

BALANCE

How intelligent control safeguards profit.

Good planning is half the battle. At many companies the different departments—from sales to procurement—still do their planning separately instead of together. They tend to focus on their own segment of an indispensable process that unites all the departments. This process starts with the customer who selects a product and places an order for it. And it ends with the customer, when the desired product is delivered. Between these two points the customer's order moves through different hands both inside and outside the company: dealers and suppliers are involved, the requisite components are purchased, the product is manufactured, and then delivered by the logistics specialists. Conflicts can arise over the course of this process. For example, the sales department might promote product versions with sizeable profit margins that the produc-

tion department cannot make in sufficiently large numbers. Or the procurement department might have too little time to find a supplier for components already scheduled in production. The corresponding plans can quickly become useless. When that type of situation arises, enormous efforts are put into trying to satisfy the customer anyway. The high additional costs threaten the company's overall aim—to make a profit.

Intelligent control can coordinate the individual departments and align different forces more closely with the company's overall objectives. When everyone involved agrees and commits to a plan, this forms a stable network. And within these set boundaries, all the departments retain the necessary latitude—and thereby gain a completely new degree of flexibility. ←

