



Less Chaos More Cash **by Aaron Crowley**

Has your business grown in recent years? Have you experienced growing pains? Ever asked the question, “Why is growth so difficult?” If your business has gone from \$250k to \$500k or \$500k to \$1 million in sales over the last few years, you may be asking another question, “How is it that our profits aren’t keeping pace with the increased sales and headaches?”

The reason, according to Vern Harnish, author of “Mastering the Rockefeller Habits” is that when a business doubles in size, it becomes 12 times more complex to operate.

With complexity often comes chaos. The increase in customers, quotes, contracts, and commitments can put a serious strain on the people and systems in the business that may not automatically evolve when sales increase.

This chaos has many forms: confused and frustrated customers, incorrect quotes due to increased volume and pressure to get them done, misplaced or hidden files containing information like material or edge detail selections that affect the contract, and over scheduling problems that result from multiple people promising the same install date to multiple customers.

It’s not so much that the work itself becomes more difficult or complex, a slab is still a slab and a saw is still a saw. It’s that there is so much more information and responsibility. And usually so many more people.

A common reaction to this phenomenon is to hire people and throw them at the problem like water on a fire. Unfortunately, like dumping water on a grease fire, simply adding *more* people to the mix only adds to the confusion, not to mention the expense. The result: A hectic, frenzied atmosphere where everybody is running around like their hair is on fire.

There is a way to growing a company in an orderly and profitable manner. The simple solution to this perplexing problem is this: creating an atmosphere that ensures everyone always knows what they are responsible for doing, to what extent they are to do it, and most importantly, *how* they are to do it.

In essence, the critical tasks performed in the company must be clearly defined in terms of the following three components: the position, its result, and the operation. It is the “P.R.O.” strategy employed by every successful growing

business. By using the following three step process, a company can begin to regain control of its products and profitability.

The process is as follows: Assign the **P**osition, Define the **R**esult, and Design the **O**peration.

Assigning the Position-

In a growing organization, nothing ever stays the same and as a company evolves, so do the individual positions and the responsibilities that go with them. Often times, they evolve slowly enough that people don't really realize that their responsibilities are changing. Take for example, the task of putting rods in under-mount sink pieces: the sawyer who is tasked with cutting five kitchens per week might also have the formal responsibility of placing the under-mount sink pieces upside down then cutting and gluing a steel rod into the front and back bar of the counters. This is fine until he has more kitchens to cut.

As the company grows, so do the number of kitchens the sawyer has to process. At some point, maybe the first time he has to cut six or seven kitchens in a week, he might have to ask the edge machine operator to help him finish a couple of the pieces he has prepped. This "job sharing" might go on for a couple of weeks or months and then one day, the sawyer, who has grown so used to the help, just assumes the edge machine guy is going to do it for him and he fails to make sure.

With all that's going on, the slab handling, cleaning, lay outs, etc. one or two sink pieces slip thru the cracks and never actually get rodded. Result number one is a sawyer who blames the edge machine guy for not doing his job and an edge machine operator stating it was never "his" job in the first place. Result number two is a cracked counter on the CNC or a broken piece while loading it into a trailer. This period in which a task is in transition, meaning the responsibility is uncertainly split between multiple people, is when most chaos occurs.

It is the owner's responsibility to make sure that as work loads shift with increased sales, those doing the work know exactly what they are expected to do. In this case, the position in the company that is going to be responsible for rodding under-mount sinks must be determined and the person filling the position must be notified of the new task or responsibility.

Defining the Result-

Every fabrication company has "their" way of doing what they do and for every position; there is a result the owner expects to be achieved. In a company that is growing it becomes absolutely essential that the result each position is responsible is clear and written down because often times new employees are

filling roles previously held by seasoned veterans of the company. It is no secret that new employees, even those highly skilled and experienced, will have differing opinions on how well a task should be performed and what the final result should be.

But what is a result? The result is the finished product that a position produces. For the estimator it's the quote. For the sawyer it's the blanked out counters. For the edge machine operator it's a profiled edge. Unfortunately it's not good enough to leave an expectation that vague. If a stated result is to have any impact, it must contain clear standards that can be measured.

For example, if the stated result for the sawyer position reads: To accurately cut all counters and splash in accordance with supplied templates and dimensions, some additional information must be provided. Important considerations like color matched joints, vein direction, and accuracy tolerances must accompany the stated result.

At this point the owner must determine and define those measurable standards. How far off the template can a joint cut be? 1/32? 1/16? How far off can a wall cut be when covered with back splash? What percentage of a joint must be color matched to be acceptable? These questions must be answered and written down in the form of standards that accompany the result so they may be given to the employee to regularly refer to while carrying out his or her tasks.

Designing the Operation-

As important as the standard, is the process an employee follows to produce it. In the same way that there's the right way to replace a valve cover gasket, in terms of applying the adhesive and tightening the bolts, there is a proper and proven way to produce any specific result that meets a certain standard.

Again, for the growing company hiring new employees to meet a growing demand, giving them a road map to follow while doing their job is essential. This most often takes the form of a written step by step process that has been proven to produce the desired result when followed. Often times this does not require re-inventing the wheel or position, but merely documenting what is already being done successfully. **In the event that the current person filling a position moves up the ladder or simply needs help because of an increased work load, a new employee or assistant can step in and more easily replicate the finished product the veteran was producing.**

This task of designing or documenting a particular operation, so necessary for producing the result the owner wants, does not have to be performed by the owner himself. Often times, it can more easily be done by the employee currently filling the position. Regardless of who designs the operation, it has to

be done for any position that is experiencing the stress and strain of exceptional growth.

Growth is a natural and normal phenomenon that occurs when a healthy company takes care of its customers and employees. Yet that same growth, that often throws it into chaos and confusion while draining it of its once abundant cash, must be managed and controlled.

By following the P.R.O. strategy, of assigning **P**ositions, defining **R**esults, and designing the **O**peration, the most pressing question will become, how are we going to find more sales?