

# [Six planks](https://assignbuster.com/six-planks/)

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However, I believe the gaps occur within the four fundamentals room the vision statement and the “ six planks” due to their broad description and focus. In particular, the last one people mentioned in the “ six planks” which does not cover the development of employee skills overall.

Post 2: if the analysis of Coors Vision Statement as follows: at first, it shows two aspects 1) Tradition and history: has a proud history of visionary leadership, quality products and dedicated people; 2) Human, financial and physical: to bring great tasting beer, great brands and superior service to the distributors, retailers and consumers and to be a valued neighbor in the communities.

Then, it focuses on the 4 fundamentals: a) improving quality, b)improving service, c) boosting profitability, and d) developing employee skills. Corresponding to the “ six planks”, we can find out: Baseline Growth – boosting profitability Incremental Growth – boosting profitability Product Quality – improving quality Distributor Service – improving quality and service Productivity Gains – – boosting profitability People – employee skills Personally, from the aspect of financial management, Coors’ general business strategies seem to touch a bit more on financial measures than other aspect tot the easiness such as how to become a valued neighbor in the communities.

Posts: @E– I like your description way that combine the Vision Statement and “ six planks” correspondent’s, making the comparison much clearer. So it inspired me to do it with the same way. Posts: Another way to compare Coors vision statement and the business strategies IS that we should understand what is the different between them.

The Vision of a company is the way that it views its products, its markets, its customers and itself. Ere Vision answers the simple question “ Why are we here? “. The Vision is a goal. It is tot the same as a strategy; business strategy tells you how a company is going to achieve (or maintain) its Vision. The strategy is a plan, the tactics are how the plan Nil be executed and the Vision is the end-result.

From the stand of the O department, it may state that there exists risk when the inventory transfers into merchandises, so at this time, it is kind of reasonable to say that Inventory is a liability, not an asset. Another explanation of the business strategy from the O department listed “ Inventory is a liability, not an asset” is that the purpose of this department is to eliminate the cost of the production and then to increase the profit. Therefore, it kind of make sense to say he inventory is a liability instead of an asset. 3/Provide possible explanations for the performance gaps identified by Coors benchmarking analysis. From Table Benchmarking Analysis, it shows clearly that there are three gaps existing: Manufacturing cost per barrel; S, g & A cost per barrel; Net profit per barrel.

With the general analysis, the domestic market share of A/B is more than twice that of Miller and more than four times that of Coors.

A/B has the advantage in the beer industry as the price leader and has the power of setting the selling price. And Coors has the least attractive results out of the three major beer impasses (Enhances-Busch, Miller, and Coors). The manufacturing cost per barrel is the highest for Coors at $55. 00. Enhances-Busch on the other hand had the lowest at $48. 00.

The S, G & A cost per barrel was also the highest for Coors at $29. 00 and Miller had the lowest at $27. 00, which was only $0. 50 better than Enhances-Busch.

Therefore, Coors can only make higher profit by cutting costs so that it can be the my its two competitors.

Besides, it can obtain more profits by building its key premium brands in key markets and strengthening its distributor network, with improved supply chain management. 1)The main reason on the gap in the manufacturing cost is because Coors often could not meet its goal to load beer product directly off the production line into waiting railroad cars. This disrupts the production plan and therefore contributes the increase of labor cost. Given Coors lack of production locations, one glaring reason for the gap in profitability is the distance of delivery required under Coors current supply chain.

With only 3 domestic production locations and 21 satellite redistribution centers Coors will have significantly longer than the 500 mile minimum production to distribution site A/B as established with 13 domestic production plants.

(2) The main reason on the gap in the S, G cost is due to the distribution deficiency. Compare to the other two competitors, on average, Coors has had to ship its beer eight to nine times further than its competitors. Also, Coors only has a maximum warehouse capacity in Golden, Colorado of 600, 000 cases of beer which is equivalent to one 8-hour production shift. Rush, Coors has had to load per week about 1, 500 beer trucks from 68 truck docks and about 400 railroad cars from 22 rail docks. ” This distribution deficiency problem asses the variance of sales costs.

To sum up, due to both the highest cost of manufacturing cost per barrel and S, G&A Cost per barrel of Coors among the other two competitors, the application of the balanced scorecard seems to the preferable one tort Coors.

For BBS tries to minimize intimation overload by providing a limited number of measures that focus on key business processes by level of management. That will help efficiently contribute S, G&A expenditure and eliminate these SO&A gaps. 4/Answer the frequently asked questions (Fag’s) already raised by employees about the Coors BBS project. Which Fag’s were critical to Coors successful implementation of its BBS over the last decade?

First of all, allocating these fifteen questions into five parts will be more easily to understand. The first part is about some related questions of the balanced scorecard: 1 . Will the balanced scorecard be linked to any incentive plans? Yes, the project strategy was to implement a performance measure process that focused on continuous improvement, rewarded reasonable risk taking and learning to advance performance, and enable employees to understand the opportunity and reward for working productively.

. What if a measure does not drive the correct behavior after implementation? What process will be used to evolve the scorecard? How will my input be heard?

The BBS provides a basis for management to improve the company and align the directives to meet both short and long term goals. The employees are encouraged to participate in the dialogue surrounding the measurements and speak to their managers about any suggestions or opportunities they see for the Balanced Scorecard. 8. Will the balance scorecard be used to compare the performance of the three U. S.

Plants? Since each plant is efferent, how can we be expected to use the same scorecard? Yes. While each plant may be different, all three plants have the same goals. The balanced scorecard will highlight and evaluate how the company can work together to improve and achieve those goals. 10. There may be some important measures excluded from this scorecard.

If so, will they eventually be added to the scorecard? Yes.

The scorecard Nil be adapted to business needs and requirements. It will updated to include the relevant measures as required. 1 1 . Will there be a throughput measure on the scorecard? I cannot affect the number of barrels coming through my plant. That is determined by sales and scheduling that shifts production between my plants. The scorecard will include only those measurements that will help management evaluate the achievement of Coors’ vision and strategy.

The purpose of the scorecard is to simplify information, not overload management with information that are not exactly necessary. 13.

How often will the scorecard be updated? Moon-monetary measures are reported more frequently than monetary measures. Balanced report cards can be updated as often as daily and as infrequent as annually. It depends on the level of the measurement.

14. Will the scorecard be used as a club? No. The scorecard is used to highlight improvements to the company and to be used to strategies how to continue improvements. The intention is not to use this to punish employees Ere second part refers to the question about load schedule and distributor. 3. Won’t the measures reduce our ability to be flexible with our distributors and make last minute changes for them?

No, the balance scorecard includes non-monetary measures such as machine downtime, percentage tot capacity used, and deviations from schedule.

Part of the Coors vision and strategy is to allow its employees the freedom to continuously improve these measures, and be rewarded for doing so. 4. NH is the window on the Load Schedule Performance measure so tight? What difference does it make if we get a load out within plus or minus two hours? If we get it out the day it is scheduled, won’t the load arrive at the distributor as planned? The Endow is measured so tight to reduce production bottlenecks. Also, since Coors’ delivery trucks and rail cars have to travel such a distance, they need to be loaded Nothing two hours of their scheduled time to ensure on time delivery.

This will increase profitability, customer satisfaction, and the sense of teamwork among Coors’ employees. Ere third part can be regarded as the measure change: 5.

We already have plant measurements that are working. Why would we want to change them? The traditional, cost-based performance measures are outdated and are no longer an effective means of measuring performance. For example, direct labor variances were becoming less important due to the highly automated nature of the beer production lines. 7. Why would you base Production Stability, Load Schedule Performance, and Load Item Accuracy on the initial weekly schedule? The schedule changes constantly.

Why measure me against a weekly schedule that has changed as a result of something I had no control over? Teamwork is critical to the success of Coors.

All employees should be engaged whenever it is possible to ensure that the other goals and objectives of the company can be met. Again, production and demand should be homogeneous. Ere fourth part is about the production of Coors: 5. The Production Stability Measure does not incident the production lines to run ahead. Doesn’t it make sense to allow us to run ahead on major brands as a cushion for those times when we have problems? So what should we do when we are more than an hour ahead, shut the line down?

With the viewpoint that inventory is a liability, we do not want to be running ahead as this increases our inventory on hand that is not moving out the door quickly. We do not want our inventory overflowing our limited warehousing space.

By not running over, we can keep our storage costs down and increase profitability. Ere fifth part is about people who play a part in a measure: 12. How can you hold me responsible for a measure when I am not the only one who can affect it? Coors’ vision statement outlines the sense of teamwork that the company values. Every employee is working together for the same goals. No one person will be held responsible for a measurement.

Also, the balanced scorecard is to incident improvement, not punish. 15. Who will put together this scorecard? Ken Rider and employees from supply chain management are responsible for putting together this scorecard. However, input from every employee is valued. In my opinion, the questions are critical to to Coors successful implementation of its SC over the last decade. 5/Considering the prior gap and benchmarking analyses, design specific performance measures with benchmark targets (where feasible) ND with reporting frequency to create an operational and acceptable BBS for Coors.

Inch performance measures were critical to Coors stressful implementation tot its SC over the last decade?

Based on the Balanced Scorecard path an organization first must first know and understand: 1 /The company’s mission statement 2/The company’s strategic plan/vision 3/ (l)the financial status of the organization (Financial Perspective) (2)How the organization is currently structured and operating (Internal Business Process) (3)The level of expertise of their employees (Learning & Growth) (4)Customer satisfaction level (Customer Perspective) For this case study, I have come up the following performance measures of BBS for Coors: 1) Improve productivity, Long-Term shareholder Value, Grow Revenue financial Perspective) 2) Satisfy Customer Needs, Gain Market Share, Improve reputation (Customer Perspective) 3) Manage operations, Product leadership Lantern Business Process) 4) Personnel development, Employee attitudes (Learning Growth) I think the performance measures under Customer Perspective were critical to Coors successful implementation of its BBS.

If customers are not satisfied, they will eventually find other suppliers that will meet their needs. Poor performance from this perspective is thus a leading indicator of future decline, even though the current financial picture may look good. The concept of having a balanced scorecard essentially discusses a management control system as a means of gathering and using information to aid and coordinate planning and control decisions throughout an organization. It is usually designed around the concept of the balanced scorecard, with financial and nonofficial information in each of the four perspectives of the scorecard.

These four perspectives are financial, customer, internal business process, and learning-growth.