

Model of World Class Manufacturing

World Class Companies

Whether automotive suppliers or not, the characteristics of 'world class companies' tend to be very similar.* These businesses are capable of continuously adapting and innovating to meet changing customer requirements. This requires three specific capabilities:

Strategic focus (Purpose)

World class firms have a clear strategic direction and well-articulated market differentiation. They understand their market segments and competitors and have the capacity for rapid adaptation and innovation. Further, they consistently seek market positioning where they are at the forefront of best practice – they exploit the power of knowledge.

Operational excellence

(Process) These firms also have the ability to continuously improve their key processes through the use of technology and quality improvement tools and processes. Their work on the elimination of waste using rigorous measurement tools to track performance is relentless. They use state-of-the-art processes and information technologies to interact with customers, manage their own operations, and manage their supply chains.

Human capital development

(People) World class companies continuously invest in the competence and creativity of their associates. They build cultures that attract and keep the best talent through strong, shared values; trusted leadership; and performance-based reward systems.

Long-term competitiveness requires a balance of capabilities in all three areas – Purpose, Process and People. It is the synergy between all three capabilities that distinguishes the long-term industry leaders.

*This model of world class companies was developed in collaboration with the Manufacturers Council of The Right Place, Inc., the regional economic development organization for West Michigan.



World Class Competencies

PURPOSE

Competence: Having a clear strategic direction; understanding your competencies and markets; capacity for rapid innovation.

Attributes:

- Clear mission and vision
- Focused market positioning and differentiation
- Organization-wide goals and objectives
- Well-defined financial goals

PROCESS

Competence: Having the ability to continuously improve key processes through the use of quality principles, practices and tools.

Attributes:

- Systems thinking
- Rigorous measurement
- Continuous improvement practices for all business processes
- State of the art process and information technologies

PEOPLE

Competence: Building a culture that attracts people's personal energy and supports their ability to understand themselves and work with each other as members of a team.

Attributes:

- Strong shared values
- Investment in people
- Teamwork, problem-solving and communications
- Performance-based rewards
- Distributive organizational design
- Knowledge management

World Class Practices

PURPOSE

Strategic Vision

- Mission and Vision
- Market segmentation and analysis
- Customer selection
- Competitor analysis
- Market differentiation
- Core competence development

Planning

- Strategic planning (goals and objectives)
- Strategic financial management

PROCESS

Lean and Continuous Improvement:

- Organization-wide improvement processes
- Quality practices & certifications (ISO, QS)
- Lean enterprise processes (one piece flow; pull systems; set up reduction; in-process inspection; standardized work; preventive maintenance)
- Visual Management; scoreboards and Indicators

Core Processes

- Customer Management
- Innovation
- Operations; Supply Chain
- Social and Regulatory
- Support and Administration

Technology

- Information technologies
- Process technologies

PEOPLE

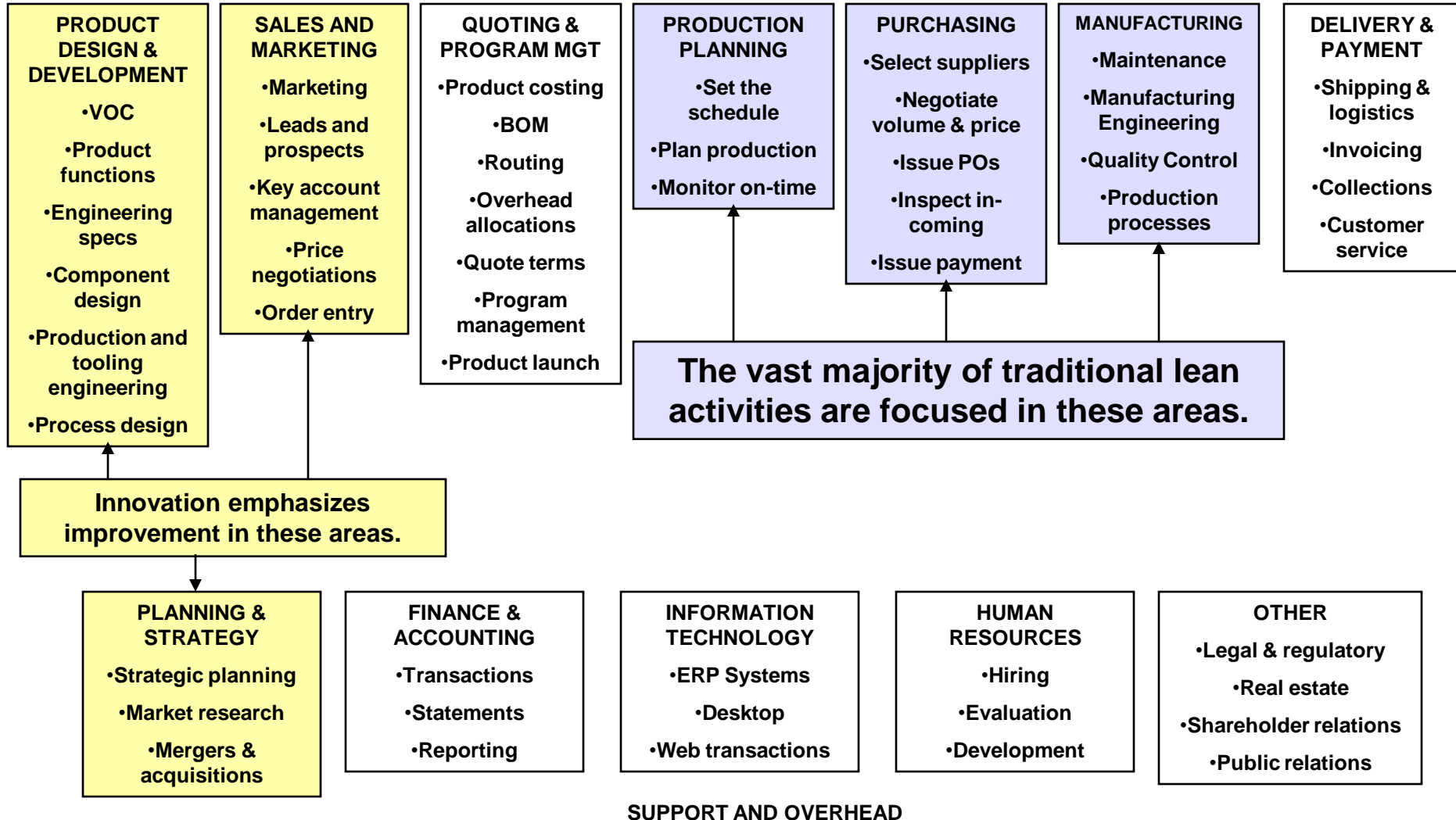
Human Capital

- Leadership team development
- Skills and knowledge development (technical and social)
- Reward Systems

Organizational Capital

- Developing shared values & culture
- Organizational design
- Facilities and work environment design
- Knowledge management systems

Key Manufacturing Company Functions



Putting The Pieces Together

