


The 6 Attributes of Super-Profit Companies

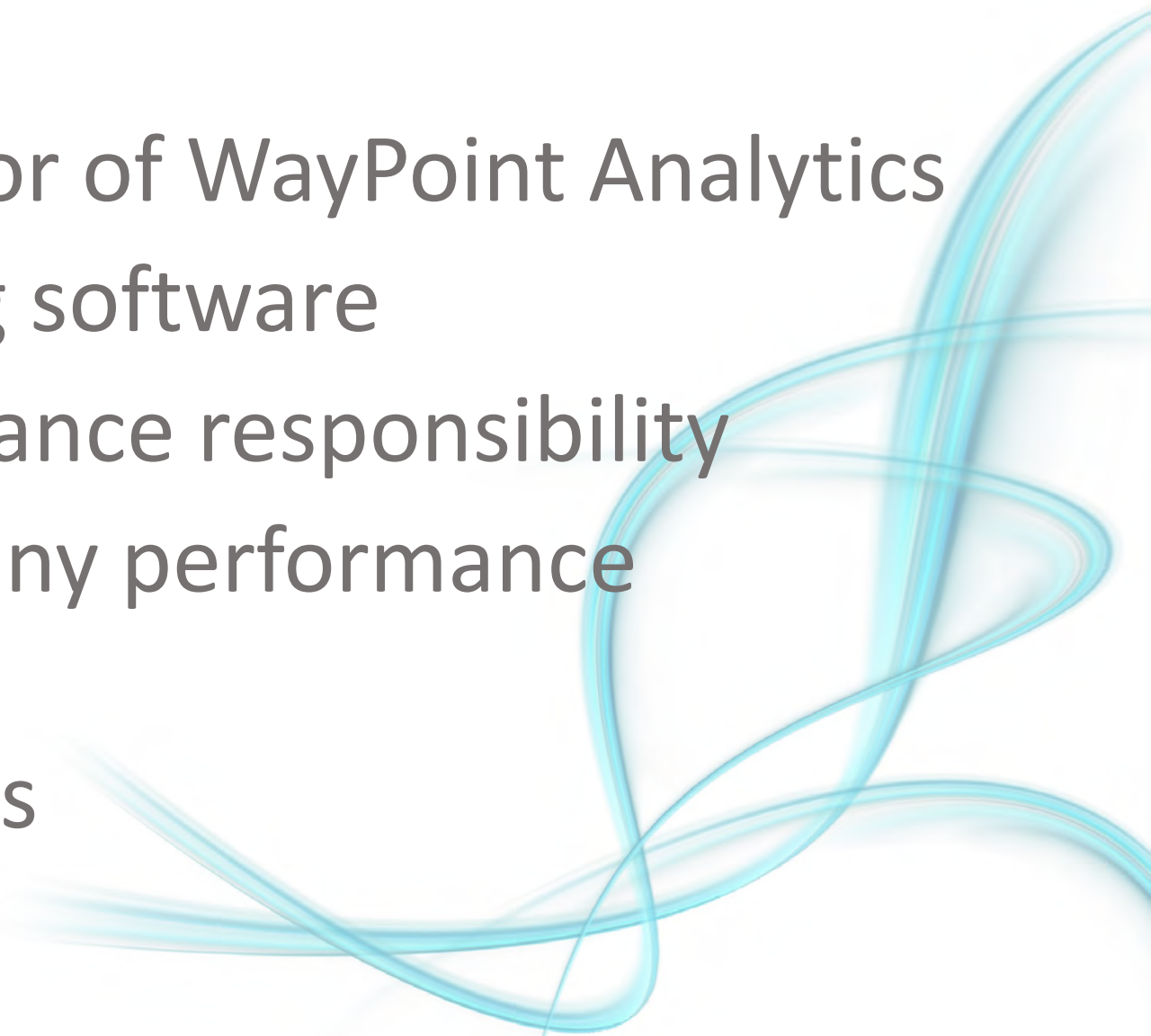
Executive Boot Camp – Session 2



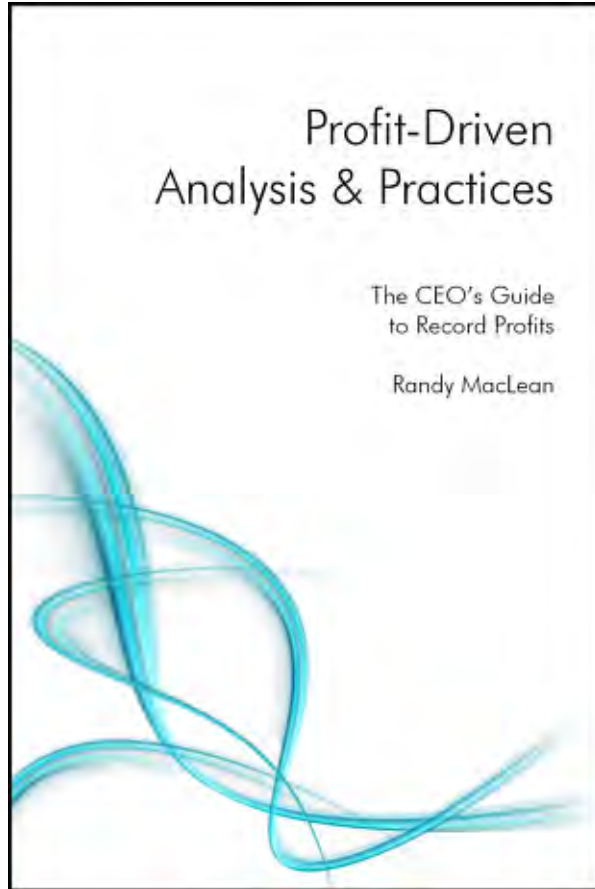
Executive Boot Camp Series

- » focus for best & fastest results
 - » narrow focus to customers & operations
 - » work back from outcome to action
 - » engage everyone
 - » make it permanent
- 

Introduction

- » Randy MacLean, creator of WayPoint Analytics
 - » wrote early accounting software
 - » had budget & performance responsibility
 - » past 15 years in company performance data all day, every day
 - » invented LIPA & metrics
- 

The Full Story – New Book



- » priorities & practices of the leaders
- » how to get results
- » metrics that matter
- » <https://amzn.to/2ZEPuDL> on Amazon

Executive Boot Camp Series

1. Five Things Customers Want (Really)
2. Six Attributes for Leading Profit Rates
3. New Metrics that Produce Results

[videos & slide decks available]



Review: 5 Things Customers Want

- » availability
- » timely delivery
- » no product / service failures
- » smooth (short) interactions
- » acceptable price



Review: Competitive Position


- » you need parity on all five elements to hold share
- » you need superiority on one or more to gain share
- » you can only gain when loyalty counteracts attrition
- » customer experience




Why This Matters

- » 6 attributes are operational & structural
 - » support & facilitate the
5 Things Customers Want
 - » accessible & sustainable
 - » drive profits & market share
 - » from research
- 

6 Attributes of High-Profit Companies

- » core competency: moving product
 - » absolute minimum of inventory locations
 - » mastery of delivery alternatives
 - » focus on customer experience
 - » specialized sales force
 - » numbers-driven
- 

1) Core Competency: Moving Product

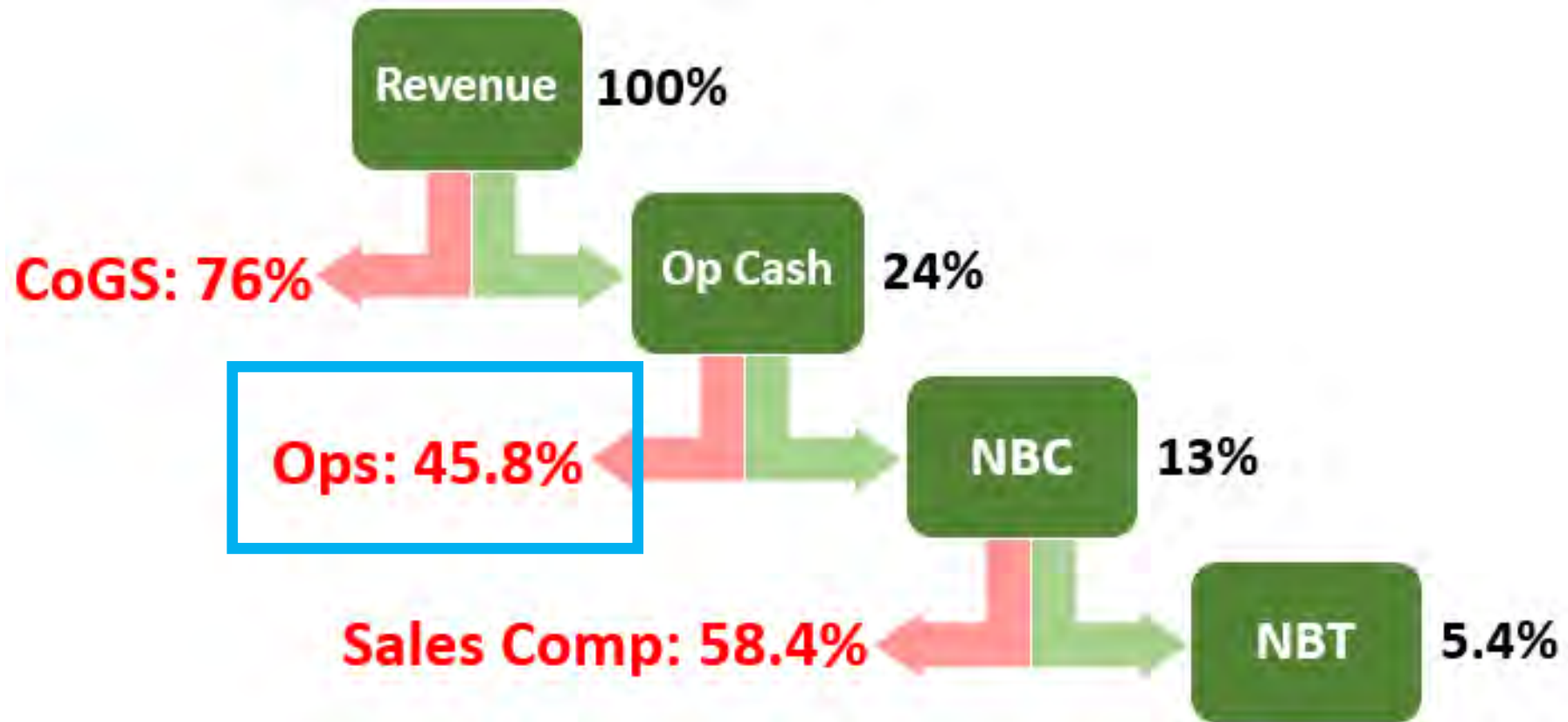
- » move more product value for less expense
 - » focus on efficiency & productivity
 - » gains can't come just from sales
 - » incentives on measures
 - » sophisticated buying
- 

Why Core Competency Matters

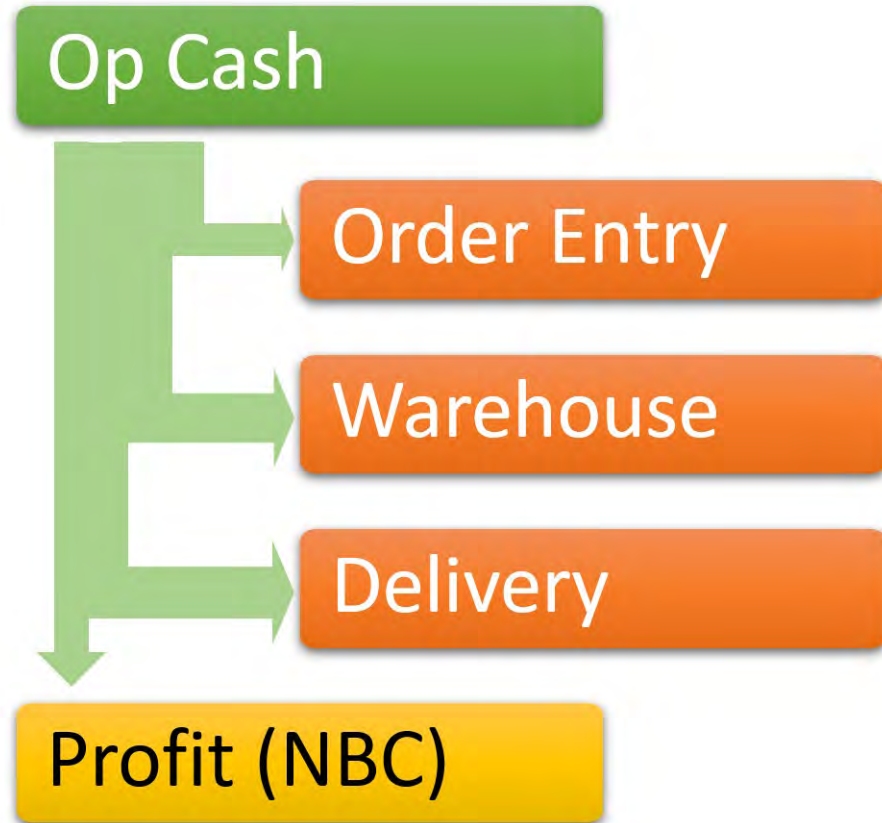
- » improves customer experience
- » reduces costs
- » increases customer profit conversion



Customer Profit Conversion Chain



Operations / Logistics Chain




Customer Profit Conversion



| Customer | Rev | OpCash | | /inv | Exp | | NBC | | Type | |
|-------------------------------|--------|-------------------|-------|-------|--------|--------|---------|---------|------|-----|
| | \$ | \$ | % | | \$ | % | \$ | % | | |
| Valley National Gases Inco... | 8,189 | 3,725 | 45.5% | 138 | 4,130 | 50.4% | (405) | (5.0%) | PDA | --- |
| Locke Insulators Inc | 10,753 | 4,880 | 45.4% | 163 | 1,053 | 9.8% | 3,827 | 35.6% | HEA | HLA |
| Beverage Equipment Suppl... | 8,518 | 3,833 | 45.0% | 295 | 2,806 | 32.9% | 1,027 | 12.1% | HPA | --- |
| Day & Zimmermann Incorp... | 23,344 | 10,224 | 43.8% | 1,278 | 2,286 | 9.8% | 7,938 | 34.0% | HEA | HLA |
| Inoex Chemical Company | 14,288 | 6,008 | 42.0% | 98 | 12,583 | 88.1% | (6,575) | (46.0%) | PDA | --- |
| T & J Development Co | 14,033 | 5,796 | 41.3% | 223 | 5,867 | 41.8% | (71) | (0.5%) | PDA | --- |
| Raytheon Company | 15,219 | 6,079 | 39.9% | 203 | 2,119 | 13.9% | 3,960 | 26.0% | HEA | HLA |
| Caliber Learning Network, Inc | 12,210 | 4,804 | 39.3% | 141 | 1,793 | 14.7% | 3,010 | 24.7% | HPA | HLA |
| Carland Industries Inc | 23,169 | 8,997 | 38.8% | 145 | 3,529 | 15.2% | 5,468 | 23.6% | HPA | HLA |
| William Penn Association | 11,587 | 4,361 | 37.6% | 125 | 8,496 | 73.3% | (4,135) | (35.7%) | PDA | --- |
| Ici Paints | 20,385 | 7,656 | 37.6% | 97 | 13,609 | 66.8% | (5,952) | (29.2%) | PDA | --- |
| The Student Loan Corp | 7,239 | 2,687 | 37.1% | 1,344 | 611 | 8.4% | 2,077 | 28.7% | HEA | HLA |
| Good Cause Marketing Inc | 20,595 | 7,374 | 35.8% | 369 | 6,151 | 29.9% | 1,223 | 5.9% | HPA | --- |
| Transamerica Holdings LLC | 10,070 | 3,603 | 35.8% | 58 | 10,420 | 103.5% | (6,817) | (67.7%) | PDA | --- |
| Axel Johnson Inc | 12,623 | 4,463 | 35.4% | 213 | 3,774 | 29.9% | 689 | 5.5% | HPA | --- |
| Chapman Holdings Inc | 9,145 | 3,198 | 35.0% | 139 | 4,916 | 53.8% | (1,718) | (18.8%) | PDA | --- |

2) Minimum Inventory Locations


- » duplicated inventory locations require duplicated inventory & manpower
 - » remnant of unsophisticated initial expansion?
 - » find creative alternatives to inventory proximity
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3) Mastery Of Delivery Alternatives

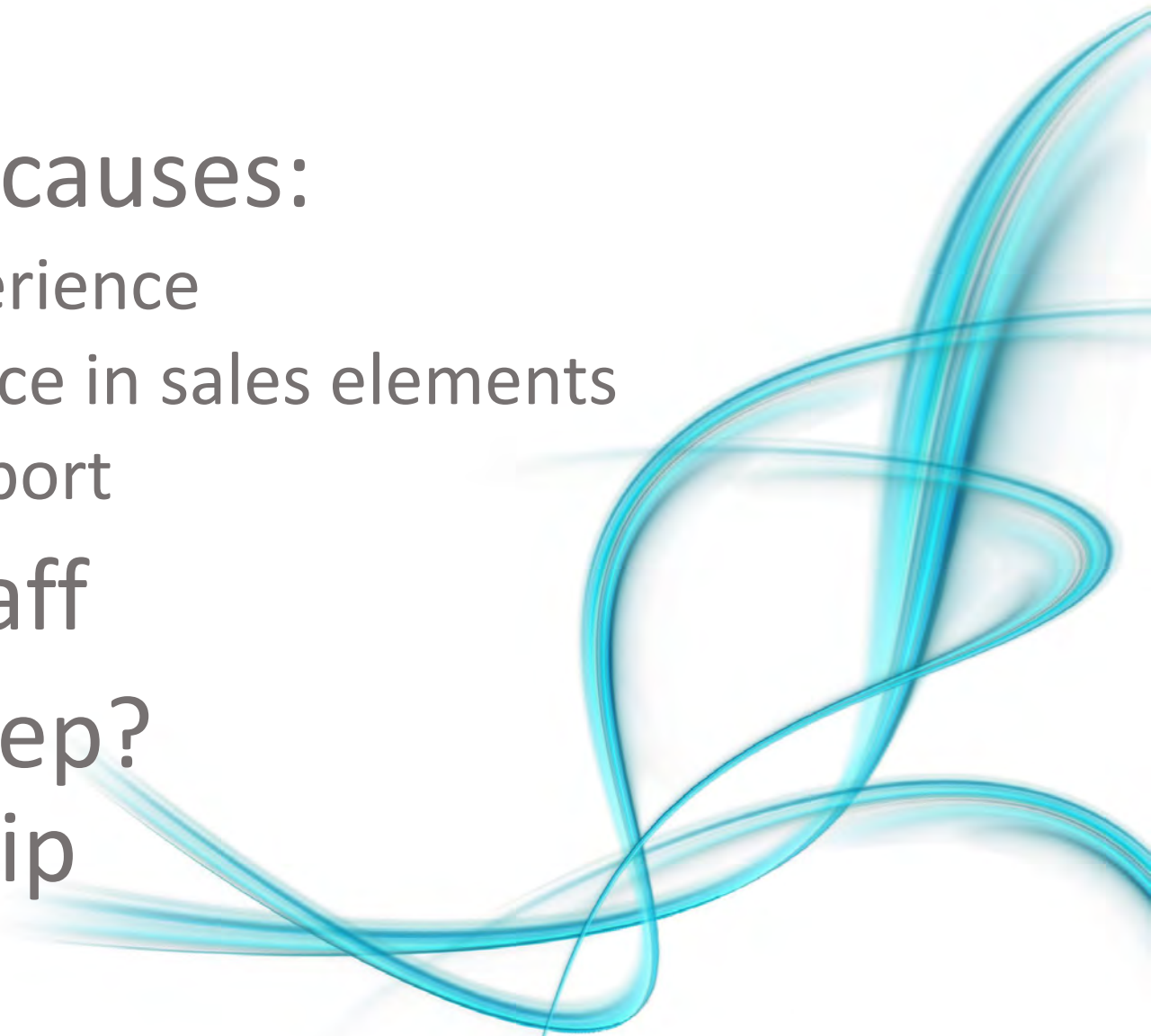
- » facilitate customer choice of delivery timeframes
- » customer can balance time vs cost
- » monetize delivery



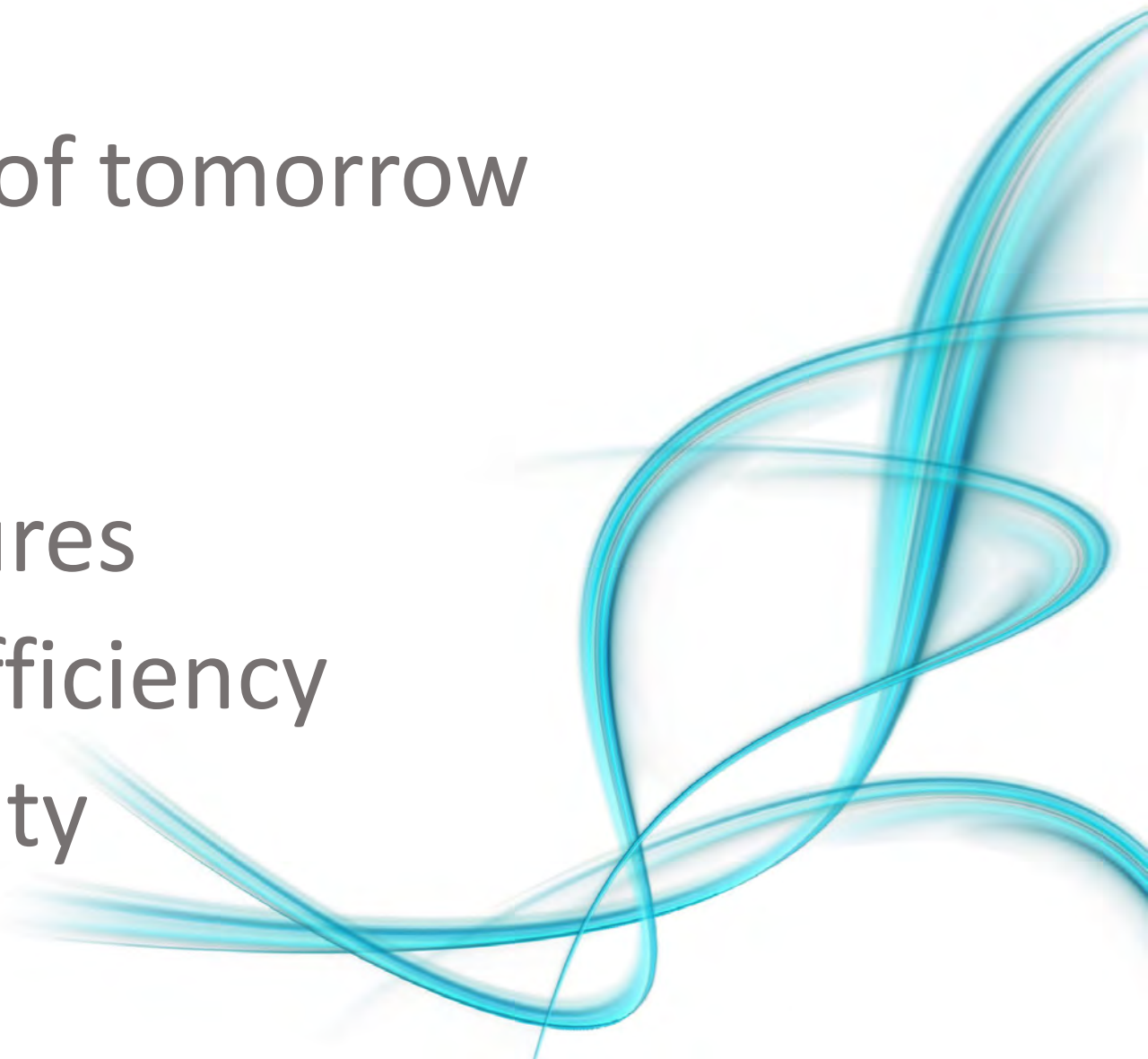
4) Focus On Customer Experience

- » “What’s it like to do business with you?”
 - » product / service / delivery failures
 - » improved by efficiency & productivity
 - » how you handle recoveries
 - » “Concierge Customer Service”
- 


5) Specialized Sales Force

- » lack of specialization causes:
 - inconsistent customer experience
 - average to poor performance in sales elements
 - inconsistent corporate support
 - » dedicated support staff
 - » loyalty: company or rep?
relationship ownership
- 

6) Numbers Driven

- » decisions for market of tomorrow
“always changing”
 - » profit-driven –
banish margin measures
 - » measure / manage efficiency
 - » incentivize productivity
- 

6 Attributes Review

- » core competency: moving product
 - » absolute minimum of inventory locations
 - » mastery of delivery alternatives
 - » focus on customer experience
 - » specialized sales force
 - » numbers-driven
- 

Take-Aways for Session 2

- » operational improvements are accessible
 - » big impact on customer value
 - » improves competitive position
 - » near-immediate impact
 - » lots of “low-hanging fruit”
 - » long-term effect
- 

Take-Aways for Session 2

- » customer experience is foundational
(the 5 Things Customer Want)
- » operational excellence drives
customer experience & profit
(the 6 Attributes for Super-Profit)
- » actions & measures
(next session)



Next Session: Metrics & Measures



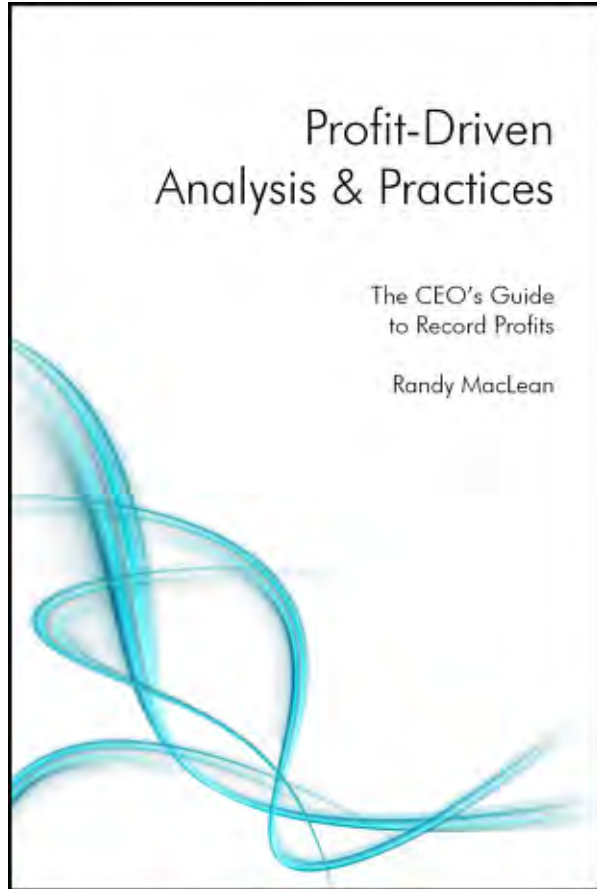
Productivity

Efficiency

Results

- Profit Opportunity \div Count
- Directly Controllable
- $OCR = OpCash \div Expenditures$
- $ROX = NBC \div Expenditures$
- Controlled by Productivity
- ROI / EDITDA / NBT
- Controlled by Efficiency

Profit-Drive Analysis & Practices: The CEO's Guide to Record Profits



- » winning strategies & tactics
- » advanced LIPA metrics
- » detail on specific initiatives
- » <https://amzn.to/2ZEPuDL>
on Amazon