



Automotive Sector: Enthusiasts Will Be Unleashed To Greener Pastures

World financial crisis seems to settle down, and so does the credit-dependent automotive industry. But grizzled veterans know that today we live in very different world. Good old times of drastic growth are over, fat players got lean, and so did the cash-starved supply chain. Heavily wounded corporations plunged into massive cost-reduction and headcount cutting programs. The aftermath was not a surprise – including implicit dominance of survival skills over customer satisfaction effort. Survival teaches bad habits in an excellent way, you know the story? Top management seemed to forget completely a basic rule of thumb: a strategy based exclusively on cost savings is doomed. These deadlocks used to cause demotivation in most active and brilliant game players – the professionals who used to drive continuous improvement in their business.

The nineties brought forward a new bunch of powerful management tools: Six Sigma, Lean manufacturing, Theory of constraints. Today they are acknowledged worldwide, but automotive industry was one of the few to embrace them and quickly reap big rewards. These methods were later carved into the stone of potent industry standards bringing Zero Defect approach onto the gritty reality of shop floor: Failure Mode and Effect Analysis (FMEA), multifactor problem solving, Critical Chain project management, to name a few. As a result, we experience the miracle of driving safely cars with thousands of parts, where every failure may prove dangerous. Implementation of these methods required enormous management effort driven by a comparatively thin layer of adepts. They succeeded more than often in bringing change to a new frame of mind, high and wide in corporate conglomerates. But these tools rarely got outside their industrial borderland, with the notable exception of the Just-In-Time approach. And Zero Defects disciples often preferred to stay inside their gated community enjoying comfortable feeling of elitist security.

When disaster struck, our bright paladins were pushed into the position of Special Forces assigned to trench warfare: no place for long-range deep penetration missions, just dig deep and weather the crisis bickering over small potatoes. Ironically, change management professionals were not quite

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prepared to take the challenge of their own metamorphosis. Selling their skills was interfered additionally by the fact that both recruiters and headhunters largely failed to understand how "automotive stuff" may bring added value to a different field of activity.

It is a fact that industrial and energy/natural resources sectors expect greatest growth for the next decade, so they will inevitably engage actively in the "War for talent" – and this is exactly where automotive management methods may provide a decisive competitive advantage. You want projects on a really fast track – enter the Critical Chain! You see turbulent business environment with numerous (and treacherous!) risk factors – please make FMEA a way of life! Things seem out of control – go for SPC, just in the way Japanese did it in mid-20th century! And please also look for the right guys who had been there, done that. All you need is a little self-teaching for recruiters and maybe some career change encouragement for automotive job seekers. Just let them shoot at the stars, for sky will be clear in the years to follow!

A helpful hint - never forget the devastating impact coming from false economy of cheap labour force, so pay close attention to automotive branches where labour cost has relative low contribution to product price (electronics, for example). Good managers know by bitter experience that such sectors have to rely on highly professional, well paid and strongly motivated employees. Here overzealous cost reduction effort may create a pool of frustrated talents who will eagerly take new challenges – especially well marketed ones.

Well, automotive industry will never be the same. But its crème de la crème, the Zero Defects management elite will provide formidable talented force for younger, much more promising industries and businesses. Their state-of-the-art methods and techniques originated from the automotive industry, but they can be easily adapted in any challenging environment. Not a bad prospect for your profession, isn't it? Let the corporate desk jockeys squabble over shrinking number of bureaus in cost reduction environment - the experienced enthusiasts will be unleashed to greener pastures!

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