



# Office Hours



# Welcome to Office Hours

- A relaxed, informal mentoring program
- Held every Monday at Noon Pacific Time
- The recording will be available online for a few days
- All recordings will be archived in our member's area



# The Reasons

- Being a successful small business owner can be a great experience!
- But it's tough - you need Education, Training, Tools, and Team to be successful
- I want you to get to know me
- I care – I want you to succeed!



# Agenda

- In depth discussion of a business success principle
- Closing remarks, special offers, and invitation for next weeks session
- Open Q&A



# Join Us!

- Facebook Brilliant Business Group
- <https://www.facebook.com/groups/BrilliantBusiness/>
- Make comments, ask questions, share insights and “takeaways”
- “Like” my business page on Facebook

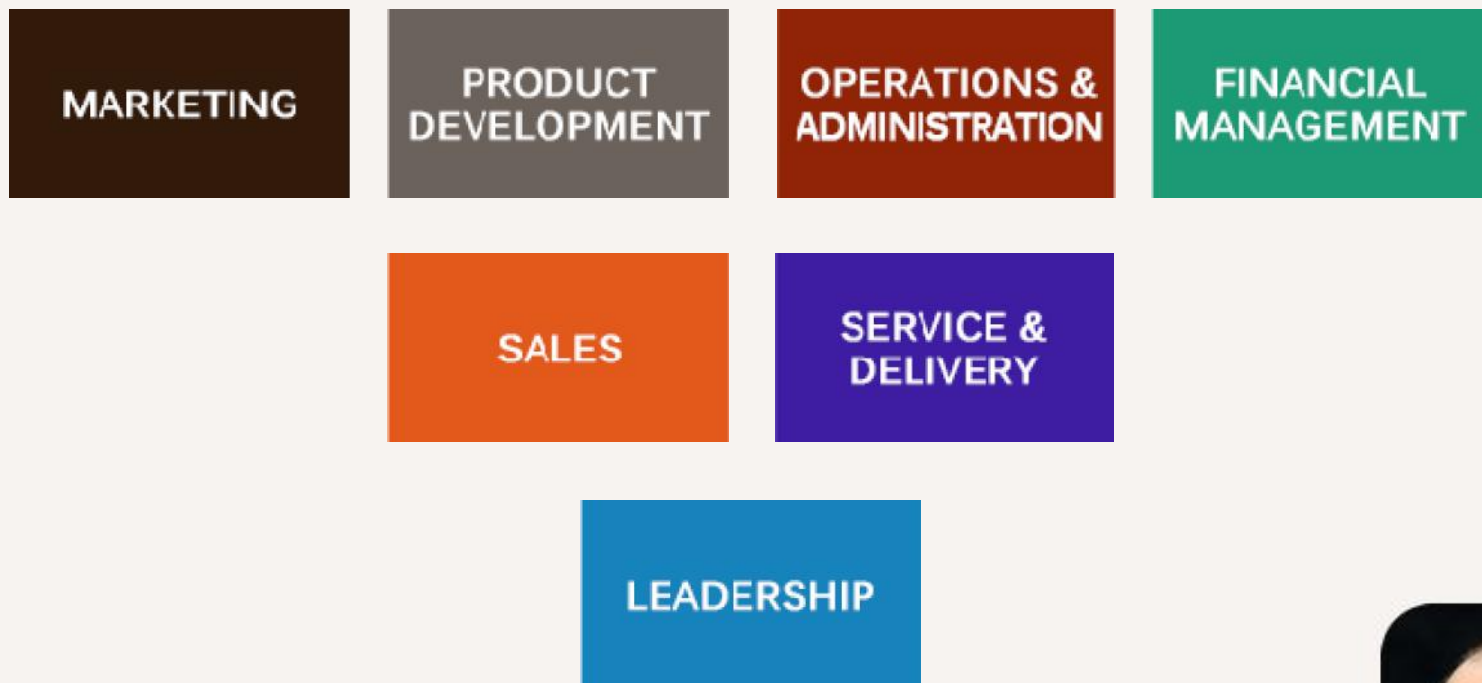


# Today's Topic:

## Reduce Expenses and Increase Quality through Excellence in Operations Management



# The Key Performance Areas



# The Key Performance Areas





# The Key Performance Areas



# Agenda

- Project Management vs. Operations Management
- Quality Focus
- Methodologies
- Tips
- The Bottom Line



# Management and Leadership

- Leadership: “Doing the Right Things”
- Management: “Doing Things Right”
  - Operations Management
  - Project Management



# Project Management

- One time, with a beginning and an end
- Temporary teams
- Typically inter-departmental or cross-functional
- Generally hasn't been done before
- Focus on quality, timelines, and budget
- Difficult to estimate time and budget



# Operations Management

- Repetitive
- Permanent tasks
- Permanent teams
- Can be optimized



# Operations Management

- The responsibility of ensuring that business operations are:
  - Efficient in terms of using as few resources as needed, and
  - Effective in terms of meeting customer requirements (i.e., of sufficient quality)
- It is concerned with managing the process that converts inputs into outputs



# Examples

- Assembly lines
- Discreet work centers
- Business Processes
  - Payroll
  - Order Processing
  - Monthly accounting processes
- Anything that focuses on efficiency and quality



# Quality Focus

- Quality Control
  - Steps in the process to ensure success
- Quality Assurance
  - Steps used to confirm that quality objectives have been achieved (e.g., inspection)





# Methodologies

- Continuous Quality Improvement
- Kaizen
- Lean Manufacturing
- Six Sigma
- Statistical Process Control
- Business Process (Re)Engineering

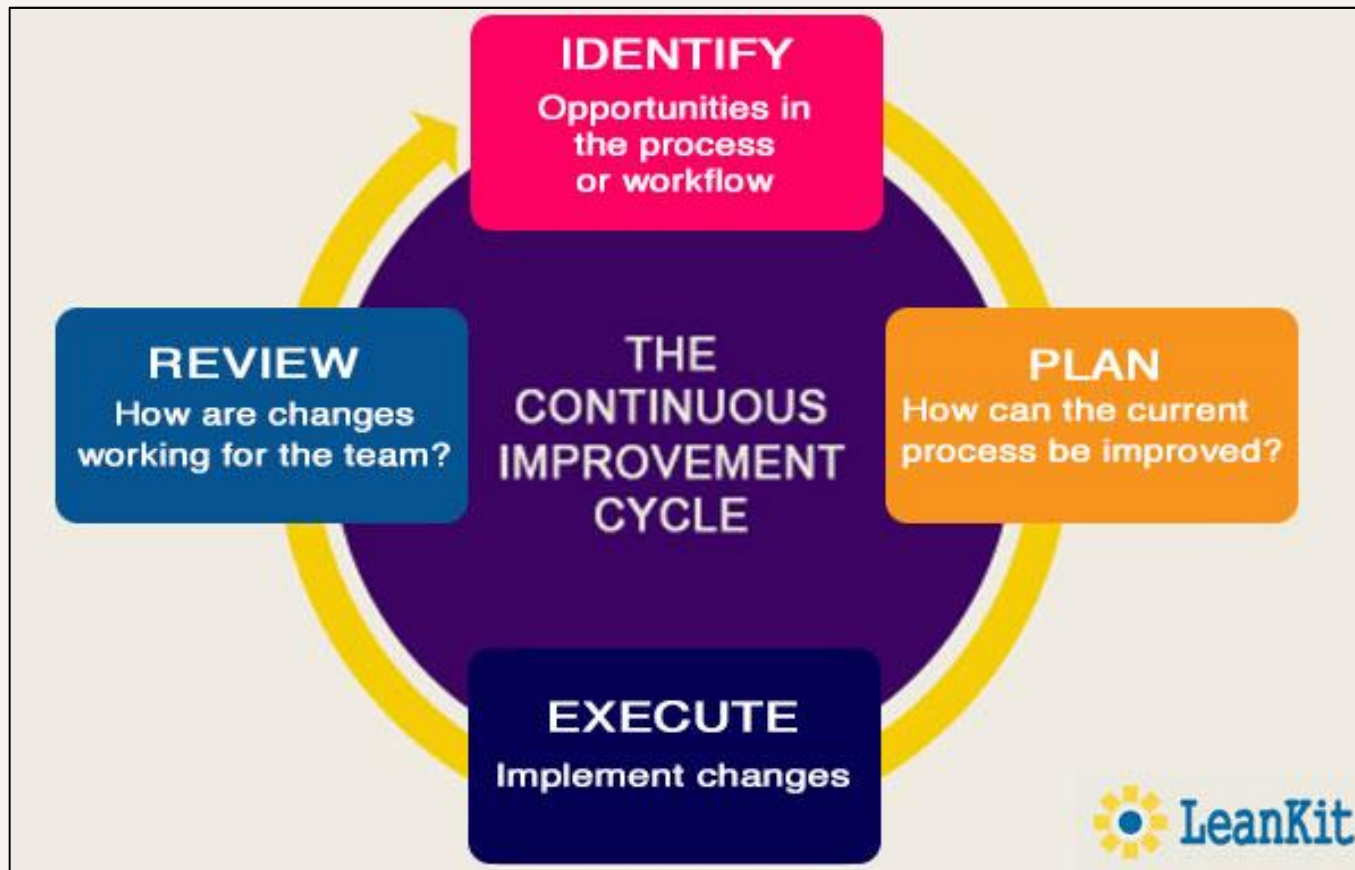


# Continuous Process Improvements

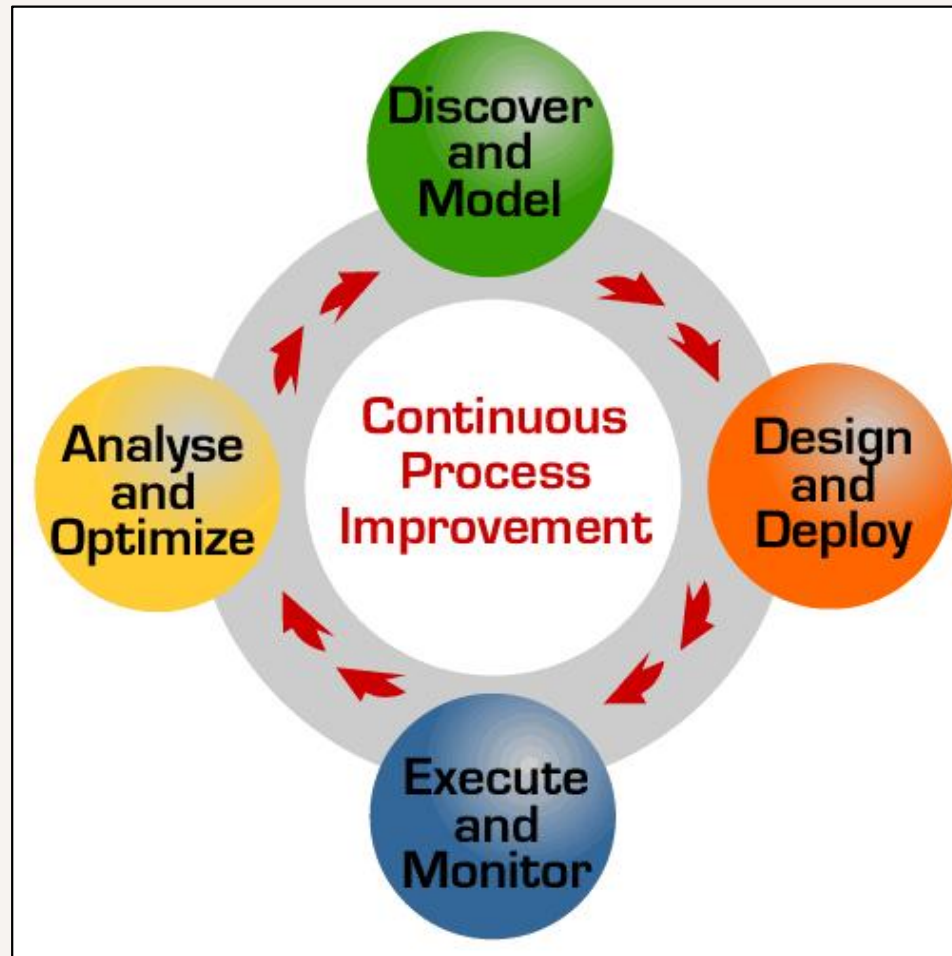
- Evolution instead of Revolution
- Championed by W. Edwards Deming and his focus on Perfecting the Manufacturing Process



# Continuous Process Improvement



# Continuous Process Improvement



# Kaizen

- Japanese for “good change”, practiced daily
- Improvements are based on many small changes rather than the radical changes that might arise from Research and Development
- As the ideas come from the workers themselves, they are less likely to be radically different, and therefore easier to implement
- Small improvements are less likely to require major capital investment than major process changes



# Kaizen

- The ideas come from the talents of the existing workforce, as opposed to using research, consultants or equipment – any of which could be very expensive
- All employees should continually be seeking ways to improve their own performance
- It helps encourage workers to take ownership for their work, and can help reinforce team work, thereby improving worker motivation



# Lean Manufacturing

- Considers the expenditure of resources in any aspect other than the direct creation of value for the end customer to be wasteful, and thus a target for elimination.
- From the perspective of the client who consumes a product or service, "value" is any action or process that a customer would be willing to pay for.



# Toyota “Seven Wastes”

- Transportation
- Inventory
- Motion
- Waiting
- Over-processing
- Over-production
- Defects





# Six Sigma

- Developed by Motorola in 1986
- Seeks to improve the quality of process outputs by identifying and removing the causes of defects (errors) and minimizing variability in manufacturing and business processes.

6σ



# Six Sigma

- Uses a set of quality management methods, including statistical methods
- Creates a special infrastructure of people within the organization ("Champions", "Black Belts", "Green Belts", "Yellow Belts", etc.) who are experts in these methods.



# Statistical Process Control (SPC)

- Applied in order to monitor and control a process with a minimum (if not an elimination) of waste (rework or scrap).
- Key tools used in SPC include control charts; a focus on continuous improvement; and the design of experiments.



# Business Process (Re)Engineering

- Similar to manufacturing process engineering
- Less expensive to redesign and improve
- Can be lots of resistance



# Business Process (Re)Engineering

- Look for:
  - Expensive processes
  - Unnecessary steps
  - Duplication of effort
  - Common points of failure / poor quality
- Focus on:
  - Data collection close to the source
  - Checks and balances



# Business Process (Re)Engineering

- Process
  - Document existing system
  - Interview those working with the system
  - Look for opportunities
  - Design and document new system
  - Socialize and inspire
  - Train and implement
  - Evaluate results



# Tips

- It's all about the culture!
- Elicit the participation and ideas of those doing the work
- That which is measured, improves
- Have charts, checklists, and signoffs
- Document your procedures and standardize them
- Best practice: Independent inspection complementing personal accountability



# Checklists

1	<b>Morning Checklist</b>								
2									
3									
4	<b>Date</b>	<b>Day</b>	<b>Time &amp; Activity</b>	<b>Training Log</b>	<b>Detailed Business Log</b>	<b>Detailed Growth Processing</b>	<b>Spiritual Log</b>	<b>Energy of the Day (F,T,P)</b>	<b>Facebook Birthdays</b>
182	9/6/2014	Sat	Y	Y	Y	Y	Y	Y	Y
183	9/7/2014	Sun	Y	Y	Y	Y	Y	Y	Y
184	9/8/2014	Mon	Y	Y	Y	Y	Y	Y	Y
185	9/9/2014	Tue	Y	Y	Y	Y	Y	Y	Y
186	9/10/2014	Wed	Y	Y	Y	Y	Y	Y	Y
187	9/11/2014	Thu	Y	Y	Y	Y	Y	Y	Y
188	9/12/2014	Fri	Y	Y	Y	Y	Y	Y	Y
189	9/13/2014	Sat	Y	Y	Y	Y	Y	Y	Y
190	9/14/2014	Sun	Y	Y	Y	Y	Y	Y	Y
191	9/15/2014	Mon	Y	Y	Y	Y	Y	Y	Y
192	9/16/2014	Tue	Y	Y	Y	Y	Y	Y	Y
193	9/17/2014	Wed	Y	Y	Y	Y	Y	Y	Y
194	9/18/2014	Thu	Y	Y	Y	Y	Y	Y	Y
195	9/19/2014	Fri	Y	Y	Y	Y	Y	Y	Y
196	9/20/2014	Sat	Y	Y	Y	Y	Y	Y	Y
197	9/21/2014	Sun	Y	Y	Y	Y	Y	Y	Y
198	9/22/2014	Mon	Y	Y	Y	Y	Y	Y	Y
199	9/23/2014	Tue	Y	Y	Y	Y	Y	Y	Y
200	9/24/2014	Wed	Y	Y	Y	Y	Y	Y	Y
201	9/25/2014	Thu							
202	9/26/2014	Fri							
203	9/27/2014	Sat							
204	9/28/2014	Sun							





# Logs

Date	Day	Warmup Miles	Miles	Time (Mins)	Effort	Description	Pushups
8/28/2014	Thu						
8/29/2014	Fri		8.75	30	8	Ch1, very easy	
8/30/2014	Sat						10
8/31/2014	Sun		37.425	120	9.5	New Cu4, mostly 4,6,7	
9/1/2014	Mon	1.5				Walk with Sherry	
9/2/2014	Tue		6.3	20	9	New Cu4, 4,6,8	
9/3/2014	Wed						10
9/4/2014	Thu		9.125	30	9.25	Ch1, very easy start	20
9/5/2014	Fri		10.15	30	9.35	I2, Level 12	
9/6/2014	Sat						20
9/7/2014	Sun						
9/8/2014	Mon						20
9/9/2014	Tue	1.5	10.125	30	9.5	Cu2 (5,7,9), mostly 5.5,7,9	20
9/10/2014	Wed						20
9/11/2014	Thu		10	30.5	9.25	Manual, mostly 6,7,8.	23
9/12/2014	Fri						
9/13/2014	Sat	3				Nature Therapy	23
9/14/2014	Sun		20.05	60	9.5	Cu1 (6,7,8), occasional 5	25
9/15/2014	Mon						30
9/16/2014	Tue		10.175	30	9.5	I2, Level 12	
9/17/2014	Wed						25
9/18/2014	Thu		9.7	30	9	I1, level 12-14	20
9/19/2014	Fri						20
9/20/2014	Sat						25
9/21/2014	Sun	1.25	10.26	30	9.35	i2, level 12, then 14 at end	25
9/22/2014	Mon		10.15	30	9.5	Cu4, (5.7.9), mostly (5.5.7.9)	25



# Bottom Line

- Every company has repetitive tasks!
- With a little focus, you can improve quality and efficiency at the same time
- Focus on creating a culture of quality, efficiency, and continuous improvement
- Mantra: “Our business, and every person in it, are works in progress”
- You can apply these concepts to your personal life, too



# Agenda

- Project Management vs. Operations Management
- Quality Focus
- Methodologies
- Tips
- The Bottom Line



# Homework / Exercise

- Identify your repetitive processes, especially those that
  - Consume a lot of resources
  - Affect customer value
- Read books, take courses in operations management
- Get coaching and support to improve your skills



# Open Q & A – in a minute

- Comments and questions on the topic of the day
- Any other issues
- Tell me what your biggest “take-aways” are and what insights you gained from this presentation
- Tell me what you are going to focus on



# My Distinctions

- I don't want a lot of your money. I just want you to get the support you need, can use, and can afford
- I don't want you to jump into the deep end before you learn to swim
- I don't believe that Belief and Persistence will guarantee success



# Our Support Services

- Education
- Training
- Consulting
- Coaching
- Growth Management



# Sign up for our New Business Growth Acceleration Kit

- [www.PaulHoyt.com/CEOBonus](http://www.PaulHoyt.com/CEOBonus)
- “Five Choices of Winning CEOs”
- Article on “10 Things You Should Know about Raising Capital”
- Samples of inspirational works
- Free Business Clarity Session
- Surprise bonuses
- The value could be enormous!





# Purchase My CEO Training Program

- [www.BeyondBusinessSurvival.com](http://www.BeyondBusinessSurvival.com)
- “What You Need to Know When You’re the CEO!”



# Next Office Hours: Oct. 13th

- We are skipping a week!
- Topic is: Delivering Happiness
- Let me know what topics you would like for me to address: [www.PaulsSurvey.com](http://www.PaulsSurvey.com)
- Do your homework!



# Open Q & A

- Comments & questions on the topic of the day
- Any other issues
- Your take-aways and insights
- Survey: [www.PaulsSurvey.com](http://www.PaulsSurvey.com)

Contact Me at [paul@paulhoyt.com](mailto:paul@paulhoyt.com)

call or text: 415.997.8001

[www.SchedulePaul.com](http://www.SchedulePaul.com)





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