



OWNERSHIP  
THINKING

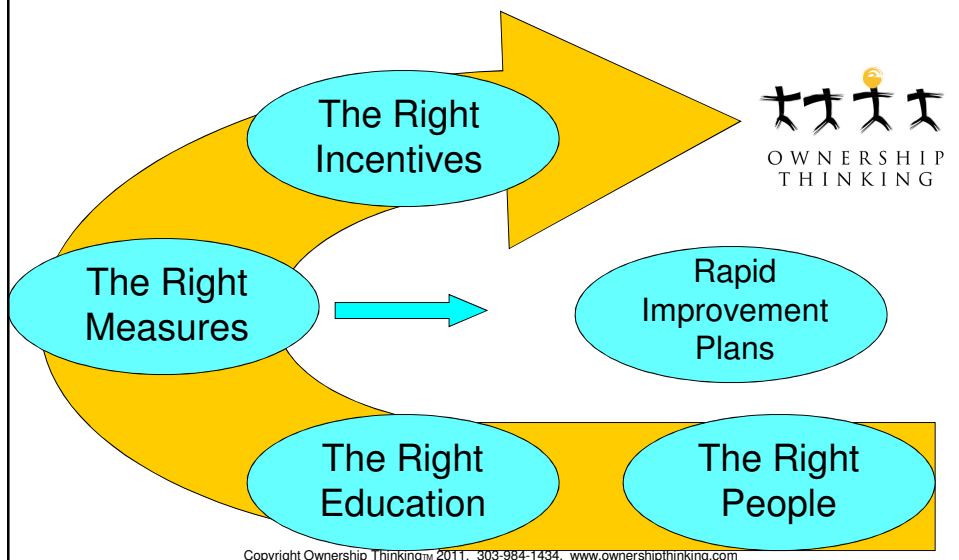
# Rapid Improvement Plans

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## Rapid Improvement Plans



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# Rapid Improvement Plan Selection

## Scoreboard

		Plan	Forecast	Actual
Bob	Sales	\$ 1,650,000	\$ 1,720,000	\$ 1,728,000
Bill	Direct Labor	\$ 650,000	\$ 670,000	\$ 668,000
Ann	Materials	\$ 450,000	\$ 445,000	\$ 440,000
Calc.	Gross Margin	\$ 550,000	\$ 605,000	\$ 620,000
Todd	Overhead	\$ 400,000	\$ 400,000	\$ 396,000
Calc.	Profit Before Tax	\$ 150,000	\$ 205,000	\$ 224,000
Bill	Average Cost/Package	\$1.50	\$2.00	\$1.96
Doug	Discounts/Returns	\$ 1,500	\$ 2,200	\$ 2,260
Sally	On-Time Delivery %	95%	96%	97%
Adam	Sales Per Staff Hour	\$ 10,500	\$ 9,550	\$ 9,362
Todd	Average Collection Days	40	38	37
Ann	Inventory Turns	7	7	6

## RIP

Reduce Average Cost Per Package			
Objective	Actions	Benefits	Celebration

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# RIP Example: Average Cost per Package

## No More Tears

Objective	Actions/People	Benefits	Celebration
<ul style="list-style-type: none"> <li>Reduce Average Cost per Package from \$2.00 to \$1.50</li> </ul>	<ul style="list-style-type: none"> <li>Move to 70% purchasing from Fresh Mex</li> <li>Improve pre-pack inspection process</li> <li>Calibrate packing equipment according to new schedule</li> <li>Reduce overtime by 60%</li> <li>Reduce average set-up time to 30 minutes</li> <li>Repair and maintain labeler</li> <li>Utilize new scheduler software</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in total COGs of \$800,000 (annualized)</li> <li>Increase Profit Before Tax by \$600,000 (annualized)</li> <li>Increase Bonus Pool by \$120,000 (assuming threshold is surpassed)</li> <li>Fund new venture in 2 years</li> </ul>	<ul style="list-style-type: none"> <li>BBQ and Band</li> </ul>
<b>Time Frame</b> <ul style="list-style-type: none"> <li>90 Days Beginning January 1st</li> </ul>			<b>Cost</b> <ul style="list-style-type: none"> <li>\$1,800</li> </ul>

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## DEAL OR NO DEAL

TOTAL COST REDUCTION

\$ 1	\$ 300
\$ 5	\$ 400
\$ 10	\$ 500
\$ 25	\$ 750
\$ 50	\$ 1,000
\$ 75	\$ 2,000
\$ 100	\$ 10,000
\$ 200	\$ 25,000

PRODUCED BY KATHY ZAHNISER DIRECTED BY KELLY LINDERSSEN  
 WRITTEN BY RITA BARENBOE WITH STEPHANIE COLE COSTUME DESIGNER YVONNE BEVERLY  
 EXECUTIVE PRODUCERS JERRY TROY BARNETT AND STACY MOORE

# Vendor LOVE BOAT

JUNK FEES	VENDOR SPONSORSHIP	VENDOR DISCOUNTS
\$4,500	\$3,500	\$13,000
\$4,000	\$3,000	\$12,000
\$3,500	\$2,500	\$11,000
\$3,000	\$2,000	\$8,000
\$2,500	\$1,500	\$5,000
\$2,000	\$1,000	\$3,000

After this journey, nothing will be the same....

MIMI STUDIOS PRESENTS A SAM SPEISER PRODUCTION WRITTEN BY JAMES CAMERON DIRECTED BY TROY BARNETT COSTUME DESIGNER DAN LOAZ COSTUME DESIGNER MONICA FRASER  
 EXECUTIVE PRODUCERS DAVID DANIELSON PRODUCED BY JERRY TROY BARNETT AND STACY MOORE WRITTEN BY RITA BARENBOE WITH STEPHANIE COLE COSTUME DESIGNER YVONNE BEVERLY  
 EXECUTIVE PRODUCERS JERRY TROY BARNETT AND STACY MOORE

# MATRIX

the fight for the website begins

JULY

AUGUST

SEPTEMBER

A FILM BY MERCEDES MEDICAL DIRECTED BY CAROL ANZANO PRODUCTION DESIGNER CHRIS THEVINGMANN WINNER  
 WRITTEN BY SARAH MCKEE COSTUME DESIGNER MICHAEL JENKINS COSTUME DESIGNER BRITTANY HARRISMAN AND DEAN MOODY

## A Catalog Adventure

A PEAR PRODUCTION PRESENTS MERCEDES MEDICAL WITH CAROL ANZANO DIRECTED BY JESSIE LEE ANZANO COSTUME DESIGNER FRANCIS ENNECHETER  
 COSTUME DESIGNER MONICA FRASER WRITTEN BY PAT GALLAS COSTUME DESIGNER MICHAEL JENKINS COSTUME DESIGNER SARAH MCKEE COSTUME DESIGNER BRITTANY HARRISMAN AND DEAN MOODY



# RIP Example: Reducing Average Collection Days

## Big Green Cash Cow

Objective	Actions/People	Benefits	Celebration
<ul style="list-style-type: none"> <li>Reduce Average Collection Days by 20 (from 58 to 38)</li> </ul>	<ul style="list-style-type: none"> <li>Clear, accurate, and timely invoices</li> <li>Ask for progress payments</li> <li>7-day "customer service" call</li> <li>Credit approvals</li> <li>Monthly statements and call lists</li> <li>Sales team report on aging</li> <li>Improve quality and fill rate</li> </ul>	<ul style="list-style-type: none"> <li>Increase available cash by \$600,000</li> <li>Increase GM (annually) by \$20,000 due to taking discounts from suppliers</li> <li>Reduce interest expense by \$24,000</li> </ul>	<ul style="list-style-type: none"> <li>Ice cream social</li> </ul>
<b>Time Frame</b>			<b>Cost</b>
<ul style="list-style-type: none"> <li>90 Days Beginning April 1<sup>st</sup></li> </ul>			<ul style="list-style-type: none"> <li>\$800</li> </ul>

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<b>Name:</b>			
Objective	Actions/People	Benefits	Celebration
<b>Time Frame</b>			<b>Cost</b>