

# How to lead your organization through a challenging macro economic environment

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CANADA 2019

# Today's Presenter



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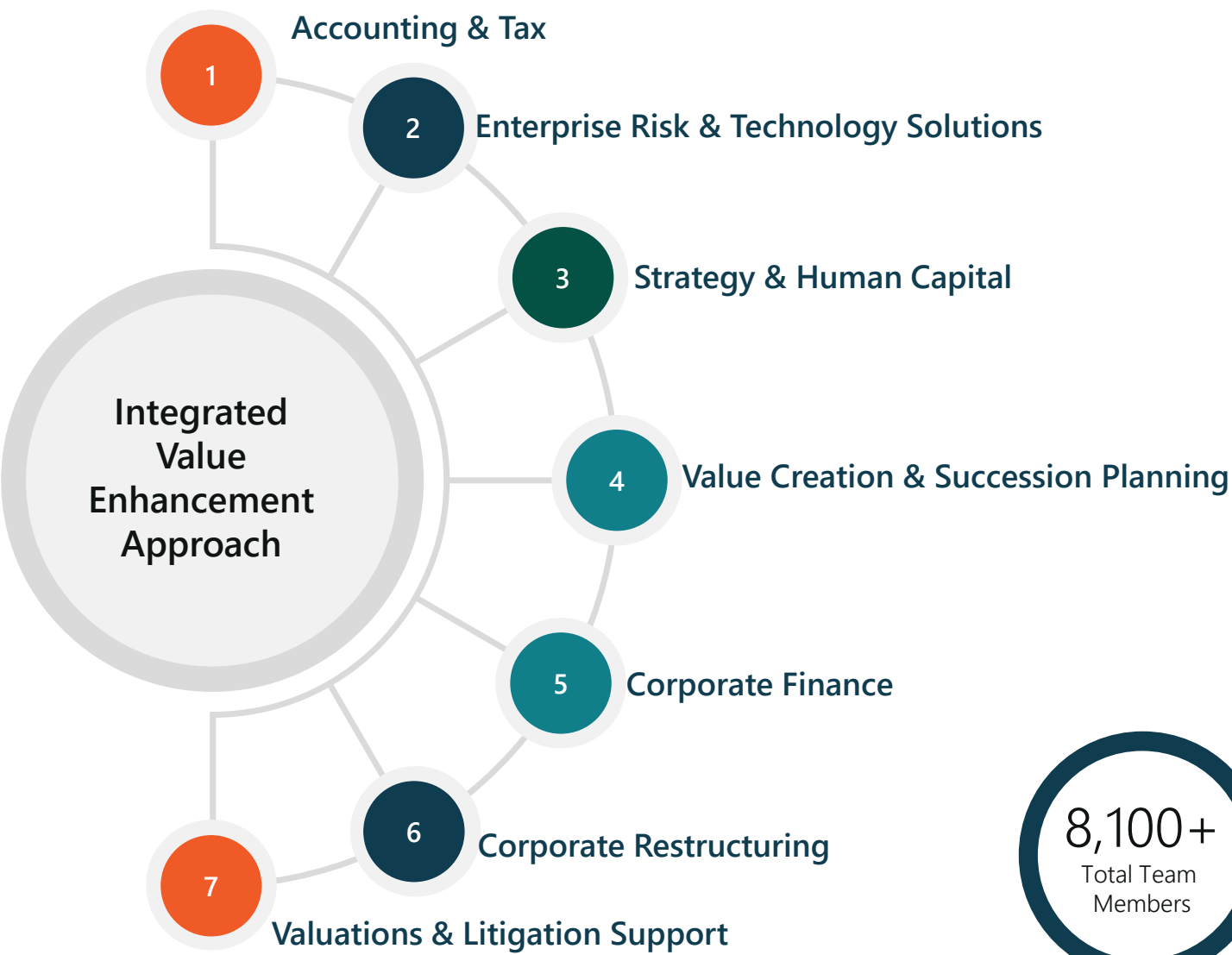
Partner & National Leader of Value  
Creation

MNP LLP

Yohaán Thommy draws on more than 15 years of consulting experience, most of it in the manufacturing and distribution space, including having helped **10 companies in the kitchen cabinetry, millwork and furniture businesses** with transformational projects and about 75 other manufacturers. Yohaán focuses on delivering **measurable financial results** for his clients, helping them make their organizations more valuable and bringing them greater financial predictability through operational improvements.

Yohaán works primarily with owner-managed, privately held businesses and private equity firms. Yohaán is a certified Project Management Professional and has his Lean Six Sigma Black Belt. He is also a Certified Management Consultant.

# About MNP



MNP is the fastest growing and the 4<sup>th</sup> largest chartered accounting and business consulting firm in Canada.

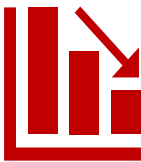




# Industry Overview: Cabinet & Vanity Manufacturing in Canada



The Canadian industry is expected to decline annually by **0.6%** between 2021-26. As the housing market cools, interest rate pressures, and export to US cools likely due to cost pressures and availability of supply from China



Overall the industry **Net Profit Margins have decreased from 5.3% in 2016 to 3.6% in 2021**. The margins are expected to decline further as imports from overseas Cabinets, increased price competition, and a rise in wages are all anticipated to create an impact.



The Avg. workforce / per business is 10, with average productivity with revenue/employee of \$143K vs. the US at C\$243K. **Access to automation / scale a challenge in Canada**

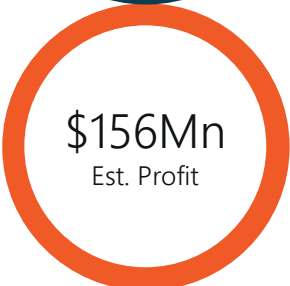


Despite reducing market size, research suggests of increased entrants over the next 5 years by 3% to 3255. The key differentiator in the increasingly competitive market may be **pricing, on-time delivery, and design**. The industry is fragmented with the **five largest companies contributing to 15% of revenue**.

The Canadian industry has seen an average annual growth rate of 1.3% between 2016-21. However, decline annually by 0.6% between 2021-26

Ontario and Quebec contributed to 2/3<sup>rd</sup> of the annual revenue in the industry and 2050 establishments.

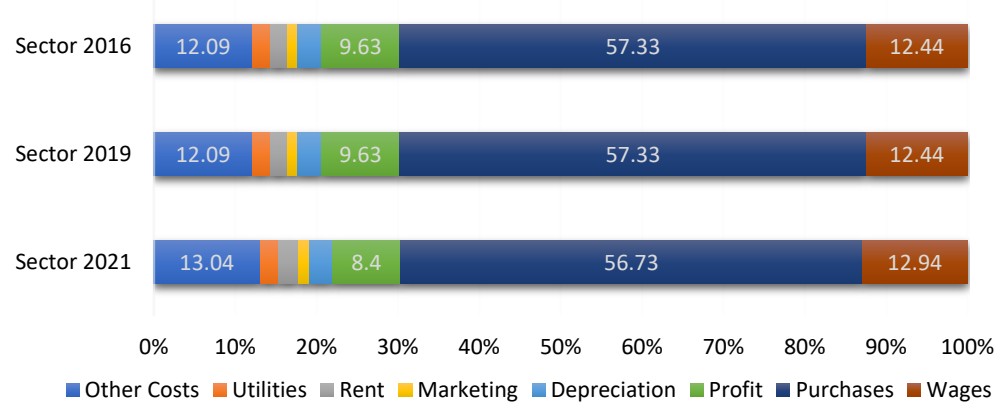
Between 2016-21, Ontario saw the fastest growth. Avg. annual revenue growth rate of 5.03%, followed by British Columbia at 4.28%.



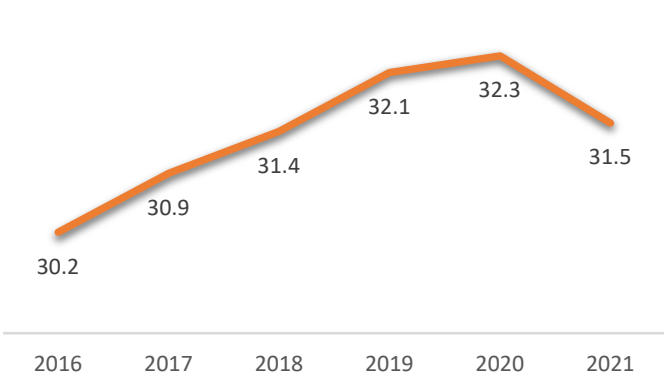
# Industry's Financial Performance



The sector's cost structure



Wages (Production & Other) / Revenue



Purchases / Revenue



Profit Margin

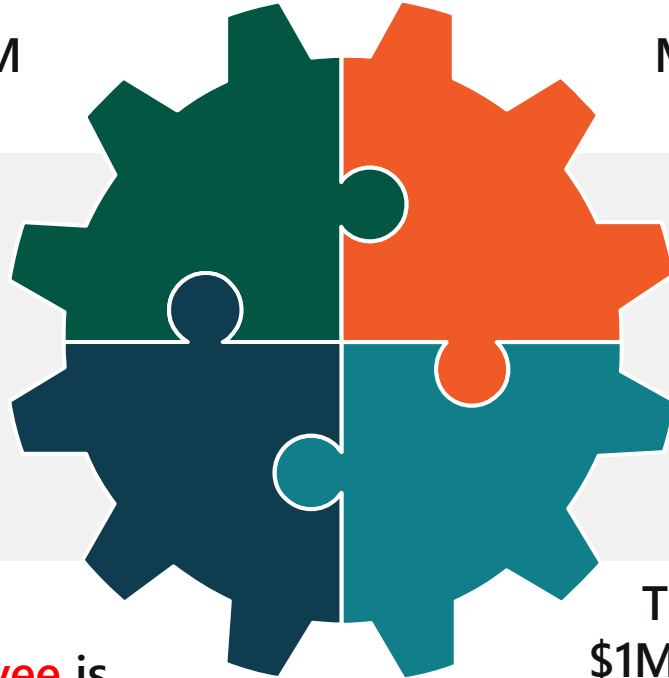


Cost structures vary among operators in the Canadian Cabinet and Vanity Manufacturing industry and are based on cost efficiency and automation. This industry **has high labor costs compared with other manufacturing industries due to skilled labor** such as carpenters, furniture assemblers and inspectors, etc. Purchase costs have experienced slight volatility over the past five years due to decreasing sawmill lumber prices.

# Enterprise Value: Link to Productivity

EBITDA = \$1MM

Multiple = 4.7x



Goodwill →  
**Owner / Key Employee** is  
a Genius

Theoretical value  
\$1MM (-250k) x 4.7x =  
\$3.5MM

Expected Value = \$4.7MM

Delta = \$1.2 MM

# Impact of the economy

EBITDA = \$350,000

Multiple = 4.7x



Goodwill →  
Owner / Key Employee is a Genius

Previous Ent' Value = \$3.5 MM

New Enterprise Value  
=\$470,000

Theoretical value  
 $\$350,000 \text{ } (-250k) \times 4.7x = \$470,000$

## Current Rev: \$10MM Revenue

- COGS \$5M or 50%
- SG&A / Overhead \$1.5M or 15%
- Labour Costs \$1.5M or 15%
- Other Cost \$1M or 10%
- EBITDA \$1M or 10%



## 10% Cost Increase: \$10MM Revenue:

- COGS \$5.5M or 55%
- SG&A / Overhead \$1.65M or 16.5%
- Labour Costs \$1.5M or 15%
- Other Cost \$1M or 10%
- EBITDA \$350,000 or 3.5%

# Productivity & Enterprise Value Go Hand in Hand

EBITDA = \$1.8MM

Multiple = 6.7x



Previous Ent' Value = \$3.5 MM

New Enterprise Value = 12MM

Goodwill →  
Business owns goodwill

- EV has 350% EV Improvement with 20% Revenue Growth or 20% productivity improvement

## Current Rev: \$10MM Revenue

- COGS \$5M or 50%
- SG&A / Overhead \$1.5M or 15%
- Labour Costs \$1.5M or 15%
- Other Cost \$1M or 10%
- EBITDA \$1M or 10%



## Rev. Growth: \$12MM Revenue:

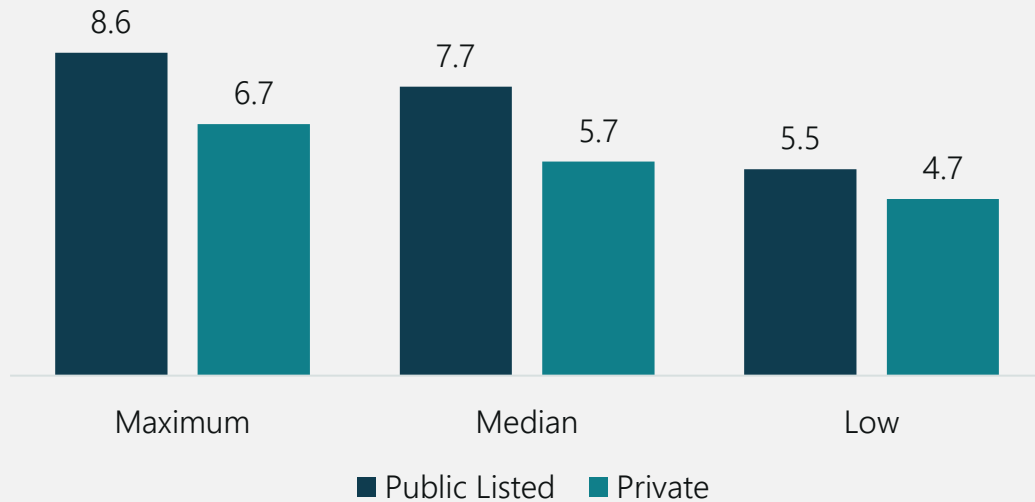
- COGS \$6M or 50%
- SG&A / Overhead \$1.5M or 12.5%
- Labour Costs \$1.5M or 12.5%
- Other Cost 1.2M or 10%
- EBITDA 1.8MM or 15%



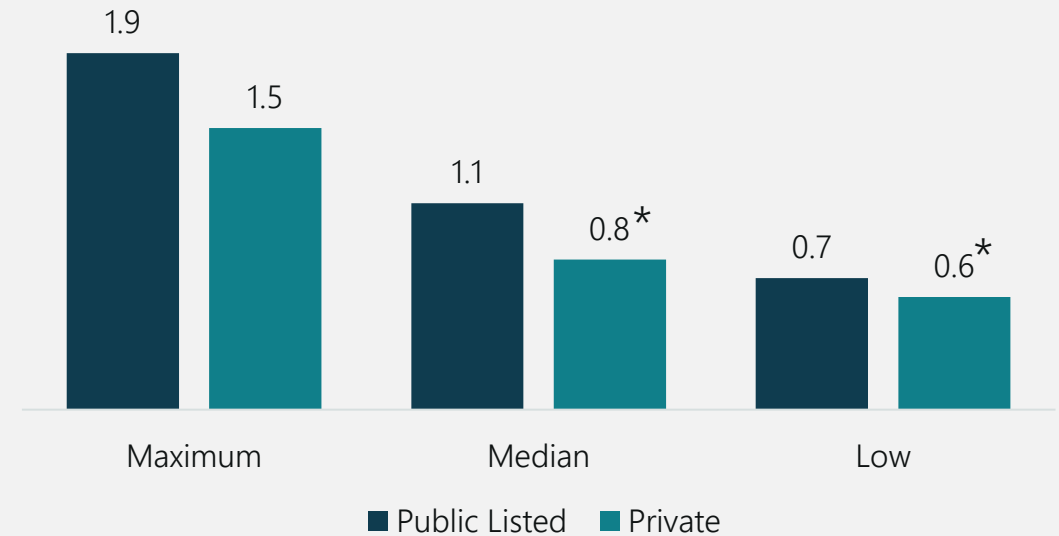
# Industry's Valuation Metrics\*

Privately held companies usually have been valued at multiples lower than those publicly. The two key valuation multiples traded at 2x less for EV / EBITDA and 0.4x for EV / Revenue.

## EV / EBITDA Multiple



## EV / REVENUE Multiple



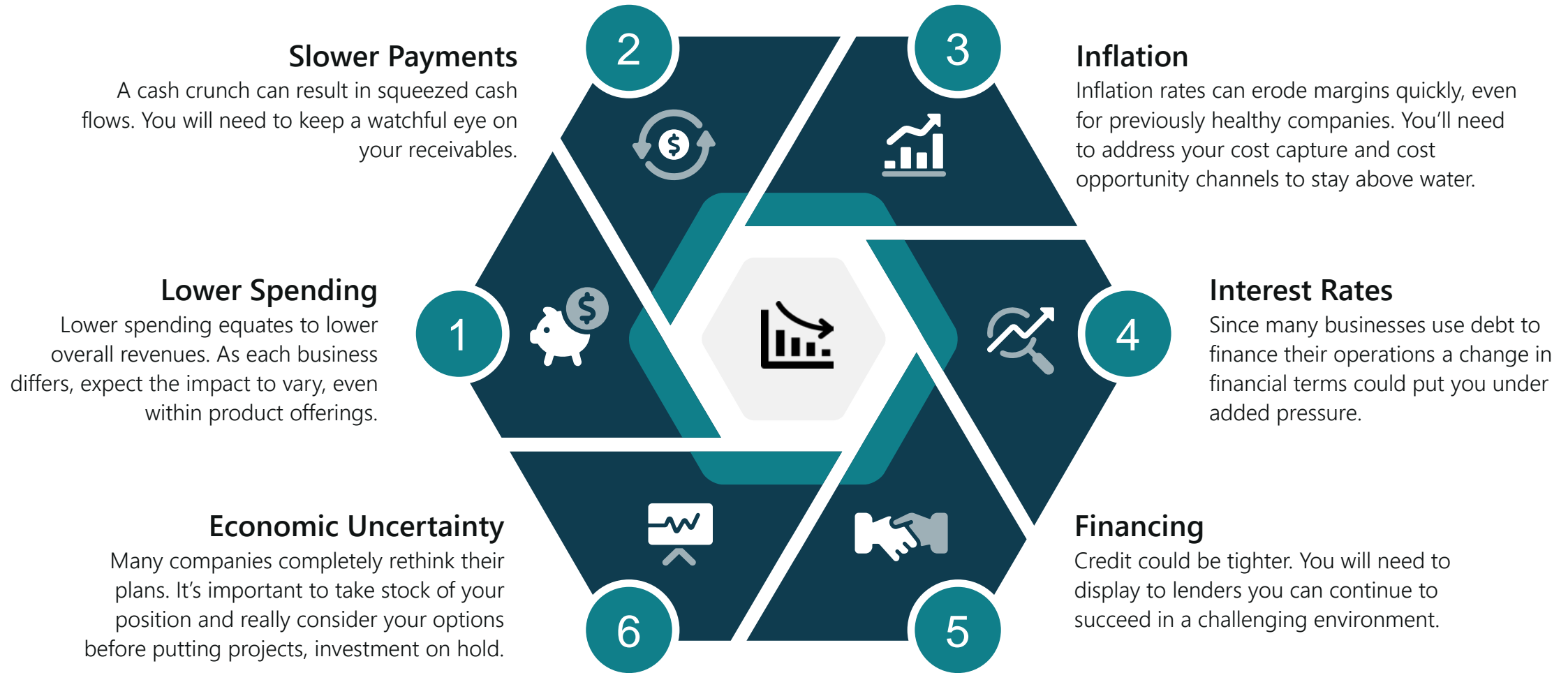
**Highest Valuations Rule of 30:** the principle that a company's combined growth rate and profit margin should exceed 30%

# Trends and Insights in Today's Economic Climate

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# How Could Your Business Be Impacted?


Below we outline a few ways in which a market downturn could effect your business operations.



# Growing Threats: Rent Expense - Example

The cost of Rent in the GTA has skyrocketed 53% from 2021 to 2023 levying additional financial stress on Business owners.

<b>2021</b>  \$11.73 PSF, Assume 100,000 SF	Revenue:	\$14,662,500
	Rent Expense:	\$1,173,000
	Other Expenses:	\$12,181,674
	<hr/>	
	EBITDA:	\$1,307,826
	Amortization:	\$1,000,000
	Net Profit Before Tax:	\$307,826


<b>2023</b>  \$18.01 PSF, Assume 100,000 SF	Revenue:	\$14,662,500
	Rent Expense:	\$1,801,000
	Other Expenses:	\$11,181,674
	<hr/>	
	EBITDA:	\$679,826
	Amortization:	\$1,000,000
	Net Profit Before Tax:	<b>\$-320,174</b>

In 2 years, the company saw and **11.8% decrease in EBITDA** as a result if the increase in rental costs.

# Growing Threats: Interest Expense - Example *MNP*

Business owners in 2023 must navigate **interest rates that have doubled** over the last 2 years.

<b>2021</b> 	Revenue:	\$14,662,500
	Interest Expense:	\$65,000
	Other Expenses:	\$12,181,674
	<hr/>	
	<b>EBTDA:</b>	<b>\$1,307,826</b>
3.25% Rate, Borrowing \$2 Million	Previous Net Profit:	\$307,826
	<b>Net Profit before tax</b>	<b>\$242,826</b>

<b>2023</b> 	Revenue:	\$14,662,500
	Interest Expense:	\$139,000
	Other Expenses:	\$12,181,674
	<hr/>	
	<b>EBTDA:</b>	<b>\$679,826</b>
6.95% Rate, Borrowing \$2 Million	Previous Net Profit: :	<b>-\$320,174</b>
	<b>Net Profit before tax</b>	<b>-\$459,174</b>

The Interest Expense **increased by 213%** from 2021 to 2023. This increase has a direct impact on net income and impacts the company's overall borrowing strategy.

# Your Mitigation Plan



# Preparation

Anticipating the next business cycle is key. Preparing for it is paramount.

## Take Stock

Your first step could be to understand the health of your business and how a market downturn could impact its operations.

- Set aside time with your top decisionmakers to war-game and scenario plan how a recession or soft market could impact your business.
- Understand where the risk lies, this can come from both internal and external sources.
- Ascertain what are your biggest contributors to both revenue and margin. What's driving both of these metrics.

**“By failing to prepare, you are preparing to fail”**

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## Develop your strategies

What offensive and defensive strategies could you employ.

- Once you have a clear picture of what to expect and what could be, you can begin to build a series of strategies that will build company resilience, and help you thrive.
- Defensively, we are looking at ways in which we can mitigate the impact of a market downturn on the business. Examples being, cost cutting, foresight response, productivity boosts.
- Offensively, we are looking at ways to gain opportunity from a market downturn and look to the other side. Where can you invest for future growth, moving ahead with acquisitions (both in personnel and assets) etc.

The healthier your business is today, the more resilient you will be in the event of any market downturn



3

## What are your proactive options?

Are you able to leverage any of your strategies to get ahead of potential problems.

Look into your strategy options. Can you begin moving on those whilst the business is in good health? Building resilience in good economic times pays dividends when market conditions take a turn for the worse. Some companies that thrived during the great recession were pre-emptively executing strategy.

# Focus on Margin

A key company resilience factor noted during the great recession was margin. Specifically being proactive with how they handled margin both before and during the downturn.

Focus on products and services that **provide you with the best margins** and be willing to compromise on those with high overhead and low returns — **Divesting** from these can aid in releasing dead weight and provide opportunity to **pivot and re-invest** in channels that may reflect the revised economic outlook.



You can start with a rationalization exercise to ensure you're being **strategic and maximizing your margins**. Begin with products and services that contribute to less than 20 percent of your overall revenues. **Is it worth placing** large orders or having a large inventory when consumer **spending drops**?



Bring your costs under control.



Where can you lower operational expenditure?



What cost cutting avenues are open to you?



MNP's Performance Improvement team are experts in delivering a multitude of holistic analyses tailored to the specific needs and circumstances of your business

# Improving Operational Efficiency

Gaining efficiencies across the organisation will yield returns in your financial statements affecting a plethora of metrics, from productivity to margin. Its best to start this process as early as possible in order to move your business towards pole-position.



Are you getting the most out of invested capital?



Is your human capital performing as required?



What are the key productivity drivers and where is it falling short?



Can you achieve higher output per unit of labour without capital investment?

You can begin by **conducting a analysis** of your current business operations to determine where **value and opportunity** lies.

Where can you simplify processes, strip out waste, improve **quality and reduce cost** without making significant equipment and/or personnel changes.

Use these findings to **pinpoint key areas of influence** where untapped efficiencies can be leveraged into **bottom line improvements and margin gain**.



At MNP our Performance Improvement team specialise in extracting all manner of productivity and efficiency gains throughout organisations from top to bottom.

# Enhancing Cash Flow

As the economy slows, businesses can find themselves in a cash crunch. Not only could receivables be slower, suppliers could be requesting quicker payments and inventory becomes more difficult to convert.



The pandemic has moved businesses from a “just-in-time” model to a “just-in-case” model. This could **create greater risk in a market slowdown** and leads to cost conversions — or how long it takes to turn your inventory to cash. You might consider shelving items that take longer to sell and **focusing on those that bring cash in quicker.**



A supply chain evaluation can help you **identify opportunities** to shorten lead and “procure to sale” cycle times, which will **improve your ability to convert cash quickly**, carry less inventory, maximize margins, and ultimately minimize risk.



Cash flow planning will be critical moving forward. Organizations with cash can pay off more debt as interest rates climb and hold high.

## How can we help you?

At MNP, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organisations succeed.



# Looking Ahead

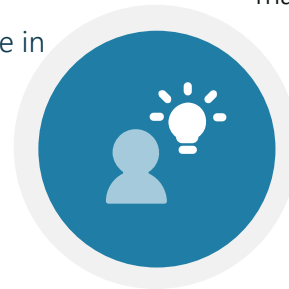
# Opportunities

Even in bleak market conditions, we can leverage the times to yield opportunity. And whilst we address the concerns of the day, we can plan for the future.



## Stay Calibrated

When downturns hit the normal response is to cut, cut, cut. However the decisions we make towards the future in these conditions are just as important as those we take to react to them. Profit margins can take a hit, very quickly, which makes anything but cutting a difficult pill to swallow. Keeping the calibration between the two approaches is paramount to ensure you are in the best possible position once market conditions improve.



## Market Share

A prepared business may find itself in a position to capture market share and grow through consolidation. You can also enjoy competitive advantages if you can predict what products / services will take off, focus on higher margins, and improve cash conversion.

## M&A



As businesses emerge from recessions or periods of economic uncertainty, there are often opportunities for those seeking to grow through acquisitions and those looking to exit. Those that are struggling because they couldn't make changes, cut costs and manage cash flow may provide strategic merger opportunities at a discounted price.

## Stage For Sale



Similarly, knowing other firms may be looking to acquire, this is a good time for those considering an exit to conduct a readiness study. The assessment will identify and inform a stepwise plan to eliminate any value inhibitors prior to putting the business on the market. You've worked hard to build your business. This or a similarly structured process will help you "stage it for sale" and maximize the return on your investment.

**MNP's Financing and Consulting Service Lines are perfectly positioned to help you take advantage of any opportunities that can be unearthed.**



# Opportunities Cont.

Even in bleak market conditions, we can leverage the times to yield opportunity. And whilst we address the concerns of the day, we can plan for the future.



## Talent Acquisition

Depending on how a soft market impacts your business area of influence, talent pipelines can open up as other companies begin lay-offs and engage in hiring freezes. Securing top talent at this stage of the business cycle can position you well as the conditions improve. It also offers an avenue to address difficulties with the labour shortage in Canada.



## Upskilling

The change in market conditions may force you to re-evaluate how you want to do business in the future. In particular what products and services you offer. This may require a modification to the skillsets of your employees. Perhaps you have acquired automation on the cheap and now you need technical personnel to deal with its own unique challenges. Expanding the skillset of your workforce will yield gains in flexibility moving through and out of a recession.



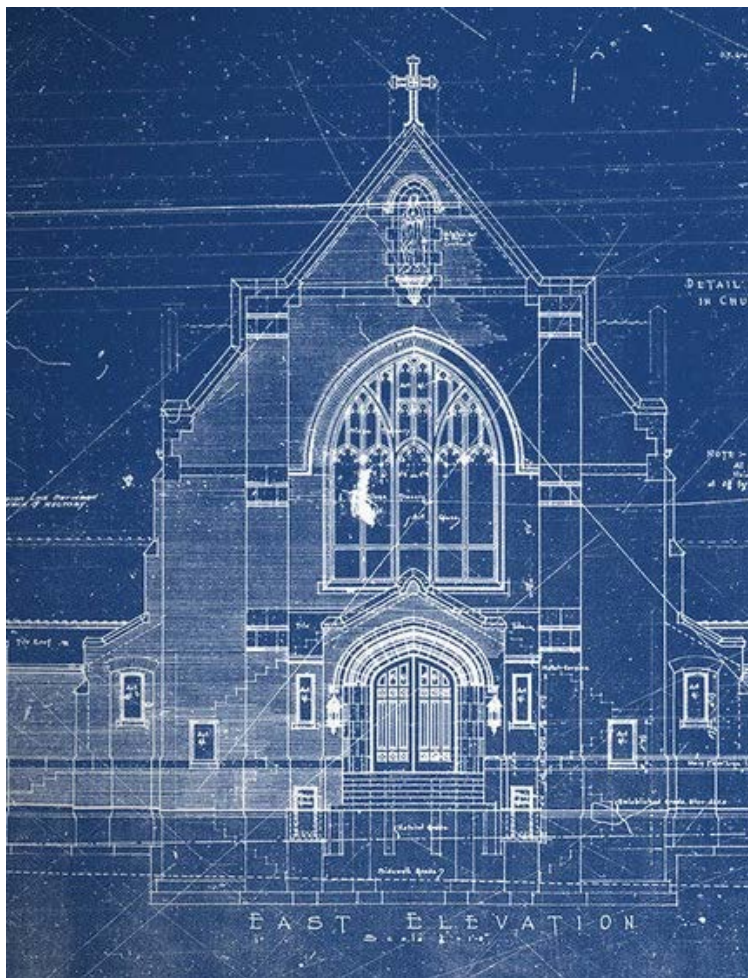
## Our Offering To You

Industries are complex. To be a leader you need to be at the forefront, anticipating and adapting to innovations, economic shifts, market trends and evolving legislation. That's why we continually invest our time and resources into fully understanding the key industry segments our clients operate in. This allows us to provide in-depth insights and tailored solutions to help our clients succeed in a diverse range of sectors

# BUSINESS PLANNING PRODUCTIVITY: OPERATIONALIZING YOUR STRATEGY

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# Business Process Design



The Management Operating System (MOS) is the mechanism for how an organisation translates corporate goals into actions where the work is performed. **How are your strategic goals operationalized?**



A properly structured MOS allows organizations to **better control and predict routines, organizational effectiveness,** driving higher outcomes in customer service, quality, and cost.



Does your MOS support the needs of the current business and future growth?

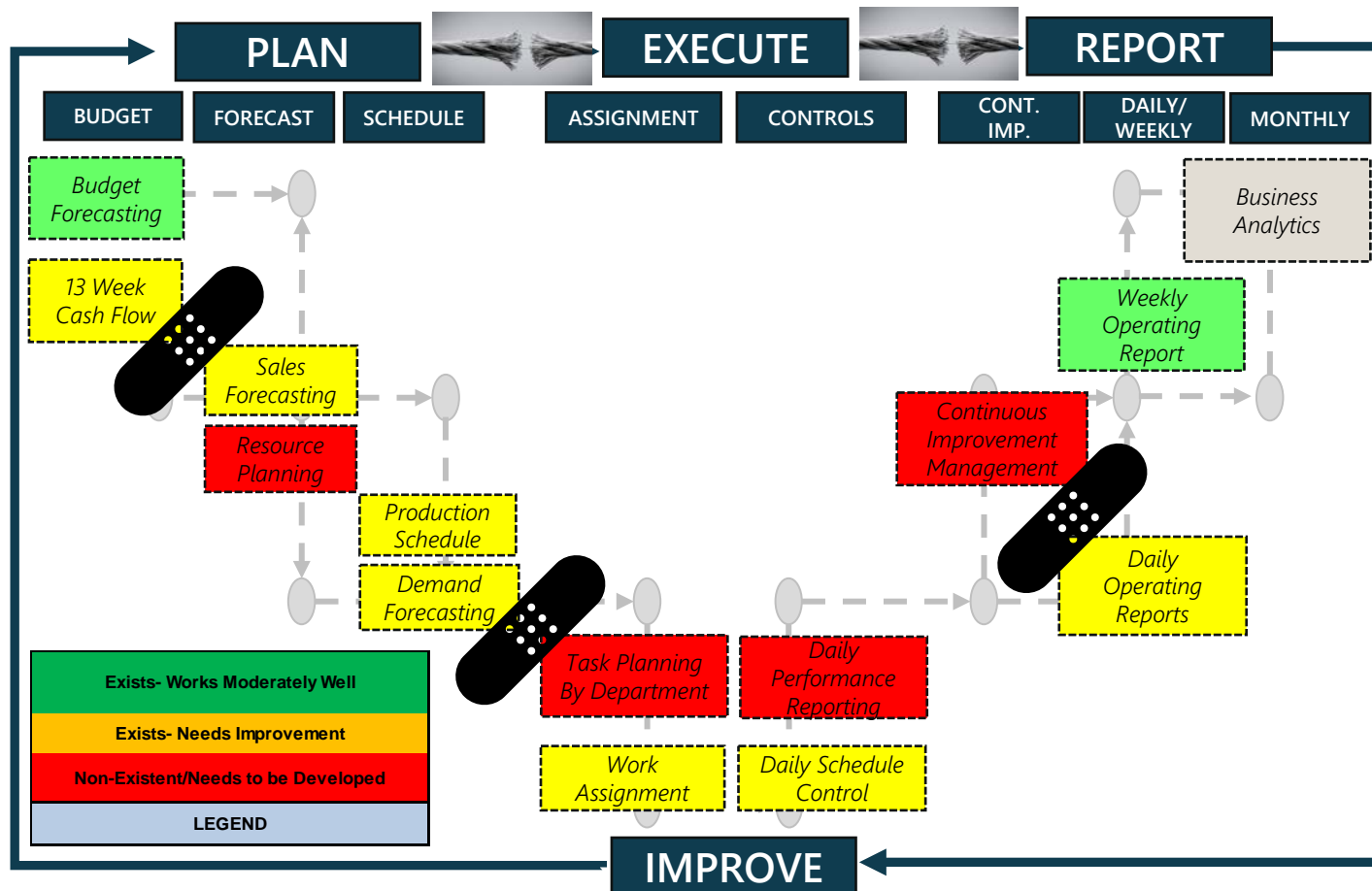


Freeing up your best people to help them lead better and in a more focussed manner

**GOOD TO  
GREAT**








**JIM COLLINS**

# Business Architecture



Most importantly, the Operating Model provides a structure and playbook that provides an organization repeatability regardless of who is in the leadership roles. This drastically increases the enterprise value.

The purpose of the Management Operating System (MOS) is to improve an organization's ability to:

-  Effectively manage resources.
-  Effectively identify and develop solutions to problems.
-  Measure and improve results using indicators such as productivity, quality, attainment & throughput.
-  Use historical information to develop and maintain long term planning of finances, and resources such as labour, materials, and equipment.
-  Effectively communicate information between managers and supervisors and between departments.
-  Effectively schedule and assign work.
-  Encourage the identification of methods improvements and their effective installations.

# Driving Capacity Improvements

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How to grow amidst a skilled labor shortage?

How to grow your profitability by 20%?

# THEORY OF CONSTRAINTS

## Theory of Constraints Explained

- In every process, there is a constraint.
- Depending on the nature of the process, the constraint can be easy or very hard to identify.
- In a manufacturing environment, the constraint is the slowest producing process step.

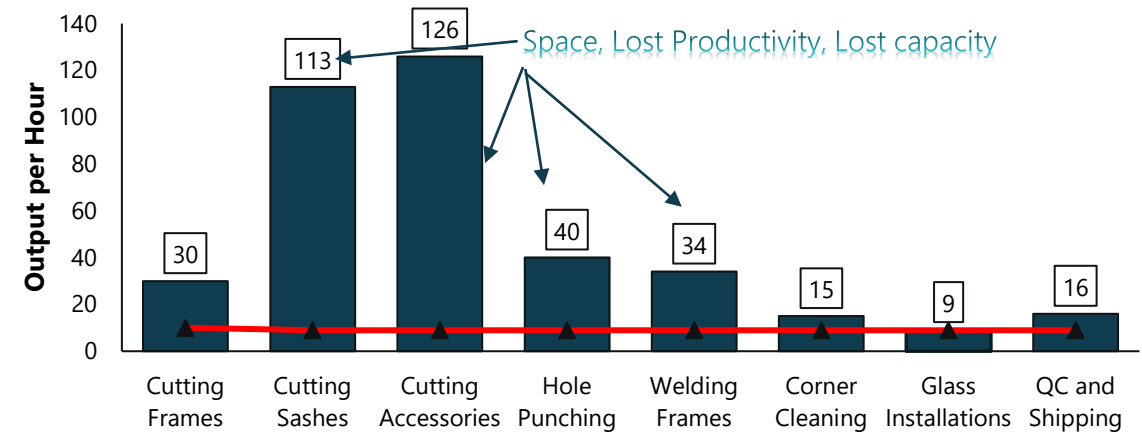
A process can only produce at the rate of the constraint.

- The constraint here is “Glass Installations” step. The organization can only produce at 9 windows/hour regardless of how efficient the other processes are.
- However, if they are able to reduce the amount of Non-Value Add time spent in the department, a throughput of 16 windows/hour can be realized.

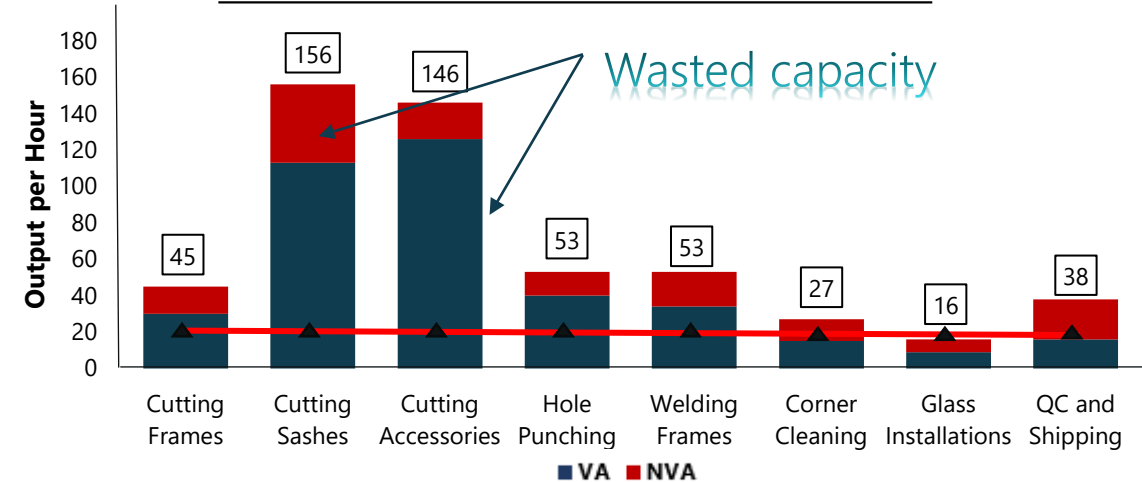
Actual Output: **9 windows/Hour**

Theoretical Output: **16 windows/Hour**

**Actual Windows Produced Per Hour**



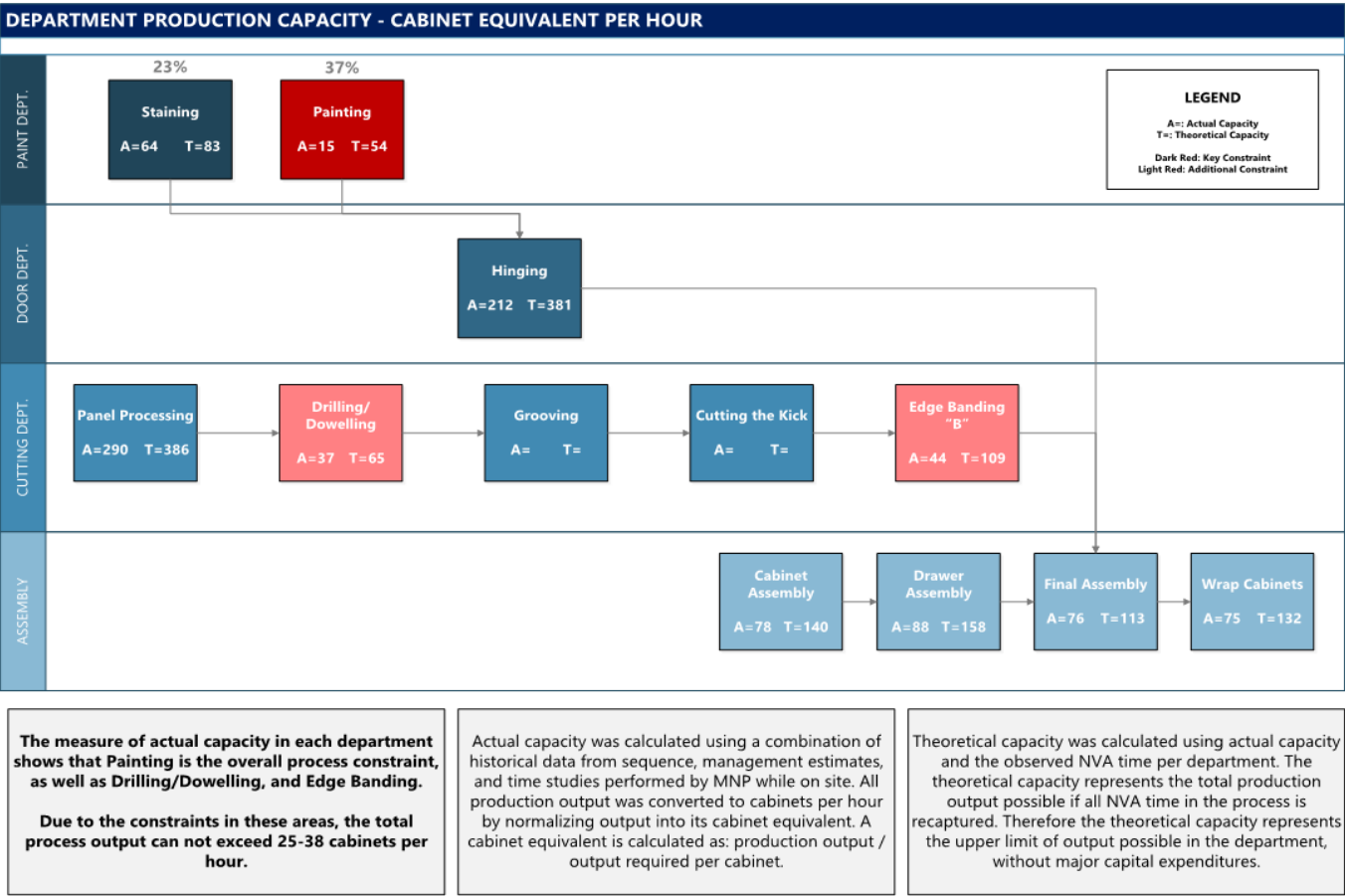
**Theoretical Windows Produced Per Hour**







# Scheduling & Rated Capacities — An Example From The Industry



Using Math to understand where your theoretical and actual bottlenecks are. This changes with product mix.

This data should be linked to a production schedule to smoothen out the ebbs and flows.

Using the determined rated capacities in conjunction with customer deadlines, we will develop a work routing algorithm that alleviates your constrained workstations and ensures schedule attainment.

**MASTER ROUTINGS DATA BASE**

Part Number	Machine1	Unique ID1	OP1	Setup Time	Run Time	Machine2	Unique ID2	OP2
SEAL 1	CM1	ROUGHING STRESS RELIEF	ROUGHING	0.15	0.15	VENDOR	STRESS RELIEF SPLIT	STRESS RELIEF
SEAL 2	CM1	ROUGHING DRILLTAP	ROUGHING	0.25	6	CM1	DRILLTAP STAMPING	DRILLTAP
SEAL 3	CM1	ROUGHING DRILLTAP	ROUGHING	0.25	2	CM1	DRILLTAP STAMPING	DRILLTAP
SEAL 4	CM1	ROUGHING DRILLTAP	ROUGHING	0.25	6	CM1	DRILLTAP STAMPING	DRILLTAP
SEAL 5	CM1	ROUGHING STAMPING	ROUGHING	0.25	3	STAMPING AREA	STAMPING ASSEMBLY PACKING	STAMPING
SEAL 6	CM1	ROUGHING DRILLTAP	ROUGHING	1	3	STAMPING AREA	STAMPING INSPECTION	STAMPING
SEAL 7	CM1	ROUGHING STAMPING	ROUGHING	0.25	3	STAMPING AREA	STAMPING INSPECTION	STAMPING
SEAL 8	CM1	ROUGHING STAMPING	ROUGHING	0.5	3.5	STAMPING AREA	STAMPING INSPECTION	STAMPING
SEAL 9	CM1	ROUGHING STRESS RELIEF	ROUGHING	0.5	2.5	VENDOR	STRESS RELIEF SPLIT	STRESS RELIEF
SEAL 10	CM1	ROUGHING DRILLTAP	ROUGHING	0.5	4	CM1	DRILLTAP CHAMFERING	DRILLTAP
SEAL 11	CM1	ROUGHING DRILLTAP	ROUGHING	0.5	4	CM1	DRILLTAP CHAMFERING	DRILLTAP
SEAL 12	CM1	ROUGHING DRILLTAP	ROUGHING	0.5	2.5	CM1	DRILLTAP CHAMFERING	DRILLTAP
SEAL 13	CM1	ROUGHING DRILLTAP	ROUGHING	0.5	3.5	CM1	DRILLTAP CHAMFERING	DRILLTAP
SEAL 14	CM1	ROUGHING DRILLTAP	ROUGHING	0.5	3	CM1	DRILLTAP CHAMFERING	DRILLTAP
HOUSING1	BP1	BORING DRILL	BORING	1	5	TRP1	DRILL PAINT	DRILL
HOUSING2	BP1	BORING BORING HUBS	BORING	3	85	BP3	BORING HUBS DRILL	BORING HUBS
HOUSING3	BP1	BORING BORING HUBS	BORING	2	62	BP3	BORING HUBS DRILL	BORING HUBS
HOUSING4	BP1	BORING BORING HUBS	BORING	2	8.5	BP3	BORING HUBS DRILL	BORING HUBS
SUP LIP	CM1	FACING GRIND	FACING	10	7	VENDOR	GRIND DRILL	GRIND
OUTSIDE PLENUM	CM3	FACING ASSEMBLY	FACING	0.67	6	ASSEMBLY AREA 2	ASSEMBLY SHIPPING	ASSEMBLY
TOP PLENUM	CM3	FACING DRILLINGTAPPING	FACING	0.5	9	CM3	DRILLINGTAPPING RESIST TFLW	DRILLINGTAPPING
BOTTOM PLENUM	CM3	FACING DRILLINGTAPPING	FACING	0.5	8.5	CM3	DRILLINGTAPPING ASSEMBLY	DRILLINGTAPPING
TOP LIP	CM3	FACING ASSEMBLY	FACING	0.25	7	ASSEMBLY AREA 2	ASSEMBLY SHIPPING	ASSEMBLY
BOTTOM LIP	CM3	FACING DRILLINGTAPPING	FACING	0.25	7	CM3	DRILLINGTAPPING ASSEMBLY	DRILLINGTAPPING
SLEEVE1	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	1	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE2	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.5	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE3	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE4	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE5	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE6	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE7	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE8	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE9	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE10	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF
SLEEVE11	CM3	ROUGHING STRESS RELIEF	ROUGHING	0.25	2	VENDOR	STRESS RELIEF ROUGHING	STRESS RELIEF

**Order Priority List**

Routing	Part	MO#	CUST/PROT	QTY	DUE DATE	Priority	Operation #	Current OP	Next OP	Unique ID
ROUTING	SEAL 9	1	1	5	04-Sep	1	001	ROUGHING	STAMPING	ROUGHING STAMPING
ROUTING	HOUSING1	2	2	5	05-Sep	2	001	BORING	DRILL	BORING DRILL
ROUTING	OUTSIDE PLENUM	3	3	5	06-Sep	3	001	FACING	ASSEMBLY	FACING ASSEMBLY
ROUTING	SLEEVE5	4	4	5	07-Sep	4	001	ROUGHING	STRESS RELIEF	ROUGHING STRESS RELIEF
NO ROUTING										
NO ROUTING										
NO ROUTING										
NO ROUTING										

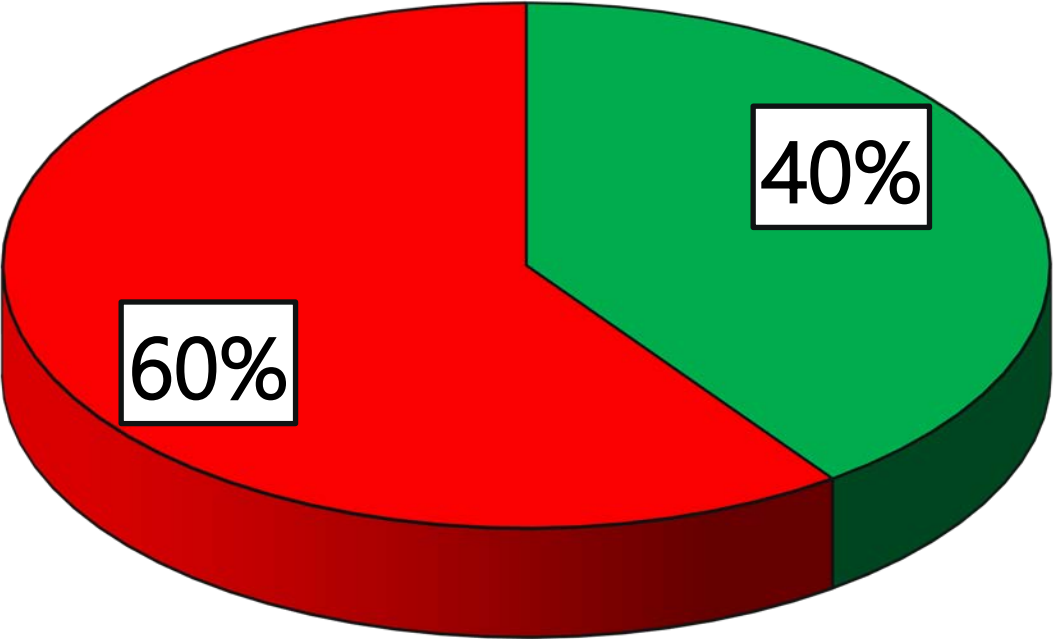
Example: Standard routes inputted. Time estimates created with historical data and compared weekly against up to the most recent 5 cycle times.

Estimates adjusted for every job, but changes beyond (+/-) 15% require management approval.

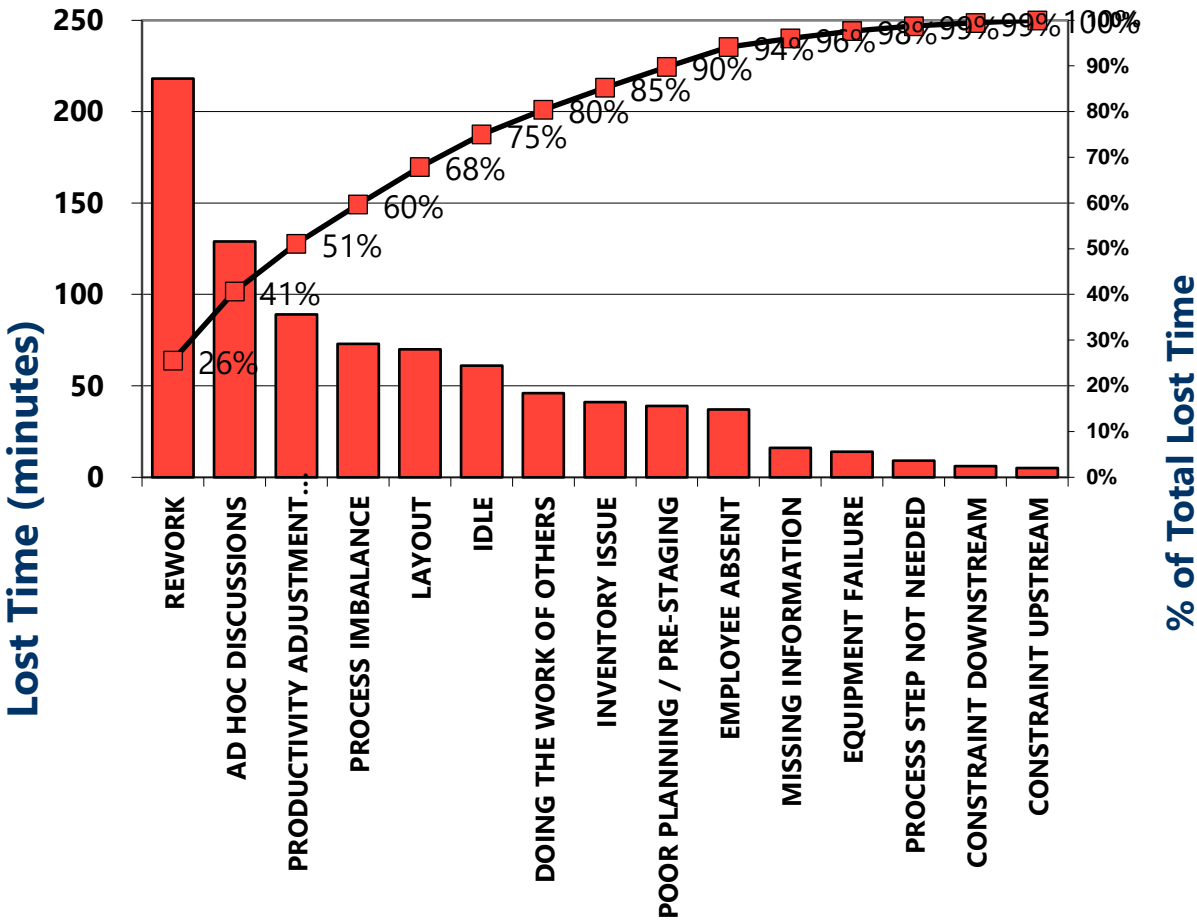
# Total Observed Lost Time



## Labour Productivity Assessment

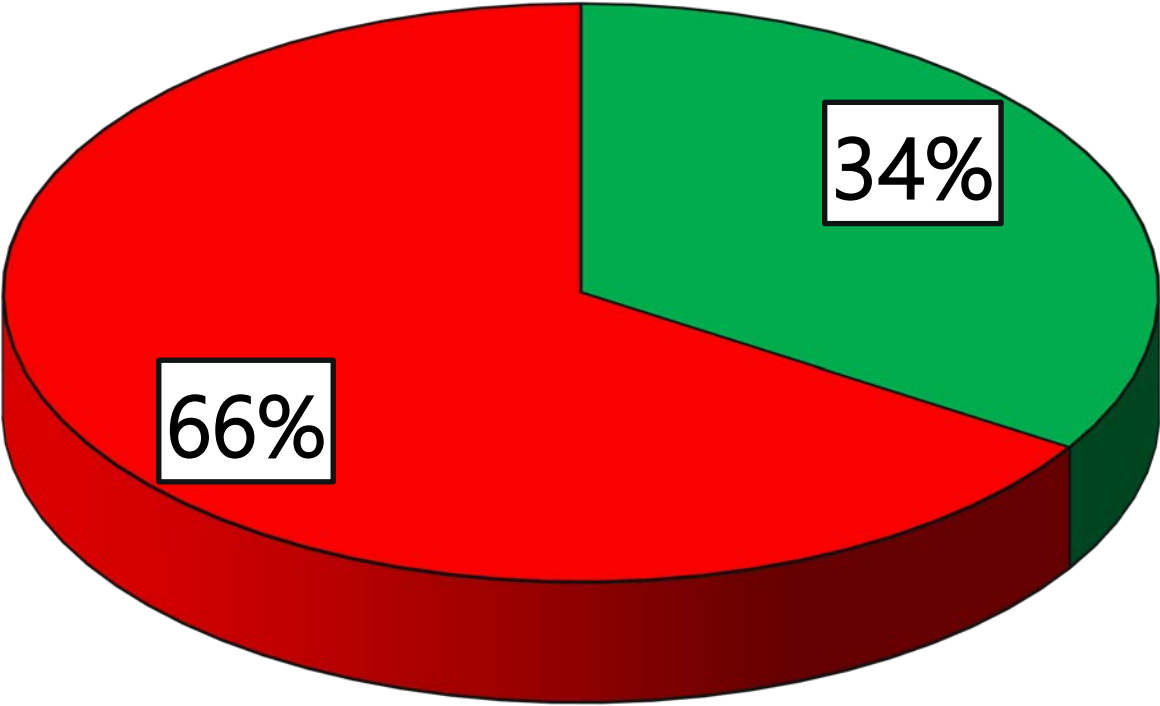


- Value-Added Activities
- Non Value-Added Activities

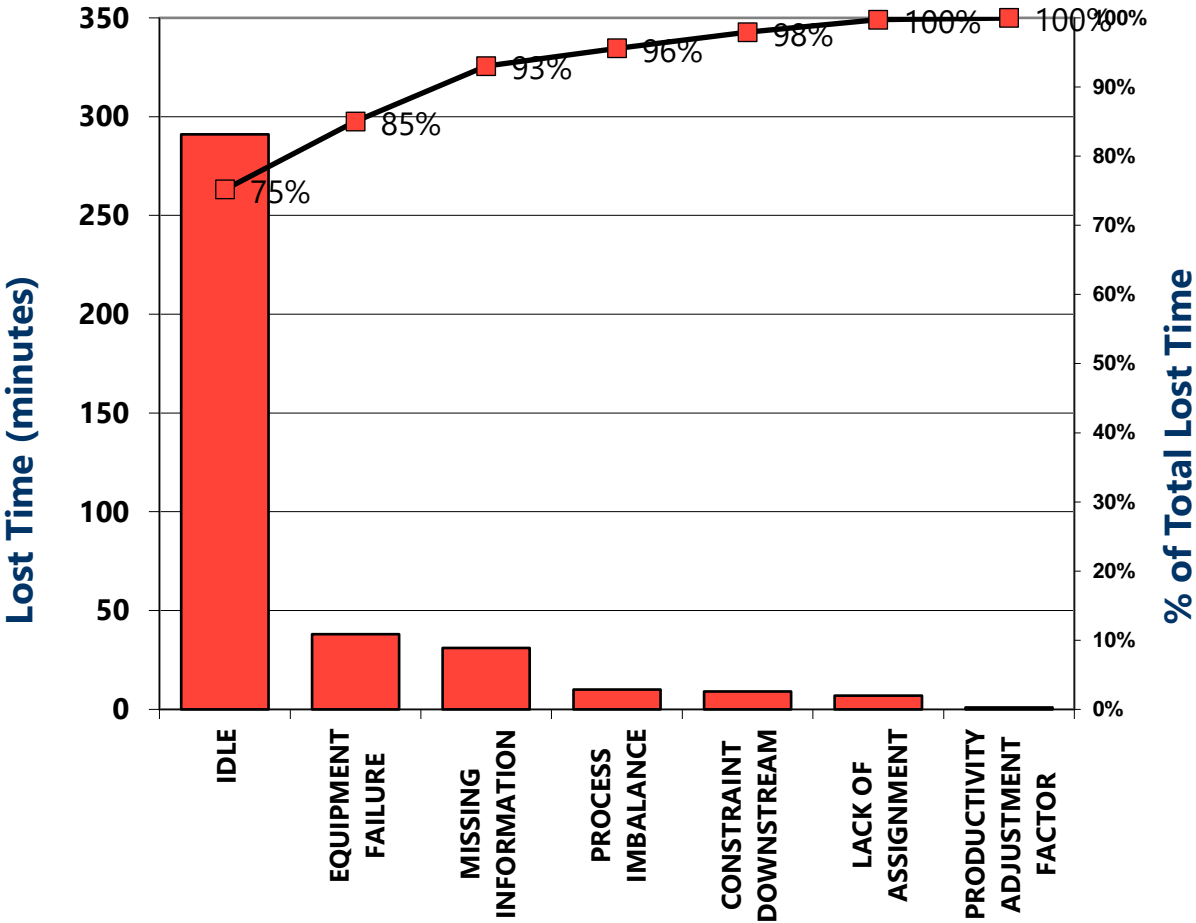


# Total Observed Lost Time

## Capital Productivity Assessment

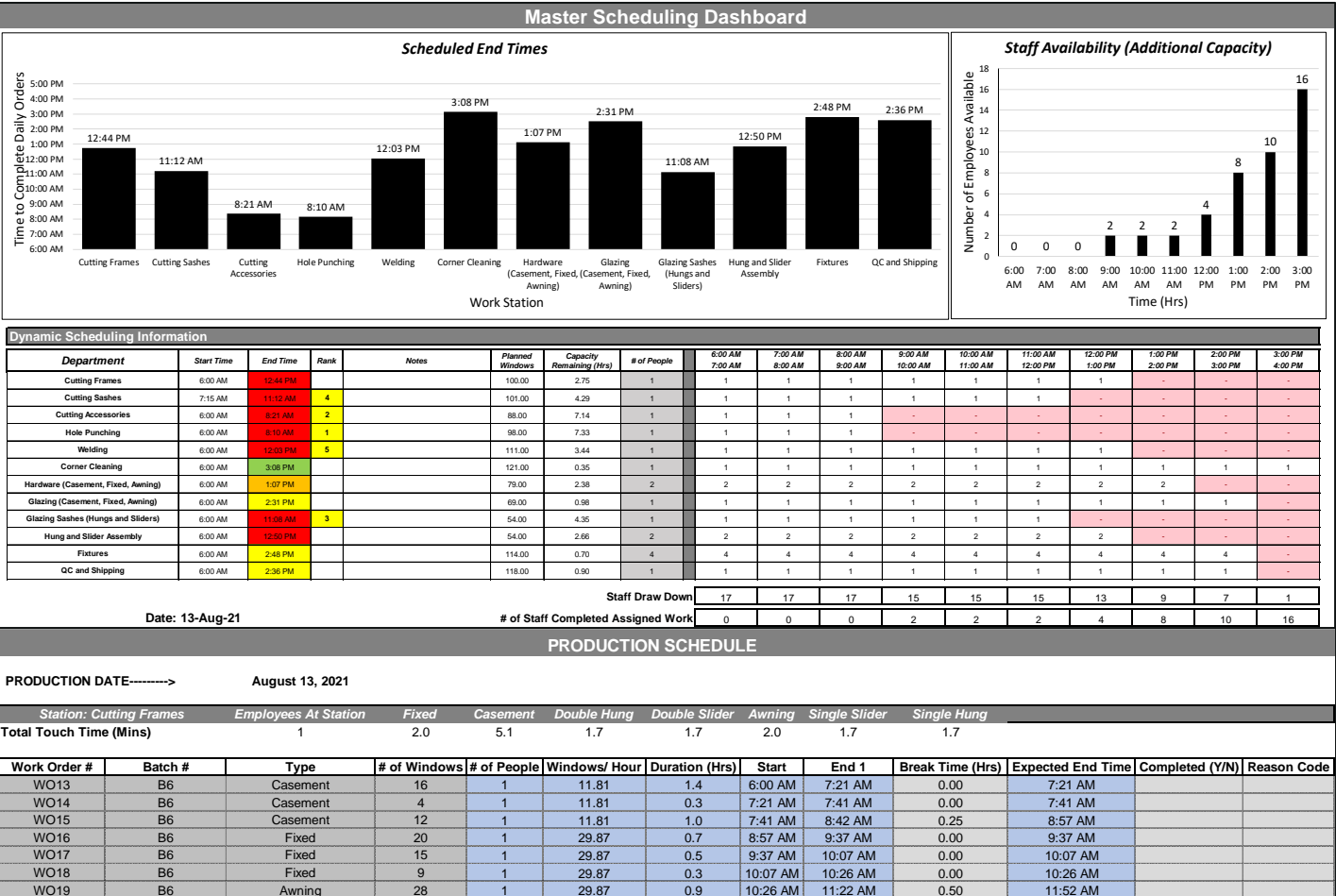


■ Value-Added Activities ■ Non Value-Added Activities



# Planning and Scheduling

Once the bottlenecks are identified, data can be linked to the schedule to smoothen out the ebbs and flows.



## Key scheduling considerations:

Resource (staff) allocation

Product mix

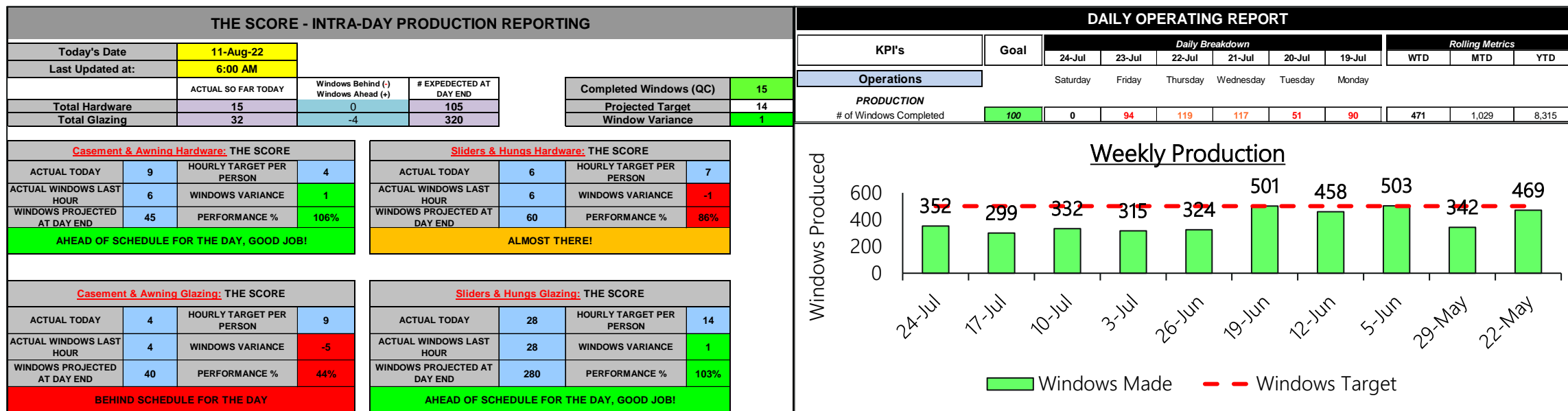
Work order prioritization

Training constraints

Space constraints

Material availability

# Daily and Intra-Day Reporting



The Intra-Day Production Reporting is a dashboard system designed to track, summarize and display intraday performance metrics.



Staff are continuously aware of their output and typically push to "see the green".



Supervisors can manage by exception, meaning the time they spent touring the floor is focused and generates higher value.



Results are then published via the Daily Operating Report.



Trends and performance is tracked to ensure that production is meeting their targets.



# Front Line Leader

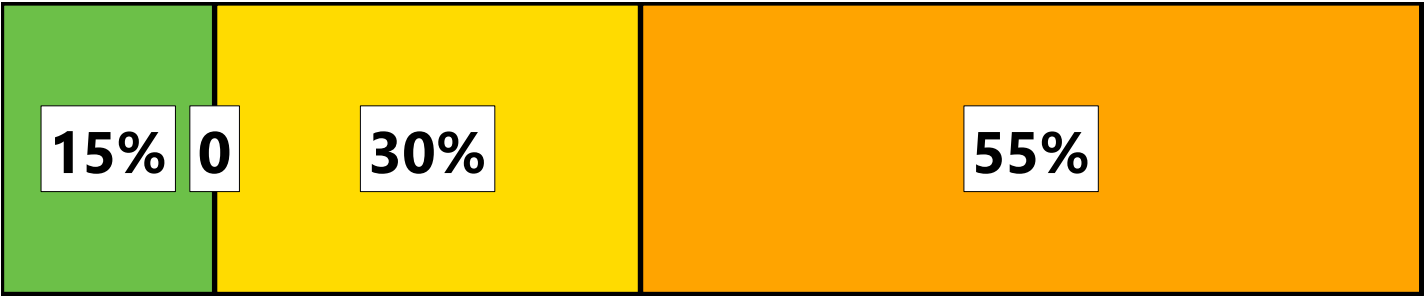
## Behaviour Profile

*Observed*



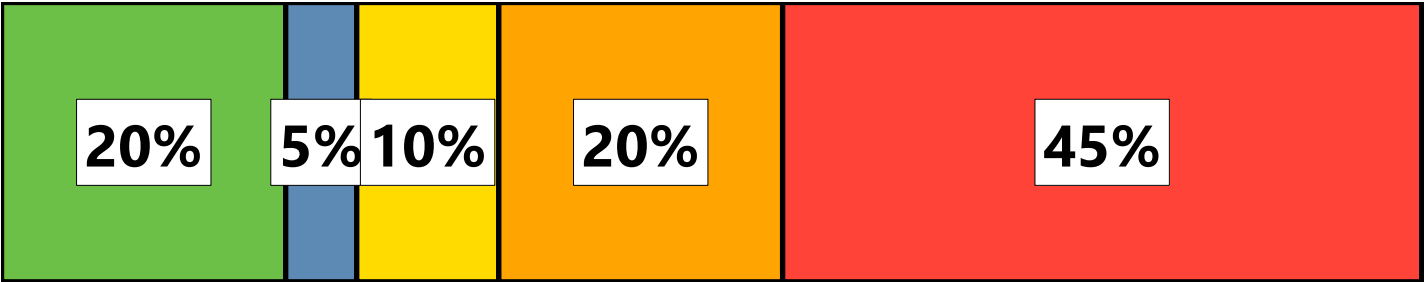
Supervisors typically do not have the **performance measurement tools** required to manage the production departments and staff appropriately.

*Perceived Actual*



Great supervisors have “**unconscious competence**” but you cannot scale.

*Perceived Ideal*



	Active Management
	Training
	Value Added Admin
	Process Activity
	Available to Manage

# Supervisory Tour Checklist

SUPERVISORY TOUR CHECKLIST								
RESPONSIBILITY: SUPERVISOR		SUPERVISOR NAME:						
				Initial when complete:				
		COMMUNICATION:		6:00 AM	8:30 AM	10:30 AM	12:30 PM	2:30 PM
				COMMENTS:				
PRE-SHIFT STARTUP	Check production and crewing schedule. Communicate to work centers who we are anticipating having challenges today and / or are bottlenecked [BOTTLENECK ID AND COMMUNICATION]							
	Quality Spot Check of inbound receiving [REVIEW 1 BATCH]							
Plant	Is each station following the <b>production schedule</b> ? What are their reasons for variance? [AUDIT AND FEEDBACK]							
	Has the lead operator completed their <b>Process Control form</b> ? Is the lead operator motivating and communicating actual output last hour with the team? [AUDIT & FEEDBACK]							
	Spot Check. Are the Operators <b>working to standard</b> ? What is one thing they can do to improve their productivity? Do a 1 minute observation. [OBSERVE AND FEEDBACK]							
	Is the <b>Work Centre Organized</b> , are all the tools and consumables available to the operators? [AUDIT AND RESOLVE]							
	How can we get <b>2 more windows</b> out? [ID AND COMMUNICATE]							
TRAINING	ID one person that you will train on your tour. <b>Provide coaching</b> on one of the following items: quality, efficiency, safety, process technique/change. [ID and FEEDBACK]							
QUALITY	Spot Check one window from each area. Are there any <b>damages/mistakes</b> that need to be addressed? [AUDIT AND FEEDBACK]							
	Review Process Control form. Are there any <b>quality issue callouts</b> from downstream that need to be addressed? [AUDIT AND FEEDBACK]							
	Are there any pieces with quality issues? Do we have the <b>full order</b> being processed? [AUDIT AND COMMUNICATE]							
END OF SHIFT CHECKS	<b>Expedited orders</b> . What orders do we have that are outstanding that are missing windows? [AUDIT AND FEEDBACK]							
	Review Actual vs Target windows produced. What were the main 3 challenges faced on the shift? What steps can be taken to avoid them in the future? [ID AND COMMUNICATION]							
	<b>Recognize one person</b> that went above and beyond today. And thank them for their work [ID AND FEEDBACK]							
	Look at the production schedule and identify <b>what items are outstanding</b> and needs to be prioritized for tomorrow. [ID AND COMMUNICATION]							
SAFETY CONCERNS								
MINUTE								
ISSUES								
NOTES /								
ORG. REQ								



The purpose of the Supervisory Tour is to structure a supervisor's daily tasks.



If a supervisor/manager does not have structure to their day, it usually fills with firefighting issues.



The Supervisory Tour supports the supervisor's **proactive** team management and catches issues before they occur

# How Can We Help?

# Unlock Your Businesses Full Potential

- Are you looking at improving the effectiveness of your organisation?
- Perhaps you want to find ways to reduce costs and improve margin.
- Maybe you are exploring a sale and want to maximise enterprise value.


MNP's Performance Improvement and Value Creation consulting services are here to help.

## A Sample Of Our Offerings



## Typical Outcomes

  
Improved Financial Stability and Predictability

  
Eliminate barriers to growth & competition

  
Solve complex business challenges

  
Project management and Strategic planning

**MNP**



Contact a Member of Our Performance Improvement Team



**Yohaán Thommy, LSSBB, PMP,CMC**, is a Partner with MNP and leads the firm's performance improvement practice nationally.

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Wherever business takes you

[MNP.ca](https://mnp.ca)

# Q&A

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