

Cycle Time Reduction



If there is one business strategy that is worthy of being singled out as a major point to achieve a competitive advantage it is the strategy of speed. Refocusing attention from cost to time is enabling organizations to run circles around their slower competitors. Time-based competitors offer greater varieties of products and services at lower costs and in less time.

Cycle Time does not take anything away from quality processes, it actually enhances it. You continue to use and build upon the strategies that have allowed you to achieve your current level of success. The difference is the added element of SPEED. Quality must remain the number one issue. In analyzing Cycle Time there is a rule that is referred to as the “Point Zero Five to Five Rule.” This rule states that for most products or services there is value being added only .5% to 5% of the time. That means that 95 to 99.5% of the time that work is being done, nothing is being added to create value to the product or service, only expense. Our Cycle Time Reduction process helps you examine each step in a core process and guides your team in redesigning the process to make it more effective, more efficient, more flexible, and less expensive while maintaining or improving quality.

Team Based:

Each “core process” designated for analysis is analyzed by a team of individuals who work in that process because they are closest to it and know more about it than anyone else. They are also most qualified to make improvements. This brings learning to the organization and makes your company less dependent upon outside consultants for future improvements.

When:

Cycle Time should be considered a viable option when an organization is trying to improve: efficiency, productivity, cost base, customer responsiveness, speed to market of new offerings, merging of processes post acquisition, and flexibility. By eliminating “fat” in the processes an organization is able to make itself “lean.”

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How To Get Started:

Senior management must see this as a strategy that will help them achieve their strategic objectives. They must be committed to this approach and support it by being active in its implementation. A half-day overview for senior management is recommended and provided to understand the objectives, select core processes, and establish milestones. In certain instances, it might be advisable to conduct a “Waste Walk” prior to, or in conjunction with, the half-day senior management overview. This “Waste Walk” will identify potential gains and their magnitude as well as help prioritize where to begin.

Creating the Future:

A positive future can be impacted in one week. The team starts on Monday and by Friday afternoon they make their presentation of recommendations to senior management. During that week they identify the current process, create an ideal process, and recommend a “can-be” process using “no-cost or low cost” as guidelines for their recommendations. During this week, personal and team skills are also developed.

Implementation:

After senior management gives their final approval of the recommended process changes, it becomes the team’s responsibility to implement the changes. In some cases, improvements might be made during the analysis phase and then reported to management in terms of results.

The Results are Measurable:

- Improved Capacity
- Lower Unit Costs
- Shorter Cycle Times
- Improved Employee Morale
- Improved Customer Satisfaction
- Higher ROA (Return on Assets)
- Greater Productivity
- Greater Customer Responsiveness
- Quicker Time to Market
- Increased Effectiveness
- Improved Profitability
- Improved Competitiveness

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