

GDI Consulting & Training Company
Friends-of-the-Firm Mini-Briefing

Beware of Madison Avenue Manufacturing!

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North American manufacturing loves buzz words and panaceas! JIT, CIM, ERP, MRP and DRP are buzz words which bring promise of prosperity, world class manufacturing and new found competitiveness. Unfortunately, many companies approaching the philosophies behind these acronyms quickly discover there is no such thing as a cure-all, solve-all panacea to manufacturing ills! Just as quickly, they discover that none of these are as easy to implement as proponents of the panaceas will lead them to believe. So why did they embark on implementation of something they knew nothing about in the first place?



Though the manufacturing equation is, in theory, a simple one, it can become very complex in practice. In theory, manufacturing is nothing more than the conversion of raw material into finished goods, with value and utility being created through the manufacturing process. Complications occur because factories are really controlled by thousands of internal and external variables. Pressures for return on investment, labor conditions, supplier relations and demand management problems all work together, with thousands of other variables, to complicate the day-to-day understanding of the basic equation. This often results in Leaders looking for new processes to describe these growing sets of complications. It is the Leader's desire to simplify or label these "new systems" that usually leads to the establishment of new buzz words and acronyms. When management is incapable of describing all of the complexities associated with the manufacturing equation, they simply create a new label to simplify discussion of the issues! Unfortunately, many of these same executives begin to believe that "turning-on" the buzz word will solve the problems.

There is no such thing as a "plug-n-play" solution to manufacturing company problems. Just because one labels an overall system with a new acronym does not mean that it can be plugged-in, turned-on and run smoothly. Regardless of which panacea you observe, they all require a mastery of business fundamentals. Inventory record accuracy, formal forecasting processes, non-front loaded master schedules and formal, recurring internal training programs are but a few of the fundamentals that every company must master before pursuing any of the "new systems."



Instead of falling prey to the "Madison Avenue Hoopla" associated with these new panaceas, try mastering the fundamentals. With the fundamentals of your organization operating routinely, you will be surprised at the levels of profit you can achieve without the new panaceas!

The difference between Madison Avenue Manufacturing and world class manufacturing is results. You can implement buzz words or you can implement profits. The choice is yours.