

IMPROVEMENT SKILLS CONSULTING LTD.

“Simply, improvement...”



Are you ready for
Continuous Improvement?

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“Excellence is a journey, not a destination”.

Three phases

Suppose your organisation says it wants to be Excellent/World Class/Agile/Lean [delete as applicable]. That’s a fine aspiration and presumably you’re some way away from it right now. How do you get there and how long will it take?

Luckily, there are plenty of examples of success and failure we can learn from. This article describes the key phases of “the journey” and will give you an understanding of why there are no shortcuts and no “silver bullets”. The road to excellence is paved with good intentions!

We’ve been working with a number of client organisations recently who have recognised that their current performance simply isn’t good enough. This is a typical starting point for many who aspire to Continuous Improvement. Indeed, many of the most successful CI processes were developed in organisations that were in deep trouble; either with customers, stakeholders or financial performance.

The three phases that **everyone has to go through** are shown below:



In phase 1 you recognise the need to do something about today’s performance and implement problem solving or process improvement projects to address the key issues. This buys you time and builds pockets of improvement capability. This phase might last 6-18 months.

In phase 2 you establish processes and systems to hold the gains and to bring the organisation under control. A clear focus of this phase is process management, including a greater emphasis on measurement of process performance. This phase

might last 2-5 years and it's at risk when senior managers move on, get bored or leap onto the next bandwagon.

In phase 3 Continuous Improvement becomes a way of life. You won't hear people saying "we're doing Lean", or "we're adopting the Excellence Model"; the principles and practices of CI are embedded in everyone's day job and the organisation has the processes and data to be able to demonstrate it performs at "world class" levels.

Phase 1: Put the fires out

The things you'd expect to see in the first phase include:

- Senior managers select a small number of priority projects that will make a real difference to performance
- Teams are selected and trained to work on these projects; team members need to be your "best people"
- Projects are supported and facilitated so they can deliver improvement in 10-12 weeks (although implementation of solutions will no doubt take longer)
- Intensive improvement workshops ("blitzes") might be appropriate as a way of focussing and accelerating change
- The most important tools for people to learn and apply are Problem Solving and basic Process Improvement
- Performance measurements focus on "what's important" for survival and to demonstrate to key stakeholders that the fires have indeed been put out

Phase 2: Stabilise performance

In phase 2 you have to "hold the gains" from phase 1 and build more widespread capability to improve. The emphasis is on "infrastructure" and sustainability. The things you'd expect to see in the second phase include:

- Identification of a framework of business processes as a basis for "management of process"
- Appointment of Process Owners and Process Managers, with responsibility for improving the capability of their processes with their teams (perhaps using a Process Maturity Model to plan and track progress)

- Development of a balanced set of performance objectives and measurements (e.g. using the Balanced Scorecard) and a “single source of the truth” visible to all staff
- Introduction of more “advanced” process and performance improvement tools and techniques once processes have become more defined and stable (e.g. Statistical Process Control, or Six Sigma)
- Middle Managers engaging their teams in daily performance discussions and focussing on local continuous improvement

Phase 3: Embed Continuous Improvement

In phase 3 you have all the basics in place and begin to use these to leverage further performance advantages over competitors. Key stakeholders and customers recognise the organisation for being able to demonstrate real value add and innovation. The things you'd expect to see in the third phase include:

- A transition to “management **by** process” and an extension of process management across the organisation into suppliers and partners
- Regular process benchmarking and adoption of best practices from other industries
- Performance measurements that demonstrate world class levels of performance (e.g. processes operating at 6 sigma levels of defects: 3.4 DPMO and with high Value-add Ratios)
- Spontaneous improvement groups being initiated by staff, when they spot a need; not waiting for management to say there is a need

There is no “timescale” for phase 3; it's probably going to take most organisations five years of sustained effort before they are anywhere near this level of performance. Once you're “there”, it's forever!

Some lessons learned

One of the main lessons is that there are no shortcuts in what has to be done to achieve a culture of continuous improvement; you have to go through each of the phases. What you can do is improve your chances of success and potentially reduce the time taken to achieve success.

There's very little point trying to implement an approach to Process Management if there are lots of performance issues and “fires burning” that need to be addressed first. Pareto (the 80-20 rule) definitely applies: there will be a small number of problems to be solved that have the potential to make a big difference in the short-

term. It's senior management's job to identify those priorities and ensure improvement teams are given the time and resources to fix them.

A further significant lesson is that the leadership style and capability of senior and middle managers is a major determinant of success. Command and control might work while you are in phase 1, but a more empowering style is needed in phases 2 and 3. Recognise that some of your managers aren't going to make the change; either they won't want to, or won't be able to. You need to anticipate this and have a plan to deal with them humanely.

A final lesson is that you won't achieve any of this by having teams of management consultants crawling over the organisation and "doing it to you, or for you". Most organisations already have plenty of really good people who simply need to be given the right skills and "unleashed" to make improvements happen. A key role for consultants is in transferring skills to your people and helping to coach and facilitate key managers and teams in making improvements happen. Consultants can also help you to identify, objectively, where you are on the journey and what you need to do to increase the pace of improvement.

Our track record

Our consultants have been helping organisations in the private and public sectors to implement continuous improvement processes for nearly two decades. We have supported European Quality Award winners in their approach and worked in the public and private sectors.

We are not wedded to a particular methodology. We help clients identify their improvement goals and then develop an approach to achieve these; invariably ensuring their people develop the skills to make further improvements themselves.

Please contact us for more information about how we can help you to develop and embed a culture of continuous improvement.

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