

Drive Business Performance By Using the Six P's

By Mike Hulser

Production framers can easily agree on one thing—the economy of the past couple of years has been challenging. In any financial climate, but especially in such an economy, it is critical for framers to drive their businesses, creating results that will enable them to not only survive but thrive long term.

A framework for driving your production framing business is the “Six P’s”—Product, Price, Place, Promotion, Process, and People. Improving your business will result when you strengthen one or more of these P’s because they offer real opportunity.

Here’s a closer look at each of the P’s and how you can use them to strengthen your business.

Product

Product is, of course, at the heart of your business. And your product is production framing. Here is a checklist of questions to help you ensure that your product continues to be all it can be.

- Is every single piece the best you can do? Is your standard “as good as possible” or only “good enough?” High quality product drives the possibility of the highest possible price, where everyone wants to be.
- Do you consider the due date to be an important ingredient of your product? Being on time is expected; there are no extra points for that. Being late is simply poor performance and, from a business partner perspective, it weakens your product offering.
- Is only “turning inventory” in your storeroom? If inventory is not turning, you need to get it out. Liquidate it for as much (which may be only a little) as you can get, and put the proceeds into inventory that turns. Also, don’t let non-moving product accumulate in your production area for financial, efficiency, and safety reasons.
- Is your current product relevant to today’s customers? Tradition has its place, but the trendy also sells.



Price

Price is a key piece of the “value proposition” you offer your customers. When all of the other P’s are strong, price can be relatively less important to your customers. Remember, value is what they are seeking. You want to continually strive to be worthy of the highest possible price. Drivers continually push price because that’s where the margin is. Here is a price checklist.

- Are your product, place, process, and people on par with the high prices you must continually seek?
- Conversely, is your product priced to sell? High theoretical margins on product that is not selling are self-delusional at best. The only price that matters is the one you get for an actual sales transaction.
- Do you attempt on an ongoing basis to understand what prices your competitors are charging and how their value proposition compares to yours?
- Do your volume discount practices make sense? When was the last time they were reviewed?

Place

Place is important because it’s where the work gets done. Your place of business must project an image of the high-quality business partner you are striving to be and be organized in a way that helps you conduct business in an effective and efficient manner. Here is a “place” checklist:

- Are you proud of your place? If you are, it will show—and vice versa. The condition of your place says a lot about your values, which are likely to be important to your business partners.
- Do you keep your facility, equipment, and supporting systems in good working order? If not, it will be difficult to put out a high quality product on time and extract the highest possible price for it.
- When customers or business partners are in your place, are they the focus of your attention? When a customer or business partner visits, it should be a big deal.
- Is your place effectively organized, with appropriate sepa-

ration between storerooms, production areas, and administrative offices? Each type of work has its own appropriate type of space.

Promotion

While production framers are typically not retailers, they still need to maintain an effective ongoing promotional campaign, which communicates to your customers and business partners who and what you are, what your values are, and what you are striving to be. A promotion checklist would be:

- Do you know who your potential customers are?
- Do you know how to effectively reach them?
- What is your message? What are we trying to say? Who and what are you?
- Do you invite your customers to visit your place to see first-hand the “first-class” manner in which you do business?

Process

Process means how you do business. Key processes in a production framing business include:

- Bidding, proposing, and winning the order.
- Processing the order, ordering materials (as needed), and getting the order into production.
- Getting the order through production on time with high quality.
- Delivering or shipping the order, with no damage.
- Invoicing and collecting the receivable.
- And ongoing preventative maintenance for your facility, equipment, and people.

A few key questions related to process:

- Are your key processes both effective (doing the right job) and efficient (doing the job right)?
- Do you consistently produce high quality on time with a minimum of waste and extra cost?
- Do you under-promise and over-deliver?

People

The potential impact, either favorable or unfavorable, of your people is far greater than any of the other Ps. Your people are your greatest differentiator—potentially your biggest asset, biggest liability, or perhaps both. It is amazing how a bit of attention to the people equation can sharply enhance the performance of a business.

Here's a useful people checklist:

- Is every single one of your people an “A player”? If not, what are you doing about it—in terms of developing and recruiting talent?
- Are you training and retraining every day, just like elite soldiers and professional athletes do, making the people you have the best they can be?
- Does each and every one of your people fully understand the specific results—the what, when, and how—that you expect out of them in their jobs?
- Do your people understand that continued growth in adding value in every position is your ongoing expectation?
- Are your lines of authority and areas of responsibility clear?
- Are you leading and managing in a manner that brings out the best in your people, making the top performers want to stay, and the weak performers, if any, want to go?

Results

The six P's provide an excellent framework for improving the operating and financial performance of your production framing business. Ask the questions, work hard on the answers, and you will quickly begin to see the improvements.

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