

Business Excellence: Its in the Eye of the Beholder

At a recent forum the panel the discussion was around programs that lead an organization to excellence. The most consistent views seemed to suggest that few programs on their own will achieve excellence. There needs to be an overall strategy moving an organization towards excellence. Nothing occurs overnight and each piece of the puzzle has its own pitfalls.

Looking at the Ford Motor Company, as an example. They have implemented almost every business improvement or business excellence strategy possible and they recently posted losses of about \$12 BILLION. Clearly, the strategies they have implemented (TQM, TPS, JIT, Lean, Six Sigma, TOC, and probably more) as well as new IT systems that have been installed, have not led to business excellence.

I have seen companies get results from each strategy individually but few have had breakthrough results. Each strategy has usually only focused on one aspect of the business, mostly process. Yes, Lean is moving into the office but it is still process. It is now about shuffling paper faster and more efficiently. Big deal. ERP systems moved companies to think in terms of processes and attempted to break functional silos, but ERPs are transactional systems that move companies forward incrementally, by creating piecemeal savings. Yes in a F50 the numbers are large but relatively speaking they are incremental. People in the business require new skill sets and ROIs are hardly ever equal to those planned or projected by the IT departments and consultants! Been there seen that.

GE is often mentioned as an outstanding organization. Business owners and managers often mention GE's success and Six Sigma in the same breath. What they fail to realize is Six Sigma was part of an overall plan. Some GE companies only started on their road to excellence and using Six Sigma after many years had been spent re organizing, redesigning, re hiring and focusing the business in minute detail. Six Sigma was not the cause and final end result of their improvement, nor their excellence!

Over the past few years I have been working with companies to achieve their strategies. What this has meant is looking at business in a holistic manner and making sure each piece of a strategic plan is budgeted for and is executed to achieve the desired results, or better. Essentially companies realize that no matter what happens in their strategic planning sessions they are not realizing the results they would like to see. Yes, one can just imagine FORD executives saying " OK guys we are going to drop \$12 Billion this next year!

What this means is companies needs to improve their performance in a multitude of areas. This can be done without a name brand process, or a software package. To reiterate, it is not about ERPs, CRMs, Lean, Six Sigma, TQM, or anything else you can think of. Sure you may add one later but that is not the reason for success, although it probably will assist in reinforcing the changes that are made along the way.

The key to excellence in performance is rather simple; It is not easy but it is simple.

1. Have a great strategy.
2. Surround yourself with people who believe in the strategy.
3. Aggressively execute the strategy.
4. Measure your results along the way.
5. Celebrate your successes

This very simple strategy is often scoffed at as not possibly being able to work. The reasons for chuckles are typically; my business is too complex, we are different, and you dont understand my business, I am sure you have all heard these and more, yet this process has never failed. Its tried and tested. Everything else clouds your vision and makes things seem more complex than they really are.

There are, however, any number of small, middle market, and transitional businesses who have grown 3 - 5x their revenue using this very simple strategy. Again, the simplicity should not overshadow the difficulty of actually implementing it. It is tough. People are the issue. Its about challenging paradigms. Moving through false assumptions and mental models which may have become ingrained over many years.

So how do you get this right? Get your top team together. For a session with a difference. Develop that strategy that everybody can support from the get-go. Start with assessing and analyzing the things you do well and the things in which you are challenged. Be rigorous and hide nothing. Your failures reversed could just propel you to success. Failures are an indication of trying new things and just not having figured out all the kinks. Develop working guidelines for achieving success when implementing new approaches. Ensure these are in line with your companies values. This step is all too often overlooked and very quickly leads to discontent and resulting failure.

Next step is letting each team member developing process based, or even functional based priorities for the year. Present these to the group with the

rationale as to their inclusion. Once they are all up there select no more than ten as the major objectives for the organization. This is not as simple as it sounds, mind you. A good facilitator will certainly help.

List those top ten objectives. Determine the metrics of success. Define monthly targets. Determine how to get the data in a format to present to your group and the company to show success.

This will be the basis of a monthly review. You will be visiting the exceptions in detail and celebrating successes. This will be the cornerstone of achieving strategic success and corporate excellence. Focused monthly review session based on the top ten objectives will place you squarely on the path to success and excellence.

Like I said, simple. Not easy.

Source: <http://www.articlecircle.com>

About the Author

Graeme Nichol Arcturus Advisors (<http://www.arcturusadvisors.com>) works with business leaders and their teams to close the gap between great strategies and mediocre results. (Newsletter arcturusadvisor@aweber.com)