

BEVINGTONGROUP

The Journey to Operational Excellence

Deliver and Learn

Understand • Engage • Evolve

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What is Operational Excellence?

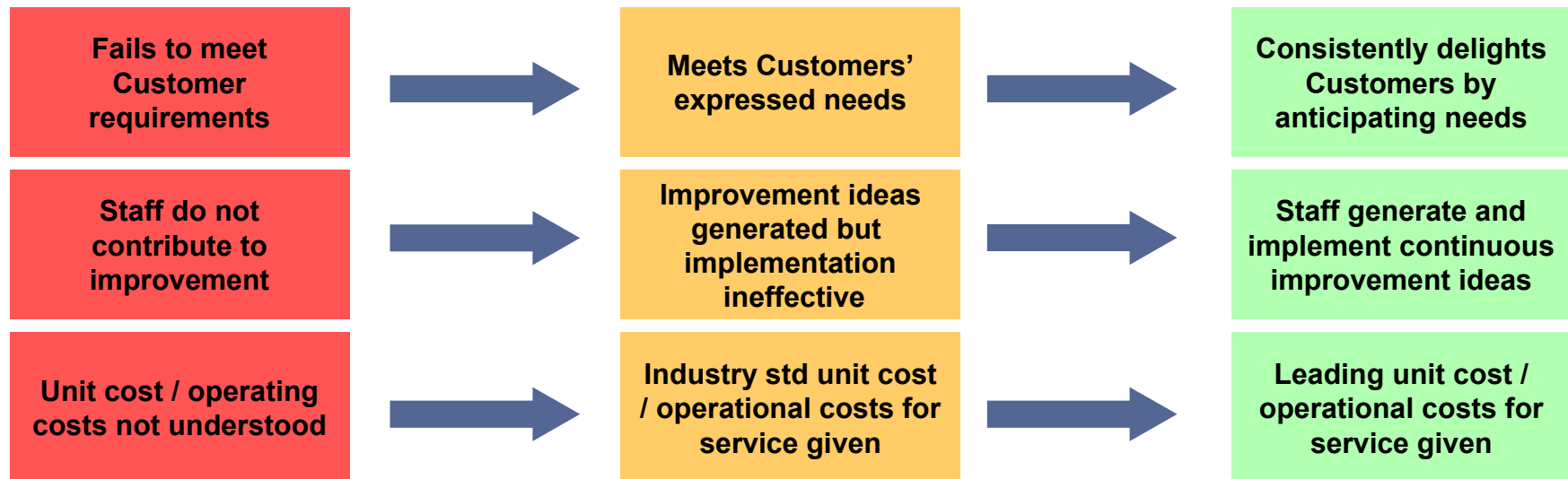
Operational Excellence...

...a position of advantage in the execution of business processes

It is recognised by -

- Customer experience levels exceeding industry standards
- Sustained higher financial returns for Shareholder
- Higher levels of staff engagement
- Total organisational commitment to continual improvement

Attaining Excellence is a Journey...



Operational Excellence doesn't just happen...

Operational Excellence requires a set of disciplines that require sustained effort to transform into habit

Attaining Operational Excellence requires a performance improvement

focused way of –

- Thinking
- Measuring
- Managing

A structured pathway is needed...

To successfully undertake the journey we need to supplement intentions with knowledge

The Operational Excellence program provides a framework to enable management to understand **why** and **how** performance needs to improve. It addresses intra and inter-departmental challenges through a series of management principles under the broad topics of

- Strategic clarity
- Customer focus
- Attention to measures
- Performance Management
- Leadership and communication
- Improvement Methods (e.g. Lean methods).

Delivering common understanding...

The tools provided in this program will -

- ❑ Enable the management team to develop a shared vision of Operational Excellence and to understand the journey's challenges
- ❑ Provide executives with a “common language” and approach to solving problems, thereby enhancing cross-functional cooperation
- ❑ Enhance the management teams capability to –
- ❑ Contribute to strategic planning
 - Effectively act on strategies
 - Lift operational KPIs
 - Deliver better outcomes for lower costs
 - Understand the key elements of implementing change
 - Increase shareholder confidence

And benefits needed to attain Excellence...

Reduced Operational errors

Enhanced Operational Efficiencies

Increased Customer Satisfaction

Optimised Margins

**Improved individual
contributions to business
performance – staff
engagement**

Objectives and Scope of the Management Program

General Operational Excellence Program objectives...

The overall objective of this Program is provide a common Executive basis for driving performance improvement. It will -

- Provide the executive team with a common framework for
 - Aligning to strategy
 - Delighting customers
 - Reducing costs
 - Supporting margins

- Ensure that the executive team have a common understanding of the current “best practice” approaches to achieving the above objectives e.g.
 - Performance Management
 - Use of Measures
 - Performance improvement tools (Lean, Six Sigma, Process Reengineering etc)

- Use this framework to identify and implement early improvement opportunities
 - Within each Executive’s span of control
 - Across a number of departments

Approach to the Management Program

Taking the specific needs of the organisation into account...

Any approach which applies a “template” course may fail to meet the Executive team’s needs. It may cause frustration

- ❑ Targeting problems which do not exist
- ❑ Missing the opportunity to address issues that do exist
- ❑ Use “out of context” case material
- ❑ Fail to get “buy-in” from the start

Therefore our preferred approach would be to start with an assessment of the training and development need. This has the advantages of

- ❑ Allowing the Executives to influence the content of the course (increased up-front buy-in)
- ❑ Provides a basic “Operational Performance” assessment for the organisation
- ❑ Allows us to focus the training and development in a way that provides for tangible benefits (rather than just a “warm and fuzzy feeling”).

Therefore our approach is staged, beginning with an Operational Delivery Assessment

Program Step	Step Description
Assessment of current Operational Delivery	An assessment of the training needs through a series of targeted interviews. Also delivers a view on current level of Operational Delivery
Training Workshop 1 (3 days)	Pragmatic training on management principles and attaining Operational Excellence, work on current needs
Implementation of Principles	Implementation of principles with light mentoring support. This is focused on delivering a return on the training investment as well as bedding in the lessons from training
Training Workshop 2 (1 day)	Review of implementation results. Refresher on principles. Introduction to more advanced tools (details on some Lean tools).

The course must develop your organisation's distinctive capabilities...

Capability represents the identity of your firm as perceived by both your employees and your customers

It is your ability to perform better than competitors using a distinctive and difficult to replicate set of business attributes. Capability is a capacity for a set of resources to iteratively perform a stretch task

The aim of this program should be to -

- Generate an understanding of what capabilities can be (or will be) truly distinctive
- Ensure that Executives have the support to develop your organisation's distinctive capabilities

Contents of the Course

Training will be tailored...

Training will likely fall under 7 standard headings – with time and emphasis determined by need

1. What is Operational Excellence?
2. Strategic clarity
3. Customer focus
4. Attention to measures
5. Performance Management
6. Leadership and communication
7. Improvement Methods (e.g. Lean methods).

What is Operational Excellence

- Defining Operational Excellence
- How is it attained in other organisations?
- What is needed for your organisation?
- What would be a great set of outcomes for this program?
- Set objectives for a program for attaining Operational Excellence.

Strategic Clarity

- ❑ The five basic questions of strategy
 - Where to compete?
 - How to win? Why will customer buy?
 - What currently supports the “why buy” assumption?
 - What currently impedes the “why buy” assumption?
 - What do you need to do?

- ❑ Capability based strategies
 - Distinctive capabilities
 - Reproduceable capabilities

- ❑ Your role in the company’s strategy.

Customer Focus

- Customer first perspective
- Voice of Customer
- Customer-product alignment
- Customer-process alignment
- Customer-centric measurement

Attention to Measures

❑ Purpose of Measures

- Looking back
- Looking forward
- Driving change
- The economic denominator

❑ Types of Measures

- Financial
- Operational
- Customer Insight

❑ Implementing measures

- Technical issues
- Quick start-ups
- Engaging people

❑ Managing through measures

- Types of performance meetings
- Frequency of performance meetings
- Taking action
- Monitoring improvements

❑ Engaging Staff

- Team goal setting
- Visual Display of Measures
- Behavioural Change Indicators

Performance Management

- ❑ Setting KRAs and Targets
- ❑ Encouraging teamwork
- ❑ Managing for positive effect
 - Purpose
 - Motivation
 - Rewards and Reprimand
 - Celebration
 - Catching people doing the right thing

- ❑ Coaching
 - Motivation
 - People skills
 - Problem solving

- ❑ Helping people move to the next challenge.

Leadership and Communication

- ❑ Organisational Purpose
- ❑ Displaying organisational values (making it real)
- ❑ Inspiring teams
- ❑ Engaging Staff in Change
 - Advantages of Staff Engagement
 - Methods to engage staff
 - Managing staff engagement
- ❑ Communication methods
- ❑ Maintaining momentum

Improvement Methods

- ❑ Overview of currently popular improvement methods
 - Six Sigma
 - Lean (Kaizen, 5S, VSM etc)
 - Process Reengineering
 - Activity Based Costing
 - Structural Cost Reviews
 - Organisational Restructures

- ❑ When are different methods appropriate?
 - Nature of the problem
 - Implementation challenges
 - Implementation costs

- ❑ What are the risks?

Conclusion

Conclusion

- ❑ We believe that a tailored program provides the greatest benefits
 - Allows the Executives to influence the content of the course (increased up-front buy-in)
 - Provides a basic “Operational Performance” assessment for the organisation
 - Allows us to focus the training and development in a way that provides for tangible benefits (rather than just a “warm and fuzzy feeling”)

- ❑ To maximise the benefits from the program we use an “action-learning” style of program, where Executives are mentored whilst applying the disciplines they have learnt

- ❑ This “action-learning” projects themselves should deliver benefits. Target setting should be done as part of the first three days of training.