



STRATEGIES FOR MEETING INCREASING CUSTOMER DEMAND

If you have noticed — or, in many cases, been run over by — dramatically increasing demand for your products, you're not alone. Now that restrictions have been lifted in many parts of the country, and the world, consumers are spending money again. And spending. And spending. All of that increased customer demand translates to the need for ramped-up production across a wide swath of industries, from manufacturing to mining to agriculture to pulp and paper — and the list goes on. Some pundits, like those at the New York Times, are predicting an economic boom the likes of which this country hasn't seen since the last

Roaring '20s. They're calling it a "supercharged rebound," one that may well lead to many years of strong growth. That's great news!

The problem is the speed at which it's coming and the capacity of companies to meet that demand.

In this whitepaper, we'll look deeper into this issue, the reasons for the disconnect between demand and the ability to meet it, and ways USC Consulting is uniquely qualified to help.

Demand is up. Great! Why are companies struggling to meet it?

Every business and marketplace is unique and there is no one-size-fits-all answer, but we're seeing two common themes among our clients.

The hiring crunch. Companies that laid off workers over the past year are now scrambling to rehire people to meet that demand. Not an easy task right now. It seems counterintuitive: millions of people who lost their jobs should be eager to get back to work, right? On the face of it, it should be a hirer's market. It's not, for a variety of reasons. Businesses are having trouble not just hiring good people, but retaining the ones they've got. The competition for salaries is very real, and people are more focused than ever on work-life balance. If you can't offer both, it's tough to find and keep good people.

Continuing (and worsening) supply chain disruptions. Even if you have enough people on the line, it's hard to work to capacity if your supply chain is snarled or roadblocked. Supply chains are getting stretched; they're trying to move things through, but some industries are reporting that getting what they need when they need it is more difficult than ever.

This hiring/supply chain one-two punch leaves companies with a situation of having to do more with less, just as demand is going through the roof.

That's where we come in. At USC Consulting Group, we are uniquely qualified to improve your operational efficiency. It's our specialty. We've been doing it for 50-plus years. And it's the key to getting companies through this challenging time. Here's more about how we do it.





Strategies for upping efficiencies to meet increased demand

Every situation, every customer and every business has a unique set of challenges. Our work is not one-size-fits-all. And we'll be the first ones to tell you that when we go into a project, we aren't trying to upset the apple cart and change everything all at once. Instead, we go in with boots on the ground to strategically analyze what you're doing, how you're doing it and how we can create greater efficiency using your existing resources to help you meet your increased demand now. If we can help you increase your volume and keep your costs the same, that's a job well done. If we can help you increase volume with lower costs, that's a home run. That's what we strive for.

It's not a matter of reinventing the wheel. It's us getting into your processes and finding opportunities that may be already there, that you haven't yet seen. We like to think of it as making the unknown known.

Here are three strategies we use for doing just that.

Employee Involvement Prototype (EIP). It's about engaging with your employees at the machine level and getting good data from the floor. It includes anyone who has to do with the line, and entails taking a look at those operations and processes with input from the men and women who are actually doing the job on an hour-by-hour basis.

This is not a surface scan of your operations. We really dig in. Some of our areas of focus include:

- **What's going on every hour?** We don't look at just the big picture of a full day on the line, but instead, we drill deeper into what's happening every hour. How were things running? Any equipment breakdowns? Changes that can be made at that micro level really add up.
- **What was the plan for the line today?** You'd be surprised at how many times there's no plan.
- **What do we need to do differently?** By looking at what's happening on the line, hour by hour, and checking that against the plan for the day, we can spot areas that we can improve, streamline and make more efficient.

A good, smooth operation is the goal.

Resource capacity. We use this tool to identify the work that needs to be done in the context of how much can possibly be produced within the time frame and with current assets. To get to that estimate, we focus on these things:

- **What work do we want to get done?** It's quite simple. What do we need to produce on any given day? What are our customers expecting?
- **How much time does it take?** In the grand scheme of things, how much time does it take to produce enough to satisfy the demand? We look at throughput levels and past performance.
- **How many people are required to satisfy customer demand?** This can be a complicated question to answer. During the pandemic, many manufacturers found they could do the same or more with fewer people. Do you really need to staff up to pre-pandemic levels?



Deeper dives into basics that help us get to the nitty-gritty

Management operating system. We look at the current state of a company's management operating system. How they plan the work, assign it to the employees and follow up on their progress, before reporting out and closing the loop with continuous improvement. Closing the gaps toward what we would expect to see in a well-run operation helps us build the future state of the management operating system. To do that we:

- **Use brown paper, process mapping, organization charts.** That allows us to get our heads around exactly what's happening, where the gaps are and how we can improve.
- **Meet with everyone.** We're talking from the bottom up or from the top down, from blue to white collar, supervisors, managers and the C-suite. Getting different perspectives from different angles lets us see the whole picture. It also ties in with EIP, because it gets people on board and involved in the process.

From there, we can start to identify the gaps.

Throughput, productivity, yield. This is about taking a good look at what's happening on the line on the shop floor. A few things we focus on include:

- **What does the ideal drumbeat of the line need to be?** Are all functions in sync? We're looking to help create the proverbial well-oiled machine.
- **Do you have the right speed going down the line?** Can you improve the production by cutting out steps that might be redundant or unnecessary?
- **How are you performing overall?** Day to day, can production be kicked up a notch?

All of these questions are important, but even more so is this guiding principle: It's not the goal to simply get product off the line faster. The goal is to get good product off of the line more efficiently.

It's easy to focus on the big items like machine or supply chain disruptions. But smaller things that happen over and over can add up. Those things can get overlooked. It's very rare we can't move the needle somewhere on this part of the process.

Supply chain strategy. Even in these times, when supply chains can be iffy and unreliable, it's important to have a solid strategy so you have the right things in the right hands at the right time.

- **How best to forecast now?**
- **How much inventory should you keep onsite?**
- **How best to ensure suppliers can get you what you need when you need it?**

At USC Consulting Group, we're strong advocates of the SIOP process — sales, inventory and operations planning. Many companies use the S&OP process, but we feel it leaves out a critical piece of the puzzle: Inventory. For us, the key to SIOP is to emphasize inventory as a strategic tool to help offset variation in either demand or production issues. It makes inventory work harder for you. Learn more about this process by downloading our eBook, ["Sales, Inventory & Operations Planning: It's About Time."](#)

Overall manufacturing strategy. These are big-picture views of the whole operation, through the lens of the changes brought about by the last year. We find it's useful for clients to take a step back and ask some basic, meat-and-potatoes questions, including:

- **How many people does it take, really?** Instead of looking at re-staffing at old levels, look at using efficiencies to reduce the amount of people you need to get the job done and the amount of plants, buildings and other facilities it takes.
- **What should I be making?** Take a broad view. If a company is constrained by the hiring crunch or supply chain snafus, taking a critical look at the possibility of paring down your offerings makes sense. Should I just go back to basics? Make the core items with the people I have and the supply that I have? One client realized they were making too many made-to-orders.

Why is USC uniquely qualified to help?

We were founded as Universal Scheduling Company in 1968. Back then, it was all about shop floor control and working with employees to find out how to get more work done. We spent years refining our capabilities and analyzing processes. We grew out of that solid foundation. We're all up and down the supply chain now. We do organizational design, spend analysis, strategic sourcing. But the heart and soul of our business has been built on getting more efficiency on the shop floor, helping companies do more with less, and increasing operational efficiencies overall.

We're not like the consultants who started at the high level and then dabbled with the floor. They don't get out on the shop floor very often. We built our business from the floor up. We've had our (steel-toed) boots on the ground for more than 50 years. We're most comfortable where they're most uncomfortable. Getting out on the floor — it's where we live.

If you'd like to learn more about how we work, or talk with us about strategies you can use to harness your existing assets to meet your growing customer demand, please get in touch today.

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