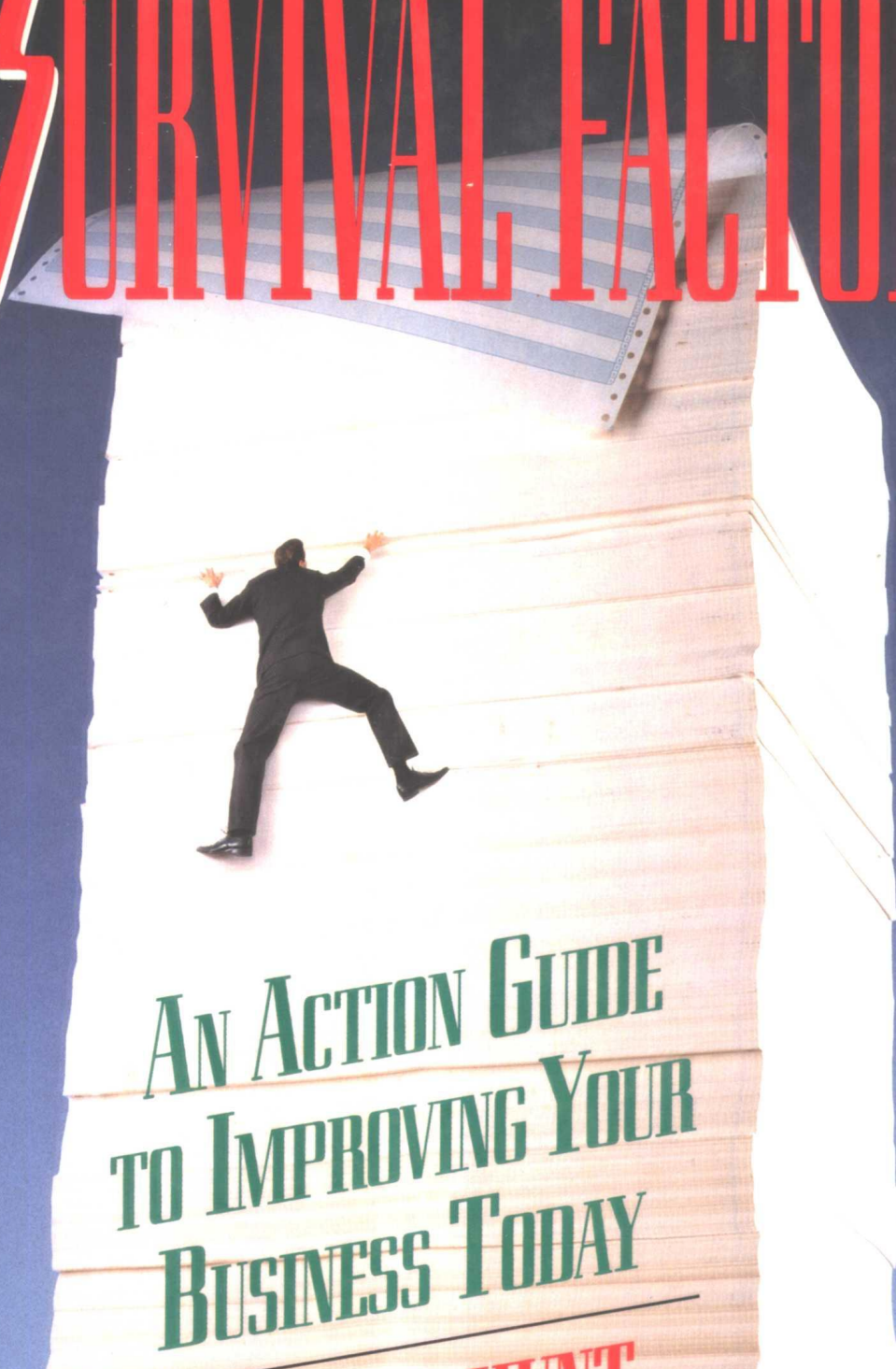


# THE SURVIVAL FACTOR



AN ACTION GUIDE  
TO IMPROVING YOUR  
BUSINESS TODAY

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V. DANIEL HUNT

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Your Business Today

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*Control Your Destiny or Someone Else Will*, by Noel M. Tichy and Stratford Sherman, Currency Doubleday, 1993.

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*Competitive Benchmarking: What It Is and What It Can Do For You*, prepared by Xerox Corporate Quality Office, Stamford, Connecticut, 1987.

*Competitive Benchmarking: The Path to a Leadership Position*, prepared by Xerox Corporate Quality Office, Stamford, Connecticut, 1988.

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*Dynamic Manufacturing—Creating the Learning Organization*, by

Robert H. Hayes, Steven C. Wheelwright, and Kim B. Clark, The Free Press, 1988.

*A Guide for Implementing Total Quality Management*, Reliability Analysis Center state-of-the-art report, Report SOAR-7, Rome NY, Rome AFB, 1990.

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*Leadership Transition, Team Building, Team Effectiveness Assessments; and New Team Start-up, Organizational Assessment—An Overview for Managers*, U.S. Government, USDA-APHIS-HRD, prepared by Dan Stone, Hyattsville, MD. 20782.

*Functional Process Simulation Guidebook*, U.S. Government, Director of Defense Information, 1 January 1993, Washington D.C. 20301.

*Increasing Organizational Return*, Sibson & Company, Inc., 1993, reproduced with the Permission of Sibson & Company. Figure on page 4 entitled "Most Companies Agree that Certain Conditions are Critical to Success."

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# THE SURVIVAL FACTOR



## CHAPTER 1

# To Survive - Act Now!

It seems that every business leader has the same initial question: "What can you do for me today?" For all the talk about new management initiatives, such as reengineering, downsizing, work-flow analysis, process mapping, policy deployment, teamwork, and performance pay incentives, business leaders are still looking for the "quick fix." They often do not recognize the most effective ways to survive pressing competitive pressures—by taking near-term proven action steps to turn their business around.

Every business is under pressure to change. For many businesses, earnings are declining, and operating and labor costs as a percentage of sales are still increasing. Many business leaders such as you believe that it takes too long to get things done—to reduce the costs of production and service operations, to improve quality to assure customer satisfaction, and to bring new products and services to your customers faster, in order to satisfy their needs.

This chapter sets the stage for you to increase your chance of survival by beginning now to improve your performance by focusing on the key survival factors presented in this book.



## TEN STEPS TO BUSINESS FAILURE

It is important in your search for near-term action steps to know what you shouldn't do, as well as what you should—as illustrated by the positive action steps described in the balance of this book. David Kearns, former CEO of Xerox, in his book *Profits in the Dark*,<sup>1</sup> created what he called a handbook for competitive decline, a succinct set of instructions that many business leaders currently are following that will put your company out of business. If you already are following these steps to business failure, don't expect to be around much longer. The Kearns course of action has been abridged and adapted for the survival factors, and each of these wrong ways to do business is described below.

### **Step 1: Assume You Know Your Customer**

This first step instructs you to assume you know the customer, that you know what he wants better than he does, and that he will remain loyal to you no matter how much you abuse him. This step also advises you not to waste time measuring customer satisfaction and definitely not to pay attention to or respond to customer complaints. Who does that customer think he is anyway!

### **Step 2: Don't Invest in Quality**

This follows nicely from the first step. It assumes that the customer doesn't care one bit about quality and won't notice any differences in quality between one product and another. So don't even try to meet customer requirements. Do whatever you want. Don't bother to improve work processes and reduce rework errors.