

# A more robust management operating system can improve operating performance and EBITDA

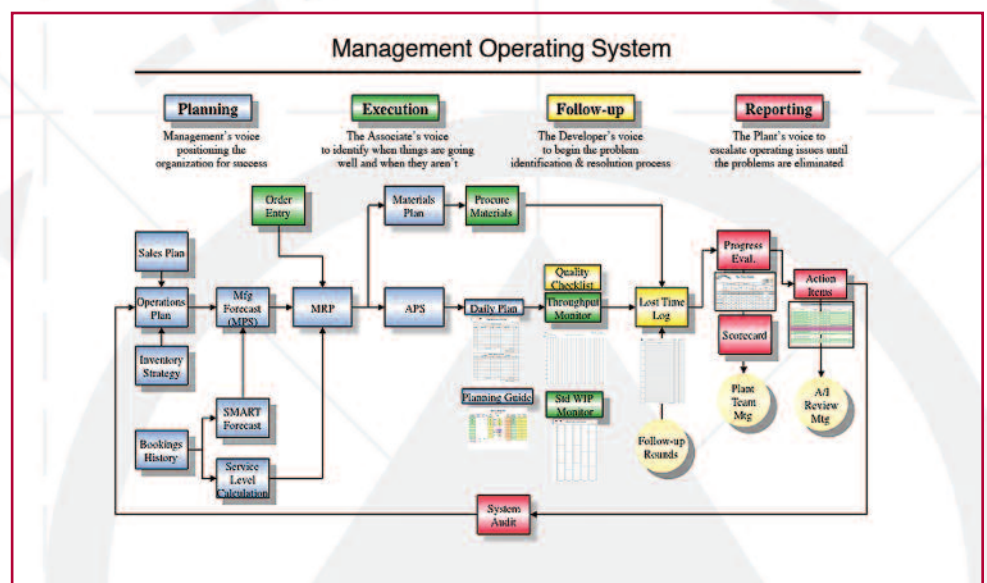
*Closing gaps and bridging disconnects removes waste within the order-to-cash value stream*

## Benefits

- Assures key product in the right quantity, in the right place, at the right time
- Avoids unnecessary overtime, smoothes the production cycle
- Ensures adequate raw materials to meet production requirements
- Eliminates operational and/or financial surprises
- Helps avoid defective product getting to your customers
- Helps avoid excessive inventory, equipment, floor space and human resources
- Provides actionable business intelligence to process owners making goals more attainable
- Facilitates root cause analysis and timely remedial action
- Directs scarce resources to resolving issues that will have a more dramatic effect on the enterprise

## Key Features

- Depicts which operating system gaps and disconnects will generate value to the enterprise
- Focuses investments on areas that will positively impact EBITDA with significant ROI
- Increases ability to improve outcomes based on real-time system feedback
- Shifts effort from gathering data to implementing resolutions based on analysis of data
- Provides consistent visibility across functions, departments, supply chain nodes and networks
- Converts meetings from reviews of past performance to action-oriented sessions designed to make process adjustments before outcomes are adversely affected
- Business intelligence elements filter out noise, making significant issues more visible



When fully implemented, USCCG's closed-loop management operating system ensures that all nodes of the supply chain are aware of issues that can inhibit optimal performance and full attainment to plan.

Management operating systems, the rules and tools of how we operate our businesses on a day-to-day basis, drive the behaviors and decision making activities of key people. However, they typically have gaps and disconnects in functionality and/or utilization that can foster all seven of the typical wastes: waiting, transportation, processing, motion, defects/poor quality, inventory, and overproduction. These wastes are often a direct result of the completeness, or lack thereof, of the operating system and sub-systems. Closing gaps and bridging disconnects in the system removes the waste within the order-to-cash value stream, thereby improving operating performance and EBITDA. These systems for managing work flows, as well as information, communications, and materials, go well beyond the typical ERP systems, which represent but one element of a comprehensive, closed-loop management operating system.



# Elements of a high performance management operating system

A comprehensive gap-free operating system from order to cash consists of many elements:

- A sales and operations planning (S & OP) process
- Visible management tools
- Advanced planning and scheduling
- Real-time performance reporting and analysis
- A strategic sourcing methodology
- An ongoing improvement methodology and toolkit
- A plan for every part
- Pull systems
- Action-oriented weekly management meeting and agenda
- Fully utilized ERP and CMMS
- Reliability-centered Maintenance (RCM) practices
- Robust capacity planning methodologies
- Leading and lagging supply chain metrics



Enhanced visibility through LINC'S® performance reporting and analysis module

Two of these operating system elements are depicted to the right. The top illustration is real-time data captured through USCCG's LINC'S® Performance Reporting and Analysis module, which provides the ability to monitor and correct processes as they cycle. The second is a depiction of a high-level strategic sourcing process flow designed to optimize the cost of acquiring direct and indirect materials across an enterprise.

For more information about USCCG's approach to identifying and closing the gaps and bridging disconnects in your management operating system, call us at (800) 888-8872 or visit our website at [www.usccg.com](http://www.usccg.com).



High-level strategic sourcing process flow



*First we make it work. Then we make it last.®*

LINC'S® is a registered trademark of USC Consulting Group, LLC.

© 2010 USC Consulting Group, LLC