



Applying 'the Brad factor' ... Using Kano to create the game change

Extract from the e-book 'See, Learn, Change ...'

Using the tools of Lean and Six Sigma to change your business

www.cottonci.com

"Most people spend more time and energy going around problems than trying to solve them" – Henry Ford

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'Cotton Innovations Ltd' monthly discussion letter.

Cotton Innovation Ltd has consultants with more than 8 Years of Lean Six Sigma consultancy, support and business experience. We work in national and internal markets and have experience of working in all sectors, with a team whose experience range from Board room to operations on hand to help you. Our portfolio includes companies with 1-5 employees through to major multi-national corporations.

Our work with clients includes teaching, mentoring, up-skilling and equipping people to challenge their process and data and then to transform companies. In some cases our clients require us to save them money (*over £20k-£100k per project*) with others it is about being faster to markets through the development cycles, saving over 100 days, while with others it is just about being more empowered to use data to help make better management decision i.e. doubling a through put without increasing headcount.

In our engagements we do not consider the production areas as the traditional 'hunting ground' for the source of all business failure. We rather challenge the transactional/ management process which drives these operation arenas to be so ineffective. *"For their waste does not litter the floor, nor does it have any salvage value."* (Henry Ford)

For our clients it is not about what we do, or what we can offer them. It is about where they need to go, and we have the team and the tools to help them achieve their goals.



BUSINESS REFLECTIONS FROM THE 'DRIVING SEAT'.

Brad Cotton.

In visiting clients this week I took a tour of 560 miles around the UK. In my driving I became very aware of how a book by Tom Vanderbilt 'Traffic', had affected my thinking about business and processes.

He takes everyday road traffic situations and brings them back to economic discussions. So in the same vein I started to ponder how my road journey could challenge my thinking about the Lean and Six Sigma tools I use every day.

In particular, I became aware of how unobservant we have become about our environment. A glance in the rear view mirror and I can see; commercial vehicles, colours and cars on the road; looking ahead I can see more vehicles and Junction 42. Then, in what seemed like minutes (in fact it was 45 minutes later), what can I remember? Very little about the journey but now I'm at my exit -J21- and all I have done is listen and followed blindly the instructions of my ever diligent Satellite Navigation (Sat-Nav) unit and just reacted to the polite 'right/left/straight on' directions.



This led me to me to think about our businesses and how we can quickly get use to the lack of progress in our work, the loudness of the noise around us,

the challenge of competitors, our place in the market place, and our offerings being uncompetitive and out of 'fashion'. When did we enter the ranks of the 'Zombie Company'? So what are the triggers? More importantly what is the route out of this predicament?

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CI Ltd

Generating Velocity, Creating Capacity
Cotton Innovations Ltd

Is my Company a Zombie Company?

A 'zombie company' is one that is neither growing or shrinking, has a good pipe line of sales and healthy financial ledger for turnover, but margin is poor to nil and money for development is not available.

Facing the reality that we are running a 'zombie company' is one of the most sobering moments we can have. The truth that we need to change is hard, as we do not always realise we are operating in this arena. Strong investment in; equipment, people, an outdated vision, a resistance to change, market share or pressures, often combine to overstretching the purse. We end up servicing the debt or liabilities of the business, but we are never moving forward.



Consider the powerful media empires created by those who ran the newspapers. In a handful of years digital technology in the form of tablets and phones and social media have replaced the written page, enabling self-publication, reporting and broadcasting which have now

become our first responders and documenters.

Look to our High Streets and we find ex-companies littering them, who did not grasp what was happening around them! In a recent article, a once successful business with a 300million pound turnover achieved a pre-tax profit of just 1/2million pounds, and was unaware and unmoved in its perilous position.



Taking action...

Knowing how to address this situation requires incredible bravery in business acumen but does not always require the wheeling of the 'headcount axe'.

- ✓ First step requires us to face the reality as it is.
- ✓ Next we need to recognise how we came to be in this situation. Also, why our customers left - technology, markets share, competition, internal inertia, etc...
- ✓ Finally, define how we need to create a competitive space or enter into a new market sector.

Kano, a tool that can make a difference...

As producers of product or service, we do not think like the consumers we serve.

Our view	Metric	Customer view
Competitive	Cost	Value for money
98-99% On Time In Full	Delivery	100% on time if not earlier
95% right first time	Quality	Always right

So how do the 3 categories of the Kano model work?

Dissatisfies	Satisfiers	Delighters
Failing to meet market expectation, customer needs or reliability	Delivers against the market expectation and offers to the customer a competitive value	Excites the customer and brings unspoken value or brand value association

Kano model in strategic thinking...



With the Kano tool we can think strategically, as to how we want to compete in certain markets. We can reposition ourselves/ brand to offer products or service which our competitors cannot compete with - 'ring fencing' our market space and values. We then place ourselves back in front of our customers as 'now, relevant, creative', rather than 'following, stale, tatty' or alternative'.

For further information on this subject and other business tools, contact:



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