

One Firm's Upbeat Approach to 2009's Challenges

By Russ Novak

Summary

This past year certainly has presented companies, large or small, with challenges to be able to successfully deliver value in an unstable business environment. Against this backdrop of uncertainty, it's refreshing to hear of a firm that's finding a way to move forward for both its clients and itself.

Keys to Success

In the recent downturn and economic uncertainties, why have some firms been able to weather the storm better than others? In many cases, it's because that company's underlying business philosophy and strategy have provided the right foundation for success.

Take MAVERICK Technologies for example. MAVERICK, a global engineering, systems integration, and operational consulting firm, has exhibited strong growth throughout the recent post-2000 timeframe.

A white paper authored by the company's founder and CEO, Paul Galeski, provides insight into the approach the company has taken to achieve success this past year. Mr. Galeski recently shared this white paper, entitled, *In Today's Economy, the Best Investment Is In Your Own Backyard*, with ARC. The following excerpts help communicate his positive perspective and proactive philosophy.

"As every business executive knows all too well, high-return, low-risk investments are hard – if not impossible – to find these days. The economy continues to look uncertain at best, with the stock market having reached its lowest level in many years and numerous companies declaring bankruptcy, including American icons like General Motors and Chrysler. The implications for manufacturing capital ex-

penditures are clear. In a 2008 Bank of America Business Capital survey, 40 percent of manufacturing company CFOs reported that they plan to decrease or postpone their capital expenditures in 2009."

So what advice or game plan does Galeski recommend for manufacturing firms facing such challenges? Galeski suggests: *"But you can control an investment in yourself. You determine the type of investment and the rewards you'll reap. Pick your own return. To quote Jack Welch, General Electric's former chairman and CEO, 'Control your own destiny or someone else will.'"*

Integration of Manufacturing and Business Processes

Galeski proposes a strategy that involves implementing horizontal integration, combining business and operational solutions: *"Today's popular technologies, including manufacturing execution systems (MES) and enterprise resource planning (ERP) systems, are much more easily integrated, making it possible for manufacturing organizations to think about their operations holistically. When information flows across the boundaries of functional business silos, business processes become streamlined – eliminating waste of many kinds, reducing costs and driving efficiency throughout the enterprise. To achieve maximum business results, organizations must integrate their operations horizontally – across the entire enterprise – as well as vertically – from the plant floor to the board room. As reflected in the Capex decline, many organizations still have not taken the critical step to integrate their operations and provide near real-time information and control and may therefore be 'sub optimizing' their operations."*

Meeting the Challenges

In regard to the timing of the implementation of such a proactive approach, Galeski adds: *"Business transformation and integration projects are always challenging, but are particularly difficult when you're busy expanding and growing, so consider moving forward now. Bridge the gap between today's low productivity and tomorrow's high demand by integrating and improving the entire manufacturing enterprise."*

He also warns of the downside risk of indecision or not doing anything: *"Manufacturing technologies and the marketplace have continued to advance in spite of economic slowdown. If a plant hasn't been upgraded in the past several years, it's just a matter of time before the facility becomes noticeably outdated and the competition passes by. Look within for high-value, high-return, competitively differentiating strategic investments."*

However, Galeski adds cautionary advice about client companies with lean staffs attempting to execute improvement strategies using only limited internal resources: *“Also, take care to choose a partner who will not only help you develop your strategy, but will also manage implementation and perform much of the program. Many times, the handoff between strategic technology planning and tactical implementation leaves a gap that can reduce the overall return of the investment.”*

MAVERICK’s CEO concludes that this upbeat approach has benefited both his clients and MAVERICK: *“Whether you are a manufacturing executive, private equity investor, or a venture capitalist with interests in manufacturing, you have the power to benefit directly and handsomely from an investment in the field of automation – even in today’s poor economy. Now is the time to ‘seize the moment’ to invest in your own business. Further, taking a macroeconomic view of this approach, you will realize that our overall economy can (and will) benefit from a resurgence in capital investment. Capital investments not only benefit your business directly, but will resonate throughout the economy, helping fuel our economic recovery and improve our nation’s overall global competitiveness...”*

Conclusion

Mr. Galeski sums up the overall the situation up as well as anyone, *“Investments in today’s manufacturing enterprises offer lower risk and higher returns than traditional forms of investments and you determine the results. By taking simple steps to choose the right investments and the right partner to help you implement them, you will experience rewards that will position you as a stronger leader in tomorrow’s marketplace. Don’t let this opportunity pass you by.”*

The full white paper is available at MAVERICK’s website: <http://www.mavtechglobal.com>. I recommend it highly.

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