Energy, Entropy, the 2nd Law of Thermodynamics

High Randomness
High Entropy
High Disorder

Low Randomness
**Low Entropy**
Low Disorder
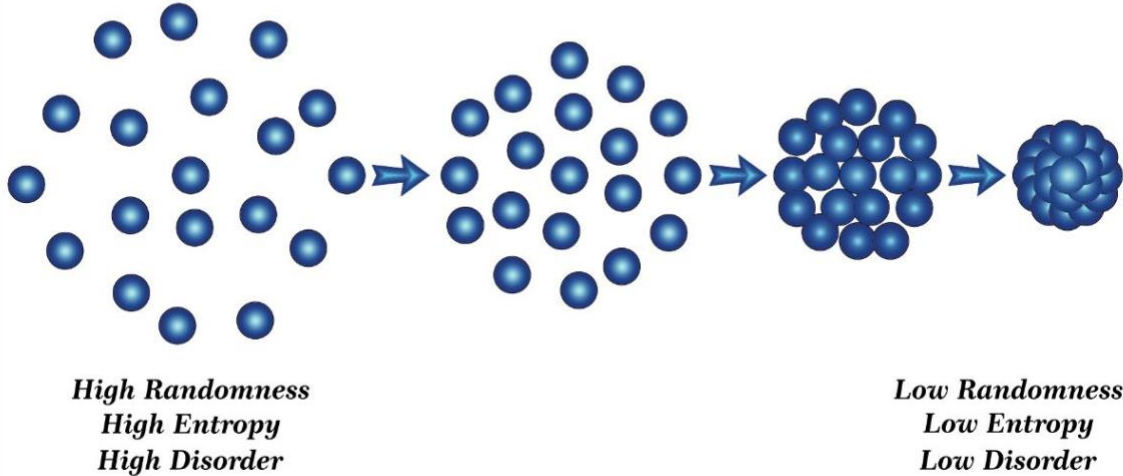
Art Koch's Profit Chain® Series

The Entropy Less Organization

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What is entropy? It's the old farmhouse falling into disrepair. Have you started the day with a game plan, and before you get in the door of your office, "Poof," the plans have vanished into thin air? It feels as though the day is managing you, rather than you managing the day. It is Entropy at work.

**Entropy is a giant sucking sound on your corporate profits!**
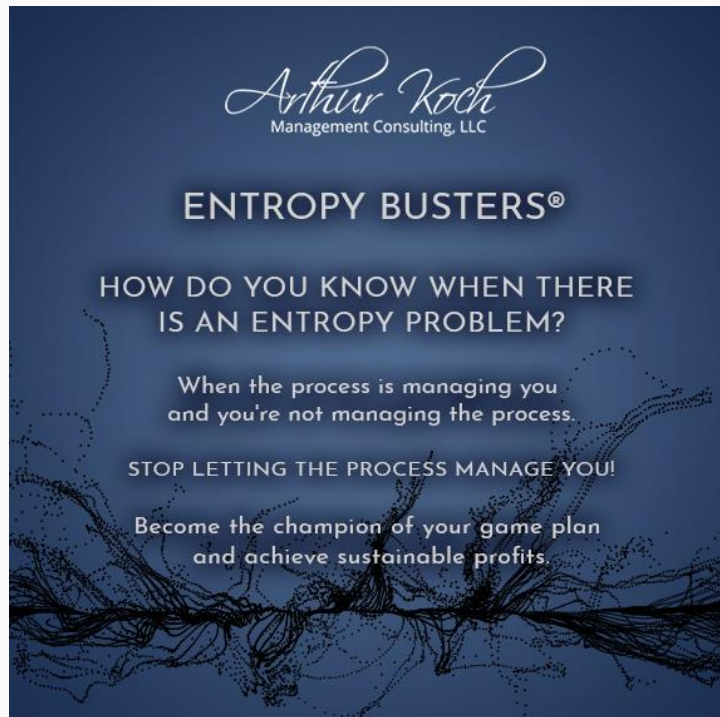
I've created the Entropy Busters® methodology to counteract these effects.

We encounter more and more interruptions in the form of e-mail, instant messages, and social networks. It's easier to show up at work and hide behind our computers than it is to try to get involved and resolve problems! Overwhelmingly, individuals are dissatisfied with their place of employment or managers. Remember the "Franklin Planner/Stephen Covey planning in solitude"? It's the practice of using the first fifteen minutes of each day for solitude and planning of tasks that will make the next day/week successful. It's needed today more than ever before!! Often associates are rewarded on timely responses and not for the quality of responses. What's terrifying here is that we're rewarding behaviors based on the broken and decoupled processes of text messages, e-mails, or phone calls that cause mediocre results and are damaging to business.

The Three Phases of Entropy Busters®
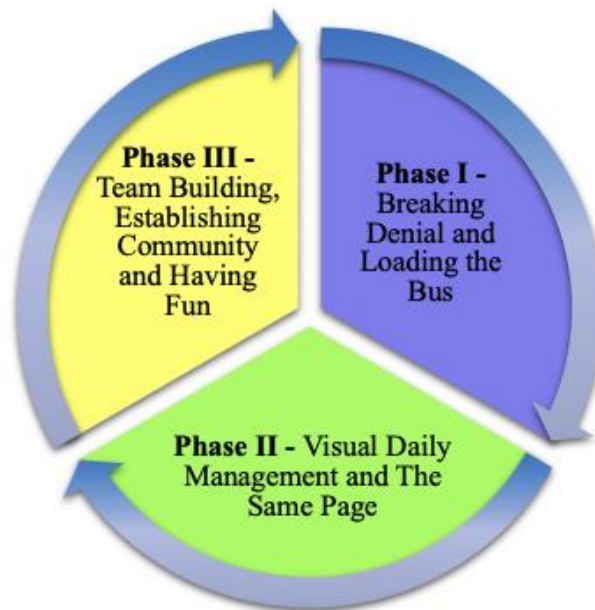
Phase I is about getting out of our offices and out from behind our computers. It's about finding a common enemy, an urgency to succeed, and letting go of the fear that you might not have all the answers or solutions. Leaders need to have laser focus, be tenacious, and committed to getting the team involved, while teaching and educating them in critical thinking skills and problem-solving. Envision Entropy Busters® as your offensive front line that enables you to manage your daily/weekly/monthly game plan(s).
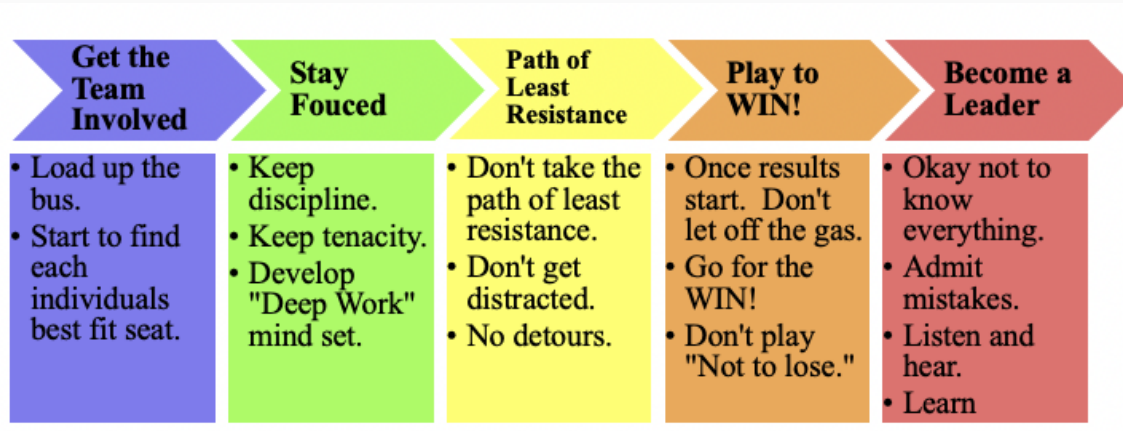
Phase II focuses on sustaining the methods established in the People and Process Foundation and Structural Framework, creating visual daily management processes to create transparency, speed of communication, and rapid problem resolution.

Phase III is about building the Team, establishing a community, and having fun.

The Entropy Force Field

How can we break this flawed belief system? We need a plan. It may sound simple; in principle, it is elementary. Here are the five essential management principles that ensure Entropy busting success:

Get the Team Involved	Stay Fouced	Path of Least Resistance	Play to WIN!	Become a Leader
• Load up the bus. • Start to find each individuals best fit seat.	• Keep discipline. • Keep tenacity. • Develop "Deep Work" mind set.	• Don't take the path of least resistance. • Don't get distracted. • No detours.	• Once results start. Don't let off the gas. • Go for the WIN! • Don't play "Not to lose."	• Okay not to know everything. • Admit mistakes. • Listen and hear. • Learn

1. **Get the team involved.** First, load up the bus with team members, then later on in Phase II, find the seat for which each individual is the best fit. The critical element of Entropy busting is getting team members involved. It's incredible what can be accomplished by getting just a few team members focused on an opportunity.
2. **Stay focused.** Keep the team focused on the critical few KPIs; it will take discipline, tenacity, and perseverance. This process is similar to building good habits of daily exercise and creating a "Deep Work" mindset.
3. **Don't let the path of the least resistance take over**. Don't get distracted by the next new idea or shiny object. The state of Entropy feeds on these distractions.
4. **Play to win.** Once you start to get results, don't take your foot off the gas. Go for the win or kill! Don't implement the game plan of playing "Not to Lose."
5. **Become a leader.** It's okay not to know everything and to admit mistakes when you have made them. That's what leadership is all about. What's the worst that can happen? You might learn something.

Entropy is an opposing force that exists in your enterprise. In fighting the advance of Entropy, there must be an opposite force of equal or higher value to keep Entropy in check. To counteract Entropy, I've developed a three-phase operating model called Entropy Busters® that forms a Force Field against entropy creep. The Entropy Busters® Force Field Analysis model illustrates how the opposing forces of Entropy Busters® keep Entropy creep out of the organization. The model allows organizations the flexibility necessary to adjust the steps that are needed to meet their operational challenges best while establishing structure and methodology for long-term sustainable success.

Entropy Busters® Force Field Analysis
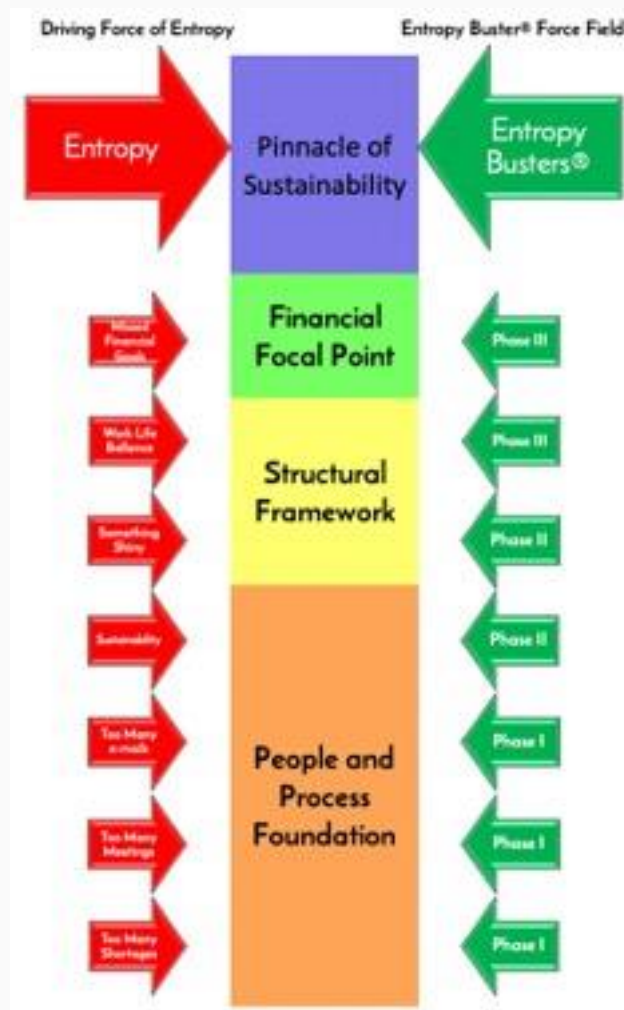
How is your entropy force field?

- Are your supply chain processes managing you, rather than you managing the processes?
- Do you find yourself rushing from one task to the next, and are you still having surprise problems such as parts outages or costing adjustments?
- Are you working harder and harder with little success in solving the root causes of problems?

Art Koch's Profit Chain®

"Dramatic improvements to inventory velocity increased customer service and corporate profits."

Don't be afraid to call!

<u>Self-Ranking - Pick one of the four questions below and then fill in your comments in the space provided.</u>

1. Don't think this applies to your business or enterprise? (Write three to four reasons why it might not.)
2. This is a new idea and strategy, it's something we need to work toward. (Brainstorm the first steps.)
3. We can do better, modify our strategy, and now we are moving in the right direction. (What are the next steps to ensure success?)
4. Our team gets the necessary time to keep their minds fresh and we have plans to live our dreams. (Comment on how you're ready.)

- _____.
- _____.
- _____.
- _____.

High ← Low (Organizational recognition of the need for change)

2. This is a new idea and strategy. We recognize it's something we should be working toward.

4. We are doing it and have a high degree of confidence in our process and results.

1. Doesn't apply to our business.

3. We are trying this methodology. However, we could be doing better.

Low — Organizational drive for on going process improvements — High

Entropy Busters®

Stop letting the process manage you! Become the champion of your game plan and achieve sustainable profits.

The Inventory Doctor™

Assessing the health of enterprise inventory and procurement practices.

Inventory Is Evil!™

in·ven·to·ry / ˈin-vən-ˌtȯr-ē / noun

Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.

in·ven·to·ry is evil! / ˈin-vən-ˌtȯr-ē is ˈē-vəl **/ phrase**
"Left unchecked inventory has many negative unintended consequences to profitability. It hides problems; **therefore, it delays fixing problems!"**

Turning Operational Problems into Profits™

Visit Our site

Thanks in advance for your time. As always, thanks for being a loyal client. Looking forward to helping you and your team again soon.

Carpe diem,

Art Koch
Arthur Koch Management Consulting, LLC

info@arthurkochmgt.com

+1 (336) 260-9441