

Real Insights for Executives

Reflections on OpsInsight Leadership Forum 2011

By Julie Fraser

OpsInsight: Energizing discussions for executives

Serendipity is finding out about a great event at the last minute and slipping in as a presenter and panelist; and I enjoyed that serendipity at OpsInsight Leadership Forum held at the end of April in Boston. Knowing several of the presenters, I expected it to be good, but it exceeded expectations and delivered on the theme for the 2011 event, which was "Improve Business Performance. Navigate. Execute. Optimize."

We talked about all of that and more. It was an energizing few days, and everyone was excited and tuned-in. This conference was stimulating, interesting, and truly felt like a forum for leaders.

The group was diverse: consultants and software providers as well as manufacturing, distribution, services, retail and foodservice companies. Areas of operations covered ranged from supply chain to sales to human resources to finance to design engineering and innovation. The cross-pollination worked really well!

OpsInsight is an industry event independently coordinated by Halcyon Business Alliance. Halcyon's Shantell Paisley knows some really interesting operations folks from across many industry segments, and she selected a group of those who present well to create a high-energy program. The format also really works. In addition to traditional general and track sessions, OpsInsight had special "think tank" sessions as well, and plenty of time for networking at breaks, meals, and a fun evening event.

I'll share a few of the highlights from the sessions I attended, and some themes that made us all think. Apologies to those who presented not covered here. I did miss a few sessions, and could only attend one in each breakout time slot. The feedback I heard is that others were just as compelling.

Selected Conference Keynote Highlights

Bob Ferrari, a truly insightful supply-chain focused blogger and consultant, set the stage by focusing on uncertainty. This led to a view about the need for stronger links between operations strategies and shifting market needs. He made it clear that companies must be flexible, agile, and transform themselves all at once.

Key take away: we must move away from the trade-off mentality and get on with improving in every area! (Bob's blog is here: <http://www.theferrargroup.com/supply-chain-matters/>)

Mark George, a managing partner at Accenture, talked about how to achieve competitive advantage through execution excellence. He points out that most CEOs don't currently see business performance improvement through the continuous improvement (CI) programs. His diagnosis is that companies are using Lean and Six Sigma tools but not programmatically and without adequate culture change. He advocates architecting a journey focused on:

- simplicity and simplification
- speed - to determine whether you could work faster, measure process cycle efficiency
- discipline for rigorous performance management that balances reactive problem solving with proactive transformation.

Key take-away: Using tools is not enough to achieve CI goals - you need a focused program that's measured. (Mark's book is available here: <http://www.accenture.com/us-en/Pages/insight-lean-six-sigma-guide-doing-more-with-less-summary.aspx>)

Paul Hoy of IBM Business Analytics presented on optimizing the sales and operations planning (S&OP) process, to achieve smarter integrated operations and smarter supply chains with end-to-end visibility. He pointed out that the process must balance demand, supply and finance goals and plans, and showed a maturity model for S&OP. Optimizing means simulation and analysis at a fine-grained detail for SKU / customer and S&OP meetings with actionable decisions.

Key take-away: Small improvements in S&OP can result in big gains, with both revenue and cost impacts.

Dr. John Evans of Lockheed Martin presented a framework within which his company is managing innovation. It's based on predicting success of various projects, rather than using the project management model of risk-cost-time. The framework focuses on ensuring that projects that will fail do so early and those that are likely to succeed thus get adequate resources. The very concept of an engineering or innovation team working to a Probability of Moving Forward (PMF) metric was quite controversial in this audience.

Key take-away: Even innovation is a process that can be more profitable if managed intelligently, and prioritizing by level of uncertainty can be very effective.

(A group is forming now to create an Innovation Management Body of Knowledge (IMBOK) and publish it in a book. To participate and share your story or best practices, contact Linda Foster linda.foster@lmco 610-517-7699 or Jim Lichtenberg, jimlichtenberg@mac.com 917-584-1984.)

Mike Evans, Relationship Leader of consulting firm Kotter International, discussed leading successful innovation and transformational change. He emphasized that most companies need more leadership that inspires rather than just management. The 8-step process starts with creating a heightened sense of urgency about a real opportunity. Even his talk was inspirational, leading each person to think about the opportunities they and their business face and how to get everyone on board.

Key take-away: Once peoples' hearts are in it, you have a fighting chance for transformation.

Themes

1. It's all about the people and the processes! Our technology is out in front of our ability to adopt and leverage it - and that is not a good situation. We need to focus on change management and inspiring our people to act in ways that will achieve common goals.
2. We need to get better visibility and collaboration between disciplines and between supply chain trading partners. The technologies are emerging to help that happen, including social business applications - and leaders are already adapting and making those processes part of their daily work.
3. Create strong, structured execution programs that align with overall goals and visions. Presentations were from leading companies in every segment - manufacturing (Lockheed), logistics (Cardinal Logistics), bundled goods & services (Xerox), retail (Wal-Mart) and foodservice (McDonalds).
4. Take out variability in internal processes to cope with external uncertainty.
5. Social business systems are just beginning to appear and be used - and this will help to transform how companies find and leverage their people.
6. Gandhi's quote seemed to enliven the discussions at OpsInsight: "Be the change you wish to see in the world."

Keep it coming!

This was just the second year for OpsInsight, so it was a relatively intimate conference. That made it really easy to get to know some of the other attendees and made us feel exclusive and part of an "in club" somehow. Since the event was so good, I don't think that size will last, but I do think that it's structured so that the opportunity to truly exchange ideas with peers from other disciplines and other industry segments is incredibly valuable. I plan to be there next year, and hope to see you there!

About Cambashi

Cambashi, based in Cambridge UK and Cummaguid MA, USA provides independent research and analysis on the business benefits of using IT in value-adding industries. Cambashi delivers the latest global market data, plus perspectives on the changing state of technology and current business issues in manufacturing, process, distribution, energy, utilities and construction industries. Our consulting analysts partner with each client to solve difficult problems, clarify decisions, articulate value, and craft a unique path to market rewards.

www.cambashi.com

The information in this report is from a wide variety of sources that represent the best information available to Cambashi Limited. This report includes our interpretation of information in the public domain or released by responsible officers in relevant organisations. Some information is from sources we cannot verify. We survey judgement samples, and results are not statistically significant unless so stated. Cambashi Limited cannot guarantee that the report is accurate or complete. Information changes with time. The analysis, opinions and estimates in this report reflect our judgements as of writing but are subject to change without notice. Cambashi Limited shall not be liable for any loss or injury resulting from use of this information. All trademarks are the property of their respective owners. Cambashi Limited may have a consulting relationship with a company being reported on. It is not an offer to sell or a solicitation of an offer to buy any securities. Cambashi Limited, its staff, their families and associates may or may not have a position in or with respect to any securities mentioned herein.