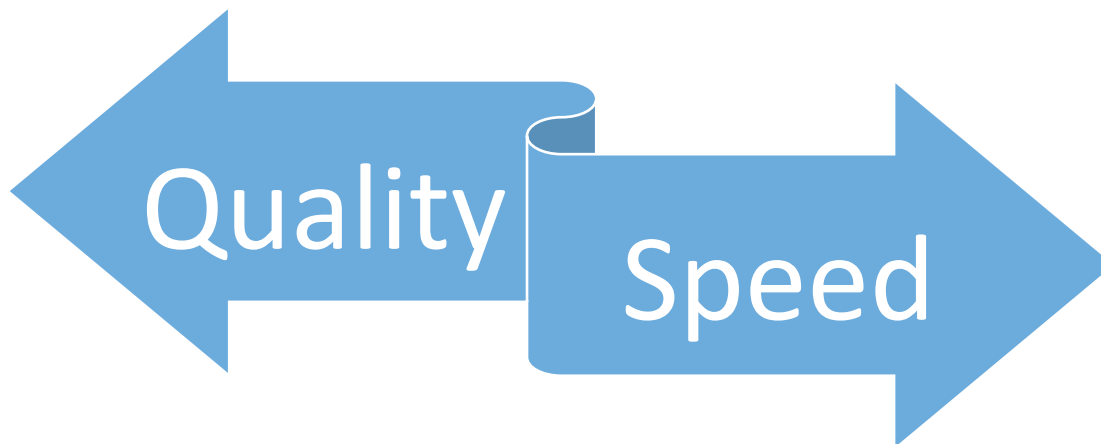


Jim's Profit Accelerator 3: Speed Is the New Quality

Unless you're like legendary fifteenth-century artist Michelangelo, with a wealthy sponsor, quality is no longer an excuse to be slow. In spite of what we know of our world today, I too frequently find companies that cite quality as their reason to avoid acceleration.

Here are the competing pressures facing most organizations:



This false choice is often lethal, since both customers and competitors are busy looking for faster, sooner, quicker—more responsive. They expect quality to continue, if not improve. Don't you, when you put on your customer hat with your cell phone service firm? So it's not a question of maintaining quality, it's about finding and revitalizing speed everywhere in your organization.

Curiously, plants will often bloom under stress. Gardening experts explain that stress causes plants to work harder to live, which includes producing blooms that generate seeds. So the stress of learning to balance quality and quickness may actually be healthy!

Here are three things that enable a successful balancing of quality and speed:

- 1. Prune your quality effort to focus on quality that matters.**
- 2. Search for Speed Spots.**
- 3. Target your speed toward real payback.**

Prune Your Quality Effort to Focus on Quality That Matters

Blow up the dated meme “We Exceed Expectations.” The concept seems to promise that more is always better, when enough is usually more than enough. Why would someone shopping for two people ever buy a 100-pound sack of potatoes? No matter what, they’ll rot before they can be used, so the “extra” value isn’t value, it’s waste and extra cost. Find out what quality is sufficient by asking and measuring. It can deliver dramatic returns. Not only are wasted efforts stopped, but there’s space to work on speed instead.

Walt Elisha, president of Boston fixture Brigham’s Sandwich Shops, recited the “tuna sandwich story” endlessly. In short form, his answer to suggestions that their tuna sandwich could be improved was: *“Yes, but why? It’s our top seller, it’s well priced, and when we’ve tested improvements, results were worse.”*

Gayle Sanders, founder of legendary MartinLogan LLC, personally checked and signed each high-end loudspeaker before it shipped. Remarkably, he seldom found a flaw, in spite of his pickiness, because his crew (125-plus people) figured out that they’d do better if they made the speakers right the first time. There was little rework.

From the vault: What quality action will you prune this week?

Search for Speed Spots

Apply the SAM Model (Strategy, Accountability, Measures) to search and implement Speed Spots in your organization.

- Make it simple by focusing on a piece of the overall **Strategy**, usually called a tactic. It’s something that matters to the success of the Strategy that can be done quickly. The action is to finish it sooner.
- Invite **Accountability**, which lets managers and workers into the game to make it happen, including the false starts and messes that accompany real change. Accountability requires that each person has a clear grasp of “my” part in finishing the tactical step identified above. Then praise each small step promptly. It fuels the next steps.
- **Measure** something for each change, at least long enough so that the folks involved can see real acceleration. Without measures, you could have effort but not results.

Here’s the secret: Allow people to keep on going around the circle, pictured below. Each Speed Spot that is found will uncover another speed candidate to apply this success tool:



Speed Bump: Acceleration is always about results sooner. It's not about effort.

Target Your Speed toward Real Payback

Once the speed search begins, steer it toward payback. Do this by measuring both the speed increase and the payback, reporting them publicly and often. Blow past the assertion that says “*we’ve done LEAN and made all the high payback changes.*” Not only does that violate a tenet of LEAN (*continuous improvement*), but it ignores new opportunities all over the company (not just in production). Keep feeding the search with questions and recognition, using this model to speed momentum:



Sales at Triad Speakers jumped 47 percent year over year when the time from order to shipment dropped from three weeks to three days! Of course, annual profit jumped several hundred thousand dollars, boosting company valuation by at least \$1 million for the owner. (Even an increase in EBITDA of \$250,000 delivers an extra \$1 million in valuation, considering a conservative EBITDA multiple of four.) That’s an excellent ROI from Speed!

From the Vault: What single speed change would get your customers raving?

Call me.

For more information, visit www.grewco.com.

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

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