

Building a culture of continuous improvement



Key principles

Jean-Louis Moreau – Business Consultant

Success rate for CI efforts is low

- About only 50% of CI initiatives are considered as successes.
- A major factor affecting the deployment of long-term continuous improvement initiatives is the fundamental change taking place in the way companies manage and execute work.
- Continuous improvement needs to be more than just an exercise in better defining and adhering to processes; It should embody important elements that do not appear on a process map although they are essential to drive improvements in the context of a changing workplace:
 - The shift to ad hoc products and services
 - Adapting to 3D printing and other new technologies
 - Big data creates big opportunities but generates big challenges
 - The very nature of the workforce is changing, full-time, part-time, ext.
 - ...

How to implement a CI culture?

Ensure relentless leadership

- Alignment of organizational leaders and confirmation of their sponsorship and involvement in the long run is key to CI implementation success.
- CI is a multiyear journey that requires long-term vision and commitment. Expectations and a strong leadership mindset should be instilled across the organization early in the process.
- Make sure to convey that CI is not just a cost-cutting exercise. CI aim is to produce transformational, long-term results.
- Build early momentum on initial quick wins and capitalize on it.
- Find the right balance between centralized governance/support and distributed ownership throughout the organization.

How to implement a CI culture?

Demonstrate tangible Change Management

- CI organizations exist to drive change. As such, they should be experts at managing change.
- Real change management is not soft or optional. It is tangible, quantifiable and critical to drive sustainable adoption.
- Key aspects of change such as how well a future state vision was communicated and understood, how much people buy-into that vision and their readiness to change from the current state should be tangibly measured .
- A change management dashboard is required to identify successful areas and those where targeted efforts are needed to improve awareness, readiness or capabilities.

How to implement a CI culture?

Choose carefully what to measure

- Applying metrics to behavior can have profound effects. Yet measuring the wrong things can be counterproductive.
- An effective continuous improvement culture has a clear understanding of what should be measured and how this measurement provides value for both company and customers.
- Senior executives should be evaluated on the same criteria as employees on the front lines. → “cascading scorecards.”
- The actual metrics should be tailored and relevant at each organizational level. Implementing cascading scorecards aligns focus and behaviors to common goals and help people see how their actions contribute to the broader company goals/priorities.
- To encourage cultural change, these metrics should also be aligned with incentives that drive the desired behaviors.

How to implement a CI culture?

Promote data-driven change

- There is no one-size-fits-all model for continuous improvement.
- Effective companies customize and incorporate continuous improvement tools and methods to fit their particular needs.
- CI initiative should be based on data-driven decision making.
- Investing in analytical techniques, such as quantitative hypothesis testing approaches and leveraging advanced data visualization techniques, allows to separate facts from speculation and can boost success rates.
- There are multiple tools, methods, and concepts when deciding exactly how to implement data-driven methods. The key to success is developing and using a consistent and repeatable approach to process improvement.

How to implement a CI culture?

Limit the scope to do fewer things better

- Companies with a strong CI culture have sound governance capabilities to identify top improvement opportunities, allocate resources effectively and manage changes to completion.
- This frequently means doing fewer things better. Start with smaller-scale, but still fully invested and empowered pilot projects before deploying on a larger scale across the business.
- The most valuable opportunities are usually found by analyzing and improving the end-to-end process. These value streams can cross multiple organizational silos and business units.
- Successful companies realize that handoffs between groups tend to be where problems emerge. They implement methods to prioritize and coordinate value stream initiatives to resolve conflicts, assign accountability and improve the overall business.

Thank you

...

Questions?

Next steps