

Don't settle for less than is possible...

Tom Peters

Waste—More Than Your Rubbish



Don't let waste distract you from doing business

Have you ever stopped to consider the amount of waste that goes on in your business—and I'm not talking about what goes into the rubbish bin or out in the trash?

What does it cost your business in lost productivity every time a letter is written or a transaction entered into that is not needed?

How many people in your business replicate each other's work to a greater or lesser degree because of poor communication, poor processes, procedures and policies?

What percentage of the products you stock become obsolete before you can sell them?

Cash flow and competitiveness are the two things most adversely impacted by these types of waste. So what can be done about eliminating this insidious problem?

First, many businesses are not aware of the ease and cheap cost associated with automating basic processes—of course the right processes need to be in place first otherwise, as Bill Gates says, you simply get bad outcomes delivered faster!

Beyond that there are organisation-wide planning and communication processes, such as Sales & Operations Planning, where you can ensure an

improved vision of customer demand and be better able to respond accordingly.

Finally, getting the operation under control—through simple, focused performance indicators and management that can be applied to people, divisions, suppliers and organisations to ensure optimal results are achieved.

If you are interested in seeing some case studies on how Ithaca SCM, working with IIB Associates, has addressed waste elimination in other businesses, please see our website www.ithacascm.com

Business Planning—Focusing the Mind

Effective business plans can be written on one page or hundreds of pages—one thing is sure, where there is no plan, the chances of failure or of not realising the full potential of the business are almost certain.

Planning is, first and foremost, a forum in which the Principals of a business consider all options, weighing up the

pros and cons and the associated risks. Once that exercise is done it enables those same people to consider how their objectives will be met—again, going over the options and selecting the most appropriate for that time and place.

Once a plan is in place the last spot to look for it is the shelf—it then becomes the document

against which one measures performance...the thing that is referred to when something doesn't go according to plan. This is because one has, within the plan, made estimates of contingencies, risks, alternate strategies—looking forward to ensure success.

Talk to Ithaca about your business planning needs... 07913464430



Gen Ford, Ithaca's Managing Director, is an Accredited Associate of the Institute for Independent Business



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Special points of interest:

- IT is only a tool—not an answer, 9 out of 10 businesses fail to fulfill objectives on their IT implementations
- There are plenty of fads, business buzzwords and jargon—but, when considered objectively the message of all of them is the same:

The application of good, basic planning and process in a robust, well-supported manner will bring the results being sought every time.

IIB Success Stories Inside this issue:

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India—the other Sleeping Giant?

Looking beyond the relatively stagnant economic situation in 'old' Europe and the bustling development of eastern Europe, central Asia and China one is constantly drawn back to the powerhouse that is India.

India's economy is tipped to grow by 7 to 7.5 per cent in 2005-06. India's Finance Minister P Chidambaram on Monday said that the projection was not an outcome of mere wishful thinking, but based on aggressive agenda for economic reforms.

The Minister quoted the BRICS (Brazil, Russia, India and China) report as identifying India as the only economy that would be capable of maintaining growth rates above three per cent till 2050.

"We have to remain committed to an aggressive agenda for economic reforms. The main objective of current phase of reforms is to secure high growth," he said. Such a growth was possible through achieving robust performance levels across sectors, including industry and farm sectors, besides collaboration among countries for "producing welfare-enhancing synergies."

In its latest survey of foreign direct investment, A.T. Kear-

ney found India had overtaken the United States as the most popular destination for investment after China and was on the verge of an investment explosion.

But analysts and industry experts say growth is being constrained by government policy and slow reforms, appalling infrastructure, restrictive labour laws and higher costs for raw materials and utilities. Manufacturers say their industry is also too regulated and taxes are too high.

As India's economy develops, agriculture is becoming less important as a contributor to growth. Its share of GDP has fallen from half in the 1950s to barely 20 percent.

Creaking national infrastructure needs to be upgraded. Many companies, for example, supply their own power.

"If the economy were to grow at 8, 9 percent for a sustained period of time the current infrastructure will not support it, it will become a binding constraint,"

"Unless we improve the infrastructure, unless the roads are improved, unless the ports become efficient, I think we can't go too far, says CRISIL's Joshi. "We'll move as we are moving,

which is not too bad, but it's not replicating the China story. No way."

Indian industry is also more fragmented into small-scale operations than China's.

"Our problem with catching up with China is that we will never be a supplier of such a large volumes as China, because China, apart from high-technology, has also been able to use its massive labour force," the FICCI economist adds.

So, what are the prospects for potential investors, exporters and importers wishing to capitalise on the booming Indian economy—the same as anywhere really—tread carefully, do your due diligence and build strong relationships that are for the long term.

The IIB has Accredited Associates in India for those interested in pursuing specific options.



India offers so much more than a magical tourist destination...business is booming



"the BRICS report identifies India as the only economy capable of maintaining growth rates above three per cent till 2050"

A Different Take on Selling...from the Customer Perspective!

(synopsis from HBR March 2005)

The real price of consumer goods has fallen steadily; the variety of goods and range of channels offering them have grown and quality has improved. So why are customers continually so frustrated?

A contributor to Harvard Business Review argues that it's time to apply lean thinking to giving consumers their full value from goods and services with greatest efficiency and least pain.

Companies may think they save time and money by off-loading work to the consumer but, in fact, the opposite is true. By streamlining systems and making it easier to buy and use products and services, many companies are lowering costs while saving everyone time. Along the way, these businesses are learning more about their customers, strengthening consumer loyalty, and attracting new customers who

are defecting from less user-friendly competitors.

The challenge lies with retailers, service providers, manufacturers, and suppliers that are not used to looking at total cost from the standpoint of the consumer and even less accustomed to working with customers to optimise the consumption process.



How will customers experience the future?

Institute for Independent Business (IIB)

Gen Ford, Ithaca's Managing Director, is an Accredited Associate of the Institute for Independent Business.

Launched in 1984 as an international accreditation body for individuals able to demonstrate years of experience and success in senior / ownership roles in business, the Institute accredits roughly 1% of all those who apply. They have recently notched up just over 3,000 Accredited Associates in 21 countries.

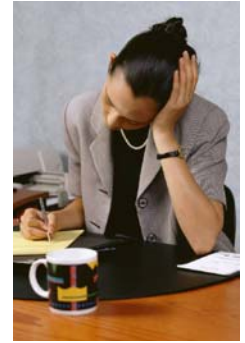
As an Associate Gen gives up some of her time each

month to visit Managing Directors / Owners of enterprises employing anything up to 500 staff, spending a few hours with them to understand the ins and outs of their business. At the end of a visit Gen is usually in a position to offer some objective feedback / advice about challenges and opportunities the business is facing—and, potentially, ways in which the business might tap into the IIB network.

On occasion the business owner asks for help beyond that provided within the context of the visit. With the

support of the IIB and assuming the business qualifies, Gen is often able to offer such assistance through the Business Support Programme.

This subsidized scheme allows Gen to become an advisor to a business over an extended period of time—drawing in complimentary expertise from amongst other Accredited Associates to provide specialist assistance in the specific areas where a need has been identified by the owner.



Being a Managing Director / Owner of a SME doesn't have to be tough and lonely...

Organisations Need to Keep Pace with Employees

(synopsis from The Economist 19/01/06)

Not so long ago people in organisations came loyally to work every day in their sombre suit and tie, worked hard and retired when they had served the company for many years. This world was highly structured, knowledge was power and decisions were made at senior levels after much deliberation.

Today, networked employees rarely stay over 5 years with an employer, working from home or while on the move,

using their experience & training to make decisions and take responsibility.

Many traditionally in-house functions, are now outsourced or automated—the nature of work has changed.

Many organisations have not changed with the times, persisting in operating old, many-tiered structures—harming their ability to respond and compete. They find it difficult to attract staff because the environment

and benefits they offer cannot match those of their competitors.

Matrix type structures offer one way to address these issues, retaining the best of the old structures but superimposing process matrices. Avenues are also open to offering benefits and packages to attract the best—but it needs organisations to change their thinking about how they work—and catch up with their employees!

“Many organisations have not changed with the times...harming their ability to compete”

Selling...from the Customer Perspective! (Contd.)

(synopsis from HBR March 2005)

Lean consumption requires a fundamental shift in the way companies think about the relationship between provision and consumption and the role their customers play in these processes. It also requires consumers to change the nature of their relationships with the companies they patronise.

Lean production has clearly triumphed over similar ob-

stacles in recent years to become the dominant global manufacturing model. Lean consumption, its logical companion, can't be far behind.



Is Lean Consumption the way of the future?



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OUR OFFICES:

Ithaca operates offices in Australia & the United Kingdom. All business activities are supported from Ithaca’s HQ in Melbourne, Australia. We have conducted projects in Australia, New Zealand, Singapore, Europe, North America, China and Taiwan, our availability to conduct projects is global.

WHY ARE WE CALLED ITHACA?

Ithaca was once the island kingdom of Ulysses, a hero of the Trojan war. After the 10-year war had ended Ulysses took a further 10-years to travel home to Ithaca—having to fight Cyclops, repel the Siren’s songs and escape Circe’s seductive embrace in the endeavour to reach home. Organisations today are not unlike Ulysses - they have goals but frequently lack a map showing a way through the maze. Ithaca's service profile is designed to provide not only the map, but a guide to show the way, facilitating effective and sustainable change.

Core Competencies

- Assess strategic environments, capability, gap & risk analyses;
- chain methodologies including S&OP, ECR, EHCR, CPFRR.
- Total cost analysis, end-to-end process focus, matrix org. structures, coach, mentor, identify & nurture catalysts for change;
- Create roadmaps, plans, org. design & development, measure inputs & outcomes using metrics, methodologies & KPIs;
- Overall project management, enterprise mapping, recreate business process, select & implement enterprise/best-of-breed software, lead change & implementation, link processes to ISO, TGA, ACHS ;
- Prepare resource, systems & operational plans, apply core supply
- Up to date & informed on supply chain technology – Auto-ID, SCEM, ASP, demand-based replenishment systems.

Ithaca SCM Services

IIB Business Support Programme

- Business Strategy**
- Business Planning**
- Process-Oriented**

Baseline Audits – stringent application of pre-determined measures & metrics determining KPIs of existing operations.

Gap Analysis – identify best practice, analyse req. to move from ‘As Is’ to new paradigm.

Recreate Business Process Identify & Eliminate Supply Chain Waste – obsolete, dead, expired, damaged, pilfered, bor-

rowed, excess & thrown away working capital plus replication of process time.

Service & Operations Planning (S&OP) – sustainability of improvements will be problematic until actions of those within the chain are visible, measurable and accountability exists.

Technology-Oriented IT Pre-Implementation Baseline, diagnostic, process recreation & functional specs.

Data Cleansing – assist with cleansing data & develop inventory man-

agement hierarchies to facilitate forecasting & demand.

Technology/System Selection – SORs, RFTs, Tender Assessment.

Physical Storage Assessment – Taking into account TGA, ASNZ, ACHS, ISO Standards.

Network-Oriented Logistics Modeling & Outsourcing SC Services – design & test logistics services.

Benchmarking