Operational Excellence

3 Steps to Get Started
Getting Started on a Path to Breakthrough Results

OPERATIONAL EXCELLENCE
How do I get started?

• Understand the three (3) elements essential to success
• Order is important!
• How to turn goals into action
• 0-1-100 is always the underlying principle
• Role of leaders in creating & maintaining culture
Getting Started...

• There are three (3) elements that consistently lead to success
• The first & primary responsibility of the leadership team is to ensure these elements exist & are continuously improved
• Element #1 - Leadership
  • People who strive to be the best
  • Role model zero loss mindset & total employee involvement
  • Skilled & constantly improving their abilities in the 5E model
    – Envision, Energize, Enable, Execute, Embody
  • Failure to get the right people in key leadership roles will lead to lackluster results & organizational frustration
Element #1

- Leadership (cont.)
  - It all starts with having a vision
  - If you don’t know what you want, no one else is going to know either!
  - We are surrounded by these every day, and over time we come to think of certain companies as inseparable from their visions.
  - Here are some examples of companies that have clear & compelling visions
Element #1

• Leadership (cont.)
  • It all starts with having a vision
  • If you don’t know what you want, no one else is going to know either!
  • We are surrounded by these every day, and over time we come to think of certain companies as inseparable from their visions.
  • Here are some examples of companies that have clear & compelling visions
  • A well crafted vision paints a clear and inspiring picture of the future that helps a leader create the energy and enthusiasm necessary to sustain the change
Element #2

- **Element #2 - Organization Design**
  
  “All organizations are perfectly designed to get the results they are now getting. If we want different results, we must change the way we do things.”

*Figure 1—The Star Model™*
Element #2

• Organization Design (cont.)
  - Each section of the star represents design elements that are controllable by leadership to influence behavior & therefore create the desired culture
  - The first to be addressed is always strategy. The strategy choices ultimately determine
    • Goals and objectives to be achieved
    • Values and mission to be pursued
    • These choices will ultimately influence all the remaining elements, and will guide you in making the trade-offs that are always involved
Element #2

• Organization Design (cont.)
  - Structure
    • This design element normally determines the placement of power and authority in the organization
    • Choices to be made here include shape, specialization, distribution of power, and departmentalization
    • For these reasons most organizations spend the largest amount of time on this design element, and fail to fully leverage the remaining elements
  - Processes
    • Well designed and clearly documented work processes are how operational excellence activities are transformed into “the way we do the work”
Element #2

- Processes (cont.)
  • These work processes represent our best knowledge of how to perform the work, and they detail the habits of our best people
  • They show in detail what needs to be done every day by every person to deliver sustained results
  • These work processes cut across all layers of the organization structure & provide for common standards
  • This is often called *standard work*

- Rewards
  • Purpose is to align the goals of the individual with the goals of the organization
  • Provides the incentive for execution of the strategy
  • Items include salary, promotion, job placement, bonus, any other monetary or non-monetary items that people desire
Element #2

- **People**
  - Concerned with the human resource policies and choices of the organization. Items here include:
    - Recruiting
    - Selection
    - Training
    - Rotation
    - Development
  - These choices produce the talent required by the strategy and structure of the organization, generating the skills and mind-sets necessary to implement the chosen direction.
Element #3

- Element #3 - Capability Development
  - The key to excellence in execution of the work processes
  - Maximizes the contribution of every employee
  - Critical to achieving the culture change required for a continuous improvement mindset
  - Leaders should be spending significant time in coaching this area

- Questions?