

# Finding the Stimulus Within

Thomas L. Stone

**To stimulate the bottom line and increase efficiency, take a look at internal pumping operations for opportunities.**

## The Challenge

“Inaction is the riskiest response to the uncertainties of an economic crisis. But rash or scattershot action can be nearly as damaging.”

So begins “Seize Advantage in a Downturn,” co-written by David Rhodes and Daniel Stelter, senior partners and managing directors for The Boston Consulting Group, Boston, Mass., which appeared in the February 2009 edition of *The Harvard Business Review*. The authors propose that hidden but significant opportunities are nestled among bad economic news, and those companies that take the best advantage of the current circumstances will emerge even stronger when the economy begins its inevitable recovery.

The authors recommend a two-pronged approach:

1. Stabilize current business
2. Identify ways to capitalize on the downturn in the longer term

John Waraniak, vice president of vehicle technology for the Specialty Equipment Market Association (SEMA), has the same advice, though his might seem a little more brazen. In a presentation entitled “Don’t Waste This Crisis,” Waraniak argues that, “The instinct now is to wait out the uncertainty. That strategy is wrong. You have to think of new ways to compete.”

He suggests that the best tools for companies in an economic crisis are “situational awareness and the resources to address their observations,” and company leaders need to “manage the present, refuel for the future and selectively forget the past. When the rules change, you have to change your formula for success.”

Obviously, doing nothing and holding on for dear life are not acceptable options. Knowing that the current economic realities affect all aspects of the manufacturing

industry, here are some ideas for manufacturers that rely on industrial pumps to keep their operations running efficiently.

## The Solution

The most recent economic downturn hit so hard and cut so deep that even blue-chip, Fortune 500 companies responded by cutting costs in an effort to keep their bottom lines healthy. Among these Fortune 500 companies are some of the most well-known manufacturing entities in the world. Naturally, smaller, niche manufacturers also felt the pressure of reduced revenue combined with rising costs.

Before any of these companies take measures as drastic as closing down operations, they should identify ways in which improvements could be made. As Rhodes and Stelter write, “do a thorough but rapid assessment of your own vulnerabilities and then move decisively to minimize them.”

When it comes to manufacturing, that suggestion should trigger an immediate response: Are our operations as lean and efficient as they can possibly be? For too many manufacturers, this answer is often a lukewarm, “I’m not sure.” If that is the case, things that look to be humming along smoothly without any apparent need to dig deep to find inefficiencies may be prone to hiccups in the operation. These hiccups might seem to be minuscule on the surface, but could add up to some serious expenses in the long run.

Many manufacturers have begun to ferret out these inefficiencies by making operations “lean,” which does not mean eliminating work force or downsizing. Instead, it measures what equipment is present and how it is performing, learning what is new in the market and then determining how any of the new technologies can help streamline operations. With this in mind, it is a good time for many companies to get lean.

Speaking specifically to manufacturing operations that require industrial pumps for the production, transfer or transport of various liquids and chemicals, a myriad of stages in the production cycle can be reviewed with the goal of identifying and eliminating any inefficiencies.

Among the most common areas in which to look for operational inefficiencies are:

- **Pump Size**—Many times new facilities use the “just in case” approach when incorporating pumps into the operation. These pumps are larger than necessary, and three or four years in the future, too many are still using the same oversized pumps even though production data has shown that smaller, more energy-efficient pumps would work.
- **Pump Technology**—Selecting the pump technology for a specific liquid or range of liquids sometimes comes down to budgeting considerations. It may be like picking a utility fielder because of his salary instead of an All-Star third baseman. Now might be the time to research the broad spectrum of available pump types to choose a technology that better suits the application.
- **Energy**—Recent changes in engineering design have made some pump styles more efficient than the same pump was five years ago.
- **Air Flow**—Air systems are sometimes not optimally designed, resulting in setups that have bad bends in the piping, lots of leaks and too much, or not enough, air volume, all of which rob the system of efficiency and can turn into a drain on costs.

## Conclusion

Success in any business always comes down to being proactive. While no one could predict and determine the extent and depth of the latest economic downturn, the companies that have been able to persevere and remain more than just viable have been the ones that first made a thorough review of their operations to find inefficiencies and then took decisive steps to eliminate them. In some instances, that meant investing capital to eliminate costly and frustrating downtime and equipment repairs.

Rhodes and Stelter conclude: “Companies adopting the comprehensive approach ... will be not only better placed to weather the current storm, but also primed to seize the opportunities emerging from the turbulence and to get a head start on the competition as the dark clouds begin to disperse.”

Either upgrading to more efficient pumping technologies or fine-tuning current operations will help savvy companies create in-house stimulus plans. Run lean, run smart and run efficient now to survive long term.

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