

# ENTERPRISE CONNECT

and Partner Organisation **NORTH Link** (Program was launched: October 2007)

| Business Review Service | Tailored Advisory Services |



# Progress Report

## AT 30 JUNE 2013



Networking for Economic Development

Incorporating



**NORTHERN BUSINESS  
Achievement Awards**  
A Forum for Business Excellence

[www.nbaa.com.au](http://www.nbaa.com.au)

This report summarises activities to 30 June 2013. One hundred and twenty nine comprehensive Business Review Reports and ongoing services have been delivered by NORTH Link.

This report also provides a range of key statistics, outcomes and benefits achieved by the participating companies.

- What is Enterprise Connect?
- Industry Sectors Participation
- Top Ten Recommendations from Key Actions
- Tailored Advisory Service Grant Applications
- Best Practice Benchmarks
- Highlights from the Victorian Manufacturing Hall Of Fame's Manufacturer of the Year (Small Business) Awards
- Leadership 21

I would like to thank all participating companies for their co-operation and for welcoming me into their place of business.

I hope you find the report and the information beneficial.

**Paul Smarrelli**

Business Adviser

Enterprise Connect

[p.smarrelli@latrobe.edu.au](mailto:p.smarrelli@latrobe.edu.au)

m: 0408 388 511



An Australian Government Initiative



[www.enterpriseconnect.gov.au](http://www.enterpriseconnect.gov.au)

## 1.0 WHAT IS ENTERPRISE CONNECT?

Enterprise Connect is an Australian Government initiative backed by industry that offers comprehensive advice and support to eligible Australian businesses to help them transform and reach their full potential.

Enterprise Connect recognises that one of the biggest challenges facing businesses is having the skills and know-how to implement innovative changes in their business.

Through a national network of Enterprise Connect Manufacturing Centres, highly skilled Business Advisers deliver integrated, practical services that help small and medium businesses improve productivity, build internal capacity and capitalize on their growth potential.

### WHAT SERVICES ARE AVAILABLE?

#### Business Review

An independent Business Adviser works with you to review your business potential. They provide a private and confidential independent snapshot of your current business strategy, and assistance to discover new ways to transform your operations.

This is provided at no charge to the firm.

#### Tailored Advisory Service

Businesses that complete a Business Review may apply for a Tailored Advisory Service Grant. This grant will help you follow through on the recommendations of the Business Review. Enterprise Connect will reimburse half the cost, up to a maximum of \$20,000 (excluding GST), to engage a consultant/s.

Improvements eligible for funding may include, but are not limited to:

- supply chain management
- business and quality management systems
- lean manufacturing/office
- strategic business planning
- people and change management
- new product/service development
- market access and development

#### General Eligibility

To be eligible for a Business Review, all businesses must:

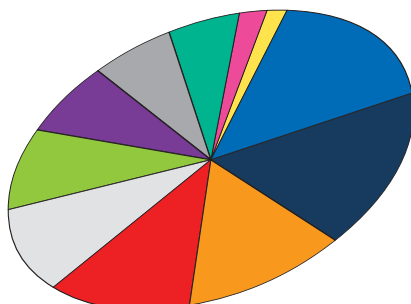
- Possess an Australian Company Number (ACN) or, in the case of Remote Enterprise small and medium sized business, an Australian Business Number (ABN)
- Meet the relevant turnover or expenditure thresholds
- Be solvent
- Have operated in Australia and filed business activity statements showing ongoing trading in at least three consecutive years
- Not have received a Business Review previously.
- Have annual sales of between \$1.5 million and \$100 million

[www.enterpriseconnect.gov.au](http://www.enterpriseconnect.gov.au)

## 2.0 INDUSTRY SECTOR PARTICIPATION

### INDUSTRY SECTORS

As at 30 June 2013, 129 business reviews have been delivered to companies from the industry sectors listed.



## 3.0 TOP TEN MAJOR RECOMMENDATIONS FROM THE KEY ACTIONS OF THE BUSINESS REVIEWS:

One hundred and twenty nine business reviews delivered with an average of three major recommendations, each are now eligible for Tailored Advisory Service government funding, including:

### 87 recommendations

for **Financial and Operational Measures** to improve reporting systems, identify key performance indicators and improve business results.

### 64 recommendations

for **Lean Systems/ Manufacturing Innovation** to optimise supply chains, quality, material flows, stock management, productivity, equipment up-time, preventative maintenance, housekeeping and safety.

### 61 recommendations

for **Marketing and Growth** to explore opportunities for growth including increased market share, new opportunities in new markets and joint venture partnerships.

### 52 recommendations

for **Leadership Culture** to better communicate policies, values and to establish continuous improvement and innovation.

### 48 recommendations

for **Strategic Business Planning** to implement essentials for the future including business assumptions, market trends, capital investments, human resource, succession planning, business requirements, mergers or takeovers.

### 34 recommendations

for **Human Resource Management** to assess employee development and training needs, retention of skilled people and to create a supportive and cooperative work environment.

### 30 recommendations

for **Innovation and Technology Strategies** to explore new technology to achieve distinctive offerings, differentiation and unique product/process innovation and international technology collaborations.

### 22 recommendations

for **Quality Management Systems** to monitor and minimise cost associated with non value-added wastes and to build quality practices into both production and administrative functions.

### 14 recommendations

for **Manufacturing Resource Planning** to maximise on-time deliveries, customer order entry, material requirements, inventory management, stores and warehouse control and documentation accuracies.

### 11 recommendations

for **Customer Service and Relationship Strategies** to facilitate more effective communication with customers and markets and to receive customer feedback regarding future requirements.



## 4.0 TAILORED ADVISORY SERVICE GRANT APPLICATIONS

Achieving strategic objectives and improving business performance through TAS Grants with the assistance of professional external consultants that provided opportunities for the introduction of the Business Review

### Recommendations.

Forty two applications for TAS funding with a value in excess of \$960,500 spread over the following top 6 categories

- **Lean Systems/Manufacturing Innovation**
  - provided improvements in productivity, supply chain, equipment utilization and stock management
- **Financial and Key Performance Measures**
  - provided more effective financial systems, reporting systems and key performance indicators
- **Marketing and Product Innovation**
  - provided opportunities for growth, opportunity scanning, market research and product and process innovation
- **Strategic Business Planning**
  - provided opportunities to plan and analyse future business assumptions, capital investments and risk management
- **Quality Management Systems**
  - provided opportunities to implement appropriate accreditation and certification standards
- **Leadership Culture**
  - opportunities to establish company vision and values communicated throughout the company to contribute to long term objectives

## 5.0 BEST PRACTICE BENCHMARKS: what the world's best enterprises achieve

### Business and Financial Perspective

- Five year strategic plan
- Annual business financial and operational plan
- Monthly management business performance review
- EBIT >12% on annual sales
- Return on Net Assets >50%
- Return on Total Assets >25%
- Interest cover >10
- Value added as a percentage of sales >65%
- Value added per full time employee >\$140k
- Debtors <35 days collection
- Creditors <35 days payment
- Cash in bank >4% of annual sales
- Sales generated per square metre >\$6k
- Total sales per full time employee >\$220k per year
- Total cost of production <70% on annual sales
- Gross margin revenue >30% on annual sales

### Customer and Market Perspective

- Customer growth >15% per annum
- Sales growth >12% per annum
- Percentage on sales from new products >16% on annual sales
- Percentage of export sales >15% per annum
- R&D Innovation expenditure >4% on annual sales
- Marketing expenditure >3% on annual sales
- Sales expenditure >6% on annual sales
- Marketing & Sales Plan
- R&D Innovation Strategy
- International Benchmarking

### Learning and Growth Perspective

- Leadership, culture policy
- Directs to Indirect ratio 3:1
- Absenteeism per employee 3 days per year
- Operating with Continual Improvements Teams
- Operating with OH&S 18001:2007
- Employee turnover <5% of full time employees
- Training and development budget >1% of sales

### Internal Process Perspective

- World class quality credentials to AS/NZS ISO 9001:2008
- Environmental credentials to AS/NZS ISO:14000:2004
- Customer delivery performance against orders >99%
- Supplier delivery performance >99%
- Capital Investment >3% on annual sales
- Zero accidents
- Operating with lean methods
- Manufacturing and administration PPM defects <200
- Operating with Master Production Scheduling (MPS)
- Operating with Manufacturing Resource Planning (MRP)
- Operating with Sales and Operational Planning (S&OP)
- Overall equipment effectiveness >92%
- Stock turns >10
- Production schedule adherence >96%
- Scrap or yield loss rate <0.2% of sales



## 6.0

# HIGHLIGHTS FROM THE VICTORIAN MANUFACTURING HALL OF FAME'S MANUFACTURER OF THE YEAR (SMALL BUSINESS) AWARDS

### Integra Systems

**Winner of the 2013 Victorian Manufacturing Hall of Fame's Manufacturer of the Year (Small Business) award.**

The award was first introduced in 2012 to recognise the best-in-class manufacturer that employs fewer than 20 staff. The team at Integra Systems were selected for their commitment to quality, competitiveness and their constant strive for excellence.

Integra Systems have previously been recognised for their achievements:

#### 2012

Winner of the prestigious category of Most Innovative Manufacturing Company  
– for their invention of the world's first high speed coil processing line  
– the "Punch-IT Coil Line"

#### 2012

Finalists in Lifetime Achievement Award and in Female Manufacturer of the Year

#### 2012

Winner of the prestigious category of Innovation and Enterprise Award 2012  
– NORTHERN BUSINESS Achievement Awards (NBAA)

#### 2011

Winner of the Enterprise Connect Significant Achievement Award for 2011 – outstanding implementation of business expansion, productivity initiatives and customer service.



## 7.0

# LEADERSHIP 21

A highly valued education program, Leadership 21 is provided by Mt Eliza Executive Education and Enterprise Connect. It has been specifically designed to help CEOs and owners of small and medium businesses (SMEs) explore new ways to deal directly with the challenges and opportunities they face in their business.

Some recent feedback provides an insight into the benefits of this program...

*"This course delivered not only highly strategic course content but did it in a manner that was directed towards Directors and CEO's of small businesses. The delivery had to be customised in order to capture our interest, relate to what we go through and be comprehended in a manner that we can then deliver back at work. The Leadership 21 programme also allowed me to focus on my personal Leadership skills. It was such a great achievement to recognise that I am responsible for my own development and to have co-workers see the difference now within the workplace."*

Nina Slade, MadeCo. Australia

*"Through the help of my business coach Lynn Scoles, I have been able to re-calibrate my mindset and attitude, and gain a more balanced perspective on the business and life in general. I have realized that when I am managing myself well and have the right attitude, it has a significant impact of my business. This alone has had a significant positive impact on our culture, and as a direct correlation our productivity, and has brought the business back to being true to what I set out to create when I first went into business."*

Paul Hughes, MD & CEO of Integra Systems – Manufacturing Innovations