Key reading

Blanchard, K. and Johnson, S. (2011) *One Minute Manager* (new edn). London: Harper.

Nokes, S. and Kelly, S. (2011) *The Definitive Guide to Project Management* (3rd edn). Harlow, Essex: FT Prentice Hall.

Further reading

Applegarth, M. and Posner, K. (2008) *The Project Management Pocketbook* (2nd edn). Alresford, Hampshire: Management Pocketbooks.

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Loflin, J. and Musig, T. (2007) *Juggling Elephants*. London: Penguin.

Newton, R. (2009) *Project Manager: Mastering the Art of Delivery in Project Management* (2nd edn). Harlow, Essex: FT Prentice Hall.

Newton, R. (2011) *Brilliant Checklists for Project Managers* (2nd edn). Harlow, Essex: FT Prentice Hall.

Smith, J. (2011) *Managing Your Time Effectively*. Newstead, Queensland: Emereo Pty Ltd.

Tracy, B. (2008) *Eat That Frog! 21 Great Ways to Stop Procrastinating and Get More Done in Less Time* (2nd edn). San Francisco: Berrett-Koehler.

Case exercise

Siam Lubricants

Siam Industrial Lubricants (SIL) is an autonomous part of a multi-national oil company, having been acquired ten years ago as part of the latter's strategy to diversify away from its core business of drilling and refining oil. Having been largely left to its own devices, Siam's Board has pursued its own strategy for growth, based largely on developing strong relationships with its customers. These have ranged from large multinationals to smaller regional players. All have been given the same level of high customer service and typically offered bespoke products to suit their exact needs. The parent company though is not happy at the declining profitability of SIL and has brought in a well-known strategy consultancy to review and recommend a new approach. The consultants have delivered their report and one of the areas that they have highlighted is the number of products that SIL now offers. This has mushroomed from 2,000 ten years ago to now nearly 8,000. Without doing any detailed analysis, the consultants believe that this number needs to be significantly reduced, based on the 'Pareto' principle. This is where typically 80 per cent of sales comes from 20 per cent of products (see Section 6.2).

SIL's Board think at first that they can do the product rationalisation themselves but on closer examination realise they have no idea where to start. Just getting rid of the low sales products would not be easy. Quite a few were supplied to their major customers. The risk was that by removing some of the products available to these key customers, the latter may take *all* their business away. There was also a culture of innovation, which on the positive side meant that SIL was continually offering new and better products to its customers. On the negative side though, it may be construed as merely tinkering and a lot of supposedly different products in fact fulfilled a very similar function. The board decided that a new approach was needed and has called you in as part of a specialist consultancy.

You meet with the client team, who are all very personable and willing to help, but lack focus and are nervous of the potential changes ahead. Your first task is break down the very long list of products into more manageable groups. The first split you do is by broad product function i.e. what it does and the second is by customer. The first is a nice short list of 8 but the latter is over 500. The technical team believe that you should use the former as the basis for this product rationalisation exercise but the sales team think you should use the latter. You realise though that both sides have to be looked at in order to come up with the best, i.e. most profitable solution for SIL. You are being pushed by the board to come up with a solution quickly, so the changes can take effect in this financial year. You realise that you cannot do this alone and you need to get the technical and sales members of the client team to work with you on a solution.

Q1 What would be your approach to getting to the optimal solution?

Q2 Develop a critical path analysis for the stages that you would go through.