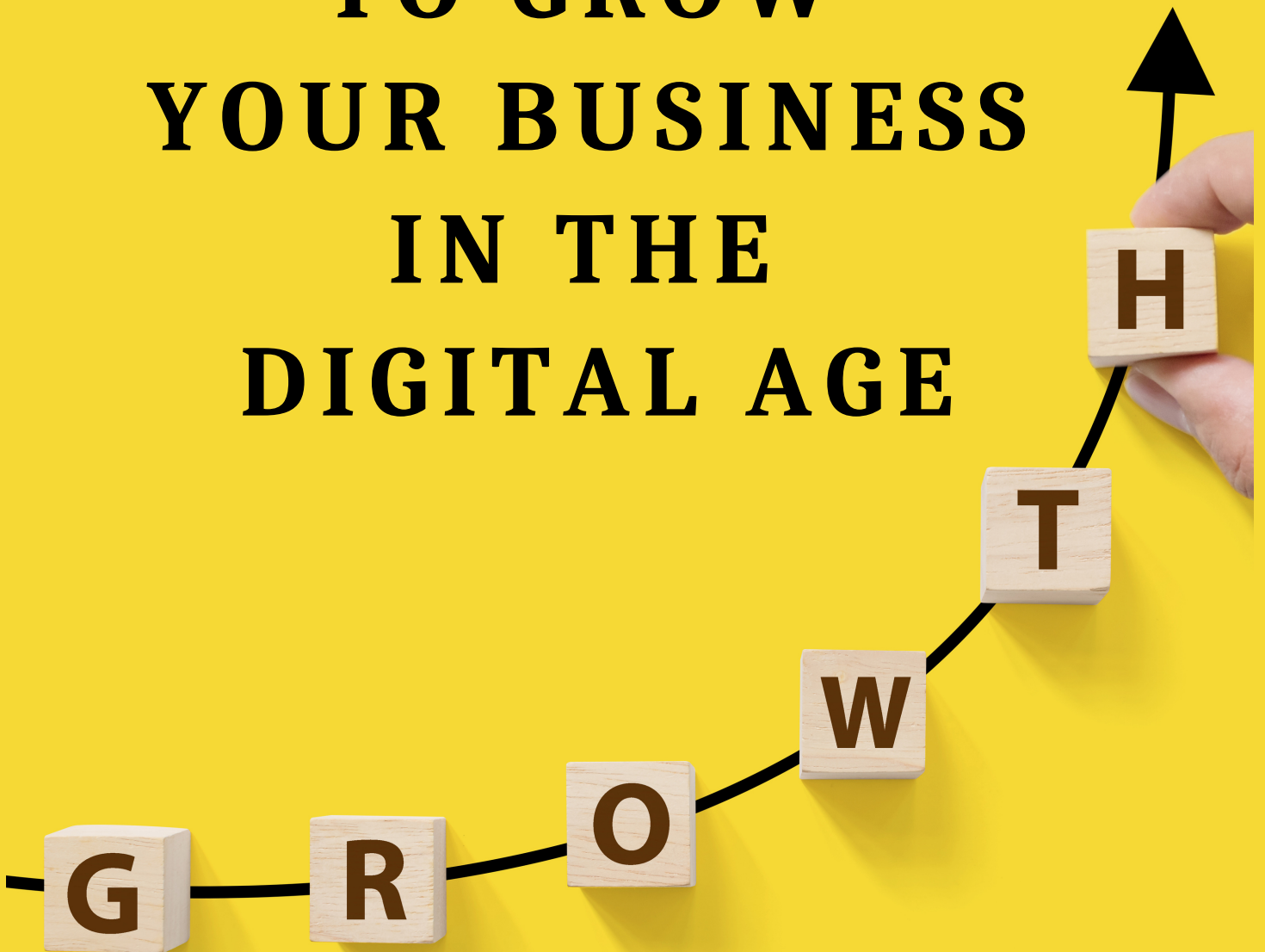# Force Intellect
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11 STRATEGIES TO GROW YOUR BUSINESS IN THE DIGITAL AGE

Strategies for Business Growth

As they say, *"You cannot do today's job with yesterday's methods and be in business tomorrow".* So, building a good business strategy, requires us to stay abreast with the latest developments and keep evolving with changing times.

Business & War strategies have a lot of commonalities. While war strategies are designed to conquer the enemy, business strategies are developed to capture the markets. How can we devise a strategy for Business Success?

Formulating a great strategy requires meticulous planning. Knowing your strengths, adopting new tools & techniques to build on your own strength with the intention to withstand and surmount the enemy/competition. Here is an anecdote from history that demonstrates the importance of strategy and use of innovation.

The First Battle of Panipat, between "Babur", the invader and Ibrahim Lodi the Sultan of Delhi. At the time of going to war, Ibrahim Lodi had a huge army of 1 Lakh soldiers and around 1,000 elephants; while Babur had around 20,000 Soldiers. Babur was overwhelmingly outnumbered and hardly expected to win the battle.

However, Babur devised a ground breaking strategy to surround the enemy from all sides and neutralize the strength of the Lodi army. He introduced innovative weapons such as gunpowder, cannons which were never used before. When, Lodi army attacked, Babur bombarded them with guns and cannons. The Lodi army was terrified by the deafening noise of the cannons and started running helter-skelter. The elephants went berserk, turned around and trampled Lodi's own army. Babur leveraged both, strategy and technically advanced weapons to emerge victorious.

Manufacturing has evolved....

We all know that Business & Manufacturing have evolved over time and undergone a sea change with great inventions and advancement in technology. Let us look at some of the major events which contributed to the progress of manufacturing.

- The Industrial Revolution leveraged the power of steam for mechanized production which increased human productivity almost 8 times.

- With the discovery of electricity started the second revolution that established assembly line productions systems for mass production.

- Early 70's rang in the era of computers, which brought memory-programmable controls for automation of production.

- Currently we are witnessing the Internet & Mobile Revolution that provides access to information & communication at the tips of our fingers around the clock.

What steps should manufacturing companies take to transform their business and succeed in this age of information, internet & mobile revolution?

We have outlined 11 proven business strategies which manufacturing companies can adopt to leverage their existing strengths and grow their business in the digital age.

Read on to learn more...

Since early 1920 General Motors has been a data driven company. They leveraged data insights and became the first ever company to launch different car models as per their customer needs, which became a huge hit in the market. They also identified that spare parts was a sizeable business opportunity. With a data driven approach General Motors were able to understand their customers' needs better and hence ruled the US Automobile Industry for almost 5 decades.

What is a data-driven company?

Companies that make strategic decisions based on data, across all levels of the organization are data-driven companies. They gather data from every areas of the business and use a combination of business data, historical trends, analysis, and insights to:

- Understand what happened
- Analyze why it happened
- Determine next steps or corrective action to improve business

Why become a data-driven company?

Data-driven companies are able to:

- Improve systems, processes, functions based on data insights & reports
- Forecast better, make better predictions of their business operations.
- Improve efficiency and productivity

This enables organizations to increase revenues & improve profitability

1 - Become a Data Driven Company

What steps can you take to become a data-driven company?

Becoming a data-driven organization requires commitment of all employees, developing a mindset to identify patterns and trends from the data gathered, imbibing a culture of making data-backed, fact-based decisions.

1. Gather data across all functions in digital format

2. Create single source of data which gathers real-time updates.

3. Store data in a central location, accessible anytime, anywhere

4. Create user roles & hierarchy & to provide rigth data to right people

5. Create simple interface, user-friendly reports, for easy understanding

6. Train employees to continuously monitor, analyze data against KPIs

7. Use common vocabulary across company to understand & interpret data

For More Details Read Our Blog :

How to use ERP to become a data driven company?

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Banking Industry is a great example of adding value to operations; both for customers as well as Banks. With adoption of technological advancements such Debit Cards, ATM, Internet Banking, customers are able to conduct transactions round the clock from anywhere. There is minimal need to visit bank. This has provided convenience to customers and improved the speed of transactions as well.

On the other hand, instead of focusing on cash disbursement & routine activities, bank employees can now focus on more value addition activities such as reviewing accounts, risk assessment, business development activities & more.

What is Value Addition to Operations?

Value Addition to operations means identifying ways and means to improve the efficiency and productivity of your business & employees both. It involves:

- Identifying areas of wastages, bottlenecks & finding means to eliminate them
- Discovering alternate materials/means/methods to Reduce operational costs
- Finding new ways to speed up current processes for faster time to market
- Ensuring optimum utilization of resources for maximum output
- Serving Customers better to improve customer satisfaction

Why should you aim for Adding Value to Operations?

- Reducing Costs
- Improving Productivity & Efficiency
- Achieving Speed in Business
- Gaining Customer Satisfaction & Loyalty

Eventually this will improve revenues, customer loyalty & profitability

What steps can you take to add Value to Operation?

Manufacturing Companies must concentrate on freeing up Employees from their routine & mundane activities so that they can focus on more Productive & Value Addition Tasks. Steps to add value are:

- Digitize & Automate routine activities, Reduce paperwork, manual work
- Use Mobile Apps to gather real time data across locations, to eliminate the time required for data reconciliation
- Set up Alerts, Notifications, Reminders, e-Approvals for Approvals to speed up Processes and reduce the need for manual follow
- Provide Software, Tools that create easy to understand reports. This will save employees time spent in creating reports and they can focus on taking actions to improve business.

For More Details Read Our Blog :
How to Achieve Operational Excellence?

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3 - Bring Speed to Business

FedEx is a classic example of a company having captured the market by adopting the strategy of "Brining Speed to Business". Fedex introduced the overnight shipping - next day delivery concept. FedEx delivers packages and freight the day after they are dropped off at a FedEx location or picked up from the customer. With this strategy, Fedex obtained a huge competitive edge and even surpassed US Postal Service to become a Market Leader.

Naturally, these days Customers expect they can acquire desired products in shortest possible time from anywhere around the world.

What is Speed in Business?

Speed essentially means how quickly your business performs. Examples:

- How soon do you respond to prospect queries, clients requirements?
- What is your time to production?
- What is purchase order cycle time ?
- How much is the time to deliver the end product?

Why Should you aim to achieve Speed in Business?

Achieving Speed in Business will help you achieve more in the same time.

Example : If you speed up your processes by 10% or 15% you will be able to:
- Manufacture more products in the same time
- Service more clients in the same amount of time.

Achieving Speed will improve your business turnaround time & profitability.

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What are the steps to achieve Speed in Business?

- Set up Precise Processes for Production, Inventory, Maintenance etc
- Establish good workflows with well defined roles & responsibilities
- Set up Event based Alerts, Notifications and Enable e-Approvals
- Manage by Exceptions (Covered in details in later section)

Speed is Everything.

It is an Indispensable ingredient

for competitiveness

For More Details Read Our Blog :

Why is speed important for a business to succeed?

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The concept of eliminating waste was introduced by **Taiichi Ohno,** who is considered the father of Toyota Production System. By adopting principles of Lean and eliminating waste Toyota were able to achieve significant improvement in productivity, efficiency & profitability

What is Waste?

Waste is defined as any activity that consumes resources but does not brings value to end customer. Waste can be further categorizes as Necessary waste & Pure waste. We are discussing eliminating Pure waste.

Necessary waste : Although non-value-adding to end product, these activities are necessary to accomplish activities in a systematic manner & ensure good quality. Examples of such activities are testing, planning, reporting, etc. You cannot do away with these activities or processes.
.

Pure waste : Anything that doesn't bring value and can be removed from the process immediately can be described as pure waste. Companies must aim to eliminate following 8 types of waste:

- Defects in Production
- Overproduction
- Waiting Period
- Underutilization of Talent
- Unnecessary Transportation of Products Materials
- Excess Inventory
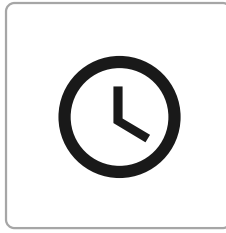- Unnecessary Movement of People
- Over Processing / Over Engineering

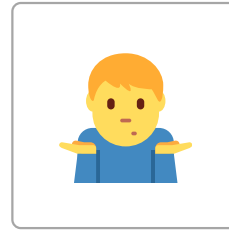# 4 - Eliminate Waste Optimize Efficiency
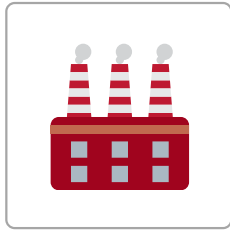
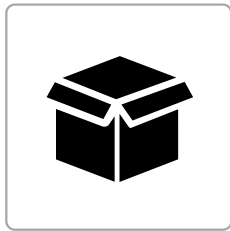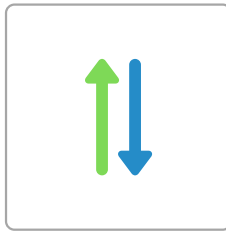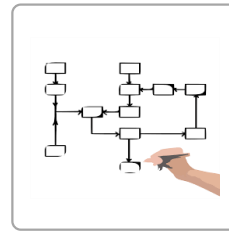|			
Defects / Rework	Over Production	Waiting Time	Non-Used Talent
Excess Transport	Over Inventory	Unnecessary Motion	Over Processing

What are the benefits of eliminating waste?

Make Persistent effort to minimize waste for achieving following results :

- Continuous Improvement
- Optimum Utilization of Resources
- Higher Efficiency
- Improved Quality
- Happier Employees

What are the steps to eliminate wastages & optimize efficiency?

Value Stream Mapping is used to identify the 8 wastes in processes

- Study current processes of your organization
- Identify the problem areas, blockages, wastes
- Make consistent efforts to eliminate wastes
- Aim for optimal utilization of resources

For More Details Read Our Blog :

How to create a Lean Enterprise with ERP?

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5 - Management by Exception

Have you ever observed Vital signs monitoring systems in hospitals? The machines that display a patient's Heart Rate, Blood Pressure, Oxygen Saturation, Respiration & Temperature. These machines are based on the principles of Management by Exception.

The permissible range for each parameters are predefined and programmed in to the system. So long as the patients vital stats are within the range specified, the machine operates quietly. However, an alarm is raised as soon as any of the parameters goes outside the defined range. When the alarm sets off hospital staff rushes to the side of the patient to provide necessary medical attention.

What is Management by Exception?

Management by exception primarily focuses on identifying and handling cases that deviate from the specified acceptable norms. It implies raising a flag, in situations that might cause difficulties to the business. Otherwise activities will process smoothly without the necessity of constant monitoring or approval.

Why Adopt Management by Exception?

Management by Exception enables you to :

- Speeds up processes by cutting down delays of pending approvals, authorizations
- Management can focus on significant business activities

What are the Steps to Enable Management By Exception?

- Create "Pre-defined rules" for your business processes
- Determine Events for setting up Alerts and Notifications
- Define Roles of Users & Managers who will receive the Notification for Approvals
- Concerned Managers / Senior Management must authorize cases of exception

Examples of Pre-defined rules for Management by Exception are:

- Setting up Department Level Budget. Management gets involved only when Budget is likely to be exceeded or is underutilized.
- Define Maximum Discount each Sales Team Member can offer. Management involved only if a higher discount is to be offered.
- ABC Inventory Classification is done, so Senior Management can focus on Fewer Items having Higher Value (A Class Items). While the Middle Management & Junior Executives can handle the B & C Class Items

For More Details Read Our Blog :

What is management by exception?

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Treat Employees Like they make a Difference & They Will!

Do you know the secret of Google's Success? Employee Empowerment! Google has an open culture that encourages & empowers employees to be creative & innovative. Google provides them platforms & opportunities to discuss their ideas, share their problems, have healthy discussions with peers, participate in surveys, send direct emails to senior management & more. Naturally people love working with Google & come up with innovative products & solutions time & again!

What is Employee Empowerment?

Employee Empowerment means providing employees the resources, responsibility, authority and freedom to take decisions, resolve problems. When Employees realize that they are important and can make valuable contributions towards achievement of organizational goals, they develop a sense of pride and strive further to do a Great Job!

What are the benefits of Employee Empowerment?

Take Care of Your Employees and they will take care of your Business

- Self Driven, Motivated & Happier Employees - Higher Retention, Lower Attrition
- Improved Communication & Collaboration
- Increases Productivity & Efficiency
- Superior Quality Services & Products

What are the steps to Empower Employees?

- Create awareness about the significance of their personal contributions to overall success of the company
- Impart requisite training for performing their jobs effectively
- Encourage open door communication with peers & senior management
- Provide access to relevant data & information
- Encourage them to take decisions
- Guide & Support them in new initiatives
- Show Confidence in them & Build Trust

For More Details Read Our Blog :

How to Improve Employee Productivity?

Whether you eat a McDonald burger in the US, India, Malaysia, or anywhere in the world, You get the same great lip smacking taste each time, every time, everywhere.! How do they achieve this Consistency?

Did you know, Ray Krock, has actually written down an elaborate 75 page SOP for Burgers - what should be the exact size of burger, how much should be the weight, what should be temperature for frying the burger patties and so on. McDonalds has expanded its business to many countries and has over 37,000 outlets around the world.

What are Standard Operating Procedures (SOPs)?

Standard Operating Procedures are predefined processes to accomplish a task. SOPs comprise of elaborately explained set of step-by-step instructions to help workers carry out operations

Why Implement Standard Operating Procedures?

SOPS help companies to bring Uniformity & Consistency of how a task/activity is carried out – irrespective of who performs it

- Establish standard practices or best practices
- Improves accuracy, efficiency & productivity
- Train New Employees to maintain quality & consistency

7 - Implement Standard Operating Procedures

What are the Steps to Implement Standard Operating Procedures?

To implement SOPs : Companies have to define Policies, Processes, Rules, Guidelines, Checklists and validations for each & every activity of every function in the organization. Thereafter, companies have to :

- Define the Task/Activity to be performed
- Who will perform the task – roles & responsibilities of people involved
- How the Task will be performed – with Clear Step-by-step Instructions

Good Examples of Standard Operating Procedures are:

- Define Material Planning Methods
- Guidelines for Warehouse Management
- Define Schedules & Activities for Assets Maintenance
- Define Procedures for Account Payable, Account Receivable, Credit Policy

For More Details Read Our Blog :
How ERP helps Implement SOPs

Wal-Mart: Save Money Live Better. The Company's purpose is crystal clear in its tagline. Wal-Mart's single point focus is to offer lowest retail prices to consumers. Wal-Mart has consciously adopted strategies for cost reduction such as: dealing directly with manufacturers & suppliers for high volume procurement to achieve economies of scale, leveraging technology for maintaining optimum inventory and establishing best supply chains, systematic efforts to reduce costs from every areas of business etc providing a great competitive edge. Wal-Mart passes on the cost advantages to its consumers and acquires higher sales volume & profits resulting there from.

What is Cost Reduction?

Cost Reduction is the process to identify and remove unnecessary expenses from a business to increase profits without impacting the product quality. It is a proactive approach to improve competitiveness.

Why should you aim for cost reduction?

Let us understand the purpose of cost reduction with a simple example.

If you are able to lower the cost of a critical item from Rs. 10 per unit to Rs. 9 per unit. The Rs. 1 saved per unit, can be seen as net profit , boosting your bottom line dramatically

Thus, you will be able to see a significant increase in your profit margins.

What are the Steps to achieve Cost Reduction?

- Identify the biggest costs & mark cost reduction areas for continuous improvement
- Start reducing costs slowly without affecting the quality & efficiency
- Eliminate redundant activities/purchases that incur significant costs

For More Details Read Our Blog :

Manufacturing Cost Reduction | Cost Reduction Ideas

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Measurement is the first step that leads to control and eventually to improvement! - H James Harrington.

What are Key Performance Indicators & Business Reports?

KPIs measure how company is performing as compared to the key business objectives or goals of the organization; whether company is on track to achieve, behind the target, or have achieved the KPIs.

Business reports provide insights into the functioning of every organization. You can recognize operations that are performing well. You can ascertain processes that are not functioning up to the mark and require close monitoring for achieving improvement.

Why measure KPIs & generate Business Reports?

Every organization should focus on KPIs & Business Reports to enable:

- **Fact Representation:** Get real & accurate overview of organization performance.
- **Performance Evaluation:** Evaluate performance of functions, departments, units of company, compare performance with defined KPIs.
- **Problem Identification:** Spot problem areas, wastages, blockages, and find out the reasons for the same.
- **Timely Management:** Identify whether planned & scheduled activities are taking place properly or not.
- **Informed Decision Making:** Make decisions based on hard fact and numbers about changes required to improve efficiency, productivity

What are the Steps to define & measure KPIs?

You should keep in mind the following points while defining the KPIs for your organization

- What is the desired outcome?
- How will you measure the progress?
- Who is responsible for this outcome?
- How often will you review progress?

KPIs should be SMART - Specific, Measurable, Attainable, Relevant and Time-bound

- Define KPIs for important functions such as : Plant & Machinery, Inventory, Purchase, Sales, Finance, Employees, Quality, Customer.
- Monitor and review KPIs weekly, monthly or quarterly as agreed upon
- Take desired actions based on feedback received in the KPIs & Reports

9 - Measure What Matters - KPIs & Reports

Examples of some important KPIs & Business Reports company should monitor :

- **Procurement or Purchasing :** Purchase Order Cycle Time, Procurement ROI
- **Inventory :** Average Inventory, Aging Analysis, ABC
- **Sales :** Monthly Sales Revenue
- **Quality :** Percentage Defects
- **Customers :** On Time Delivery, Feedback & Complaints
- **Financial Performance :** Cash Flow Report, Payables & Receivables
- **Plant & Machinery :** Utilization, Efficiency, Downtime
- **Expenses / Costing :** Cost Of Production, Overheads, Materials etc

For More Details Read Our Blog :
Measure Your Manufacturing KPIs

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How you gather, manage, use information; will determine, whether you win or lose - Bill Gates

Information Technology & Business are becoming inextricably interwoven. I don't think anyone can talk meaningfully about one without talking about the other. - Bill Gates

The above quotes by Bill Gates sum up the importance of aligning Business strategy & Information Technology strategy

What is Business Strategy?

Business strategy is the roadmap to achieve the company's business objectives. The business strategy consists of defining business goals, planning the course of actions, business processes, and taking decisions to achieve specified business objectives.

What Is Business Strategy & Information Technology Alignment?

Business–IT alignment is a process where businesses leverage information technology (IT) to achieve strategic business objectives, such as expanding the reach of their products, improving financial performance, or more.

*E.g. Manufacturing Companies are now adopting **eProcurement Solution** to make the Procurement processes transparent, fast & cost effective.*

The results are amazing. These companies save up to 75% of purchase order cycle time. Achieve significant savings in time & efforts of procurement team. Effectively same team can handle 3x larger volume of Procurement.

Why make Information Technology a part of Business Strategy?

Leveraging information technology is the need of the hour to :
- Overcome current business challenges
- Improve customer experience & satisfaction
- Stay ahead of the competition

What are the Steps to create Information Technology Infrastructure for new digital technologies?

- **Evaluate :** the current state of processes, to determine what needs to be improved?

- **Assess :** whether your current systems can support new technology transformation?

- **Support :** Top Management should be driving force for new technologies adoption

- **Define :** Specific objectives for transition E.g. streamline processes, improve time to market, increase productivity, etc

- **Select :** New Software/Tools/Technologies to be implemented

- **Identify :** Team members primarily responsible for transition to new technology

- **Provision :** Provide financial, technical & physical resources for IT systems upgrade

- **Implementation :** Detailed Planning for Timely & Cost Effective Implementation

What are the benefits of Information Technology Adoption?

Improved Process

Speed in Business

Increase Productivity

Enhance Quality

Improve Deliveries

Increase Market Reach

Customer Satisfaction

Achieve Cost Reduction

Improved Profitability

For More Details Read Our Blog :

Importance of Aligning IT Strategy with Business Strategy

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Digital transformation is a fundamental reality for businesses today. Organizations of all sizes realize that to delay digital transformation further is to risk obsolescence. And it is up to a company's leadership team to commandeer this revolution while ensuring business continuity! – Warren Buffett, Chairman and CEO of Berkshire Hathaway

What is Digital Technology Adoption?

Digital Technology adoption refers to the acceptance, integration, and use of new and innovative technology in manufacturing products, services and operations of Manufacturing

Why adopt Digital Technology?

- Data in Digital Format saves paperwork & physical storage space
- Makes information available at click of a button, anytime, anywhere
- Automates routine & monotonous work, saves significant time
- Eliminates chances of manual errors
- Mobility Improve Communication & Collaboration among Teams
- Alerts, notifications on email, phones turbocharge approval processes
- Improves Productivity & efficiency
- Brings Speed & Reduces cycle time
- Enables real-time visibility & tracking
- Dashboards provide insightful reports & analysis of business trends
- Helps identify new opportunities to add value to customers
- Gain a competitive edge

How to achieve Digital Transformation?

There are 2 major aspects involved in Digital Transformation
- Creating a Digital Backbone &
- Creating a Digital Transformation Strategy

How to create a Digital Backbone?

Digital Backbone is the foundation stone on which all digital initiatives are built. It focuses on creating an IT infrastructure which is conducive to meet digital business requirements

- Capture data digitally & Store data in a centralized location.
- Make the right data available to the right people at the right time
- Automate Reports for real-time analysis & trends
- Develop a Digital Culture - Adopt Digital & Think Digital
- Use Digital Technologies to connect with Vendors, Partners, Customers

How to create a Digital Transformation Strategy?

- Evaluate the current state of digital
- Assess technology readiness
- Buy-in from stakeholders & approval of budget
- Define goals of digital transformation
- Outline digital transformation roadmap
- Create digital transformation Team

How to ensure successful Digital Technology adoption?

Take your team into complete confidence. When they are willing participants in the process, you will be able to leverage technology to improve efficiency, maximize ROI in digital technology

- Start with objectives of digital technology adoption
- Total Commitment & involvement of Stakeholders
- Educate employees, customers, vendors of processes changes
- Extensive End-User Training for smooth transition to digital
- Continuously monitor & ensure technology adoption
- Define KPIs to judge impact of digital technology adoption

Do You want to achieve Digital Transformation?
Read Blog : How to achieve Digital Transformation?
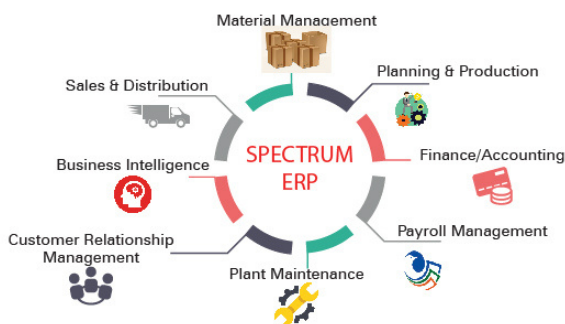
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Who we are, What we Do

We design & develop

ERP Software, eProcurement Software, specifically for Manufacturing Industries
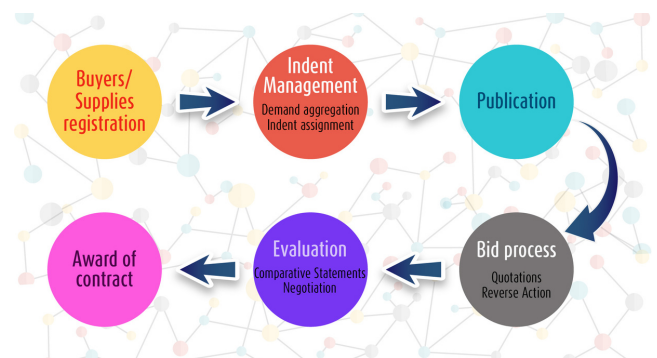
Our Product Offerings

Spectrum ERP Software

- End to End ERP Software

- Business Intelligence Tools

- Mobile Apps

e-Procurement Software

- Integral part of Spectrum ERP

- Standalone Solution

- Saves 3x Procurement Time

About Force Intellect
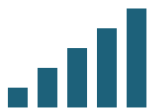
Experience in Manufacturing Industry

12
Years in Operation

7
Domain Expertise
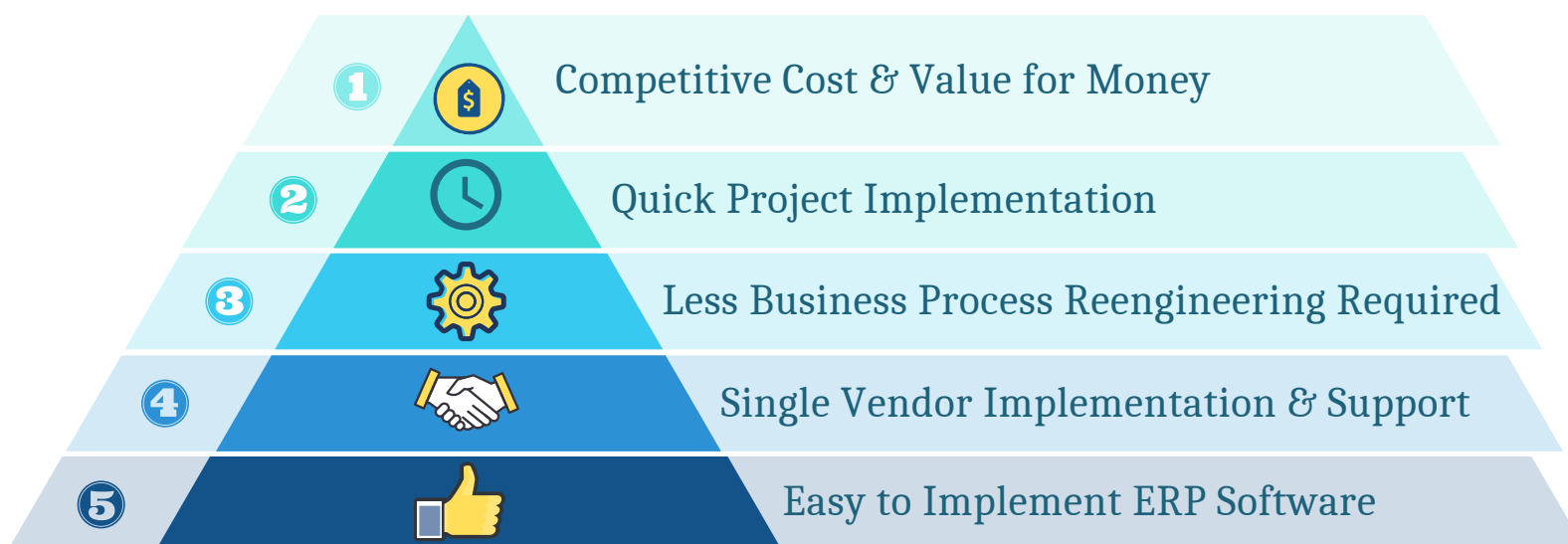
500+
Busines Functions

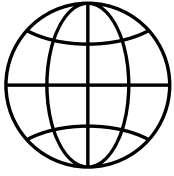200+
Successful Projects

100+
Satisfied Clients

2500+
Active Users

Why Force Intellect

1. Competitive Cost & Value for Money
2. Quick Project Implementation
3. Less Business Process Reengineering Required
4. Single Vendor Implementation & Support
5. Easy to Implement ERP Software

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