

# LSI's holistic way to manage companies

COMPANIES spend millions every year on consultation advice to improve their operations, but what happens after the consultants leave?

More often than not, the solutions implemented fall into disuse and the management reverts to the time honoured way of doing things.

In other words, good money is wasted on advice that nobody puts into practice and innovation is given short shrift.

However, this is about to change once consulting company Logistics Systems Installation Sdn Bhd (LSI) unveils a new holistic strategic methodology that highlights an organisation's potential.

Managing director Ian Fahy told NST Business yesterday that "Competitive Balance" is intended to help chief executives and management teams ascertain where the company needs to work harder to improve performance.

"A lot of organisations and executives have difficulty in maintaining performance. The tenure for CEOs at the top have become shorter because basically, the demands have become a lot more complex than they were ten years ago," he said.

He added the reason why many



FAHY ... to help CEOs

companies had failed was because of the inability to implement strategy based on the conventional way of organising a company's assets.

"The most difficult task facing the chief executive is to actually implement the strategy. We found during our research that the data that companies use to manage business is based around the tangibles, fixed assets and things that

they really can measure. And we've come up with a method and we call it 'competitive balance' to look at the tangible and intangible aspects of a company or an organisation."

The factors taken into consideration are a company's five assets or capital, these being financial, market, human, intellectual and operational.

He explained that by performing a diagnosis that took into account these factors, LSI could determine for the chief executive where the organisation was lacking in implementing its strategy.

After the diagnostics stage, the consultants link the tangible and intangible measurements into a balance scorecard concept and recommend changes based on the results.

"LSI is an implementation company. We implement change and look at bottomline savings requirements. So, after the diagnostics stage where we can ascertain where the opportunity lies in the organisation in terms of driving the organisation towards strategy, we actually stay behind and coach and train the management team to close those gaps."

This way, the management is taught into looking at the big pic-

ture instead of concentrating on very compartmentalised areas of the business in isolation when making their strategic decisions.

They are entrusted to come up with their own strategic solutions for the company's problems, basing it on the "Competitive Balance" methodology.

Fahy is confident that clients implementing the methodology would find it worthwhile the financial expenditure as it is geared towards making an impact on a company's bottomlines.

"So far we have outstanding success and we expect about a five to one return for the money invested in competitive balance," he said.

He stressed that implementing the methodology in business would have a dramatic impact on any company's earnings per-share.

He added the solution helped the company foresee factors that would have an impact on the way it did business, which would have gone unnoticed in the conventional way things are run.

"It gives the chief executive officer and the management the assurance that the organisation is working towards its strategic goal," he said.