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LEAN THOUGHTS

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Selecting High-Performing Employees

"It's hard to get somewhere unless you know where you want to go." In other words, it's hard to reach a goal unless you have defined it clearly. That's certainly true with respect to hiring high-quality employees. Before beginning a search for such individuals, it is crucial to first determine just what it is that a new venture is seeking. In other words, what tasks and activities, specifically, will new employees perform? In the field of human resource management, answering this question implies two tasks:

- a) A job analysis —determining just what the job you are trying to fill involves and what activities it actually requires an employee to perform and
- b) Competency profiling, or defining what experience, skills, and knowledge are needed to perform it well.

In large companies, job analyses can be detailed and lead to highly specific job descriptions, but for entrepreneurs, especially in the hectic early days of a new venture when founders have to do virtually everything themselves, it is usually sufficient for them to simply have a clear idea of what the individuals they are seeking will actually do, and a brief written description of the major duties and tasks they will perform.

Why are these initial steps so important? Because they provide a basis for choosing among potential employees —for selecting the ones most likely to succeed in a specific job. The best choice, all other factors being equal, is the person whose knowledge, skills, and abilities provide the closest match to the requirements of the job. If the founders of a new venture (or those to whom they have delegated the task) have not conducted a careful job analysis and formulated a clear description of a particular position, entrepreneurs often go ahead anyway —new employees are needed and simply must be hired. However, it will be more likely to meet the essential job requirements. Instead, for instance, entrepreneurs may be tempted to choose the people they find most congenial or attractive, or applicants who somehow "stand out from the crowd" rather than those who are most qualified. For this reason, it is best to formulate a clear idea of the specific requirements of any job before beginning the search-and-selection process.

Basic Techniques for Choosing the Best People

Once the task of specifying precisely what's needed has been completed —once entrepreneurs have a fairly clear idea of the skills and abilities they are seeking in new employees —the search for these employees can begin. Our experience tells us that in many cases, new ventures do a reasonably good job of assembling a pool of potential employees: the founding team's social networks, current customers, and other sources yield a number of people who could potentially be hired. Choosing among them, however, is another story. Making this choice is a difficult task under the best of conditions, even in large organizations that have human resource departments with experts specifically trained to perform this task. New ventures, of course, lack such departments. Further, serious mistakes —hiring an incompetent or unethical person —can be costly for new ventures, more costly than for larger companies that have greater financial resources. How can entrepreneurs accomplish this task effectively? The answer involves two possible approaches:

1. Entrepreneurs can try to accomplish this job themselves through several techniques that have been found to be useful in choosing the best employees, or
2. They can delegate this function to a company that specializes in it —they can outsource hiring of new employees.

Which is the better route depends on the experience and skills of the entrepreneurs, as well as the financial resources of the new venture. Outsourcing various functions can be an efficient way to proceed, but it can prove quite expensive, which is a major problem for a new venture with limited financial resources.

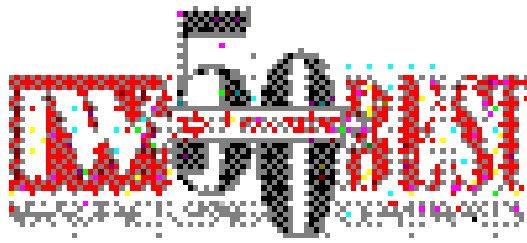
Source: SBANC www.sbaer.uca.edu

LEAN CONSORTIUM MEMBERS:

- CFN Precision
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Where "Lean Thoughts" Become Reality



Industry week's 50 Best plants

June 1, 2007 -- Each year **IndustryWeek** sets out to identify the **50 Best Manufacturing Companies (IW50 BMC)** in the United States. The list not only affirms that manufacturing is alive and well in the U.S.A., but it also enables us to get a glimpse into what makes a manufacturer world class.

The six variables are weighted, with the most recent year contributing 50% of the calculation in each area.

This year's list includes representatives from 18 industries. As expected, petroleum & coal producers dominated the charts with 14 companies represented.

Other industries include primary metals, computers & other electronic products, medical instruments, motor vehicles, and chemicals.

Indeed, for IW 50 companies, the average profit margin is 11%, revenue growth is 24%, return on assets is 19% and return on equity is 44%. For the remainder of the **IW 500**, average profit margin is 6.9%, revenue growth is 10.9%, return on assets is 6% and return on equity is 18%

For the complete story here is the link

<http://www.industryweek.com/ReadArticle.aspx?ArticleID=14146>



Company	Revenue (\$millions)	Profit Margin (%)
<u>Allegheny Technologies Inc.</u>	\$4,936.6	11.58
<u>Alon USA Energy Inc.</u>	\$3,198.08	4.92
<u>Amphenol Corp.</u>	\$2,471.43	10.35
<u>Apple Inc.</u>	\$19,315	10.3
<u>Chevron Corp.</u>	\$205,863	8.32
<u>Coach Inc.</u>	\$2,111.5	23.41
<u>Colgate-Palmolive Co.</u>	\$12,237.7	11.06
<u>Commercial Metals Co.</u>	\$7,555.92	4.72
<u>ConocoPhillips</u>	\$184,335	8.44
<u>Cummins Inc.</u>	\$11,362	6.29

<u>Dell Inc.*</u>	\$55,908	6.39
<u>Encore Wire Corp.</u>	\$1,249.33	9.22
<u>Exxon Mobil Corp.</u>	\$370,650	10.66
<u>Florida Rock Industries Inc.</u>	\$1,367.79	15.46
<u>FreightCar America Inc.</u>	\$1,444.8	8.91
<u>Frontier Oil Corp.</u>	\$4,795.95	7.91
<u>Giant Industries Inc.</u>	\$4,198.2	1.97
<u>GUESS?. Inc.</u>	\$1,185.18	10.39
<u>Harley-Davidson Inc.</u>	\$6,185.58	16.86
<u>Harte-Hanks Inc.</u>	\$1,184.69	9.44
<u>Herman Miller Inc.</u>	\$1,737.2	5.71
<u>Hess Corp.</u>	\$28,517	6.72
<u>HNI Corp.</u>	\$2,679.8	4.6
<u>Holly Corp.</u>	\$4,023.22	6.63
<u>Kinetic Concepts Inc.</u>	\$1,371.64	14.25
<u>Marathon Oil Corp.</u>	\$65,058	8.05
<u>MEMC Electronic Materials Inc.</u>	\$1,540.58	23.97
<u>Metal Management Inc.</u>	\$1,589.13	3.79
<u>Mueller Industries Inc.</u>	\$2,510.91	5.93
<u>Murphy Oil Corp.</u>	\$14,307.39	4.46
<u>Noble Energy Inc.</u>	\$2,800.72	24.22
<u>Nucor Corp.</u>	\$14,751.27	11.92
<u>Occidental Petroleum Corp.</u>	\$18,160	23.03
<u>Olin Corp.</u>	\$3,151.8	4.75
<u>Paccar Inc.</u>	\$16,454.1	9.09
<u>PepsiCo Inc.</u>	\$35,137	16.06
<u>Phelps Dodge Corp.</u>	\$11,910.4	25.34
<u>Qualcomm Inc.</u>	\$7,526	32.82
<u>Quanex Corp.</u>	\$2,032.57	7.88
<u>Reliance Steel & Aluminum Co.</u>	\$5,748.38	6.17
<u>Schnitzer Steel Industries Inc.</u>	\$1,854.72	7.71
<u>Southern Copper Corp.</u>	\$5,460.22	37.32
<u>Steel Dynamics Inc.</u>	\$3,238.79	12.25
<u>Sunoco Inc.</u>	\$38,689	2.53
<u>Tesoro Corp.</u>	\$18,104	4.42
<u>Thor Industries Inc.</u>	\$3,066.28	5.62
<u>United States Steel Corp.</u>	\$15,715	8.74
<u>Valero Energy Corp.</u>	\$91,833	5.95
<u>Varian Medical Systems Inc.</u>	\$1,597.82	15.34
<u>Western Digital Corp.</u>	\$4,341.3	9.09

Consortium Event Schedule



Tour Workshop Conference

January	February	March	April	May	June
<p>T</p> <p>Wednesday 24 <u>Eaton Electrical</u>, contact Joe Fisher, JoeRFisher@eaton.com</p> <p>W</p> <p>La-Z-Boy Corporate Monroe MI February 14 & 15 <u>Enterprise Value Stream Mapping</u> How to use the VSM tools to map admin processes. Contact Richard Kunst for info. Richard.kunst@la-z-boy.com Register at www.ame.org</p>	<p>T</p> <p>Wednesday 14, <u>CFN Precision</u>, contact Paul Kaulback, pkaulback@cfn-inc.com</p>	<p>T</p> <p>Wednesday 21, <u>Nestle Waters</u>, contact Mariela Castano mcastano@perriergroup.com</p>	<p>T</p> <p>Wednesday 18, <u>CTS Corp.</u>, contact Bob Garces, Bob.Garces@ac.ctscorp.com</p> <p>C</p> <p>Lean Design & Development Conference Wed 18 to Fri 20 Chicago Contact www.iirusa.com/lean</p>	<p>T</p> <p>Wednesday 16, <u>Stackpole CSD</u>, contact Don Barber Don_Barber@stackpole.ca</p> <p>Consortium Shareshowcase</p> <p>Saturday 05 <u>CGL Guelph</u>, Contact Cindy Grolleman Grolleman@canada.com or Dave Deskur daved@cglmfg.com</p>	<p>T</p> <p>Wednesday 20, <u>Morrison LaMothe</u>, contact Tony Vita tvita@morrisonlamthe.com</p> <p>C</p> <p>AME Regional Conference Mon 18 to Thur 21 Edmonton, Alberta Contact www.measureupforsuccess.com</p>
July	August	September	October	November	December
		<p>T</p> <p>Wednesday 26, <u>Kraft Foods</u>, contact Hanif Jivraj hjivraj@Kraft.com</p>	<p>T</p> <p>Wednesday 10, <u>CGL Manufacturing</u> contact Dave Deskur daved@cglmfg.com</p> <p>C</p> <p>AME National Conference Mon 29 to Friday Nov 2 Chicago Contact www.ame.org</p>	<p>T</p> <p>Wednesday 14, <u>Messier-Dowty</u>, contact Mike Smith Mike_Smith@Messier-dowty.on.ca</p>	<p>T</p> <p>Wednesday 12, <u>Orenda</u>, contact Brenda McIntosh brendamcintosh@orenda.com</p>