretty good at what we do. The shop is divided up into units, related to machine expertise. We sometimes struggle to stay on top of production. Also, we're not certain where our new work will come from – and different types of customers mean different decisions about how we manufacture in the future. I can't imagine getting bigger, and yet I know that we need to keep growing. Any suggestions?

There are several parts to solving growing any manufacturing plant. Your team is crucial, so is understanding the workflow. Be sure to identify your least productive equipment and work areas, and all bottlenecks. Build a thorough picture of what a larger operation looks like. Take into account how different types of customers could impact your plans.

Let's get started with your team. Is this team able to take you forward? Is this a group of people capable of running an operation that is twice as large? It concerns me that you say the operation is broken into work areas, and you don't mention an overall leader. It sounds like you may be in charge of operations. And that could be a problem.

As the business grows, your focus will shift to the strategic level. You must insure that all

areas of the business are working well. You chart the path to the future. That will be hard to do, if you're caught up in the day-to-day challenges of running operations.

For many owners it is hard to step back, let go, and let your people take over. Until you do step back, you limit the potential of the company, and the people in it. Ask your people to define the training they need, and what they need to do to run operations without your involvement.

When managers don't step up to the plate, confront them. Demand that they get in the game. When they do step up to the plate, let them. Get out of their way. Find out now, before things get any bigger, if they're up to the task of taking control of operations and making it hum.

Next, ask your managers to lay out workflow on paper. It's a great way to find out what your managers know. Start with an order from a customer. If you have different types of customers, you may want to map each type, or you may want to stay general and start with a 30,000 foot view.

Here's a list of questions you might ask. How do orders come into the shop? Which area does it go to first, second, third? How does an order exit the shop? How is an order handed off, from one area to the next? Ask your managers to draw out how work

flows through the shop, as they answer these questions.

When it comes to understanding backlog, you want to ask: Where do orders tend to get backed up? Is there a problem waiting for materials? Are there machines that can only be operated by one person, and if that person is out, the work grinds to a halt? Do machine break downs cause backlog? Which machines break most often? Which machines produce the most? Which have no back up? Ask your managers how they can prevent all of these problems from happening in the future, at twice the size.

While your managers are laying out operations process, you need to get to work figuring out what things will look like at 2 times the size. Do research. Read trade magazines. Find out who are the bigger players in your industry. Read up on what they are doing. Ask vendors what your larger competitors are doing. Go to trade shows and ask how the bigger companies operate. Call up CEOs, and ask to pick their brain, about how they got to the next level. Ask to visit larger companies and walk through their operations. Talk to companies 5-10 times your size, and they may invite you in, figuring you're not really competition for them.

You never know who is going to give you ideas, so keep asking. If you do get invited in, include your managers in the field trips.



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Gather ideas you can turn into a clear picture, in your head, and on paper. See what the next size looks like, so you can start working towards it.

Get your operations people involved. Tell them about the research you've done. If you have different directions you can go in, depending on how sales plays out, lay out several pictures. Ask your managers to design the plant of the future. After all, they'll be running it, they might as well lay it out.

Looking for a good book? Try Standard Work For The Shopfloor, by Productivity Press Development Team (editor).

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If you are a business owner and you have a question or would like to discuss some aspect of your business, call [1.877.238.3535](tel:18772383535) or send an email to AskAndi@StrategyLeaders.com.

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