

/// Achieving True Excellence

How to Avoid Another “Flavor of the Month”

How Successful is Your Organizational Improvement Initiative?

How do you describe your business improvement achievements to your superiors; to your Board Members and your company visitors? How is it described to your stockholders and employees? And most important of all, is it even discussed with your customers? According to many sources, it is estimated that between 60% and 80 % of all improvement initiatives fail to deliver the anticipated results. In fact, based on a study completed by the University of Michigan and presented at the February American Society for Quality conference, the typical Green Belt project:

- 1) Took 3.4 months to complete
- 2) 11% of the projects were rejected for various reasons
- 3) Average savings ranged from \$1k to \$30K, with a split of 31% being “hard” savings, and 69% in “soft” savings.

This study was based on the U of M’s Green Belt program, which includes 40 hours of lecture, 21 tests and one project required for certification. These are not great numbers.

While each of us are committed to achieving success in all that we do, far too often, our raises, bonuses, and promotions are tied to nebulous activities that can be described or “spun” into a politically acceptable result. The people in our organizations KNOW what the truth is and we often fool no one by this tactic. We too often try to put the best possible light on our activities to justify the expenditure or the effort when we don’t achieve the promised results we are all seeking. I believe we need to evaluate just how effectively we are implementing these approaches and understand the root cause of why they do not deliver the expected results instead of just writing them off as another “Flavor of the Month”.

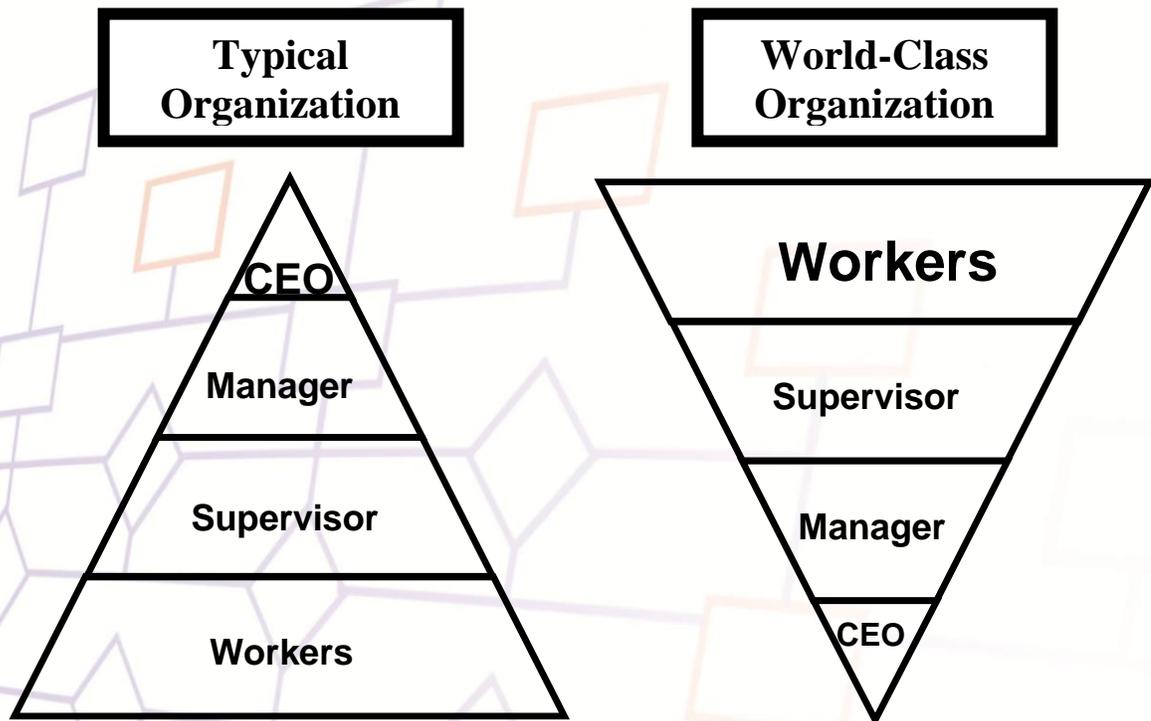


I know that as a business executive, I spent large sums of money on Total Quality Management; Quality Circles; Work Out; Six Sigma; Lean; and Theory of Constraints. Each of these are great initiatives in and of themselves. Some organizations achieved stellar results with each that were written about in books and articles that convinced the rest of us to “jump on the band wagon”. Many of us then proceeded to fail at achieving the promised results that had gotten so much attention in other organizations. Few of us spent the time to figure out just why that was. The tendency is to think that others got those results because their organization or business was “different” than ours and that was why we didn’t (or couldn’t) achieve the same gains. I think nothing could be further from the truth.

Let’s examine some of the things an organization needs to be successful in changing their processes, their culture, their expectations, and how we can overcome the normal and natural resistance to change!

Do You Have the Support You Need?

Before we can begin to implement change, we need to understand what is needed to support that change. We have found that change is most successful when supported from the top down and driven from the bottom up! In fact, the most successful world-class organizations have begun to turn the typical organizational support structure on its head.



The Focus Shifts As To Who Is Serving Whom!

Understanding this shift is critical to understanding how to build support for effective change. We've all received the memo from the top that says that "effective tomorrow "this" will change". Unless that new change is driven from the bottom up and executed by the work force, what is actually achieved is nothing more than "lip service" and another empty memo. The change initiative must be supported from the top and given the resources required for implementation, but the change itself is accomplished by the actual people doing the actual work in the actual location! Too often we find that each of us is waiting on someone else to actually fix something we all know is broken. How often have you heard someone say "It's not my job!" World-Class is an attitude where everyone understands that where the customer is concerned it's everyone's job!

Failure Modes for not achieving Executive support and measurable ROI

There are several things that we see repeatedly in many different organizations when we begin to do an evaluation for why results are not readily apparent. For example:

A: Executives not speaking the language and not setting the example

- B: Highly focused on easily measurable stats as opposed to solving real problems
- C: An “On Top Of” as opposed to “Instead Of” Mentality
- D: No readily apparent change in culture OR management styles

A: Executives Not Speaking the Language and Not Setting The Example

How many of you have been in the meeting where you learn your boss has just read a new book and now expects all of you to both read and implement the new thinking in your organization. He or she then announces that they will be on travel for the next two weeks and they expect to see the new “thinking” in place and working when they return! They have just told you that YOU will be changing and they expect to see the results without any commitment or effort on their part. Just how often does this actually happen? I know from personal experience it has happened a lot. They decide “we’re” going to change and they will check on us from time to time. In working with a local school system, they have had to read and implement two different books published by the professional learning communities. The latest being “Failure Is Not An Option”. They meet to discuss these concepts and work to try to implement some of the ideas, but they don’t see any of those ideas or concepts flowing down from their executives to the teachers who are trying to actually change the culture and the class room experience for their students. Instead, I hear many stories about how these sessions are just another tool being used to pressure the workers into doing more with less and getting nothing in return. Management, when in this mode, uses the words of change and improvement but they are not setting an effective example or leading by demonstrating strong commitment. Trust me; there is no way to get “something for nothing”. Just how committed am **I** going to be to something that is obviously not that important to my Senior Leadership Staff??? If you are in a leadership position, or can influence your leadership positions, it is critical that they understand that they must decide UP FRONT, their level of commitment and they must be willing to accept the obligation to change along with the troops. Anything less is immediately viewed as “fluff” and unimportant by your people. Your organization will respond to these non-verbal signals of the executive staff much more quickly than they will to your efforts or good intentions to improve things.

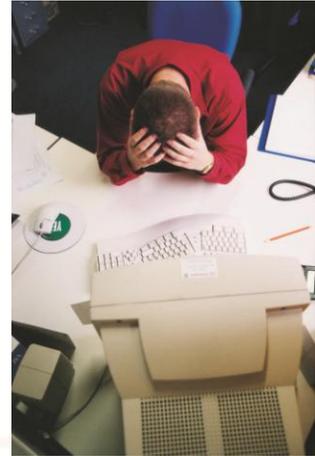


B: Highly Focused On Easily Measurable Stats As Opposed to Solving Real Problems

A major failure mode is the trap of focusing attention on metrics or data that is easily measured or collected but doesn’t have any real impact on the problems that are keeping your management team up at night. Many times a team will tackle a project that can be easily accomplished or one that allows us to “roll up” stats that mesh with other similar events and yet the project or event selected will have nothing to do with a very serious problem that is critical to current business goals. Teams work on minor or irrelevant processes and wonder why they can’t seem to get management attention, excitement, or support for their teams. Before you ever begin an improvement effort, first start by asking your leadership team what are their three biggest problems right now? What is keeping them awake at night? What business performance goals are they and their team having trouble meeting? THESE are the projects your teams should be tackling! They may be more difficult, they may not dovetail nicely with the “standard” event metrics, but they ARE the things that will get your team strong management support!

C: An “On Top Of” as Opposed to “Instead Of” Mentality

Many times performance improvement efforts are viewed as “on top of” what we’re already doing. We are all very busy people and very few of us have much spare time. People sometimes struggle to figure out how they are going to do more when they already don’t have enough people or budget to do what they are already tasked to accomplish. You have to steer the discussion towards helping them understand that the objective is not to do the same things PLUS extra work; but to do what they are doing DIFFERENTLY so that the new way is “instead of” the old way. While this concept is intuitively obvious to those of us who operate as change agents, it is most decidedly NOT obvious to those who are in the trenches. This message needs to be reinforced at every step of the way. You need to effectively communicate this while planning the project, running the event or project itself, and most assuredly during the follow through for implementation. Each step should include this message and it should be supported from the top down and driven from the bottom up. This perspective cannot be over emphasized.



D: No Readily Apparent Change in Culture OR Management Styles

No matter how good a team does in the event or with the project, unless people see something change or done differently by the organization, they legitimately question just what happened and its long-term value for them or the team. Effective process change requires a change in the procedure, the policy, or the person (and often in all three). Just as necessary is a change in the culture or the management styles used by the leaders to support the new direction. No change will last for long in the face of a focus on the Status Quo. Systemic change requires a change in the organizational culture and how the organization is managed. If we are going to truly empower our employees, it will require a change in how we manage them. Authority and accountability should begin to shift and flow to new players and changes in how the organization operates should be as readily apparent as the new process itself. This will undoubtedly make some managers uncomfortable in the beginning. And some workers will adapt to this more readily than others. Yet for true improvement to take place this is non-negotiable. To maintain the status quo and to continue as if nothing had ever changed is to doom the improvement effort from the beginning.

How Do You Explain YOUR Improvement Program to “Outsiders”?

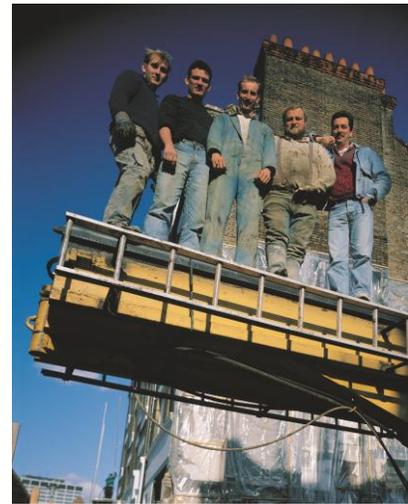
Are you focused on simple activity or real changes in value to your customers? Most of the time, when I ask business leaders to describe their improvement efforts for me, I hear about how many projects they are doing or the total value of savings generated. I hear a lot about the numbers of people trained and / or the “success stories” a few teams in their organizations have experienced. All of this is good, **BUT...**

Too often, executives focus on the things that are easy to measure at the expense of analyzing that which is far more important, yet far more subjective and far more difficult to quantify. Often I will ask about a new product, service, or capability recently developed by the organization and listen to not only what they say but how they say it. I then ask the same questions about improvement activities and employee projects and listen to the differences in the focus, the excitement, and the level of commitment demonstrated. This is often very revealing to an outsider. What constitutes a successful activity or action in your

organization? If asked this question do you immediately begin to cite facts and figures? Do you provide stats and numbers of people engaged in the activity?

What I seldom hear is **HOW “THIS” IS CHANGING YOUR ORGANIZATION!** I am looking to hear how your organization is now able to meet goals and objectives you were missing before. What new business challenges are you tackling NOW that you were unable to go after prior to deployment of your program? How are your business decisions different today than they were before? **And most importantly WHY?**

Do you talk about the change in attitude and motivation of your employees and their approach to solving your organizations complex problems and issues? Do you talk about new capabilities your organization has now that they did not possess when the initiative was first begun? Do you discuss just how what they are doing has altered your organizational strategy or objectives?



A successful deployment to me is not primarily about the numbers but about fundamental change in your organization and how you are developing strengths, capabilities, and providing Value-Add to your customers that you were incapable of providing previously. Don't get me wrong, the data and the numbers are critical for those of us who are change agents to determine how much we are improving and if we are achieving our goals and objectives. And don't forget the financial types who are looking at justifying the cost of the improvement efforts themselves. This is entirely legitimate. You HAVE to go through the beginning stages where events, activities, and training are critical activities in order to develop the capability to address the higher order vision of the program and the organization. But you must be able to move beyond this stage. This then allows you to engage in and accomplish the more strategic goals and objectives that should be your primary focus and the reason for having an improvement strategy in the first place. This is why we spend large sums of money and this is what the business leaders are truly looking for. We should be driving a relentless pursuit of Customer Value, competitive advantage, improved margins, and reduced cycle times to allow us to continue to drive additional value to our customers in a never ending cycle, hence our favorite phrase, Continuous Improvement!

Conclusion:

Are you “stuck on simple” or do you want to develop the capability to achieve all your organization has to offer and move toward the truly strategic focus that is what Key Leadership desires? Are you serious about becoming a World-Class organization or are you satisfied to just have the slogan?

The answers to these questions provide a crucial insight into the organizational dynamic and cultural bias that can be used to predict your ultimate success in achieving long-term change and organization commitment to your initiative.

If the answers to these questions make you uneasy and your focus is predominately on mechanical numbers and facts and primarily on participation, it is easy to predict that interest

will wane, and the importance placed on this effort will rapidly be displaced by the next “Flavor of the Month” or derailed by the next big crisis faced by the organization.

To avoid having your improvement efforts struggle to survive, focus on dynamically changing your culture, develop an organizational bias based on gaining new capability, and improving your ability to rapidly change and adapt. By doing this, you can energize your employees and maintain their excitement about growing the organization and achieving greater levels of performance and advantage. Never forget how important it is to celebrate the new capability that comes with unleashing the power of your employees to explore the realm of the possible in everything they do. It will amaze you what your employees are capable of if you do in fact create an environment that allows them to experiment and try new things. This is the empowerment many have discussed but few have unleashed! World-Class organizations demand nothing less...



J. R. McGee
Managing Partner & CEO
Certified Master Black Belt
1248 Queen Street, Pottstown Pa 19464
www.xstreamlean.com
610-212-6728
A Service-Disabled Veteran-Owned Small Business