



Driving Value Through Automated Business Solutions

Nearly every company is enamored with the promise of technology, but, for many that do invest in it, the expected payback remains elusive.

That's because technology, if not implemented properly, can generate a lot of non-value-added information that can do more harm than good. After all, automation was supposed to streamline operations, but have the processes changed, let alone improved? Technology is also frequently touted as a management tool, but are managers really managing better? Most importantly, has the company seen a positive impact on profitability?

If a company doesn't see real increases in its bottom line, all they've done is buy technology for its own sake – a common mistake.

"Our clients are always looking for paths to improvement and improvement means only one thing to them: money," says Jim Ostrosky, USC Consulting Group's senior vice president for product development and technology. "Technology is an important part of that improvement,

but we have to offer them a complete solution that will result in real dollars. We want to be in the business of helping companies get to a better place and change their numbers. We don't build and sell software. We don't simply give recommendations. We put real solutions into practice."

To that end, USCCG has developed a unique suite of automated business solutions (ABS) that are used to support and sustain the firm's traditional improvement methodologies. The ABS modules are configured to each client's individual needs and can be "bolted on" to existing systems to enhance their value.

"These tools are unique in that they were built based on 35 years of experience at the user end, not in a lab," Mr. Ostrosky explains. "That's truly the difference we bring to this product. We've lived the life of the scheduler for 35 years. We've lived the life of the supervisor for 35 years. We've lived on the shop floor for 35 years. We've lived in production and throughout the supply chain for 35 years. These tools were

built from the users' perspectives, not from accounting's perspective or inventory controls perspective."

USCCG's Automated Business Solutions

USCCG's business software applications were designed to assist in strategic and production planning, as well as in fact-based decision-making. They consist of a series of modules that optimize and enhance a client's existing planning and business systems, like ERP and MRPII.

But these are not plug-and-play solutions, Mr. Ostrosky emphasizes. "There's very little chance that a company will favorably impact its performance by simply buying and installing an ABS solution. It may solve a specific problem or address a process issue, but, without being fully integrated into their business process, it won't really change their numbers or improve their operating effectiveness. It's not the piece of technology that will produce the desired results; it's the way that technology is managed. It requires more than just

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reading the operating manual to convert technology into capital.”

“Our tools configure to and enhance the management system, not the other way around,” points out Andrew Johnson, USCCG senior project manager – IT. “As part of any USCCG engagement, we design a system that collects your data and turns it into usable information for managers at every level. We identify where you actually need an ABS component, then we customize the module that will work best with your system. The devil is in the details. In value stream mapping your supply chain, we can easily identify where waste is occurring and design specific solutions to minimize it, streamline operations and maximize the use of equipment and personnel.”

USCCG’s 35 years of success in its core practice paved the way for a natural extension into automated business solutions that can save millions of dollars for companies in virtually every industry. Areas in which the consulting firm has repeatedly demonstrated their ability to cut costs include:

- Asset utilization
- Resource effectiveness
- Cycle time reduction
- Material utilization
- Conversion cost
- Supply chain (internal/external)
- Planning and scheduling
- Inventory management
- Outsourcing cost
- Capital expenditure
- Manufacturing strategy
- Overhead expenditure
- Quality and service levels

“To achieve these goals, we use the modules in our ABS suite to control virtually every phase of the business process in a company, from sales and operations

planning down to shop floor reporting,” says Mr. Johnson. “It all starts with identifying the key performance indicators that will keep the company on a profitable plane, then feeds through the organization to put every activity on that same track. That’s done with planning and scheduling, monitoring processes and generating meaningful reports, all of which can be accomplished with our ABS modules. Think of ABS as an information backbone that allows every part of the body to communicate and coordinate effectively.”

“We don’t simply give recommendations. We put real solutions into practice.”

What If

Mr. Johnson cites a recent engagement in the chemical industry as an example of how USCCG helped a client avoid a multi-million-dollar capital expenditure. The company wanted to build a new facility to meet increased demand and retained USCCG to help them in the planning process. In analyzing its operations, USCCG uncovered some pleasantly surprising results in the course of running “what if” scenarios with the Finite Planning module. They found that the existing facility actually had the capacity to meet current demand and then some. As a result, the chemical company reconfigured their processes and operations,

with USCCG’s help, and avoided the huge outlay.

One of the beauties of USCCG’s automated business solutions, according to Mr. Johnson, is the “what-if” capabilities that are built in as part of the Finite Planning module. The “what-if” scenarios demonstrate how changing factors in a process or series of processes will affect every aspect of a company’s performance.

“What if your company did this instead of that,” explains Mr. Johnson. “What would be the effect? Any manager or group of managers would be hard pressed to run through the multiple scenarios that might lead to the optimal mix, the plan that would make best use of all resources. Our system has tools that will do much of that for them and it removes a lot of the guesswork. The chemical plant example clearly demonstrates the value of the exercise.”

Here’s another example from USCCG’s history book.

Filling Technology Gaps

A major poultry processor approached the consulting firm after investing large amounts of capital into new technology and process automation to shore up declining earnings-per-share. A solid-enough approach, according to the company president, but what little the company gained from these investments was offset by higher overhead costs. The company retained USCCG to optimize performance and reduce overall operating costs to boost earnings.

The consultants began by forming cross-functional teams to evaluate every aspect of the operation at a pilot site. A value stream analysis identified how the

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overall formal and informal operating systems functioned and highlighted non-value-added activities and related costs. Once these were minimized, training sessions were conducted with critical positions that had the most impact on yield performance.

But this was just the beginning. As USCCG continued the engagement, they realized that the processor's computerized maintenance management system was not being used to best advantage. They boosted the value of this system by correcting some of the system issues and then installed an ABS module that improved resource planning, skills and PM work significantly. By the end of the six-month engagement, total improvements across the plant represented a financial gain of \$8.1 million. After the changes were implemented company-wide, the company realized a total gain of nearly \$100 million.

"With many, many clients, we uncover huge gaps in what their technology can deliver. Our ABS can be configured to 'bolt on' to the existing systems to fill those gaps and enhance their value and performance," says Mr. Ostrosky. "But we have to be able to do the detailed analyses that pinpoint those areas so that we can determine what tools are needed, who needs to access the information, what information they need and at what level of detail.

"It all goes back to our basic philosophy: Give the client a complete solution so they can reap not only the intangible benefits - the process improvements, the best practices - but the cold, hard cash that comes with them."

USCCG ABS

The USCCG ABS suite includes an Administrative module and a set of five solution modules, each containing several other components. The modules were built using Visual Basic programming technology to allow for complex logic to be incorporated into the solutions and for flexibility in choosing a back-end database. Visual Basic is compatible with a number of enterprise databases, including SQL, Server 7, Oracle and Sybase.

The five modules can be fully configured to meet the needs of each client.

Supply Chain Management

Sales and Operations Planning (S&OP): A high-level planning tool designed to assist top management with strategic planning, while allowing sales, marketing and operations to work from a single plan.

Inventory Analysis (IA): Presents detailed inventory at the line-item level and rolled up at the family level as dollar opportunities so the right inventory in the right quantity can be procured and managed.

Finite Planning

Capacity Resource Planning (CRP): Provides a realistic view of available versus required resources and materials at the item- and product-family level. CRP has been included with every Time-Phased Scheduling solution (see below).

Live Production Planning (LPP): Used in the poultry industry to manage

breeder stocks, hatchery set schedules, grow-out ranches, young and mature bird inventories and birds available for processing.

Finite Scheduling

Time-Phased Scheduling (TPS): A finite capacity planning tool that considers resources when calculating operation start and end times, creating material movement schedules, calculating material requirements, coordinating material schedules and determining labor requirements.

Shop Floor Control

Shop Floor Control (SFC): Collects and displays production information as it becomes available and includes the Process Monitor, which displays actual production in near-real time.

Shop Floor Reporting

Shop Floor Reporting (SFR): Summarizes and presents data at various levels of detail for management review and/or supervisory use via three tools:

- The **Data Analysis** tool turns data into information by summarizing and presenting the data you want in the format you prefer.
- The **Opportunity Manager** provides a means for employees to raise and resolve production issues.
- The **Report Manager** is a set of operational reports and graphics that assist both management and operations at the appropriate level and time.



USCCG CELEBRATES

Thirty Five Years of Operating Excellence

1968 - 2003

President Ron Walker and former President John Wilson reflect on 35 years of the firm's history and its future.

Metrics: What was the genesis of USCCG?

Ron Walker: USC Consulting Group was formed in 1968 by three individuals – Pat Price, Tom Rice and Richard Nolker – who had been quite successful with another consulting firm. They named their new company Universal Scheduling Corporation to emphasize their specialization in work scheduling and in the universal application of the methodology they used.

The principles for the company were, and still are, simple:

- Make few promises, but keep the ones we make.
- Do not aspire to be the biggest consulting firm, but strive to be the best.
- Treat our clients and our own people with respect at all times.

Pat Price became president and ran the operations side of the business. Tom Rice headed up analysis and Dick Nolker sales. In the beginning, each was intimately involved in every sale, analysis and project. Pat Price retired in 1988 and John Wilson took up the president's role until 2000, when I succeeded him. Our organization expanded over time and now includes several senior partners:

- Louis Schmitt, senior vice president of operations, who joined USCCG in 1972;
- George Coffey, senior vice president of business development, who came aboard in 1978; and
- James Ostrosky, senior vice president of product development and technology, who started in 1979.

Although everyone on our staff has contributed greatly to our success, two other

key players merit mention. Executive Vice President Richard Gross heads up our analysis efforts and Executive Vice President David Gustovich manages our food practice, both areas critical to our potential growth.

Over the years, our firm has adapted to the changes in our field, but we have expanded only into those areas in which we knew we could perform well. We adopted only those new methodologies that we felt were sound and fundamental to the mission of process improvement, which

“Our dedication to tried and true approaches has never wavered.”

ultimately would provide lasting value to our clients. In many cases we were already implementing versions of those methodologies but were packaging them differently. For example, many aspects of what was known as “re-engineering” in the 1990s is known as “lean” enterprise today. But our dedication to tried and true approaches has never wavered. This has allowed us to maintain our basic philosophies, keep from overreaching our abilities and enabled us to consistently deliver quality work to our clients.

M: What have been some of the most exciting events and biggest hurdles?

RW: The most exciting obviously, was getting our first authorization. That was with the R.H. Shepherd Company, an iron

foundry that cast steering gears for trucks, among other things. But every authorization is exciting. Given the cyclical nature of the consulting industry, key client engagements are extremely important to our growth.

Some other big steps for us:

- Our first major mining project with Anamax in 1974;
- the first project with Ralston Purina in 1980 and their decision to advance payment for a second engagement based on their satisfaction with our work;
- our first airline maintenance project with United Airlines in 1988; and
- the impact of our first ConAgra project in 1999 – not our first food-related engagement, but a significant widespread effort on multiple fronts simultaneously.

M: How has the company's growth been managed, its continuity maintained?

RW: Our industry requires adapting to changing conditions for survival. We have been able to do that successfully, without falling victim to the consulting “fad of the year.” This has sometimes posed problems of maintaining profitability and of providing opportunities for talented personnel. Nonetheless, we have been able to operate throughout our history without debt, enabling us to survive downturns without interest costs or outside pressures from lending institutions. This is almost unheard of in the consulting industry.

M: How has the company managed to retain so many talented employees for so long?

RW: Most people who join USCCG know that we stand for integrity – for our clients



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and our employees. They know that USCCG practices a different level of camaraderie, support, family atmosphere and integrity than other companies.

Maintaining these philosophies and principles has brought us employees whose average length of service is much longer than we are aware of anywhere else in the industry and it has given us the highest level of repeat business with existing clients we know of in the industry. Both of these attainments have been critical to our success. It's also important that we have maintained a certain level of success, which also helps to retain key people.

M: What have been some of the key trends and operational issues over the past 35 years? And what has been most surprising during that time?

RW: Many methodologies include formal skills development, materials management, increased focus on quality - generally at first, then through TQM and ultimately Six Sigma - consolidation and rationalization, cycle time reduction, "re-engineering," lean concepts and many others. Some simply required us to adapt the nomenclature then in vogue to describe methodologies we already practiced for our clients. Others meant acquiring or learning things we knew were here to stay, that we could implement well and that fit our premise of doing things for clients that were the catalysts for positive change.

We didn't pursue some trends because we didn't have the know-how. The most dramatic example was in information technologies - computerization in industry was in its infancy in USCCG's early years. PCs didn't exist. But with the advent of technology, one of the most common issues we have seen among clients has been under-utilization of existing data processing systems. USCCG has become very adept at helping companies get more out of their IT systems.

Another trend within the IT macro-

trend was the development of ERP systems in the '90s. Companies bought these systems thinking they would manage all their business processes. Not only were they very expensive and complicated to install, but companies ultimately learned that these systems didn't do everything they'd expected. In our normal projects for clients who had previously acquired an ERP system, we found gaps in the ability of these systems to provide control in certain areas - areas that were part of what we had done for many years.

We also recognized our clients' growing need for speed, not only to get

*"Most people who join
USCCG know that
we stand for integrity."*

their products to their customers, but also for the information necessary to manage their businesses. In tackling these trends, our best and brightest developed USCCG's own automated business solutions (*see related article in this issue*) to fill the gaps our clients were experiencing. These are solutions which can be "bolted on" to our clients' ERP systems and which improve the accuracy, timeliness and completeness of their improvement initiatives. We also greatly advanced the capabilities of what we do for clients in terms of the amount of activities over which control was improved, driving even more value for them through cycle time reduction, cost reduction and resource utilization.

M: What have you learned from your many and varied clients that you've applied to USCCG?

RW: We've learned about the increasing need for speed in information generation, as well as the importance of quality work. Upgrading the overall quality of our product has been impressed upon us directly or indirectly by our clients by virtue of listening to them and by practicing what we preach.

JPW: We have also seen thousands of leaders and managers in action over the years, both within client companies and among our own people. We've profited from this exposure to both the good and the bad.

M: How do you see the consulting business changing over the next 5, 10 and 15 years?

RW: Consultants are going to have to continually adapt to the increased ability of companies to make improvements on their own, as well as to the fact that significant aspects of consulting services today are almost becoming commodities. For example, clients have their own personnel who are increasingly adept at certain high-visibility methodologies, having their own in-house Six Sigma Black Belts or having internal interactive training tools available via the internet or services like Web-Ex. Some of these products are becoming so standardized in content and approach that they are becoming commodities, so that clients are more often resorting to fill-in-the-blank RFPs to solicit consulting services. These are not the best use or value of the services we offer, but we can provide many of these services, and usually better than our competitors. Competing in this arena is going to require flexibility and quick response capability.

Unfortunately, many clients are going to suffer disappointment in their choice of



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consultants retained through the commodity bidding approach because they did not take the time or make the effort to “feel the cloth” before deciding.

M: What changes to do you foresee in other key industries? In the manufacturing and/or service sectors?

RW: You have to look at specific industries when referring to overall trends. For example, a current trend in the airline industry is to off-load aircraft maintenance to contract maintenance providers. Our experience with a number of airlines and their third party providers allows us to make the transition to the latter. Many industries are increasingly focused on solutions employing some form of technology, which can fundamentally change relationships and processes.

More and more companies are implementing Six Sigma, due in large part to the ground work laid by Motorola, and the influence of GE's corporate-wide program, coupled with so many CEOs with GE backgrounds. On the other hand, even the surge in Six Sigma as a consulting revenue stream may begin to wane as companies do more on their own.

In the service sector, Wal-Mart will continue to be behind the thrust for many changes.

M: What do you think will be the most serious challenges in the coming decade?

RW: I see increasing pressure within companies to do things internally, without outside help, even though that may not be the option which would drive the best value. We'll continue to see fast-moving technology changes and more products and methodologies becoming commodities - almost before they are fully developed.

I see consulting companies' increasing tendency to undermine good business practices by negotiating price, payment

methods and terms, and offering guarantees - approaches which, on the surface may seem advantageous to clients, but which can often lessen their commitment to making difficult decisions and changes. In addition, counterproductive energy can be expended in assessing credit or accounting for “credit” instead of simply assessing whether the consultant is helping them make positive change and delivering value.

USCCG's focus will always be on delivering value to our clients and helping implement change, although we will be able to offer services which deliver more value in more forms than in the past.

M: To what do you attribute your company's success?

RW: Sticking to our principles, making sound judgments when adopting new methodologies, staying financially sound, holding steady during downturns and trusting that our good people will prevail.

JPW: I would add that our continued emphasis on meeting or exceeding our clients' expectations has also been critical to our success.

M: How does the USCCG of today compare to the one the founders envisioned?

RW: As someone who began his career with the company two-and-a-half years after its founding, I can say that USCCG has not deviated from the business principles on which it was established. From the perspective of the methodologies we offer, we have grown and expanded our repertoire as necessary to offer what the marketplace demanded to implement process change. But, the cornerstone of our work remains helping companies make positive changes in their businesses. We do not simply recommend changes. We implement them.



Automated Business Solutions Unveiled at International Poultry Expo

At the International Poultry Exposition, January 28-30th in Atlanta, USC Consulting Group (USCCG), a management consulting firm specializing in financial and operational improvement, will unveil two new automated business solution (ABS) modules: Live Production Planning (LPP) and Time-Phased Scheduling (TPS).

These automated solutions incorporate the firm's 35 years of experience in such areas as capacity resource planning, finite scheduling, and shop floor control and reporting. The ABS can be "bolted on" to existing enterprise-wide planning systems or implemented as stand-alone solutions to help companies improve their operating effectiveness.

The Live Production Planning module provides user-friendly tools for making such key decisions as buying and selling eggs, young and mature birds; managing breeder stocks, hatchery set and bird placement schedules; and the grow-out cycle.

The Time-Phased Scheduling module gives users the ability to optimize the available meat block,

existing inventory levels, customer demand and supporting resources. In addition, it provides a "what if" scenario analyzer to evaluate decisions prior to execution. The information is shared via customized reports and graphical user interfaces.

According to USCCG Manager of Automated Business Solutions, Andrew Johnson, the firm's modules are so adaptable because "their flexible modular design has been structured to perform with enterprise databases like SQL Server and Oracle, as well as MS Access for stand-alone applications." In fact, all USCCG ABS modules allow for complex logic to be incorporated and supported in each value-added technology enabler.

USCCG management personnel will be on hand in booth # 5634 to demonstrate the modules and discuss their benefits and applications to both growers and processors. They will also share the firm's experience from having successfully worked with 10 of the top 20 poultry producers and over 45% of the top food processing companies in North America.





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