

# Lambda International Consultants

## Company Self Diagnosis A few key steps

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# Intro:



- Founded in 1997, Lambda has partners in Houston, in South America and Europe
- In order to serve the specific needs of privately owned firms, Lambda developed a methodology which allows the firm to cover multiple areas of expertise and provide the necessary know how to solve the client's needs in an efficient and effective way
- In the last sixteen years, Lambda has been able to undertake successfully more than one hundred fifty projects in a broad range of industries including:
  - Transportation and automobile
  - Energy/basic industry
  - Telecommunications and internet
  - Restaurant, travel and tourism
  - Real estate, construction and building supplies
  - Retailing and consumer products
  - Healthcare, medical and pharmaceutical
- We want to be ***“Your partner in growth”***





# Overview of where we are going...

- This paper is to present our framework to help Small and Medium Sized Business owners diagnose and improve their businesses
- The topics covered in the session were
  - Company Mission and Vision
  - Three and five year visions for the company
  - Short and medium term actions to further progress
  - Longer term opportunities
- We have also included some reflections that may serve the company going forward

# We recommend a simple framework for business analysis



- Start out with reaching agreement on Mission and 3-5 yr Vision for the Company
- What would be the appropriate Strategy?
- How do company Processes support that Strategy?
- What Organization and Resources are needed?
- How do we monitor progress and ensure good corporate culture and communications?

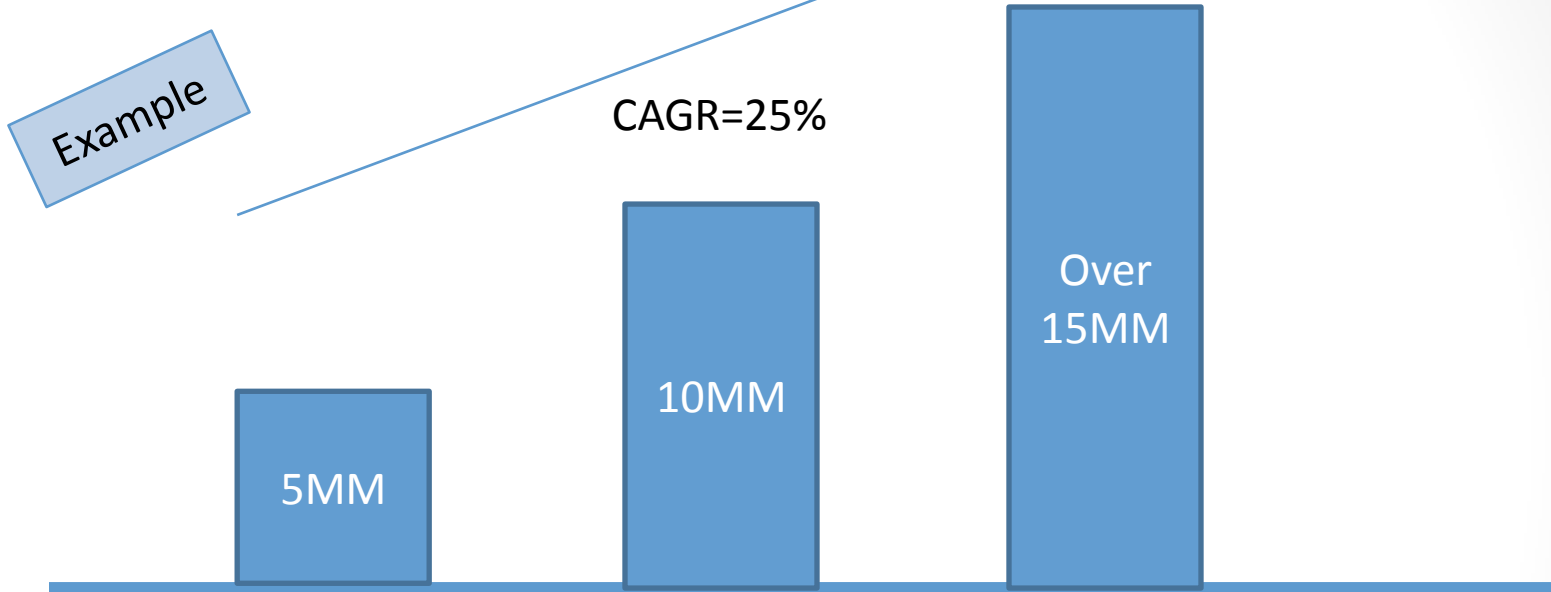




## The participants should perform an exercise to present their idea of the Mission, Vision of the firm

- Each of the attendees should write down on a piece of paper how he/she sees these elements
- They should try to be as clear as possible including target clients, main products, why they are different and why consumers would buy from them
- Their 3-5 year Vision in terms of Sales, Profits and any other relevant measures should also be presented and discussed
- At the end, there should only be ONE Vision and Mission which would be accepted by all

# This is a starting block example



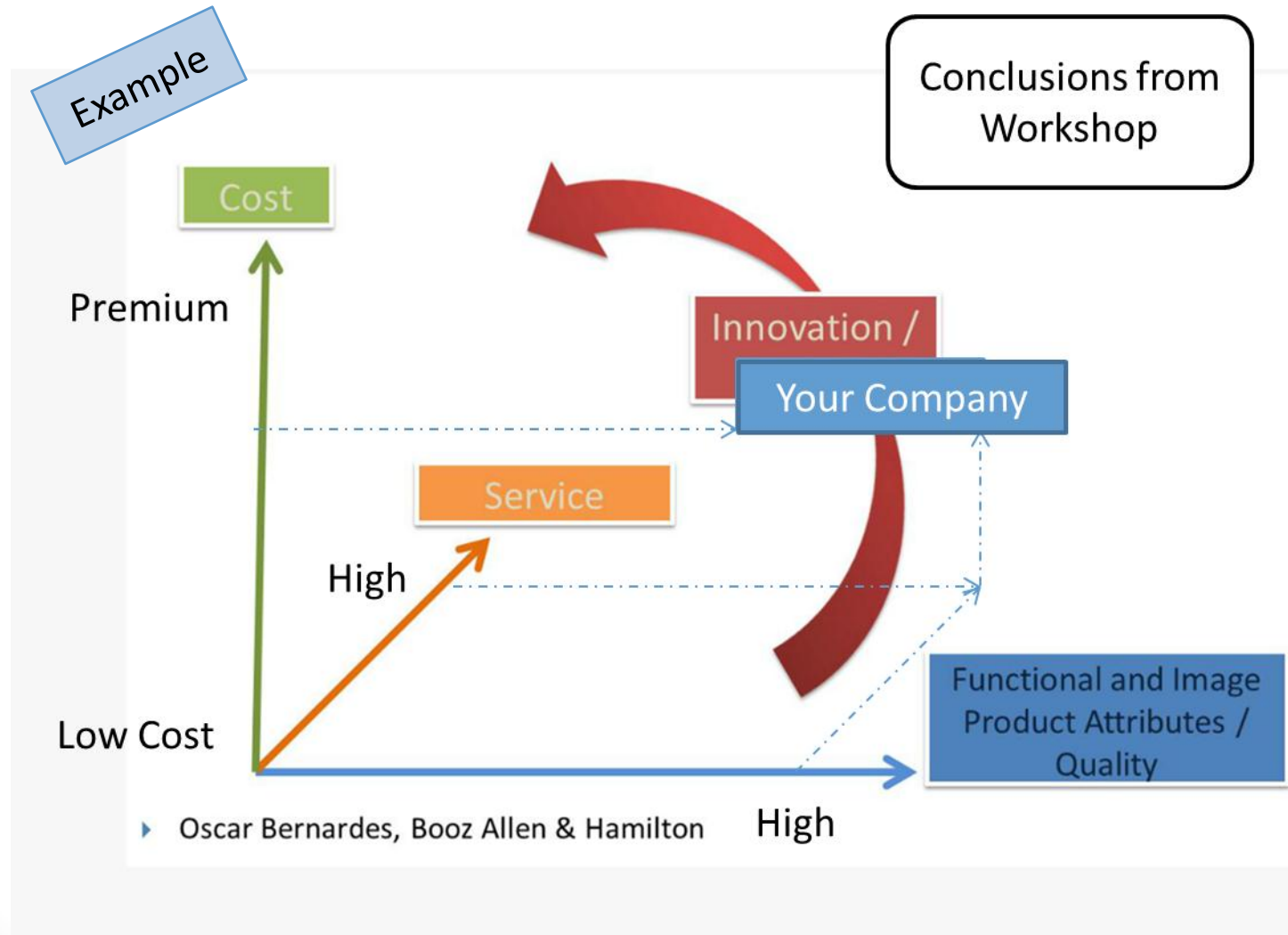
	<b>Y1</b>	<b>Y3</b>	<b>Y5</b>
Product 1	USD 5MM	USD 7MM	USD 10MM
Product 2	N/A	USD 2MM	USD 5MM
Product 3	N/A	USD 1MM	USD 3MM
Profits	USD 500K	USD 1MM	USD 1.5MM
ROA %	15%	20%	25%

# There are probably organization and capability issues to address

Examples Only	Y1	Y3	Y5
Processes	<ul style="list-style-type: none"> <li>- Improve Quality Control</li> <li>- Safety standards at top of industry</li> <li>- Sales department fully staffed</li> <li>- Finish documenting Processes and Procedures</li> </ul>	<ul style="list-style-type: none"> <li>- New Co. operations</li> <li>- SMART/ GREEN capabilities</li> <li>- Strengthen HR and training</li> </ul>	<ul style="list-style-type: none"> <li>- Have top level Mktg department and lead industry in customer top of mind</li> </ul>
Organization	<ul style="list-style-type: none"> <li>- Add S&amp;M executive</li> <li>- Current Administration staff will be strengthened according to needs</li> </ul>	<ul style="list-style-type: none"> <li>+1 Human Resource staffer</li> <li>+1 Acctg/ Treasury</li> <li>+1 Purchasing</li> <li>Add Jr Exec for S&amp;M</li> </ul>	<ul style="list-style-type: none"> <li>- Separate Accounting from Treasury</li> <li>- Add internal support as needed</li> </ul>
Resources and IT	<ul style="list-style-type: none"> <li>Add Ipad support for field work</li> <li>Automate reporting, HR, purchasing</li> </ul>	<ul style="list-style-type: none"> <li>- Have office and operational functions fully supported by an IT system</li> </ul>	<ul style="list-style-type: none"> <li>- Integrate new businesses into IT platform</li> </ul>



# Your Company's Competitive Dynamics will be defined according to Cost, Service, Product and Innovation





# This Strategy considers the main issues

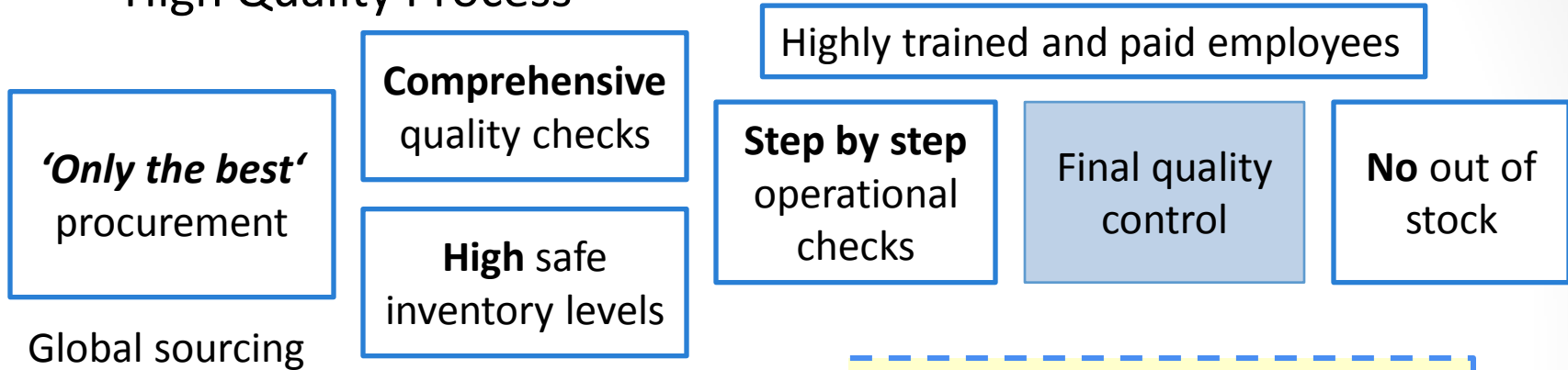




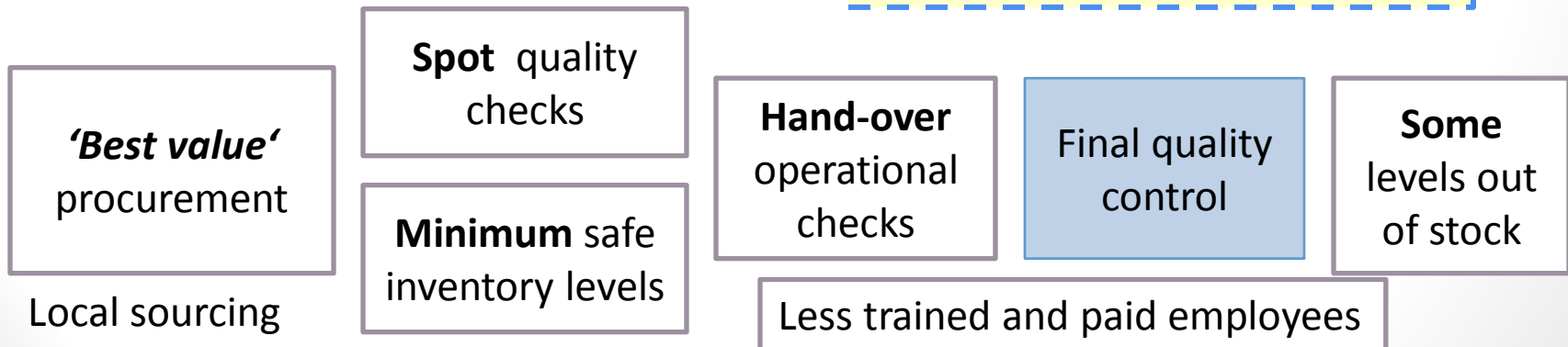
# A more detailed design of processes need to consider the firm's positioning

Example

- High Quality Process



- Cost effective Quality Process



*How to align processes?*

# An example...don't let this happen to your Company

## Top tier retailer

- Strengths
  - Excellent products and broad portfolio
  - Good marketing support, innovative ad campaigns
  - Good brand recognition
- Problems
  - Low level of training and compensation for in-store staff
    - Store rent levels 'crowded out' staff compensation and training
  - Weakness in logistics support, frequent out of stocks
  - Parking was an issue in some stores
  - Great variability in store layouts making items hard to find

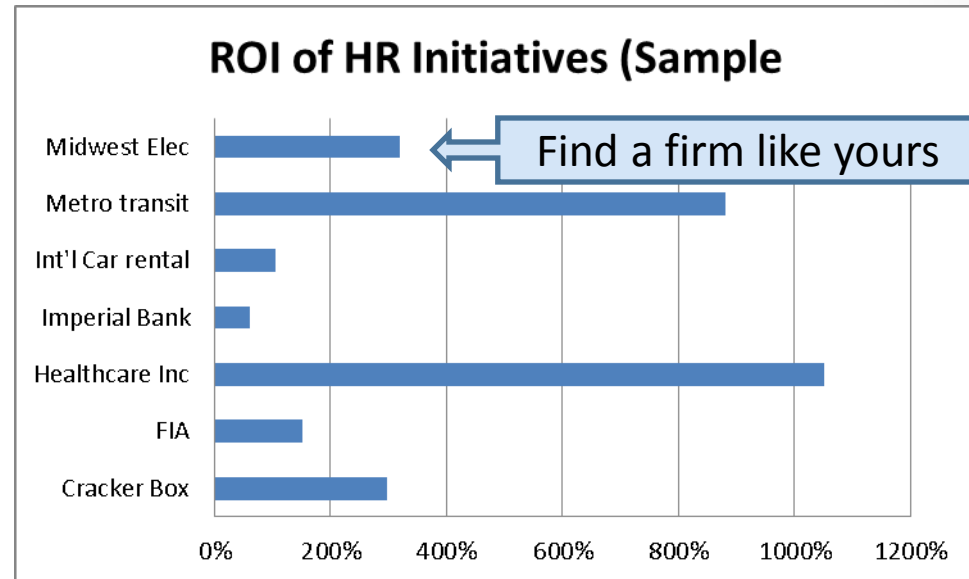


STRATEGIC  
INCONGRUENCE



# Human resources are your key resource – and a wise investment

- The recruitment, selection, training, assessment, and rewarding of employees is a key issue for top management
- A firm's human resources includes all of the knowledge, experience, skill, and commitment of a firm's employees, and their relationships with each other and those outside the firm.
- This has been shown to be an enormous source of competitive advantage – or disadvantage
- *Those who convert employees into 'partners' are going to be successful*
- Fred Smith, founder and CEO of Fed Ex, says "We discovered a long time ago that customer satisfaction really begins with employee satisfaction," (Waterman, 1994).
- --- **And EMPOWERMENT!**

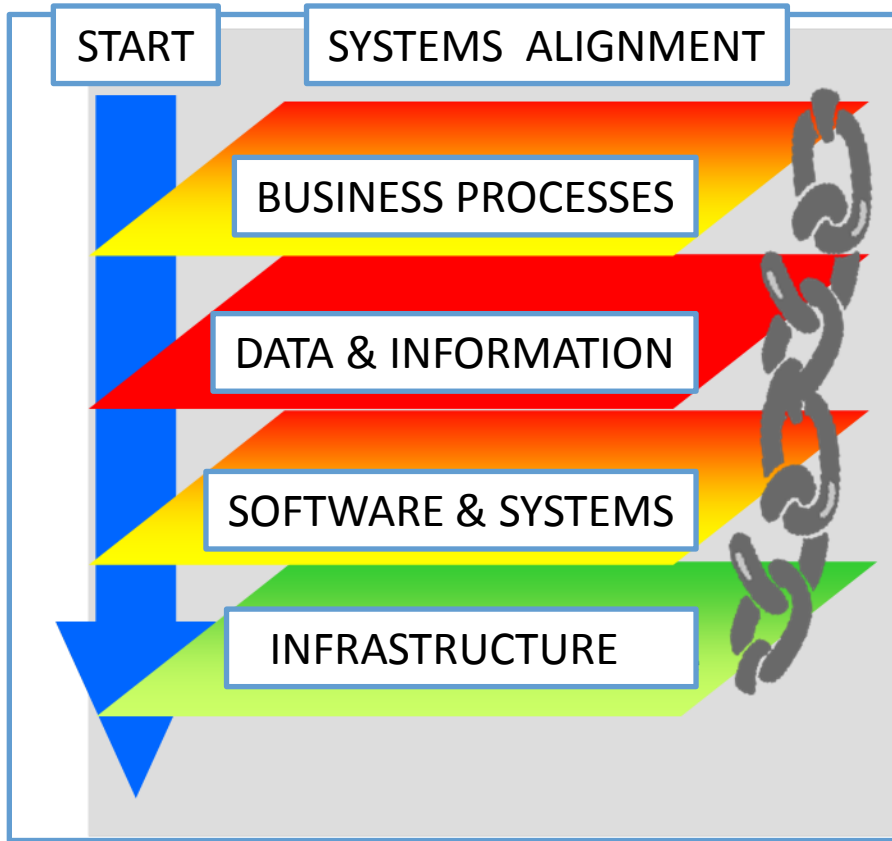


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*Firm needs to think which level of HR investment is right*



# IT systems development is going to be a key competitive drive



*Frequently managers are not consulted as to what information they need, when they need it and how they need it*  
*'Excel-o-cracy' or 'Excel-o-crazy'*



# Finally, Control, Culture and Communications may sound soft, but they are important issues

Illustration only	KEY ISSUES	QUESTIONS TO ASK	OUTCOME
Control	Are KPI's well aligned with your strategy?	<i>Am I measuring what I should be?</i>	Your measurements help you navigate strategically
Culture	Is my culture 'top down' or 'bottom up' Are you a leader or an order giver?	<i>Am I building a team or group of temp hires?</i>	Free flow of ideas and employee buy-in and identification with the organization
Communications	Can employees speak freely? Do they have enough information	<i>Are ideas and feedback getting thru from downstairs? Are messages being communicated?</i>	Better communications improves not just performance but morale. Reduces costs and improves results.





# Some ideas for your Company to look at

- **Strive to compete through innovation**
  - Find discrete areas where you can develop differentiation
- **Being small is no excuse for poor performance**
  - Do not settle for less than excellence at any level
- **Develop Multidisciplinary Teams**
  - Smaller firms need to develop talent and internal communications to permit this to happen. Single Proprietors have only a limited ability to innovate.
- **Creating an open culture** and training staff is the role of the Owner/Manager – HR is your key resource



- **Small firms may not have all the resources internally**
  - Look for allies among Suppliers, Clients, Business Partners to leverage collective resources

# Final Check list



- Have you aligned your Strategy and Processes with your Mission/Vision?
- Is your organization free of 'broken processes'?
- Does your IT platform supply your staff with timely and accurate information?
- Is your Company characterized by openness and free communications within a positive corporate culture?



If so, congratulations!  
You do not need a consultant



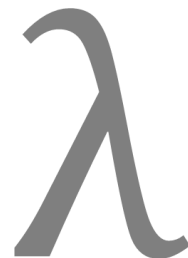


Thanks,

Questions?

Comments...

We are at your service....



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