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Focus on what you know

IQS Inc.'s John M. Cachat on why CEOs are making a mistake when they try to be computer experts

By Mark Scott

As a CEO, you don't have to be a computer wizard to find the best technology to run your business, says John M. Cachat, founder, chairman and chief vision officer of IQS Inc.

Instead, your job is to have a clear understanding of what it is your company does and what technology you need to make it run more smoothly and efficiently, Cachat says. "You focus on the business part because that's your expertise," Cachat says.

IQS provides integrated quality management software to companies in the manufacturing sector. And Cachat says it is a rare instance in which manufacturing companies, or businesses in any type of industry, should look at developing their own computer system.

"That's your lifeblood," Cachat says. "It's the information flow in your company. They've got to be treated with respect."

One of the best places to start when making technology plans is with a software supplier.

"You don't really need a consultant to tell you how to go about this," Cachat says. "Bring in suppliers, explain to them your business, define your expectations and see a functional working demo. The functional working demo is important — not a PowerPoint. I don't want a guy to come in and talk to me about theoretically improving cash flow. Show it to me."

And once you choose a system, you need to have a solid means of getting employees on board.

"Most people only know about 5 percent of a word processor's capability," Cachat says. "They learn what they had to learn to type a letter or to do what they wanted. Make sure you document how to use the app, you train them, retrain them, and then you go out and audit to see if they are following it."

"I have found in my own company people that perceive, 'I'm a sales guy, I don't have to do that; I'm an engineer, I don't have to do that.' At some point, regardless of it being a big or small company, you have to say, 'Well, no, actually, that is your job. If you don't enter this in the system, I don't get the report, and we can't make good decisions.'"

You also need to be diligent about explaining the objectives of the new system to employees and defining the employees' role in using it. And you need to develop a means of tracking the system's effectiveness.

"Did the costs go down? Did the inventories go down? Is on-time delivery better?" Cachat says. "Are your customer problems down? Monitor it, not once a year or 18 months later but weekly and monthly. Those are how I'm going to see if it's working."

One of the best ways to encourage employees to buy in to the new system and use it is to make use of their work at meetings.

"The computer system Golden Rule — if I agree to enter the data in the system, you agree to use it," Cachat says. "If I see that showing up in a staff meeting or a bulletin board or somewhere, I say, 'Yeah, I entered the stuff to show that.' They're kind of proud of it. They'll stay late to get the data in so the report is current versus a week goes by, a month, three months and no one is looking at it."

HOW TO REACH: IQS Inc., (440) 333-1344 or www.iqs.com

Don't wait for the crisis

One of the best times to implement a new computer system is when business at your company slows down, says John M. Cachat, founder, chairman and chief vision officer of IQS Inc.

"When a crisis hits and you've got a major customer that is going to take you off the approved supplier list because you can't do some of the quality practices, that's a bad time to put in systems," Cachat says. "You're going to make fast decisions. You're not going to train, and you're going to try to ram it in the company. The people will revolt and say, 'I don't want to use this.'"

IQS provides integrated quality management software to companies in the manufacturing sector, and a common mistake that Cachat sees is companies that get carried away with the latest and greatest technology wave that has just hit the market.

"The IT guy will always want the greatest and the best, whatever he just read about," Cachat says. "If the

software doesn't meet all those technical criteria but does everything the company wants it to do, buy it."

Companies can also consider outsourcing their technology management to a company that specializes in doing so.

"If I don't have the expertise, it's a good idea," Cachat says.

Doing so also allows you to pay monthly rather than investing in a system as a capital expense.

"Instead of spending \$30,000 in capital, I can do \$1,000 a month for 36 months," Cachat says.

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