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## The Real Cost of Poor Hiring Decisions

by Tracy Dixon

Hiring the best people for your organization is an essential part of the success of any business. Managers who want to make the right choices around hiring decisions, and follow an effective, open, and strategic recruitment process, can reduce the chances of making costly hiring errors.

Poor hiring decisions have a real and measurable impact on any business. From a financial standpoint, a business will have to absorb the salary costs and time associated with repeating the hiring process. Also, the re-training of candidates, managing poor productivity, and the time managing issues in the workplace or with customers as a result of having the wrong people on the bus. Poor hiring decisions can also leave a business open to the potential for

severance payments or future legal actions, which are also extremely costly.

An ineffective hiring process can cause a ripple effect throughout the business, affecting current employees, and causing a reduction in overall employee satisfaction and productivity. Great performers can burn out trying to manage or compensate for employees who are a poor fit and end up getting frustrated to the point of leaving, resulting in increased turnover.

Organizations who consistently make poor hiring decisions can impact their brand reputation, and top talent may hesitate when being asked to join the business. The pool of great candidates is constantly shrinking, and the people with the necessary skills needed to push a

business forward may become difficult to hire.

Following a formal recruitment process is time intensive, and can sometimes seem too slow when you need great employees on the ground right now. The lure of a quick hire, without going through a formal and strategic hiring process, can appear attractive in the short-term.

If you take the time up front to understand job requirements, company culture, and to evaluate what potential candidates bring to the table, you can substantially reduce the chances of a poor hiring decision and the long-term damage associated with poor hiring practices.

It is also important to do your due diligence in the form of background and reference checks, to validate your decision.

## The SSI Team



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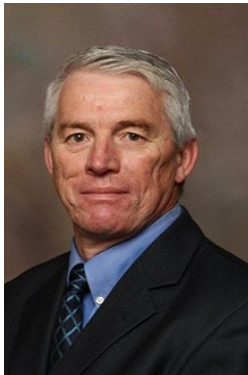
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## Growing Your Business: Doing More with Less

In the good old days, many problems in the workplace could be solved by throwing more manpower at the problem. Generally speaking, there was no shortage of problems, or manpower to throw at them. Today's world is different. Lack of workers is a very real problem for more and more companies. Throwing more people at the problem is no longer a viable option. In fact, workforce shortages has become commonplace, making business requirements like

running 3 shifts virtually impossible, forcing these organizations to meet demand with the output of two shifts to try and stay competitive. This situation can lead to a range of problems such as increased workforce and management stress, stressing equipment, quality issues, and a greater risk of missing key customer delivery dates. The reality is that companies are seldom designed from the ground up for the problems we face today. They have evolved as they grew, primarily focused

on not disrupting existing operations as demands arose. Taking a step back and looking at the overall operation with an eye towards sustainability and growth, rather than simply maintaining the status quo, could be the difference between life and death for many organizations. Streamlining processes, more efficient equipment, or innovative approaches to training, can result in access to new markets, and a sustainable, growing company that with higher long-term profit potential.



**Mike Farrell**  
Process Improvement  
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## Meeting Customer Needs: Matching Capacity to Demand

Many organizations operate well below their desired or theoretical capacity, often in the 60%-80% range. There can be several reasons for this, and it is critical to understand the root causes so you can release untapped potential. After conducting value stream mapping exercises, I always review the cycle time rate for each step in the process, which are then compared to the overall customer demand rate to determine which steps in the process are operating be-

low demand requirements. This approach identifies capacity constraints and will direct the focus of the overall improvement effort. By improving the cycle time at the required steps, you improve overall system capacity. The analysis begins with understanding the desired output rate of the system and developing solutions that will allow each step in the process to meet or exceed required demand. Often there is a need

for additional work stations to meet capacity, or are efficiency and productivity concerns. Defects or rework may be impacting capacities as well. Understanding the right problem to solve and prioritizing your improvement efforts is crucial to achieving the desired results. After you have identified the issues, use your "Lean Toolbox" to help ensure the ability to deliver to the customer in a timely manner.



**Larry Rosborough**  
Consulting Partner

## Process Variation: Are You Controlling it, or is it Controlling You?

Frank comes in to run the line this morning, but thinks that the temperature should be higher than what Joe had previously been running at on the previous shift. So Frank makes an adjustment and raises the process temperature. Joe comes back in the next day and lowers it back down again, and both go about their work with little understanding of the impact they may have had on overall process performance. The end product all seems OK

but is it really the same? Did the variation we just introduced to the process impact our final product? Will are customers notice, and will it cause an issue for them? What about the bigger changes that are happening all the time? Are some of them changing the product in a way that might negatively impact our customer? Controlling the process is critical to ensuring product consistency, and that the product

is the same each and every time the customer uses it. Proper process controls are a key component to reducing variation, and although can seem like a daunting task, are really a matter of defining some key parameters and developing the rigour to stick to them. By controlling critical process parameters, we are more capable to deal with the special causes that are a real cause for concern. Less variation means more consistent product and a better customer experience.

## Supply Chain Management: Visual Replenishment Systems

Inventory control is a key focus for many organizations that carry significant levels of inventory. Having excess inventory ties up cash, while insufficient levels lead to potential stock outs, and increased risk of losing customers.

Historically, operational leaders would tend to utilize min/max levels, or MRP systems to manage and trigger inflows of goods. The problem with this approach is that the reporting and exceptions produced from the system are only as good as the information contained within. From my experience, even

the smallest businesses with limited numbers of skus are challenged to keep inventory accurate, so just imagine the challenges larger organizations face.

One strategy that many companies use today is the utilization of visual controls, a key tool from the Lean toolbox, as a means to identify current inventory levels, and to send the signal when replenishment is required. These visual (Kanban) systems have the advantage of reducing the probability that inaccurate system data will detrimentally effect the replenishment process, and tie re-

plenishment activities directly to consumption rates, thereby keeping inventory levels in check. And we are no longer reliant on someone having to remember to run a report to determine what the short-term purchasing requirements are. If your organization is challenged with inventory management, and you haven't utilized visual tools for replenishment of inventory, consider trying this methodology with one category of inventory, and perfect the process before expanding its use. You may be surprised with the results



**Keith Carruthers**  
Supply Chain and  
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## Profitability: The Impact of an Engaged Workforce

Many of us have been exposed to numerous training workshops organized around the topic of Leadership. Although we often inspire to be better Leaders, the goal simply exists because it seems like "the right thing to do".

The advantages of strong Leadership, however, go far beyond "the right thing to do". Strong Leaders inspire others, and create work environments that are highly engaged. Engaged team members are diligent and

dedicated, and are willing to do what is necessary, often far beyond the minimum requirements of the job. They provide discretionary effort that is highly desired, but not required, as part of their defined role expectations.

Managers who are not true Leaders are often their own worst enemy, poorly managing the labour force, which is often the largest cost center in the business. Their inability to manage and balance labour require-

ments leads to sub-optimal results, and can easily become the difference between profit and loss.

We often talk of Leadership like it is some kind of enigma, some dreamlike quality that doesn't really exist...Kind of like a Unicorn. We deem it as a "soft skill" that is highly desired, yet never realized.

Strong Leadership is not some magical concept. It is real, and is the only true way to get real and lasting bottom line results.



**Bernie Casey**  
Business  
Strategist

## Occupational Health & Safety: It's All About Culture

Recently I had the pleasure of attending the International Safety Culture Summit at Saint Mary's University. This was an excellent conference with several senior international speakers representing many diverse industries. Conference presenters spoke about the significant challenges associated with changing long established mind-sets focused on compliance, utilizing by top-down controls to police workplace safety. As we have undoubtedly learned

from the past, this "compliance approach" simply doesn't work. Alternatively, taking a long-term, high involvement approach to addressing safety issues is highly effective, but takes time, and is not a "quick fix", a sentiment that was echoed loud and clear by conference speakers.

Developing a "Positive Safety Culture" requires leadership, courage and the changing of mind-sets to move organizational thinking beyond the tra-

ditional focus on compliance. Simply ensuring the rules, regulations, policies and procedures are in place and are enforced, is not effecting at realizing the improvements that need to be made.

No organization can afford to police all of their people all of the time, so it is critical to create an environment and cultural shift in thinking where employees take ownership and responsibility for their own safety at work, and at home, each and every day.



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## Company Parties: Are You Managing Your Liability?

It's that time of the year again, when many organizations plan a social event for their employees in celebration of the holiday season. While this presents an opportunity to connect with staff in a less formal, more social setting, organizations need to recognize that employer-sponsored events outside of work are still considered the "workplace", and that they have a responsibility to take steps to protect employees from harm or potentially face significant legal or financial consequences.

It is possible, however, to reduce potential liability with some careful planning, keeping the following considerations in mind:

**Alcohol Consumption:** Control the alcohol, and hire a licensed bartender. Provide

limited drink tickets per person, and make sure the bartender feels supportive of refusing to serve those who may appear to be drinking excessively. Having a Manager (s) stay "dry" in case conflict occurs is also a good idea.

**Transportation:** Ensure those who are drinking will not be driving. Pre-arrange Taxi cabs, pre-booking a car service, or providing hotel rooms to ensure employee safety. Communicating this to everyone prior to the event is also of critical importance.

**General Awareness:** Ensuring everyone knows company policies are still in effect, including Respectful Workplace Policies, will also help in limiting the potential of issues developing.



**Tracy Dixon**  
HR Specialist

## About Us

SSI Consulting Solutions is a Canadian company that specializes in helping its clients gain competitive advantage through implementation of world class business practices. It is through these practices that our clients not only compete, but gain significant advantage over their competitors, thereby allowing them to gain market share and enhance shareholder profitability.

Our consulting philosophy is formed around the concepts of teamwork, partnership, service, and quality, both in the coordination of our efforts within our

firm and in our interactions with our clients. The core project team will be led by a member of our senior consulting team. The strength and qualifications of our firm enables us to provide analysis that is both prompt and thorough.

We strive to form partnerships with our clients. Our best recommendations can be delivered only through recognition of each client's unique situation.

We deliver a quality, timely service as promised, and take pride in delivering high value to our clients.

**Our areas of expertise:** Lean Continuous Improvement, Six Sigma, Occupational Health and Safety, Finance, Quality Management, Marketing, Frontline Leadership, Human Resources, Business Strategy and Strategic Planning, Change Management, Supply Chain and Operations Management



**Keith Carruthers**  
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