AN INTRODUCTION TO CONTINUOUS IMPROVEMENT FOR MANAGERS

Issue 1.0

March 2009
CONTINUOUS IMPROVEMENT – A MANAGEMENT SUMMARY

INTRODUCTION

In today’s challenging environment organisations, both public and private sector are seeking to improve performance through the assets at their disposal. Cost reduction is high, if not on top of every senior manager’s agenda. But what happens when the easy pickings have been taken? The options are generally limited; make people work harder, and when this becomes counterproductive the next step is to stop doing some things. In the private sector the options are in many ways easier to manage as companies have the choice, no matter how unpalatable, to close facilities or reduce services. In the public sector there is often no choice; services have to be delivered and contrary to general perception there is not always a bottomless money bag to pay for statutory services. An answer to these dilemmas is continuous improvement.

WHAT IS CONTINUOUS IMPROVEMENT?

Although obvious, this potentially huge source of innovation was largely neglected in UK until comparatively recently. It was only when the messages from Japan became hard to ignore that we began to realise that their success across a range of sectors was due in no small measure to a different approach to innovation. In addition to the traditional use of specialists, Japanese firms built on high involvement of the workforce in regular incremental innovation — a process called *kaizen* but which is more familiar to us as 'continuous improvement'.

Continuous improvement (CI) is a generic name given to a range of activities designed to engage a high degree of involvement and trust in the workforce in innovation. It is really an umbrella term for an organisational approach supported by a range of specific techniques. CI is about an approach to change which is high in involvement but which stresses incremental innovation as its key feature i.e. a 'little and often' rather than a 'big bang' view. Since it is a philosophy it is often linked with more specific change programmes. For example, it can be used in conjunction with business process re-engineering, total quality management or versions of...
the 'lean' concept. In each case the contribution of CI is in maintaining and extending progress through a regular stream of small improvements.

WHY IS CONTINUOUS IMPROVEMENT IMPORTANT?

By not adopting it, continuous improvement (CI) represents a huge missed opportunity. By tapping in to the creativity of all the people in an organisation, not just a handful of specialists, it's possible to become much more innovative. After all, with every pair of hands you also get a free brain and it's an awful waste not to use it! The experience of those who have gone down this road might help persuade you; they've managed to trigger hundreds and thousands of small ideas. Whilst individually these may never win an "Innovation of the year" prize, they add up to impressive savings, in reduced waste, reduced lead or cycle time, greater flexibility, higher quality and better service.

HOW DOES IT WORK?

First of all CI is a philosophy not an initiative. Organisations suffer from initiative overload. Few initiatives deliver sustainable benefits as a new one often starts before the last one is embedded in the organisation. Continuous Improvement is forever and requires the total involvement of the organisation:

- Top management must provide leadership by allocating resources, establishing the strategy, systems, and procedures and then engage and empower their people to ensure that CI works.
- Middle managers are responsible for implementing CI. They must monitor and manage the performance of the continuous improvement programme, ensure that employees are educated in the use of the necessary techniques and ensure that improvements are sustained.
- First line managers are responsible for applying CI. They must maintain the rate of suggestions, coach, and improve communications in the workplace.
- All managers should know what goes on in the workplace and understand not only the “what” of performance but also the “why”. By understanding this they can help their people as well as their processes to improve every day.
• “The people who do the work” should be trusted to make suggestions, solve their own problems, learn new skills, use the techniques, and participate in continuous improvement activities both individually and in teams.

WHAT DOES IT LOOK LIKE?

In the context of business improvement there are two main phases: the first is breakthrough where a major leap is taken and improvements made. This usually stems from BPR, Kaizen Blitz events, major IT developments, Systems Thinking or Lean.

The second is continuous improvement – maintaining the benefits from the breakthrough and incrementally adding benefits in search of perfection. The diagram overleaf shows these two stages and how they operate together. The blue boxes represent the initial breakthrough activities and the red are continuous improvement.

WHERE IS THE RIGHT PLACE TO START?

The ideal place to start is at the beginning by establishing a vision for the organisation and then communicating it to your people. To support the communication ensure that people know that there will be resources, both human and financial to start your journey to a continuously learning and improving organisation. The next step is to identify a section or department in which to “pilot” the CI philosophy and to start the learning and implementation process as shown overleaf. The establishment of a pilot will allow you to showcase the business, financial and people benefits that CI can bring, and create an appetite for change in other parts of the organisation.

The reality is that organisations have probably already made investments in business improvement methodologies. They may have mapped, reengineered and documented their processes or they have undertaken other types of breakthroughs such as “Kaizen Blitz” or rapid improvement events. These do not prohibit the use of a Continuous Improvement Philosophy they just dictate a different starting point. Irrespective of the start point the overriding need for management commitment and leadership remains.
The options appraisal identifies the top level current state or AS IS of the process(es), the current Performance Indicators and those areas most likely to yield benefits.

The business case produces a detailed “AS IS” map and a high level “TO BE” for the focus areas. It also identifies the business benefits of proceeding to the next stage.

The new processes are designed to be predictable i.e. right first time every time; error proofed embracing current best practice, and simple to use. They are then tested until proven.

The people who are to use the system are trained, the visual management centres are designed and the new processes made operational.

Visual management of the processes allows everyone to SEE the state of play. Performance against the new KPIs is MEASUREd to identify process, people and business improvement opportunities. IMPROVEment is achieved through problem solving and ASSURANCE is ensuring that continuous improvement philosophy is being sustained.

The options appraisal identifies the top level current state or AS IS of the process(es), the current Performance Indicators and those areas most likely to yield benefits.

The business case produces a detailed “AS IS” map and a high level “TO BE” for the focus areas. It also identifies the business benefits of proceeding to the next stage.

The new processes are designed to be predictable i.e. right first time every time; error proofed embracing current best practice, and simple to use. They are then tested until proven.

The people who are to use the system are trained, the visual management centres are designed and the new processes made operational.

Visual management of the processes allows everyone to SEE the state of play. Performance against the new KPIs is MEASUREd to identify process, people and business improvement opportunities. IMPROVEment is achieved through problem solving and ASSURANCE is ensuring that continuous improvement philosophy is being sustained.
WHAT CAN GO WRONG?

Making CI happen is sometimes easier said than done. Early attempts to emulate Japanese success often led to disillusionment. Organisations set up problem solving teams and invested heavily in training all their staff in relevant tools and techniques, only to find their programmes had run out of steam some six months later. These days it has become clear that introducing and embedding the new behaviour patterns which make up CI is something which takes time and effort. There is no magic bullet which will achieve this overnight; it is important therefore to “eat the elephant in chunks” by establishing a pilot, measuring and publishing the benefits that it brings, learning from the good and the bad but most importantly create the environment where your people create the demand to support your vision. Then the process can be rolled out at your pace.

HOW WE CAN HELP

In an increasingly complex demographic, financial and working environment the challenge is to address the issues this spawns with simple solutions, and that is our fundamental principle. We accept that changing the culture of an organisation is not a simple matter but the approach has to be simple to engage all the people concerned.

_The ContinuousImprovement Practice™_ in conjunction with our partners can provide a range of services that will help organisations develop their own CI philosophies. These include:

a) An assessment of capability and readiness to move to a CI environment

b) Change management processes to facilitate the change

c) Training for leaders, managers and the workforce as a whole so they can embrace the philosophy and techniques of CI

d) Practical support to help organisations establish initial CI projects and to support the roll out of CI

e) The transfer of skills through practical application and reinforcement of training, and
f) A critical friend to ensure that CI momentum is sustained

THE BENEFITS OF OUR APPROACH

In addition to the generic benefits of CI which include higher people motivation, improved product and service quality, enhanced productivity and reduced costs our approach delivers:

a) A simple philosophy and way of working that embraces the whole organisation

b) A flexible approach; we build on your investment in business improvement rather than starting all over again

c) As a result of the above a higher and sustained return on investment in CI techniques than would be achieved through classic business improvement methodologies, and

d) A faster route to your self sufficiency.