

Our Value Proposition

Column 5 helps CFOs, across a wide variety of manufacturing sectors, to reinvent how they plan and manage their business. By integrating strategic, financial, sales and operational management processes (MPs), we help manufacturers establish a continuous planning and budgeting process that can:

- Be executed monthly in 10 to 20 days
- Improve profitability by up to 10%

Integration provides the means to achieve these objectives by creating one capability that MP components can't deliver individually – the ability to manage planning risk. The nature of this capability and how it contributes to achieving these objectives, is outlined in further detail in a white paper called “The Ten Day Plan”, a copy of which can be obtained on our web site.

Challenges We Address

As manufacturers grow larger and more complex, it becomes increasingly difficult to consistently execute strategies that create profitable growth. Many fail to fully achieve their aspirations of:

- Becoming more flexible, responsive, innovative, cost effective and customer-focused
- Entrenching process / quality thinking into the fabric of their organizations
- Empowering employees and promoting a “Business Owner Mentality”

Experience shows that traditional planning, budgeting, reporting and measurement processes don't always fully support these aspirations. The problem: these functionally-based approaches are often in direct conflict with “strategic initiatives” (eg. Six Sigma, TQM, ERP, CRM, Share Services, Outsourcing) whose value propositions are based on superior horizontal execution. This “Alignment Paradox” becomes especially prevalent when:

- Products & services cut across multiple functions, geographies, business units and legal entities
- Services represent an increasingly important part of customer value propositions
- Rapid growth is experienced, either organic or through mergers and acquisitions
- Shared service and outsourcing are used to reduce costs and standardize processes
- Product & service offerings undergo rapid change

How We Create Value

We create value by helping manufacturers address these challenges and resolve this “alignment paradox” so they can fully realize their aspirations and the value of such strategic initiatives. We employ a broader and holistic approach to MP design and implementation that helps organizations overcome the limitations of traditional MPs. The approach incorporates innovative approaches to using and integrating Corporate Performance Management (CPM) with other MP tools and technologies, such as:

- Activity-Based Costing
- Balanced Scorecard
- Strategy & Portfolio Management
- Sales & Operations Planning
- Process & Quality Management
- New Product Development

Manufacturers have typically been on the forefront of adopting such management tools. However, their value is often undermined by incremental implementation approaches – ones that deploy these tools independently of others and not part of an integrated MP. As a result, this “alignment paradox” is not always fully resolved.

Our approach, on the other hand, is specifically geared to leverage the full potential of these tools and to achieve strategic alignment. In so doing, we help organizations establish superior foresight, response speed and cross functional coordination. The results are four key sources of value:

- Reduce the cost of business processes
- Align cost structures with revenue streams
- Avoid costs through greater forward visibility
- Superior value from strategic initiatives

The Nature And Benefits Of Our Approach

We employ a programmatic approach that coordinates the implementation of related MP projects. Our five phased approach (which is summarized on our web site) typically starts by automating certain MP tools and applications. The difference is that they are implemented within the context of a broader MP design. This process-based approach has a number of pragmatic advantages that differentiate it from incremental ones that are typically technology-driven:

- It results in greater user acceptance
- It avoids CPM performance issues
- It minimizes redundant software & implementation activities
- It minimizes costly software integration
- The implementation time is shorter
- Benefits and value are achieved faster
- It often costs less to achieve these benefits

Our approach also recognizes that making changes to MPs is one of the most difficult things that leaders can undertake because it is often the most political process in organizations. We employ specific approaches to shape the “right behaviors”, enlist the support of key stakeholders and thereby overcome potential change resistance. Further details about our perspectives on implementation can be found in an article called “Selling CPM”, a copy of which can be obtained on our web site.

Opportunity Assessment

Column 5 provides a variety of services to help manufacturers design and implement MPs, which are outlined on our web site. We also offer a complimentary 1 day diagnostic to assess the maturity of existing MPs, as well as opportunities for achieving the above noted benefits through greater MP integration. For further information about our services, contact Dean Sorensen at dsorensen@column5.com, or call him directly at 425-260-6817.