

Having trouble viewing this email? [Click here](#)



In this issue

[vibrators, lean, and a
future for American
business](#)

[a different approach](#)

[reading list](#)

[announcements](#)

[all-star](#)

[about trek](#)

[Join Our Mailing List!](#)

trekking

**practical strategic thinking and action
newsletter issue #80**

vibrators, lean and a future for American business

Good friend and fellow XPX-Boston Director Larry Girouard invited me recently to tour the manufacturing plant of a company in Wyoming, RI. The company is named VIBCO Vibrators. I know, I know, when Larry invited me I was thinking the same thing - there could be awkward moments on this plant tour -- but [VIBCO](#) manufactures high-quality, low maintenance, industrial and construction vibrators.

VIBCO has been manufacturing vibrators for nearly 50 years. In today's highly competitive environment of low-cost labor overseas, VIBCO has found a way to thrive in its segment without moving production off-shore. A number of years ago, the company embraced lean manufacturing whole-heartedly, seeking operating efficiencies at every level of the company. The passion for lean manufacturing starts with cigar-chewing and Army helmet-wearing Karl Wadensten, VIBCO Vibrators President (who looks like a slimmer Bill Parcells). The passion extends to the employees assembling each industrial vibrator. VIBCO welcomes other manufacturers, business students, government officials, and all who are interested in taking a plant tour and learning how lean manufacturing has permeated the operation.

While everyone acknowledges that lean is a constant learning process and that progress can always be made, the results are impressive. Even in the severe downturn of 2008 and 2009, VIBCO did not have to lay off any workers. They have increased productivity and focused their whole thought process around the manufacture of these machines so much that Wadensten hosted a [daily radio program](#) to discuss lean with other lean experts.

a different approach

Wadensten empowers his employees to speak up when they

have an idea of how to make things better. And they do it all to provide better service. Their goal is to manufacture and ship these industrial vibrators (say, for sand and salt spreaders in the winter or year-round at construction sites) in two days. These are now built to order as opposed to building a run of 50 at a time and carrying them in inventory. This means fewer parts to carry in inventory, less space needed for storage, better communications between workers. Heck, even the mailroom re-organized and relocated to carry fewer boxes, and even use color codes to better understand urgency and priorities.

All of this means better cash flow and lower borrowing needs which means lower interest expense and more funds to invest into the business. Waldensten knows his advantage is in being nimble, providing great service to his customers with live answers to calls for product and delivery help, reaching out to educate with better ideas to tackle problems in the field, and sharing experiences with customers around best practices. This way, they don't have to compete on price because they're providing value. By shipping in two days, VIBCO keeps the competition from China and Brazil at bay and keeps manufacturing jobs in Rhode Island.

Make no mistake - this is hard work. Every employee is challenged to perform better and constantly think about improvement. But this bottom-up empowerment drives process and product innovation, making each worker a vital part of the company's future. Each VIBCO employee is asked to identify and correct the "8 Deadly Wastes": Overproduction, Waiting, Transport, Overprocessing, Inventory, Motion, Defects, and Underutilization.

This company embodies so many of the values that we highlight in *Intangible Capital*: Treating people, partners and shared knowledge as the core assets of an enterprise; Using measurement for learning rather than just as a management weapon; Beating "low cost" competitors by just being smarter. It's a recipe for the future of American business. One I hope you will join us in building, one company at a time.

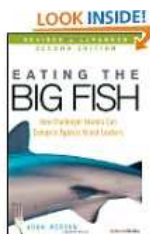
A longer version of this is available [on my blog](#).

reading list

Eating the Big Fish (second edition) written by Adam Morgan

This is an empowering [work](#) for those start-ups or underdogs in the retail world, but also in B-to-B. Adopting Morgan's recommendation is more of a mind set or attitude

to understand differentiation, how to stand out, and create buzz. Morgan's first edition, written ten years ago, preceded the social media age and so this edition incorporates all of the marketing challenges facing companies today.



A worthwhile read for smaller brands and companies fighting for market share, keeping in mind there are challenges to standard thinking that will require an open mind and ability to withstand change.

announcements

My partner Mary Adams [blogged](#) about her successful Hong King trip in November where she presented a paper on Intangible Capital and led a discussion track.



Wednesday, January 19, 2011 in Wellesley, MA - "Your Business at the Brink: Conflict Resolution and Negotiation in Private Business" On Wednesday morning, January 19, 2011, at Babson College, Deb Bing, a Principal at the Center for Applied Research, will [speak](#) on conflict resolution and negotiation in private businesses.



She will focus on the destructive potential of conflict as well as the paralysis that can result from avoiding conflict. Ms. Bing will present a few cases where business owners have faced situations where no future seemed possible, and by surfacing their differences in a rigorous and thoughtful way, discovered a productive path for the future.

Wednesday, January 26 in Philadelphia, PA On Wednesday morning, January 26, 2011, XPX-Philadelphia will hold a unique meeting. Attendees will participate in a collaborative exercise to include the broad range of advisors to business owners. Attendees will view a brief video of a



business owner discussing with her investment banker an offer she has received for the family's oil field equipment business. Attendees work together to develop additional questions and recommendations for the owner. The video was created by the Bigelow Company (<http://www.bigelowco.com>), an

investment banking firm in Portsmouth, NH. We conducted this exercise with great success at the 2010 XPX Summit in Boston and look forward to the reaction of the XPXers in Philadelphia.

Best wishes to all for the holiday season and thank you for reading Trekking.



Trek Consulting is proud to announce that our Trekking newsletter was named a 2009 Constant Contact All Star!

about trek consulting

Trek works with owner-managed businesses to develop and execute action plans for growth frequently by identifying, assessing and improving the intangible capital in a firm. Trek also works with the owners to prepare for their successful exit by coordinating the resources necessary to increase and preserve the firm's value, creating the succession plan and assembling the right transaction team, financing and post-transaction plan. Trek Consulting is one of the founding partners of the Exit Planning Exchange (XPX). Trek's principals co-authored [Intangible Capital: Putting Knowledge to Work for the 21st Century Organization](#).

Our clients report improved market focus, greater revenues, better margins and increased profits. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at www.trekconsulting.com or call us at 781.729.1008.



[Forward email](#)



This email was sent to oleksak@trekconsulting.com by oleksak@trekconsulting.com | [Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Trek Consulting | 10 Mt. Vernon St., No. 217 | Winchester | MA | 01890