

Capella University: MBA 9130

Final Operations Improvement Plan: Palm Coast Data, Inc.

by

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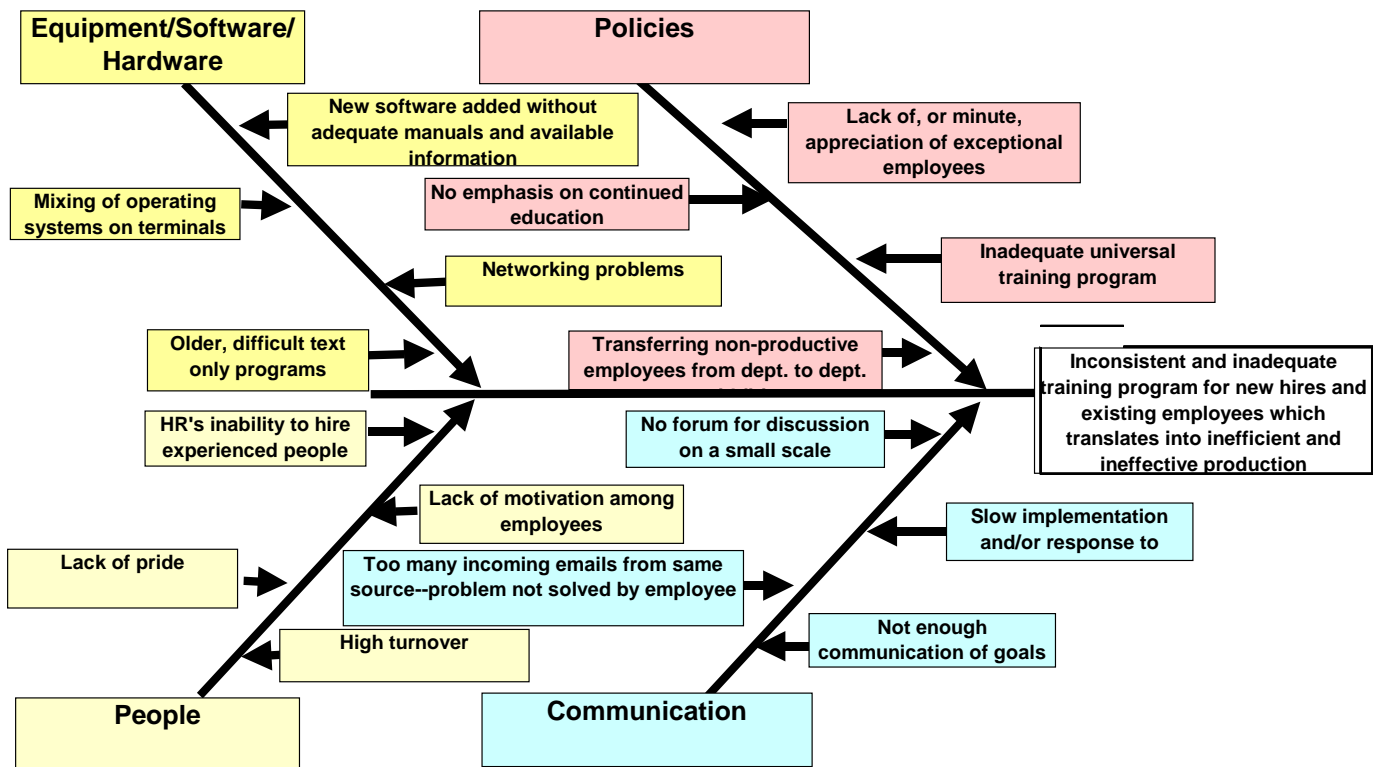
PALM COAST DATA, INC.

Introduction

Palm Coast Data (PCD) is a service company that provides many services to the publication, circulation, and fulfillment industries. The company, founded in 1984 by 20 employees for the sole purpose of servicing a single publisher, was the beginning of a very successful endeavor. The company has since grown to “to one of the largest fulfillment providers in the United States with several of the country's principal publishers as clients”(Palm Coast Data 2003). Through the years the company has expanded to include “front end operations, [a] full-service lettershop, warehouse, [and a] subscriber service call center”(Palm Coast Data 2003). PCD now services over 30 million customers on behalf of its clients and has more than 200 employees. In 2002, the company was acquired by Tinicum Capital Partners and is currently going through some adjustments in both internal structure and financial matters. Tinicum is providing more capital to the areas of technology—this being a major component to what is, for the most part, a data warehouse company—and human resources. These particular aspects of the company were placed on hold for a number of years due to the former partner, DIMAC, filing bankruptcy.

PCD is in the enviable position of now having the resources to become the largest fulfillment services company in the United States; this goal is certainly attainable if certain measures are taken. The following Fishbone Diagram provides a visual assessment of the problems that need to be reviewed in order for PCD to improve the issues facing the HR department—the training and retaining of employees.

Fishbone Diagram



One can certainly ascertain by viewing the above diagram that many problems arise within the areas of communication, policies, people, and lastly equipment. All of these areas can certainly be placed under HR department's responsibility, with the exception equipment. It is also notable that communication, people and policies are highly related and integrated in all levels, and in many forms, in the company. From the fishbone diagram I was able to distinguish that people were the main focus of the issue. Whether they are currently employed within the company, applicants, or the HR department's staff, training would definitely enhance an employee's purpose. I found that creating a sense of purpose and conveying a sense of belonging and appreciation, to employees would make them more secure in their job; however, on a greater note, the policies that allow employees to achieve these feeling must be made part of the policy. To train, respect, and provide adequate understanding should be a major premise communicated effectively at all levels. This communication should allow for discussions in a forum setting, as well as through other various means. Lastly, the software we use needs to be uniform in accordance with training room specifications and updated uniformly. Further, the hardware needs to be consistent and reliable to minimize down-time.

The following analyses, and interpretations of them, will provide an improvement plan, or "road map" that will attempt to bring forth the circumstances that must be met in order for the company to achieve a very cohesive structure in which all employees will benefit.

ANALYSIS

The key to continued success of any company ultimately lies within the hearts and minds of the entire workforce, in addition to a needed product or service. Time and time again we have seen companies fall victim because of a misunderstanding of the aforementioned statement. Many individuals are incapable of performing certain tasks within an organization, and certainly no one individual can perform them all. Recognition of this fact must lead to the hiring, training, respect, and continued use of education and knowledge management in order to keep the company “alive and thriving”.

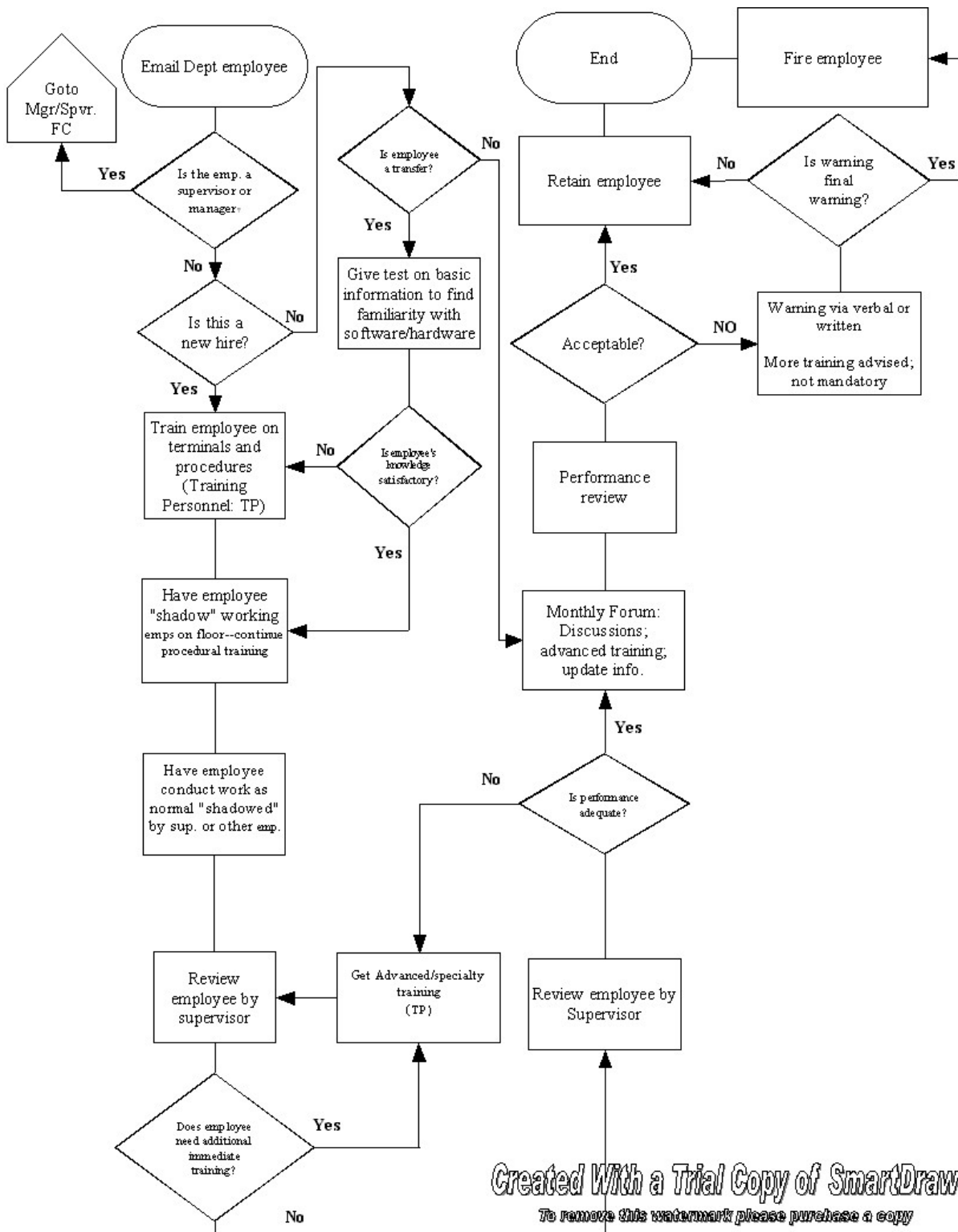
PCD has had a history of fast growth, yet it has not had the capability of being able to both hire and retain individuals for any length of time in order for the company’s culture to become understood and accepted throughout the ranks. This, in part, is due to the current management team and the philosophy of hiring a “body” instead of the best, and most talented individuals for the job. A further problem lies in the fact that this company has tried to achieve continued growth and efficiency by providing the minimum training and least amount of benefits to most of the employees. In a very complicated and complex world, not to mention the competitive aspect of competing markets, one must not only demand that an employee provide incredible service to customers and clients, but also that that same company, in return, provide excellent, flexible, and commitment to every employee.

The key focus of this analysis will be directed at solving the issue, or dilemma, of not having an adequate training program. The lack of a suitable “in-house” training program, with additional outsourcing if necessary, has proven to be a somewhat costly mistake. The mistakes come not only in the way of not being able to achieve loyalty to the company from employees, but also the financial costs associated with this.

Further problems exist within the current “training” program by having inexperienced people who have just learned the material often teaching in these programs. They actually lack the knowledge and ability to answer in-depth questions about the class or information they are teaching. They offer no more than a book could teach—in fact, a book or computer assisted learning could teach more, at times. Additionally, when one is initially hired into a position the employees on the floor inappropriately train them, be it by an inability to communicate effectively, or, at times, just the simple lack of knowledge. In this former case, because the trainer is doing his/her daily routines, the time is not readily available and it often feels like questions presented to the trainer from the new employee are an interruption and distraction. There is no environment that allows for the time it takes to learn the basics and the key issues before being placed in the real setting.

If the current “training” continues, employees will find themselves having to continually ask for support, even on the most minor issues, from the supervisors and managers whose time could be better utilized. Often the untrained and unprofessional nature of some of these managers and supervisors belittle others because of their status, or again because of their lack of understanding the importance to make each employee feel as good about themselves as possible in order to promote productivity. Moreover, employees will not be confident in their everyday tasks and will not feel as though they are really part of the company. These suggested implications, based on current circumstances, will never be corrected unless a structured training program is put into action.

Flowchart



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The above flowchart represents an accurate depiction of the steps, and the flow of action, needed to ensure that employees will have adequate training and the benchmarks upon which they can be judged. These steps will determine the proficiency with the current programs and procedures and it will also give a better indication of needed areas of continued improvement on an individual level.

There will be additional levels added, and/or changed, for the management levels within the organization. The above chart and related details focus on the regular employee of the email department that will serve as the prototype.

SWOT

“SWOT Analysis is a very effective way of identifying your Strengths and Weaknesses, and of examining the Opportunities and Threats you face. Carrying out an analysis using the SWOT framework helps you to focus your activities into areas where you are strong and where the greatest opportunities lie”(Manktelow 2003). As suggested, SWOT can be a very effective tool when used to analyze an entire corporate structure. The following SWOT, however, will be focused on the key challenge of implementing a new, updated training program.

Strengths:

1. We now have adequate capital to begin a new training program
2. We have, in Tincum, a strong upper management that has a proven record of successfully implementing new strategies and programs.
3. We are well known in the industry as being a competitive force.

Weaknesses:

1. We have no real conformity among employees.
2. We are vulnerable, and prone, to employees leaving on short notice.
3. We do not have in place a quality benefits program that underscores education. This leads to the inability to hire new, career-minded individuals.
4. The tools and equipment used is becoming outdated and it is not “user friendly”.

Opportunities:

1. Tincum Partners are interested in investing for long term and stable growth.
2. Technology and its related components are relatively inexpensive in the current economy; this, in fact, lends well to updating the current components.
3. Competitors are somewhat overextended.
4. It is never too late to employ higher standards and expectations, especially when our main strategic focus is on that of service.

Threats:

1. If the situation is not improved employees will continue to not show loyalty and not take pride in their work.
2. The lack of knowledge presents problematic situations that would not exist if they were regularly addressed in classes and meetings.

Data collection analysis

By using the following data collection tools we will be able to continuously track the effects of implementing a new training program:

- Electronically computed statistics from external and internal communications.
 1. Number and substance of complaints routed from websites.
 2. Frequency of incoming emails from same source.
 3. Frequency of outgoing emails to/from same source.
 4. Total number of processed emails.
 5. Employee turnover (initial date derived will be considered).
- Surveys from both external and internal sources.
- Performance appraisals/reviews of employees trained as well as feedback from supervisors and managers

The selected data collection tools used will be a combination of the above mentioned. In creating a training program that will cover and affect various departments and employees, continuous and collective data from many sources will be the key to continued success.

COST/BENEFIT IMPACT

The impact and cost associated with a new training program definitely outweigh, in both the short and long term, the cost involved with the initial startup and implementation.

The overall impact, in terms of benefits, will be twofold:

- It will provide an enhanced understanding of corporate needs by allowing better communication between employees, better identification of problems, and the promotion of teamwork.
- It will stimulate the inflow of qualified individuals by having those individuals view the company as a company that provides for their needs by not only training them effectively, but also opening up a door for them to express themselves.

The overall impact, in terms of costs, will be:

- High turnover resulting in the loss of time (seeking and hiring new employees), and “experienced” employees.
- Loss of clients due to a lack of performance from employees not knowing, and utilizing, the capabilities of resources. Moreover, the lack of information sharing and common problem-solving techniques will lead to more criticism from both customers and clients leading to unnecessary conflicts.

Qualitative measures

In terms of the qualitative measures, judgment methods “which translate the opinions of managers, expert opinions, consumer surveys, and sales force estimates into quantitative estimates” will be used (Krajewski and Ritzman 2002). The following will be part of those measures needed:

- Has the communication between all levels of employees (or an individual employee) changed for the better?
- Does there seem to be a better understanding of procedural and technical knowledge?
- Has the employee(s) been more responsive to direction?
- Has there been an increase in the number of suggestions from the employee(s)?
- Is the employee productive?

These qualitative measures will be reviewed every 6 months—for employees retained greater than 6 months; time frame may vary based on an individual basis.

Quantitative measures

The quantitative measures involved in the determining the effectiveness of the program will be the following:

- Has the number of employee turnover increased or decreased since implementing the new training program?
- What percentage does this equate to, compared to previous quarters?
- Has the overall production increased in the number of items (email requests) processed per day?
- How much down-time has there been due to employee faults?
- How much down-time has there been as a result of machine malfunction?
- What is the number of complaints from both customers and clients, compared to the last quarter?

CONCLUSION/RECOMMENDATION

The conclusion, based on preliminary investigations surrounding the issues presented, overwhelmingly result in the need for a structured, effective, and comprehensive training program. Based on the assumption that performance, efficiency, and effectiveness of a company revolve around the employees being satisfied with their jobs, and having a sense of well-being within the work environment lead to a conclusion that this program would be highly effective. This conclusion also takes in mind that the employees need be knowledgeable and have understanding of the job they perform. The training program will give them more confidence with the ability they need to appropriately deal with customers, clients, and internal staff.

I recommend that we use a balanced scorecard approach as a measurement strategy based on the flexibility and adaptability, as well as its capabilities in using both qualitative and quantitative data, to provide ongoing analysis. I would recommend also that this training program begin with hiring and/or training experienced personnel that are knowledgeable in both HR and technical capabilities of the programs and policies that will be presented.

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