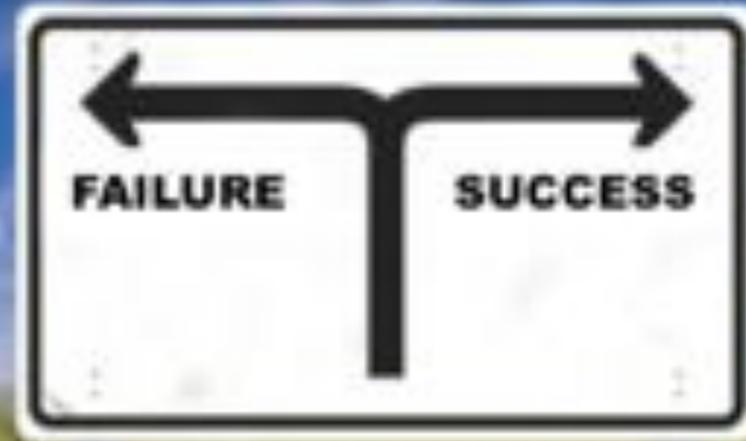


MCKNIGHT GRACIE MANAGEMENT CONSULTANTS

Business Excellence?

- Introduction
- & Guide



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Management
Consultants

Business Excellence

-Introduction & Guide

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So most diagrams & pictures will expand or give additional information when tapped/ touched or swiped

Glossary = Blue text

Introduction - Business Excellence?

We all want to have excellent businesses.....

BUT

- What does it mean?
- When are we Excellent?
- How do we get on the journey?
- Are there some standard steps?
- Who should be doing it?

This short book will answer these questions and give you a pathway forward to ensuring that you can Achieve Business Excellence.



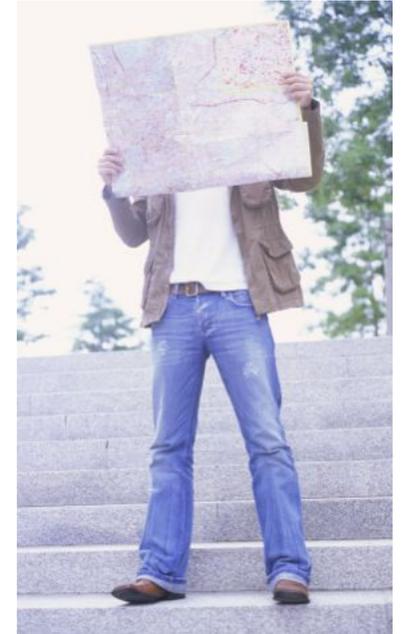
What is Business Excellence?

KEY OBSERVATIONS

1. Business Excellence has to be measured
2. Without a target, you'll never get there
3. Business Excellence changes as the business changes
4. The Customer view is crucial
5. It is everyone's responsibility
6. Doing nothing is falling behind
7. Excellence creates Excellence
8. We are what we do

It depends, as they say, on where you are and where your target is. For one organisation, **Business Excellence** might be to win the next account, for another it is to get a minimum of 4 out of 5 on the **customer** service score. Either way it is a pathway to a higher level, as **measured** either by the organisation itself or more preferably, by the customer.

There are 5 standard stages to achieve Business Excellence within your organisation as shown in summary below. Each stage has several elements, which in themselves will bring remarkable positive changes to your organisation, so there are many gains to be recognised during the journey before the overall prize at the end.



Business Excellence Roadmap



In the next few chapters we will outline the key stages and the elements in more depth, showing you the way to achieve and most importantly sustain Business Excellence.

Some may also use the term **Process** Excellence or Operational Excellence, whatever term is used the key focus is on improvement to become *truly excellent*.

Business Excellence - Some thoughts....

Business Excellence has to be measured - Once we know where we are, then we can plan the journey to where we want to be.

Without a target, you'll never get there - If we have not set the place that we want to be, then no-one will know when we have arrived or if we are nearly there!!

Business Excellence changes as the business changes - The World moves on, technology and expectations change, so it may mean that each year or so, we will have to revisit where the end target is and therefore adjust our [Business Excellence Vision](#).

The Customer view is crucial - We might think that we are the best judge of what we do, but since we are not the end paying customer then we are really just a stand-in at best. The best opinion to find out if we are delivering what the customer wants, is to check directly with the customer, as much as is reasonably possible. If we are doing what they like and want and are happy to continue buying from us, fantastic, but if there is any issue then we ignore them at our peril.



It is everyone's responsibility - In the eyes of the customer it is not the best that defines us but the worst, so if we think that it is only the chosen few that matter to deliver Business Excellence, then failed expectations and problems will soon be with us.

Doing nothing is falling behind - In the World of Business nothing stands still, so thinking that if we keep on doing what we've always done will keep bringing us success, then there will probably be at least one competitor who will be pleased to prove us wrong.

Excellence creates Excellence - As we raise our [standards](#) then more of what we do is as good as, if not better than, our competitors, so onward and upwards. Unfortunately the converse is true too, so as soon as we lower our standards then mediocracy breeds mediocracy which will eventually deliver failure.

We are what we do - Walking the Business Excellence talk is more difficult than it sounds and we always need to be open to learn about the opportunity to do what we say.

Right Projects Selected

Sections in this Chapter:

1. End Vision Targets Agreed
2. Key Performance Targets Measured
3. Prioritise Projects: Value versus Ease
4. Leadership Select Key Projects

End Vision Targets Agreed

We do need to look big picture to see what is happening and then focus in. As it is said without a [vision](#) the people are lost, so we must start with a compelling end target so it is clear what [Business Excellence](#) means to your organisation. This Vision needs to be clear and understandable to everyone, with just the right balance of near and longer-term elements.

We start with your Vision (or [Mission](#)) statement that should describe what your organisation wants to do. If you don't have a Vision statement then spend some time writing one, it should just be a few sentences, outlining what your successful organisation will do. Once you have the Vision agreed then the challenge is, how do you get there?

We need to decide the pathway to that Vision and so what are the [Key Performance Targets \(KPTs\)](#) now, next year, etc. Question is how do we decide what are the important KPTs?

This is where the [customer](#) is very useful and they can generally tell us, not that we always need to ask them, as they will often just share it with us. The level of sharing is often down to the



performance we gave them or how we are compared with our competitors.

Sit down and list/review what you already know, what are your returns, what are your customer [complaints](#), what do your customers talk about, what do your competitors do, what do your people spend time on (that they complain about to your managers?). This is the starting point, matching the customer requirements to your KPTs.

We want to [measure](#) the *things* which tell us what is really happening, so to produce the KPTs you will need to spend time talking and debating to understand the relationship between certain parts of your business, focusing on what are the main drivers of change. This will give you additional insights enabling you to connect the [hierarchy/linkages](#) to identify the few main performance leverage points=KPTs.

Once you have this list, then you can move onto the next part, which is that the KPTs need to be measured. This tells you really where you are on your pathway, how far you have come and how far you need to go!!

Key Performance Targets Measured

Measurement, measurement, so simple but so difficult. In life we often know where we would like to be but because we don't measure what we do, we don't really know how far away our end goal or our target really is. So the first major step toward **Business Excellence** is to measure what is important, of course after deciding what is important!! Fortunately we have already decided what our **Key Performance Targets** are.



So how are we doing against these **KPTs**? Just as we used the **customer** inputs to set the KPTs, we can also use the customer inputs to measure where we are. For example, how has the number of **complaints** received changed over the last 6 months; going down (we're solving issues) or no change (our tactics are not working) or getting worse (we are tackling the wrong thing). This knowledge helps us link cause with the end result.

This **process** of measurement can be straight forward if the measurements are there or a completely new game if not. It may take time to set up **measurement systems** in some parts of the organisation, so there may be a delay. During this time the

organisation must be kept informed on the on going progress. Also it can be hard to receive messages that have been hidden in the past, as the true picture becomes clear. Often your perception of the organisation was better than the stark reality you have now measured and it can be very difficult not to blame. But if you review the various messages to you, the issues were

often voiced but not as clearly as you now see. This is the typical voice of middle managers, they see but they seldom impart the full message because they fear the "**kill the messenger**" syndrome. This is a point when many programs falter as they are diverted into short-term fix programs, lacking any cohesive strategy other than to save face. Since we are focusing on Business Excellence we will stay true.

Senior management must be strong and resist the urge to *just do* and must persevere to get all the historical problems and issues uncovered. Once you have the KPTs measured, then you can move onto the next part, which is to Target the Gaps using the appropriate methods.

Targeting the Gaps

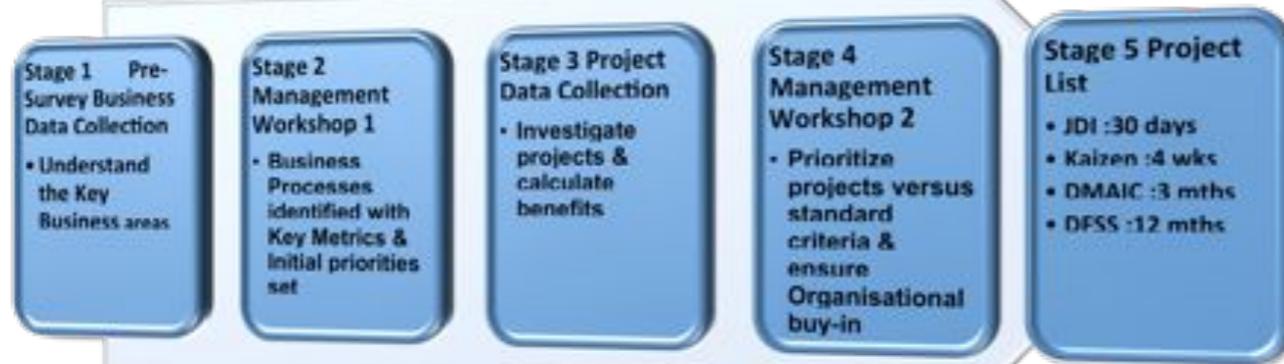
With the **KPTs** in place it should be possible to identify and target the Gaps. In some organisations this is where the middle management take over and execute actions to bridge those gaps, but if there is no real **Business Excellence** Culture then something more visible will probably be required to ensure that those gaps are closed, fast.



In some cases the output is JDI (Just do it) actions where what is wrong is obvious for example where there are no more storage files for invoices and some are getting mislaid, taking an action to buy some new cabinets is straightforward. In other cases and often the majority, although the problem is *mostly* clear, how to solve it is not. This is where a Continuous Improvement Methodology is required to support Business Excellence to achieve the

desired results in a set timeframe. In all **CI methods** it is the usual practice to implement a **Project Management System** to ensure that there are reasonable timescales to the problems being solved and implemented. So the Gap is broken down into a number of projects each with a **project leader** who will take the project through to completion.

By using the 5 stage Gap Selection **process** as below the staged process delivers a variety of problems levels that can be dealt with in various ways. The 5 steps gives the Leadership Team the understanding of what the Gaps are and using their input, the Business Excellence Team can focus on the most important areas.



The **DMAIC** methodology is the method of choice for most organisations as there are people in most organisations who have experienced it at some time, maybe been involved in a team and even a few fully trained project leaders. Also there are a number of external experts who can give advice and support as required, which increases the success rate.

Prioritise Projects

Once we know where we are compared to the **Vision**, we can now decide where the priorities are. First setting the **Deployment Strategy**, do we tackle one area or department at a time or do we bring the key performance **measures** up to the same standard? Then match that Deployment Strategy to the **Resource Strategy**, understanding how much resource can we afford to allocate to these improvement **projects** versus the “normal everyday work”.

We have found that like eating at a buffet, most organisations have larger eyes than their actual capacity and will often say “yes” too often and try to do too many projects at once, with the ones furthest ahead not being the priorities (just like filling up on starters). So the wise start small and grow project numbers as the organisation sees the benefits and then are willing to make the further investment.

To start the prioritisation **process** you need to set some standard criteria, which typically are split into 2 groups;

1. **Business Benefit** - include elements

such as project financial value, benefit to **customer**, key business goal and leverage potential in other departments.

2. **Ease of Implementation** - include elements such as management high priority, **sponsor** engagement, under local control, can be completed in 3 to 6 months and process data available.

These criteria are also often weighted (assigning multiplying factors of 1 to 5) to emphasize the highest value criteria. Then each project is assessed against the agreed criteria, using a scoring system such as 0, 3, 5, 9 which creates additional separation, making project prioritisation clearer. The results can be tabulated and then plotted on a standard Benefit (higher better) versus Ease (lower better) graph. The output gives 4 distinct quadrants that effectively prioritise the projects from Priority to Quick-win to Evaluate to Avoid, giving the required result of the Prioritised Top 10 Projects.



Leadership Select Key Projects

We now have a list of at least 5 to 10 [projects](#), so that is it, onto implementation? No, we need to stand back and review what parts of the organisation the projects are focused on and then take the final decision.

This is where we focus back on the overall strategy....is this an organisation wide program or an individual department fix-it, what we will do for either strategy will look very different. We need to determine how many projects can one area or department absorb and still competently complete the standard business as usual work. This will require some discussions and possibly some trading to get final project numbers and titles to be delivered concurrently. Remember to start small and grow fast as the project wins come in, building the program momentum. Also if you have one large department area (often this will be operations or manufacturing) there might be enough projects just to have a department specific program. The alternative is to

clarify if the plan is to cross link the various departments when the training is held. A cross linked program is a very good way to also breakdown some of the silo thinking, which grows up within most organisations and is one source of potential problems, from the past as well as in the future. The result of this thinking is a balanced plan, which ensures that all the required areas have been included, the number of projects have been agreed (per area if appropriate) and the project titles published (accountable), so there is now a clear set of projects to be delivered.

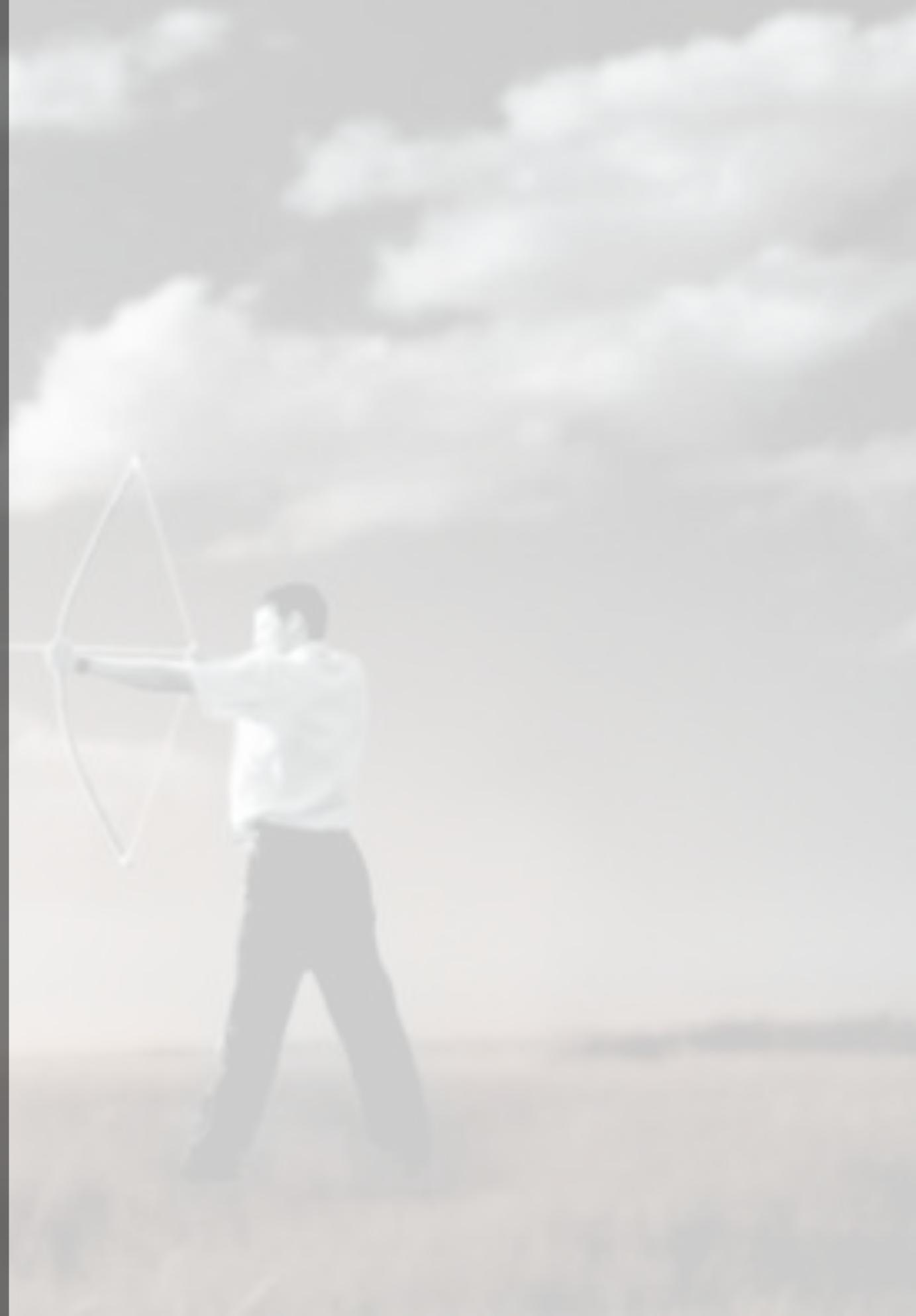
With the key program [deployment strategy](#) now clarified with the organisational model agreed and communicated, then next comes the task to match the projects into the organisation, i.e. who will lead the projects, who will be part of the project teams and when will the program actually start. This leads us into the second chapter of the [Business Excellence](#) program, where we now need to get the Right People Selected and Trained.



Right People Selected and Trained

Sections in this chapter:

1. Business Excellence Organisation
2. Leadership Sponsors Agreed
3. Talent Identified to Lead Projects
4. Full Team Trained as Required
5. Program Planned for Training & Support



Business Excellence Organisation

The projects have been prioritised and confirmed and so onto turning the projects into reality, the first step is to ensure that the organisation support is there to help ensure that all the elements that are required for success are in place. This requires that a Business Excellence Organisation is formed with the correct personnel to support the Business Excellence Plan that the Executive Leadership have put in place.

The Business Excellence organisation is made up of several key committees and teams:

Steering Committee - who oversee and govern the program on a monthly basis and give the program its authority to make changes across the organisation. Key members of the Committee are usually the CEO or COO and CFO, the Business Excellence Leader and key executives from across the

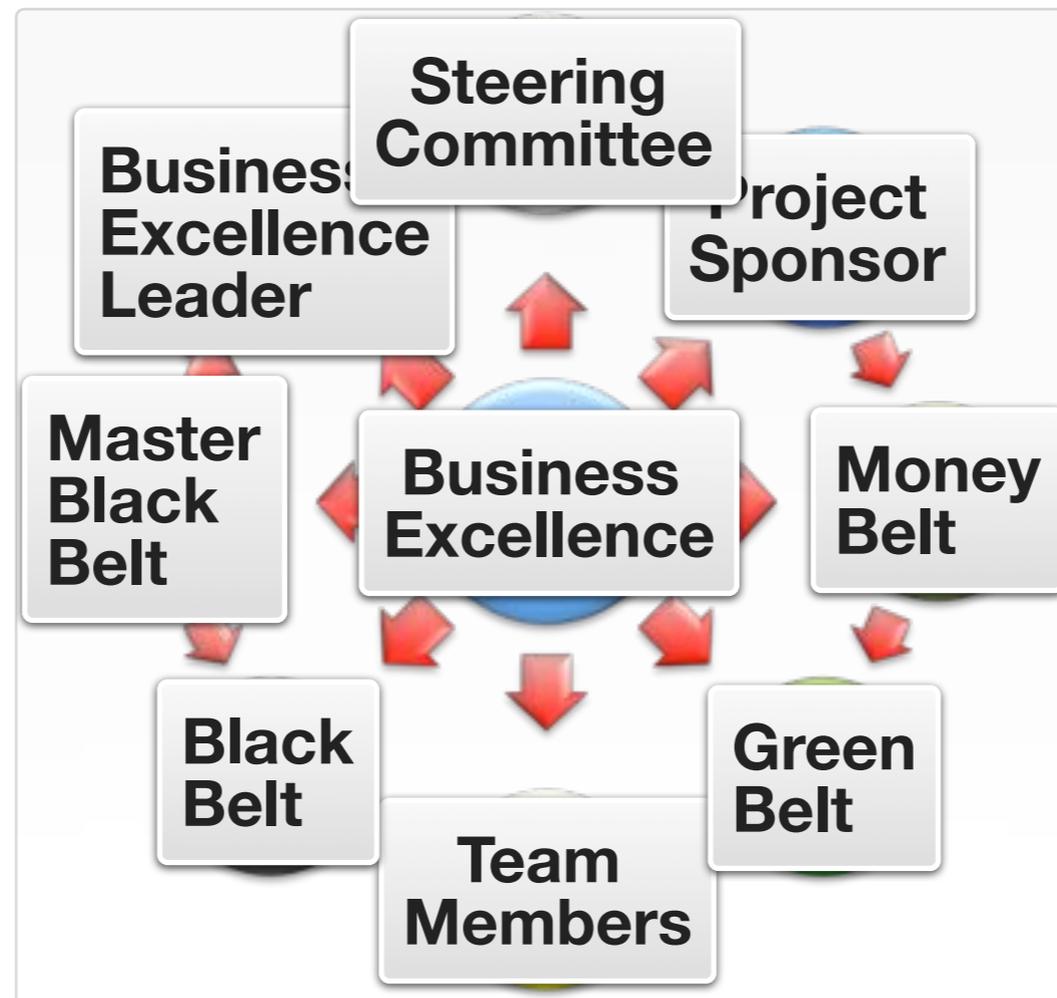


organisation, who will often be project sponsors.

Business Excellence Team - headed by the Business Excellence Leader and usually 1 or more MBBs (internal or external) plus some program support depending on the size of the organisation, they manage the program on a day to day basis,

reporting to the Steering Committee. The full-time BBs may be part of this organisation during the first year of deployment. Often they move into the business units as the program becomes more mature to directly support improvement projects across the organisation and aid integration.

Project Team - led by the BB or GB depending on the size of the project, the team of 4 to 6 knowledgeable employees is commissioned by the Project Sponsor and is also supported by the Process Owner and the coach (MBB or BB).



Leadership Sponsors Agreed

With the [Business Excellence](#) Organisation now in place, obtaining the top level support for the [projects](#) is the next step that will help to drive the projects to completion. Matching the project to the right [Leadership Sponsor](#) is critical for success for without the authority of the Sponsor then the project may lose its way and the potential benefits may not be realised.

The Sponsor role is to do the following:

Own the Projects Results - As the Sponsor will be held accountable by the other leaders for success or failure then this ensures that the appropriate attention should be given. Also the Sponsor must update the project progress at least monthly to the other Leaders, which drives the progress and secures project ownership.

Give Project Direction - The team will need guidance in detail of how this project fits into other parts of the business, the seniority of the Sponsor should bring the high level knowledge to make those slight alterations of direction at the key points to deliver the highest benefits.



Overcome Roadblocks - There will be times when the seniority of the Sponsor will be required to work with other department leaders to align and remove problems, which would normally stop or delay a project. This also might include ensuring the supply of the [resources](#) (people, equipment and budget) for specific parts of the project.

Review Progress - A weekly task for success, requiring a short weekly update meeting, ensures that there is progress. The scheduled pace of review meetings (daily, weekly, monthly) will set the speed of delivery.

Sustain the Benefits - After the project has been completed it is all too easy for the [process](#) to fall back to the previous state and the benefits lost, so keeping the focus is critical, by continuing to [measure](#) the process and reviewing its status.

The time required to be the Project Sponsor should be small (1 to 2 hours per week) but the difference a Sponsor can bring is very important. Also the skills utilised here, as a Project Sponsor are ones, which are key for overall Business Excellence success.

Talent Identified to Lead Projects

We have all learnt that the output is the sum of the inputs, or we should have. So it makes the point of choosing the best talent from within the organisation a simple point, unfortunately often some senior leaders still will try and use who is readily available rather than who is the best. As previously discussed, it is the role of the **Sponsor** to supply the **resources** and the **Project Leader** is the key person for project success....and we do want success.



Project will be delivered on schedule as agreed as set out at the project start.

Take Responsibility - They own the project on behalf of the Sponsor during implementation, so they are the key to success.

Time - They can devote 30% of their time for part-time or effectively 100% for the full-time role.

On talent, the project leaders should be able to tick all the boxes in the table below, which should ensure that they are ready for the training as outlined in the next section.

What skills do we need in the Project Leader?

Typically there are full-time project leaders often called Black Belts and part-time project leaders often called Green Belts. Broadly speaking their roles are very similar in that they:

Lead the Project - A small team of 4 or 5 who have intimate knowledge of the area for improvement.

Apply CI Tools - Have learned standard **Continuous Improvement (CI)** methods and can apply them.

Follow Standard Plan - Often use the **DMAIC** flow to take the project from identification through to solution onto maintenance.

Project Leader Selection Criteria

<ul style="list-style-type: none">• Ability to lead teams• Influence skills• Ability to lead change• Coaching skills <p>Leadership Competencies:</p>	<ul style="list-style-type: none">• Communication skills• Project management skills• Decision-making skills• Financial acumen <p>Business Competencies:</p>	<ul style="list-style-type: none">• Comfort/proficiency with numerical analysis• Computer literacy• Problem-solving skills• Ability to leverage technology <p>Analytical Competencies:</p>	<ul style="list-style-type: none">• Results-oriented; sense of urgency• Quick learner• Collaborative• Customer-oriented <p>Personal attributes:</p>
<ul style="list-style-type: none">• High level of credibility• Knows how to get things done; record of results• Capable of being a future leader in the organization <p>Organisational reputation:</p>	<ul style="list-style-type: none">• Dedication• Can do attitude <p>Desire to do the work:</p>	<ul style="list-style-type: none">• 30%• 100% <p>Availability:</p>	<ul style="list-style-type: none">• Green• GBs & BBs• Black• BBs only <p>Key:</p>

Full Team Trained as Required

Giving our talented people these major business projects means that we must also give them all the elements that will guarantee success. So what training will they require?



1. **The Project Leader** role development is critical so that they know that they are being invested in to give them the right tools to be successful and there is commitment to their on-going development. The training for the **Project Leader** typically follows a standard **Lean Six Sigma** style course or similar, as shown. The 5 day GB course for the part-time project leader then an additional 5 day course to enable them to take on the full-time BB role.

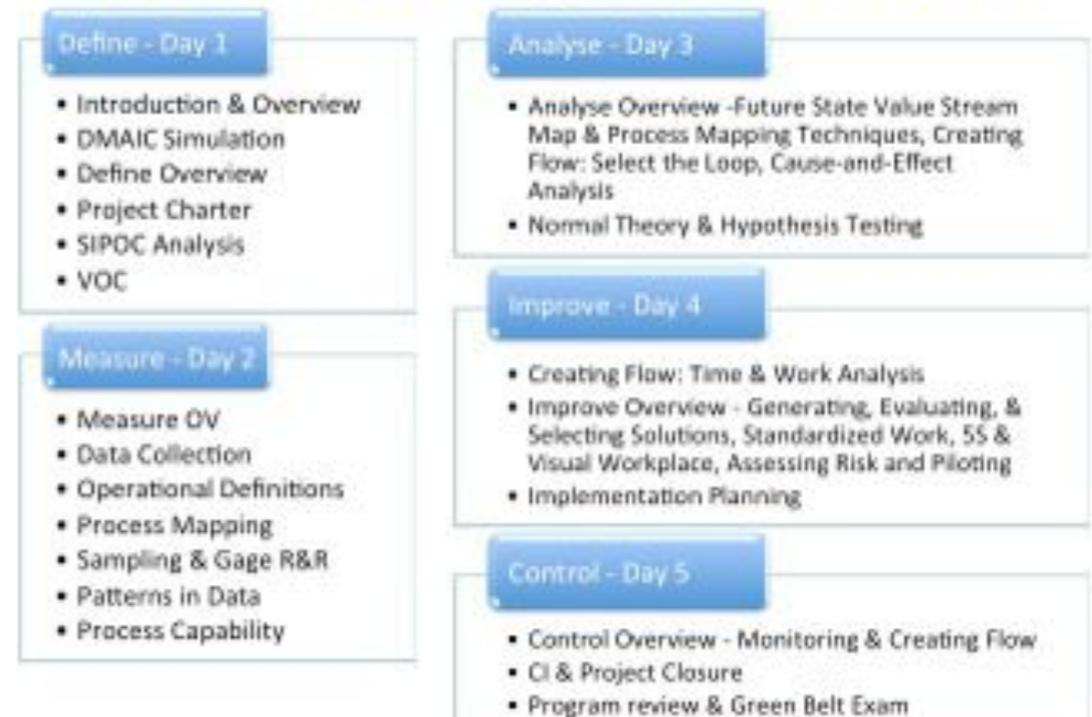
2. **Team Training** should cover the basics of the Continuous Improvement tools being used so that they are ready to work with the Project Leader. Typically a 1 day Awareness or Overview course is appropriate.

3. **Sponsor Training** is required and may have been part of the initial program set-up. It will cover the program methodology and what support is required from the Sponsor so that it is clear what is expected from the role.

4. **Process Owner** training is similar to the Sponsor training but emphasises the day to day support of the project from the **process owner's** view. That is they own the day to day output of the **process** and will need to adjust **resources** to assist the project during its implementation.

With the full Team trained then they can work together utilising their new common and standard skills with the additional support as outlined in the next section.

1. Lean Six Sigma Green Belt



Program Planned for Training & Support

The overall program should be the [Master Plan](#) and as part of the plan, regular training and additional support should be included to create the [Business Excellence](#) Culture that we are looking for. Regular events shows “business as usual” rather than “initiative training” which may disappear once the “target has been reached”, so depending on the size of the organisation then training may be scheduled, monthly or quarterly or on as-needed basis possibly even yearly.

The training events would mainly consist of the elements as described in Section 3 but there maybe other specific needs identified and they should also be addressed, possibly as part of the [Solution Action Plan](#) of the projects. For example additional IT skills training for certain systems, where the lack of specific skills was causing errors.

For the Project Team and especially the [Project Leader](#), [Coaching Support](#) is critical as these Project Leaders may not have tackled these types of projects previously, together with leading a team and the use of the new [CI tools](#), so having close coaching will ensure that mistakes are not made and the project will be

delivered on time. Each Project Leader will require different amounts and styles of coaching (coach acts as a guide or leads by questioning or assists with tools) but typically a 1 to 2 hour session per week will ensure that progress will be made and any problems will be caught before they become visible issues.

Leadership Support is as outlined in the previous Chapter where the Sponsor’s input helps to guide and shape a better solution. Without this the team could become like a rudderless ship, moving or drifting but not necessary in the right direction.

Core Team make-up is crucial if we want the project to succeed. With the right people involved there will be no delays and the knowledge shared will crucially help the embedding of an organisation wide Business Excellence Culture. Teams need to be selected carefully with a balance of knowledge from across the whole [process](#) area, again the temptation will be to use those who are easily available, the answer is to select high talent teams. The summary of a great team is that it is a reward to be invited to join a Business Excellence Team not a punishment!!



Improvement Projects Implemented

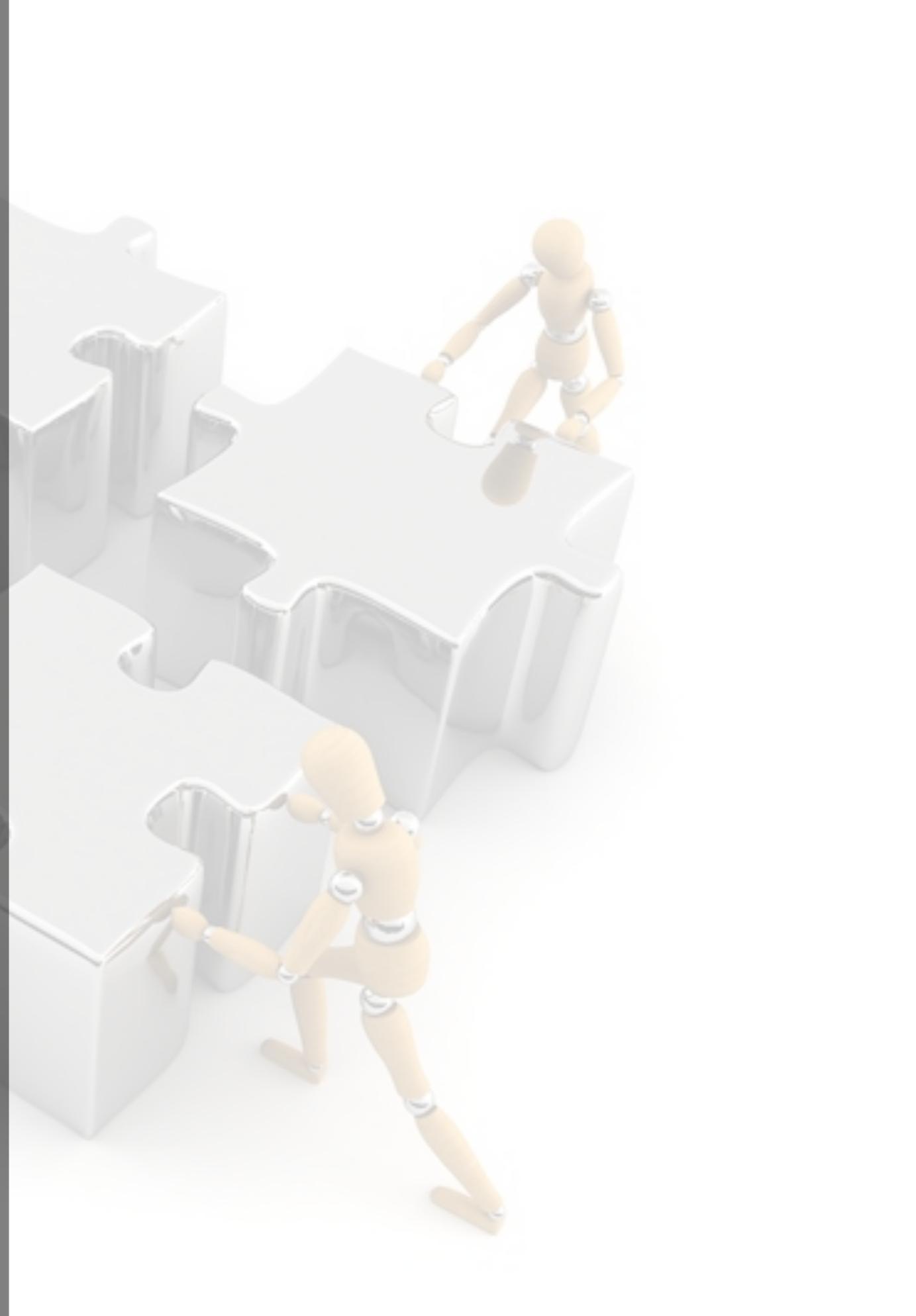
Sections in this chapter:

1. Key Stage Reviews

- Define Process
- Measure Process
- Analyse Process
- Improve Process
- Control Process

2. Continuous Improvement Methods

3. Certify Project Leaders



Key Stage Reviews - DMAIC

With the team trained and the support in place the projects can use the methodology to progress. The **DMAIC** stages give a standard flow, which can be *gated* between each stage.

These Gates provide a key progress review point for the organisation to confirm and recognise the progress. The gate review is usually a 1 to 2 hour meeting with the **Project Leader**, **Sponsor**, **Process Owner**, **Coach**, some members of the Project Team, and often the overall **Business Excellence** Leader for the organisation plus a few senior managers to demonstrate project importance. Together they review all the key deliverables of the appropriate DMAIC stage, as shown in the diagram. If all is as expected then the project can continue, otherwise if there are problems (gate review not ready, elements

not completed, justifications not presented) then these would be clear and appropriate recovery actions can be put in place. With the support of the coach (often a Master Black Belt) the projects should not come to the Gate Review if they are not ready but sometimes things can be missed and it is the role of the Gate

Review to ensure the project **standards** are maintained. The positive approval from the Sponsor and other Leaders ensures that this step is critical in the on-going motivation for success for the Team.

If there are problems or delays then this can be clearly signalled and communicated. This enables the whole program to be tracked using the 5 stage DMAIC planning approach and any deviations from the plan communicated with the whole organisation.



Continuous Improvement Methods

There are several popular Continuous Improvement methodologies that are used by most organisations, plus a few “blended” approaches.

Lean - Although it is a relatively new methodology, its roots date back to early car manufacturing and it has been built on by many over the years. Often associated now with TPS (Toyota Production System) it is a set of prescriptive aims, which when engaged will transform any organisation.

Six Sigma - Developed by Motorola to help solve quality issues in the mid 1980s and promoted outside manufacturing by GE in the mid 1990s, its focus on **variability** reduction ensures that if properly deployed it will bring predicability to any organisation that will delight its **customers**. Normally now combined as **Lean Six Sigma**, bringing the best of both worlds.

DFSS - Design of Six Sigma, brings the power of understanding the customer requirement with the detail of Six Sigma, to design product and services that work as specified.

WorkOut - Developed by GE and used as a method to take *work out* of a **process**, it was the predecessor to GE’s Six Sigma program and delivered many benefits through a short improvement event (from a couple of hours to several days) delivering results in 60 to 90 days. Its main feature is to bring knowledgeable people together to find and agree on actions to solve problems.

Kaizen Blitz Workshops - Part of the Lean tools set but often used independently. Very similar to WorkOut but utilizes more Lean tools to identify the problems and develop standard type solutions. Again solutions in place in less than 90 days.

BPM - Business Process Management, subset of Six Sigma for managing improved processes.



Section 3

Certify Project Leaders

It is clear from the outset that the program is for the Benefit of the Business, but there is also the opportunity to meaningfully reward the [Project Leader](#).

The Project Leader can be certified as Green or Black Belt as fits their project and training. The Belt Standard is recognised and reinforced by most organisations who would award certificates, with only minor differences, the main criteria are appropriate training, passing of exam, completion of improvement project and use of appropriate improvement tools, with each element requiring evidence. There is no standard award body, so often the “Best Belts” are coming from certain organisations working with a recognised signatory who has the highest individual knowledge and experience contribution in the [Business Excellence](#) World. For larger organisations they will often co-sign with the certifier or some just have their Company name with the CEO or Executive signatory.

Certification can take from 3 months for a Green Belt to 1 year or more for a Black Belt. The standard flow that is recommended is shown opposite and it has been very effective at producing the



highest quality Belts since the 1990s. Some organisations hold special certification celebration events and take the opportunity to recognise the effort of all Team members for the benefits gained.

Team members can be awarded a Yellow or White Belt for their contribution to a successful project. An Executive Blue Belt is also awarded to [Sponsor](#) managers who have led the team, maybe with a contribution of a BB or GB doing the analysis elements.

Auditor	Green Belt	Black Belt	Evidence
Trainer	Complete GB Training & Pass of GB exam	Complete BB Training & Pass of BB exam	Training Certificate
Sponsor	Complete 1 Project with significant business results	Complete 2 Projects with significant business results	Sponsor Signature
Master Black Belt	Successful & appropriate application of the tools	Successful & appropriate application of the tools	Master Black Belt Signature
Sponsor	Support others on GB approach	Training & mentoring others	Sponsor Signature
Business Excellence Manager	Documentation of the above	Documentation of the above	Business Excellence Manager Signature

Belt Certification

Maintain the Excellence

Sections in this chapter:

1. On Leadership Weekly Agenda
2. Barriers Eliminated
3. Benefits Measured = real business impact £/€
4. On-going Progress Communication
5. Performance Management and R&R visible

On Leadership Weekly Agenda

Previously we have said “what gets **measured** gets done” so ensuring that the weekly **Leadership** meeting Agenda includes the **Business Excellence** Priority Projects Update is clear. It is made part of the standard agenda going forward, with a typical 15 minute Agenda including the following:

1. **Key Program News** - quick wins & achievements - **Business Excellence Leader**
2. **Area Update** - Project updates - **Sponsors**
3. **Risks Review** - Business Excellence Leader
4. **Next Actions** - Business Excellence Leader



Also on a monthly basis there should be 2 x 5 minutes Projects presentation by the **Project Leaders**. The project presentations provides the Leadership visibility that gets the Project Leaders noticed and ultimately promoted, which further enhances the program as a talent development system as well as a Business Improvement system.

But the agenda is often very busy, with urgent items often added at the last minute and it is not just that it appears on the list but *where* it appears and if it is *always* covered.

The Leadership must ensure that it is more than a checklist item, it must be integrated into the daily culture and so is part of the on going Leadership Agenda. If it is seen as middle to low level news, which is only given time when there is nothing more important, then something has gone wrong. The Leadership must

remember that what is more important than these Business critical projects that they as the Leadership previously identified?

Also the Business Excellence Leader must be careful not to take the full reporting responsibility for all Business Excellence, but lead the reporting with communication and accountability. When the Operations Director has to update the production numbers to the other Leaders, they present to show that they are on top of the current business situation. Likewise the Project Sponsors should present updates on their projects to show that they are fully involved and responsible for the progress and ultimately the project benefits. The Business Excellence Leader needs to resist taking the responsibility to *own* all the projects when really they don't, they need to get each Sponsor to own and report. This will require some **coaching** of the Leadership Team to understand what they must collectively do for Business Excellence success.

Barriers Eliminated

Project Leaders are resourceful people, by selection, and can usually work outside their own department area with a high degree of success by getting others to help them even when they don't have any real authority over them. In the main this works well (pulling in a favour, power of persuasion), but there are certain situations when project support is required when the other person either will not give the required support or feels that they don't have the authority to give the level of support required. This is a Project Barrier and could stop a project from making any further progress, so a higher level of authority is required to make a decision to remove or eliminate it.

With Senior Leaders often taking the Project **Sponsor** role, it ensures that the Sponsor when presented with a Project Barrier should have the authority to make a decision and give directions to eliminate the barrier. They can do this without further debate as they own the **resources**, they have the authority. But this is not always true for some cross department projects where the authority may not all be under one Sponsor's remit and the Project Leader's request has been denied.



So how do we get around this potential problem?

Sponsor 1 to 1s - When the barrier or potential barrier is identified the Project Sponsor goes and meets with the other department leader who owns the resource and together decide on what happens. They agree a way forward and communicate that to the project team, who then act on that decision = Barrier eliminated (or at least avoided).

Sponsor Clarification - At the start of the project the Leaders of cross department projects agree that they will support any decision that the Project Sponsor will make, effectively ensuring that decisions can be made and barriers eliminated. It is a great idea but often there is still a need for a meeting to discuss the options with the affected Leaders and get their additional approval, otherwise some employees who “didn't read the memo” will refuse to comply until they get the correct authority confirmation.

The business and project experience of the Project Leader often is the key to how many Barrier situations need to be escalated, confirming the importance of the initial selection **process**.

Benefits Measured = business impact

One area that almost every **Project Leader** seems to have a moment of blindness with is the Project Benefits. Having to set a number for what the business has or will gain from the project gives problems. What we require is a verifiable set of numbers, which will stand the scrutiny of finance.

This starts when the project charter was created and a rough benefits number submitted. The ownership of this number is the root cause. It is an estimate based on certain assumptions, which are often never recorded, but the number is and that is what is remembered.

The inclusion of a finance person at the project start is often missed where they would bring the required level of financial detail to the project. This would ensure that the team understand where the numbers comes from, what are its components and crucially what elements have to be changed to make a positive financial difference. This omission of the real business impact financial component may result in a lack of depth to the numbers at the start and linkage to the key **measured** outputs. So referring back to the Define gate review, if the **Business Benefits** deliverable has not been verified and

approved by finance then the Define stage has not been completed so the gate cannot be passed. This is why we have gate reviews to prevent future errors.

If we have the detailed financial calculation then it should be a straightforward task to get the current data and update, highlighting the progress and the real business impact. This gives a secure and transparent financial position, which is open to scrutiny and since the calculation is effectively owned by finance then the Benefits number should be very reliable.

Benefits are more than “Hard” £/€s, including other “Soft” benefits, which are more about creating additional capability (for example; production volume, time for additional tasks, reduced % rework) that all depend on the overall amount of work and cannot be realised until certain levels of work are exceeded. Additionally avoidance of spending on extra staff or capital equipment due to improved efficiencies are Soft as the budgeted amounts were not spent.

Both benefit types measured should be published with relevant calculations, for easy verification.



On-going Progress Communication

Most employees when they get a call from their boss to “come and see me” get a bit concerned and start to worry about what it might be that the boss wants. The inference is that there must be a problem so the meeting is for the boss to *correct* the problem and the problem is me!! Even if there is no obvious problem the thought is still negative, it is just the way most of us are programmed, we prepare for the worst and hope for the best. So when you are called in and are asked for your opinion on a specific business situation then the pessimist in you is not overly disappointed.

If your boss had added a little more detail in the call “come and see me so I can get your opinion on....” then you would have had a fuller and clear understanding, preventing you from writing the situation down in a pessimistic way.

Likewise for **Business Excellence** progress, with little communication the majority perception across the organisation will be that there is little progress or benefit otherwise there would have been more information shared. It might be that there has been what is thought by the Business Excellence Team as



substantial communication but in reality an A4 report from last month on the department noticeboard plus a few emails does not equal on-going progress communication.

The need to carefully create a campaign for the Business Excellence projects cannot be undervalued. It is not just the benefit summaries but also the documented individual people stories with quotes from all levels of staff that create a more open communication forum. The sharing of relevant, useful and recent information is an excellent starting point, with timely updates to the progress as fits the project timescale (for example; a 3 month project would have weekly or bi-weekly updates, whereas a 2 week project may have short daily update). The amount of information and level of detail is important. A weekly status update is a simple 4 up chart (easily edited to update), the gate review has more detail and narrative for the reader and maybe posted on-line in a shared project area, where 2 way communication is also possible.

The key to communication is to check for understanding if the message is not being received then the method of transmittal should be reviewed & improved.

Performance Management and R&R visible

Performance Management is one of the keys to **Business Excellence**, we want to grow the talent and grow the business. Having a systematic **process** to identify the key business priorities and then use the best talent to achieve those goals is certainly a win-win strategy.

Often the **measure** of success of an individual is down to a few key senior people and their perception of the individual's performance. Using Business Excellence brings an additional level of fact based knowledge that gives solid reasons why performance is the way it is and mostly importantly, what measured benefits have been delivered. This link between what we want to achieve (cause) and what was delivered (effect) is a very powerful way to emphasise the positive affect of the Business Excellence way.

These fact based additions for performance reviews can be made for the whole project team, the **Sponsor** giving input on the **Project Leader**, the Project Leader giving inputs on each of the core team, as well as upward and peer to peer inputs.



Rewards and recognition often look no further than financial rewards, but this quickly leads to a strategy that is very one dimensional, with the amount directly linked to the benefits, which are tied into the seniority of the person (seniority = higher financial reward). But there are other ways to give R&R in the organisation.

Public Recognition - A well done public comment, which is sincere and not overused can be a very positive R&R. The style of the "well done" is very business and country culture specific so employee of the month might be very positively received in one location but almost an insult in another. This builds on the peer to peer positive reinforcement, which marks positive behaviours. Popular in some countries are project mementos, like plaques, certificates and trophies to signal contributions. Special events can also add to the R&R and do not need to be measured in £/€s.

Personal Incentives - To really change behaviour Business Excellence related goals are required, where the reward is clear when certain targets are achieved and build year on year to achieve the end **Vision**.

Sustain the Gains

Sections in this chapter:

1. Manage Effective Control Plans
2. Culture Progress through on-going Process Training
3. New Projects Identified & Launched
4. Vision Review & Priority Alignment Quarterly

Manage Effective Control Plans

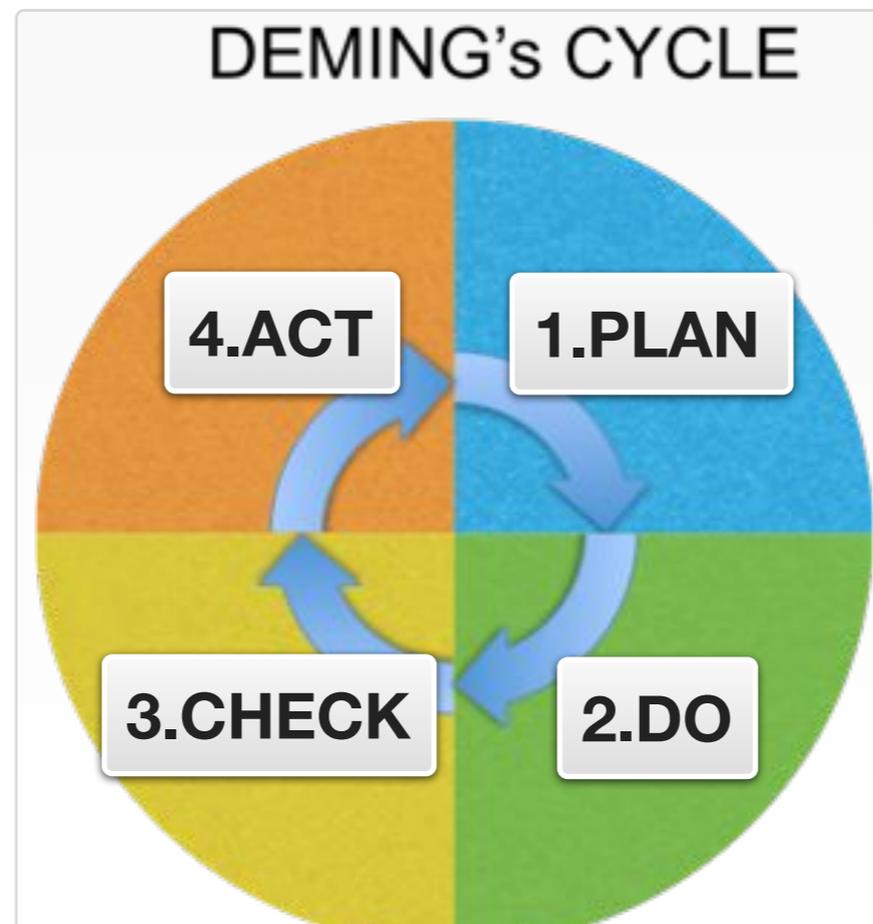
All the hard work has been completed, we can sit back and watch the benefits continue to roll in and so we can stop doing **Business Excellence** as we have achieved our aim!! Yes this would be true if our competitors did not also continue to improve and our organisation would not slip back. So now we are into managing and controlling the improvements we have made and continuing to improve based on the Business Excellence Culture that has shown some buds of success in several parts of our organisation.

We need to manage efficient **Control Plans** that will **measure** the right things as we have already identified and highlight when there is any deviation from our targets.

These Control Plans are often based on the Deming Cycle of Plan-Do-Check-Act. The Plan-DO element is the new **process**



we have already put in place, Check is the key process measures that we now track to know that the process is on target and Act (or react) is the various actions we will take to bring the process back on track if the measures show anything Out of Control.



In some eyes this is the boring stage but for our **customers** this is the time of predicability and small **variability**= Dependability. Customers do not want variability or little surprises, they want the same day after day, week after week, month after month.

The Control Plans must be reviewed and possibly improved at regular intervals as fits the process variability, so more historical variability will mean that we must keep careful watch, no process can just be left to run.

Culture Progress through Process Training

Following onto the [Control Plans](#) that are now in use, the documentation we created as part of the new improved [process](#) become very useful. As we bring on new employees or cross train or even renew and standardise existing skills, we now have the benefit of having excellent documentation to ensure that all training is standardised. The standard has been set and can now be raised through through further improvements as they are found and then secured in the standard documentation.



Once it has been shown that the new way forward requires these standard elements then, other business standards come easily into view. ISO9000 is the standard where our organisation is recognised as “we do what we say” so if we have training standardised through using our new process flows then this is a clear opportunity to claim the ISO Standard.

This is another step towards the Culture of [Business Excellence](#).

Cultural change usually requires several steps:

1. **Actions to show change**, which are normally the project improvement projects. This is so that the organisations can see that something is happening.

2. **Changes in the Organisation**, new roles and people moved into those roles, who are recognised as senior and therefore bring authority to the change.

3. **People get new skills**, if it is worthwhile then new skills need to be imbedded into the organisation and getting trained is a sign of reward.

4. **Strategic Actions**, nothing speaks louder than extraordinary actions which make the business sit up. In GE the action was that to be promoted you need to be GB trained and at a certain grades you would be demoted without a GB, no-one turned down training after that.

5. **Clear Communications**, when we plan we must ensure that the messages get through and we are able to receive the feedback.

With these things in place then the culture will steadily change over a period of time, but it is not easy.

Cultural Change



New Projects Identified & Launched

As the organisation's culture becomes even more **Business Excellence** then the opportunity for new **projects** becomes clearer. With **KPTs** in place, areas for improvement become more visible and when the performance is **measured** against competitors then opportunities for market differentiation can be seen.

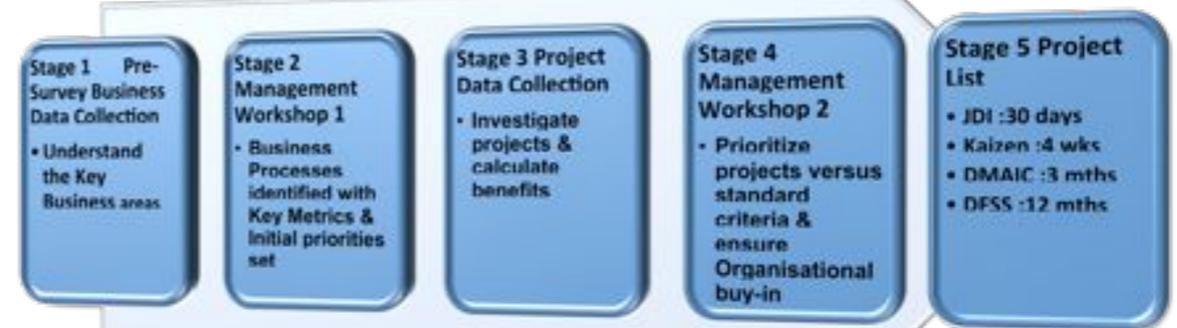


We have found that even when all the elements are in place with each department, that there is a need for a collective approach for project identification and collective agreement for some cross departmental projects. A yearly selection approach allows a full review of the business and also will highlight the key improvement made with a moment for the organisation to reaffirm the Business Excellence program.

The pipeline of projects is important to ensure that the **project leaders** have a feed of high impact projects that have been re-prioritised at regular intervals (3 or 6 months) to match the changing business needs (Section 3). This ensures that we do not **waste** time and **resources** on project that are not regarded as business critical.

The 5 stage method as shown below allows the organisation to base its plans on a solid foundation and to also give time to review external changes that should be included in the Business Excellence program. The program should be lead by the Business Excellence team possibly with the assistance of external experts.

The Business Excellence team should be responsible for gathering all the relevant information and that the various **Project Sponsors** are delivering the projects, identifying new issues and launching new projects when other are completed. This wave approach ensures that Business Excellence becomes part of everyday organisation life, not an short term addition that will be replaced with another initiative.



Project Selection

Vision Review & Priority Alignment Quarterly

In most successful organisations the way forward is communicated at a point in time and the various leaders embark on various actions to achieve these aims. What can happen with **Business Excellence** it that it can become detached from the **Vision** as it implements the various projects, by the nature of small deviations over a number of projects. The **measurement** metrics are the number of projects completed, number of trained **project leaders** and while they show progress they do not necessarily demonstrate how close to the end Vision they have help the organisation move. So it is critical that there is an ongoing alignment reviews with the Business Leaders to assess the projects underway or planned.



This is a total business review and looks at all actions that are in place to achieve the end Vision. By standing back and looking at the Big Picture then the elements can be seen as a whole and the fit achieved and the fit required compared. Are all the actions alignment? Is there any gaps that have become visible? Are the key actions aligned with the current priorities? Just a few questions that are required to be answered to ensure that the organisation's plans are focused on the right things.

If the **process** is working correctly then there should only be small adjustments required. Something that is easy to align with an edit to a project charter scope or a change to the project pipeline priority.

As described previously the worse case is that projects become cast adrift as the business strategy changes, with **wasted** effort on projects whose benefits are no longer seen as important in the changing **deployment strategy**. This is obviously a problem that must be quickly dealt with and is most acute when project timescales are over 6 months.

The ability to scope projects to 3 month maximum timescales significantly reduces the chances of project abandonment/wilderness. This is one reason that **Kaizen Blitz** and **Workouts** events have become very popular **CI methods** as they typically deliver in less than 90 days.

Reviewing where *we need to go* against *where we currently are* sounds easy but it is easy to miss in the rush of daily work. Creating the Business Excellence review plan is a mark that will ensure that *getting lost* is not an option.

Chapter 6

Summary

Business Excellence

Business Excellence

Business Excellence is a journey not a destination and it is possible if not desirable to enjoy the milestones as the journey unfolds.

It is not a loner's journey as many characters are required to make the program really work, it is difficult if not almost impossible at times, when miracles are expected. But the satisfaction down the line when a seemingly innocent comment is made about *how we have made the business much better* with almost no acknowledgement to all the efforts that have been put into Business Excellence, then you know that the Business Excellence Culture that was desired has now truly arrived.

There is much more detail that could be added in each of the chapters and sections, and with a bit of searching much of that information is readily accessible, but our aim

has been to put all the key knowledge and steps to create a Business Excellence Organisation in a concise, easy to read book.

We trust that you have enjoyed what you have read and are ready to make some positive changes. We wish you Business Excellence for your improvement journey and if you would like to share a story or a comment or to ask a question, please feel free to contact us.

Look forward to hearing about your challenges and successes,

For Excellence,

Matthew Gracie

Business Excellence Roadmap



About the Author



Matthew M Gracie

Matthew is the MD of McKnight Gracie Management Consultants and has consulted with many of the World's leading companies over the past 15 years. He was previously the MD for Europe and Asia for Rath & Strong (a management consultancy company based out of Boston, USA) and prior to that, Matthew was instrumental in reinvigorating Motorola's Six Sigma program in the mid 1990s when he launched the Six Sigma program into Motorola's Scottish plants, which kick started a full European launch and resurgence of Six Sigma in the rest of Motorola. Over the years Matthew has supported many Executive teams in their quest for Business Improvement and has trained, coached and certified several hundred Project Leaders (Black & Green Belt) and awarded many MBBs across the world.

He graduated as an Electronic & Electrical Engineer from Glasgow University and brings his understanding of engineering along with his desire to improve organisations into every situation.



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BPM

Business Process Management or BPM, a popular strategy for CI using a variety of Lean Six Sigma tools to make improvements.

Related Glossary Terms

[CI methods](#)

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[Chapter 3 - Continuous Improvement Methods](#)

Business Benefit

A set of criteria that when added give a score of the overall benefit that would be delivered to the business over a period of time, typically 1 year.

The criteria includes elements such as project financial value, benefit to customer, key business goal and leverage potential in other departments.

Related Glossary Terms

[Ease of Implementation](#), [Solution Action Plan](#)

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Business Excellence

A business condition where the organisation is performing at a level where the customer (and staff) feedback demonstrate that a superior level of performance is being achieved.

Can be abbreviated to BE.

An examination of the organisation shows little waste and that most processes are delivering excellent value add. Normally will be also reflected in an excellent financial performance.

Other names used Performance Excellence, Process Excellence, Operational Excellence.

Related Glossary Terms

[ROI](#), [Standards](#)

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Business Excellence Leader

The Leader of the Business Excellence program.

Usually a senior manager or executive who has the authority to make the Business Excellence Culture a reality.

Other terms used include Head of Lean, Six Sigma Director, Head of CI, Operational Excellence Director, Performance Excellence Director, Improvement Director, VP Business Excellence.

Related Glossary Terms

[Project Selection](#), [Project Sponsors](#)

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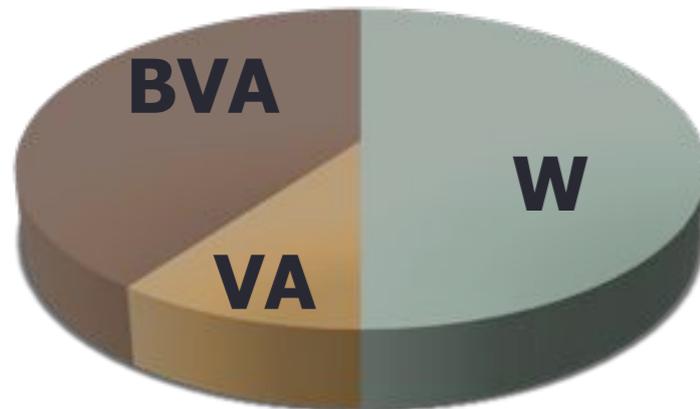
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Business Value Add

Activity that does not create customer value but is needed by the business.

Typically 30-40% of an process that has not been improved



Related Glossary Terms

[Lean](#), [ROI](#), [Value Add](#), [Waste](#)

Index

CI methods

The strategy and tools used by organisations to achieve improvement.

Related Glossary Terms

BPM, DFSS, DMAIC, Kaizen Blitz, Lean, Lean Six Sigma, Six Sigma, WorkOut

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Coach

The experienced MBB or BB giving support to a Project Leader

Related Glossary Terms

[Coaching Support, Project Leader](#)

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[Chapter 2 - Business Excellence Organisation](#)

[Chapter 3 - Key Stage Reviews - DMAIC](#)

[Chapter 4 - On Leadership Weekly Agenda](#)

Coaching Support

The project support from an experienced project leader who know the CI tools.

Often an external Master Black Belt who has many years of experience in business transformation and will often have expert knowledge on the related process.

Coaching methodology is often the “teach how to fish”, rather than “fish for you”

Related Glossary Terms

[Coach](#), [Project Leader](#)

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[Chapter 2 - Program Planned for Training & Support](#)

Complaints

A message from the customer that relates to a failure to deliver an expectation.

The complaint may be verbal or written, formal or informal, a response may or not be required.

The complaint may be valid or not and could relate to a written or verbal agreement or specification.

A complaint is a gift, that gives insight to the customer mindset and/or perception.

The wise take all complaints seriously.

Related Glossary Terms

[Customer](#), [Variability](#)

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Control Plans

The plans that are developed by the project team that when followed will ensure that the process will remain on target and within customer expectations or identify promptly if there is any deviation.

Related Glossary Terms

[Measure](#), [Measurement System](#), [Process](#), [Variability](#)

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Customer

The end paying customer who has ordered the product or service.

Also can be the internal “next step” of a process.

Related Glossary Terms

[Complaints](#), [Process](#), [Standards](#), [Value Add](#), [Variability](#)

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Deployment Strategy

The underlying method that is used to improve the business.

Options include

- Pilot (external leader) then steady growth
- Pilot (internal leaders) then steady growth
- Planned roll-out, x projects per quarter....
- Big bang - CEO initiative
- Mixed approach in different divisions

Related Glossary Terms

[Resource Strategy](#)

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DFSS

Design for Six Sigma is a methodology which uses the customer requirements to help design a better product or service.

Related Glossary Terms

[CI methods](#), [DMAIC](#), [Lean](#), [Lean Six Sigma](#), [Six Sigma](#)

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[Chapter 3 - Continuous Improvement Methods](#)

DMAIC

The 5 key stages of an Improvement Project.

- Define - What is the Problem
- Measure - Where, when, who, how often
- Analyse - What are the Root Causes
- Improve - What are the Solutions
- Control - Maintain the Gains

The terms came from GE building on the Motorola Six Steps to Six Sigma.

These 5 steps have become a staged improvement methodology that is easy to follow.



Note that the Deming Cycle is the predecessor to the DMAIC Cycle

Related Glossary Terms

[CI methods](#), [DFSS](#), [Lean Six Sigma](#), [Project Leader](#)

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Ease of Implementation

A set of criteria that when added give a score representing the Ease of Implementation, that is how easy would it be for the business to implement this project. The lower the score the easier the project is to implement.

The criteria includes elements such as management high priority, sponsor engagement, under local control, can be completed in 3 to 6 months and process data available.

Related Glossary Terms

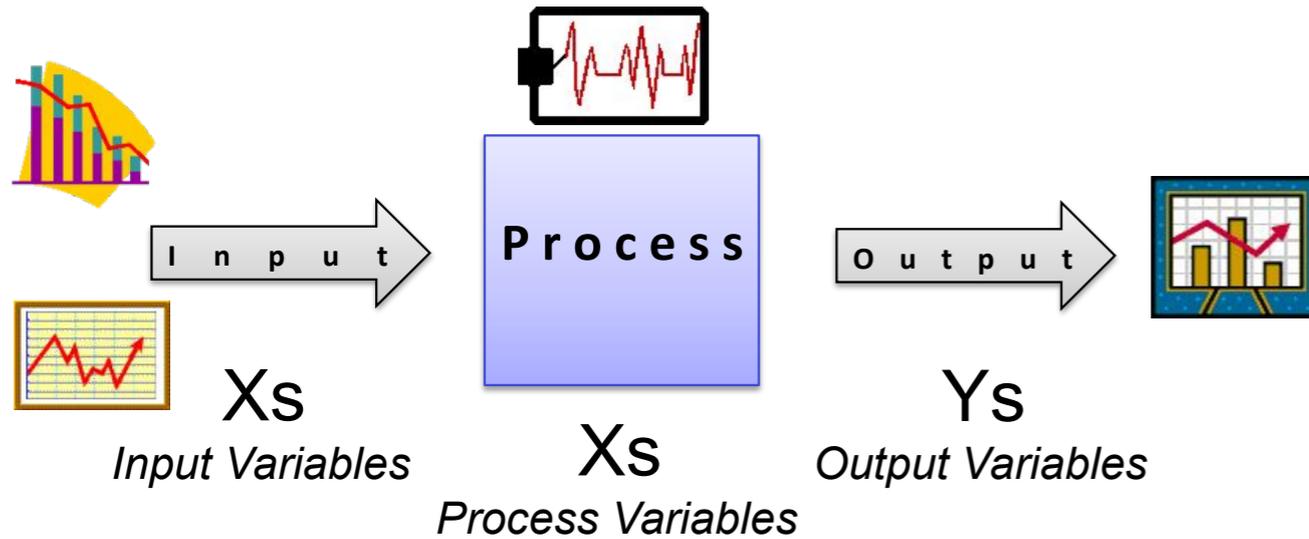
[Business Benefit](#), [Solution Action Plan](#)

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Hierarchy/linkages

The relationship between input variables that when controlled can change the output of the process. We want to focus on the most important inputs that give the largest change in output when changed. If we can control these inputs then we control the output.



Think of a car, if you want to go fast you press the accelerator/gas, yes?

Sometime....as it also depends on the gearing and the current speed. So we need to understand the current conditions to know what we need to do.

So the hierarchy/linkages must be understood otherwise we may not accelerate even when we give more gas!!

Related Glossary Terms

[Measure](#), [Process](#), [Variability](#)

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Chapter 1 - End Vision Targets Agreed

Kaizen Blitz

A workshop where a team of people who are involved in a process under focus. The team use various lean tools to identify and remove waste and thereby improve the amount of value add.

Lead by a Lean Specialist or GB project leader.

Event last from 1 to 5 days, which can be split across a few weeks.

Related Glossary Terms

[CI methods](#), [Lean](#), [WorkOut](#)

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[Chapter 3 - Continuous Improvement Methods](#)

[Chapter 5 - Vision Review & Priority Alignment Quarterly](#)

Key Performance Targets

The most important measures of your business. If they are performing well then so will your business. Abbreviated to KPT

Must be balanced on number versus business coverage, too many KPTs means that you have not identified the critical measures.

Related Glossary Terms

[KPT](#)

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Kill the messenger

The process of the blame for a problem is assigned to the person who relates the story/ problem.

In many organisations, people will not relate issues they find as they fear being blamed for the problem or are somehow linked as in “no smoke without fire”.

The ability of an organisation to accept bad news without blame ensures that problems are quickly identified.

Related Glossary Terms

[Leadership Sponsor](#), [Process Owner](#), [Project Leader](#)

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[Chapter 1 - Key Performance Target Measured](#)

KPT

Abbreviated version of Key Performance Target

Also used Key Performance Indicators (KPI)

Related Glossary Terms

[Key Performance Targets](#)

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Leadership Sponsor

A senior manager or executive in the organisation who has the authority to assign resources to a project and the responsibility to improve the process performance.

Sponsorship mean that they will be actively involved and will maintain a level of project closeness to ensure that the project keeps on track and delivers on schedule.

Will also be called the Project Sponsor.

Related Glossary Terms

[Kill the messenger](#), [Process Owner](#), [Project Leader](#), [Project Selection](#), [Project Sponsors](#)

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Lean

A standard improvement methodology that is related to reducing waste and so increasing value add. Often associated with improvement of process speed.

Delivers.....

- Maximum customer value
- Virtually no or minimum waste—activities that don't add value

Methodology that

- Increases customer value add
- Creates a process of continuous flow, made up from value-adding activities, as determined by the customer

Driven by "Lean Thinking"

- A set of ideas/tools to continuously improve the flow



Related Glossary Terms

[Business Value Add](#), [CI methods](#), [DFSS](#), [Kaizen Blitz](#), [Lean Six Sigma](#), [Six Sigma](#)

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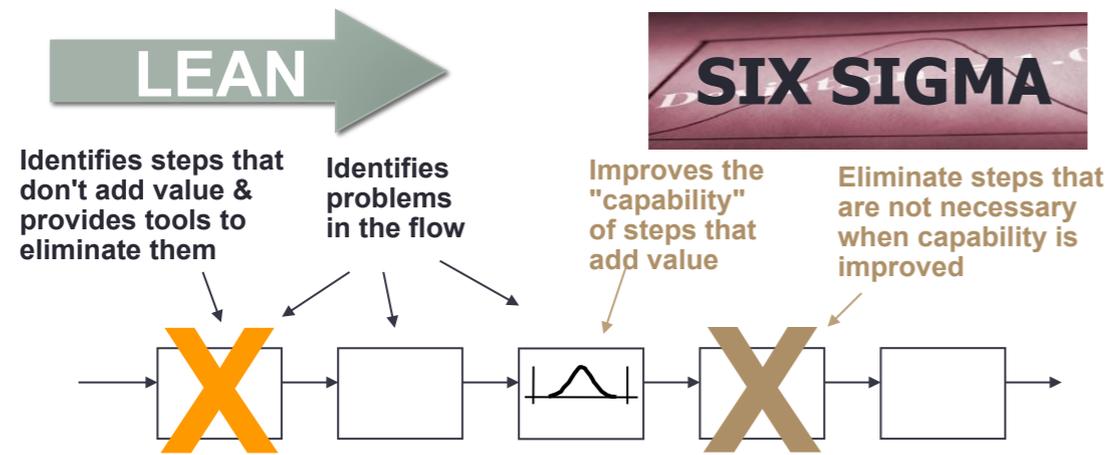
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Lean Six Sigma

Combined approach of Lean & Six Sigma gives

- High quality with little/no variation
- Products/services flow smoothly
- Little/no waste (time, materials, movement)
- All process steps add value and are capable
- Process is in control

With its rigorous DMAIC method, sophisticated statistical tools, and focus on defect elimination, Six Sigma helps prevent the tampering and "efficient defect production" that can be risks when Lean is done alone



Note - often abbreviated to LSS

Related Glossary Terms

CI methods, DFSS, DMAIC, Lean, Project Leader, Six Sigma

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Chapter 3 - Continuous Improvement Methods

Master Plan

The timeline of the DMAIC stages. These stages give the deliverables per stage and the timings, together creating the Plan.

A collection of project plan gives the Master Plan.

Related Glossary Terms

[Project Selection](#)

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[Chapter 2 - Program Planned for Training & Support](#)

Measure

Gather data about the item in focus that allows us to understand how it has varied or changed over time. Has there been external influences or changes?

Basically we want to know all the information about that element.

Example - We have had some assembly issues with a bolt, that has recently come loose after a few weeks in use, causing safety problems for our customers. We want all the data about this bolt from before the problem started, probably from the last year. Any changes to its specification, size or weight, deliver scheduled, packing etc. We can use this to see how something that might have changed with this component may have caused other issues.

Related Glossary Terms

[Control Plans](#), [Hierarchy/linkages](#), [Measurement System](#), [Process](#), [Variability](#)

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Measurement System

A series of steps that form a process or system which enable measurements to be taken. The system can be checked for repeatability and reproducibility and is often referred to as Measurement System Analysis (MSA).

Related Glossary Terms

[Control Plans](#), [Measure](#), [Variability](#)

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Mission

Similar to Vision, it is the short statement outlining the pathway forward.

Mission is often a shorter time period version of the Vision, or several missions achieve the Vision.

Vision = Reach the moon

Mission = Man in space

Related Glossary Terms

[Vision](#)

Index

[Chapter 1 - End Vision Targets Agreed](#)

Process

A series of steps when carried out in order deliver an expected output (product or service).

Related Glossary Terms

[Control Plans](#), [Customer](#), [Hierarchy/linkages](#), [Measure](#), [Variability](#)

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Process Owner

The department head or manager of a process who is held accountable for the performance of the process.

They own the improvement and will make the decision when to implement changes to the process. They are very important in the improvement of the process and need to be involved in every stage of the project.

Related Glossary Terms

[Kill the messenger](#), [Leadership Sponsor](#), [Project Sponsors](#)

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Project Leader

The day to day leader of the project.

Are trained to use CI tools and methods

Often called Black Belt (full-time) or Green Belt (part-time)

Related Glossary Terms

[Coach](#), [Coaching Support](#), [DMAIC](#), [Kill the messenger](#), [Leadership Sponsor](#), [Lean Six Sigma](#)

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Project Management System

A typically gated staged system which manages projects within an organisation. A standard project methodology is used to standardise all projects to ensure that the quality of deliverables are of a high standard. Each stage has set deliverable, some compulsory and other optional.

Managed by a program/project manager and reviewed by a senior team at regular intervals.

Common usage is also PMO, which can be either Project Management Office or Program Management Organisation. Project managers can be certified as PMs by various certifying bodies.

Related Glossary Terms

Drag related terms here

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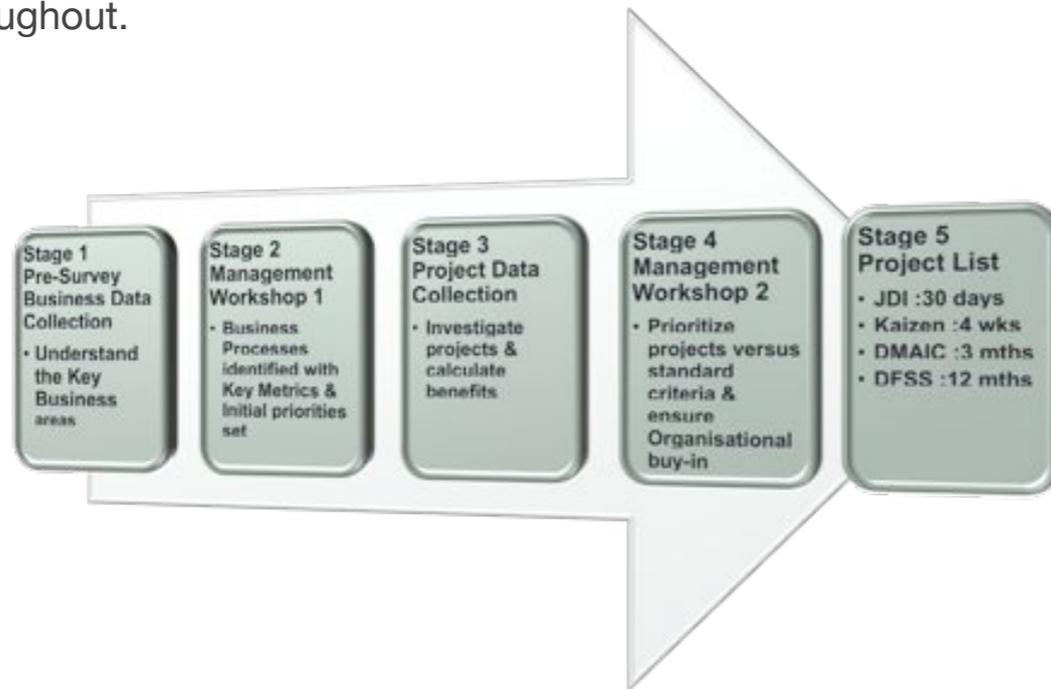
Find Term

Chapter 1 - Targeting the Gaps

Project Selection

The 5 stage process is used to Identify, Prioritise and Align in each Business department with the senior leadership teams.

Common document templates provide reinforcement of the corporate procedure and are used throughout.



Related Glossary Terms

[Business Excellence Leader](#), [Leadership Sponsor](#), [Master Plan](#), [ROI](#)

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Project Sponsors

These are the senior managers in the organisation who are able to support projects due to their seniority in the organisation. They are able to commit resources and own the outputs of the projects.

Related Glossary Terms

[Business Excellence Leader](#), [Leadership Sponsor](#), [Process Owner](#)

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Resource Strategy

The underlying resource method that is used to improve the business.

Options include

- External teams deliver all projects
- External leaders lead internal team
- Development of internal leaders
- Mix of above matching business priorities

Related Glossary Terms

[Deployment Strategy](#)

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ROI

Return on Investment

Related Glossary Terms

[Business Excellence](#), [Business Value Add](#), [Project Selection](#), [Solution Action Plan](#)

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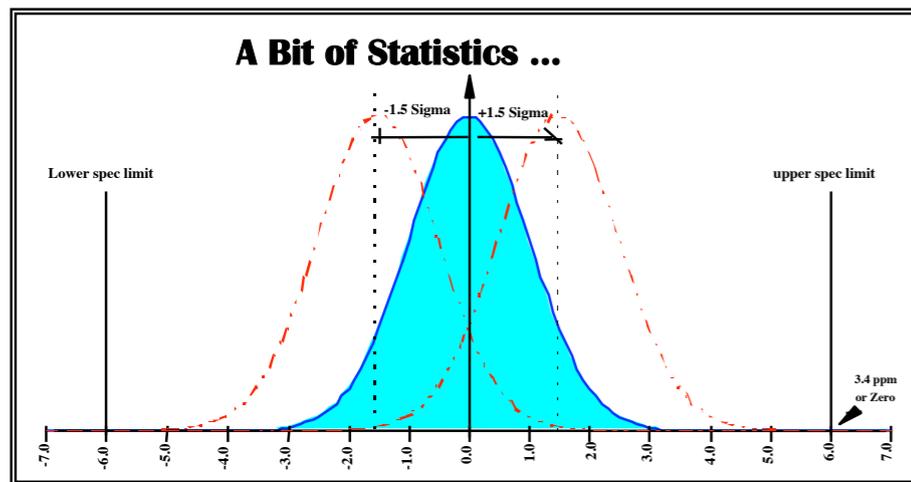
Six Sigma

Rigorous performance improvement approach

Data driven approach to understanding process variation (stability) and defect reduction (capability) in relationship to customer requirements

Uses Standard problem-solving methodology (DMAIC)

Is equal to 3.4 defects per million opportunities



Related Glossary Terms

CI methods, DFSS, Lean, Lean Six Sigma

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[Chapter 2 - Full Team Trained as Required](#)

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Solution Action Plan

The plan for the implementation of the Solution. Part of the Improve stage, the 4th stage of DMAIC.

Elements of the SAP are the key tasks, duration, resources, dependency and deliverables.

Related Glossary Terms

[Business Benefit](#), [Ease of Implementation](#), [ROI](#)

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[Chapter 2 - Program Planned for Training & Support](#)

Standards

The set of conditions that are used as a common reference point, called the standard.

In an improving company the Standards are upgraded as the business processes improve.

So the saying “Standards are always changing”

Related Glossary Terms

[Business Excellence](#), [Customer](#)

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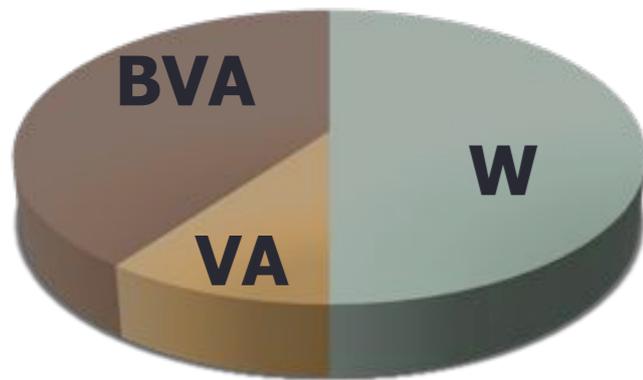
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Value Add

Activities that

1. transform a product/provide a service or
2. the customer is willing to pay for and
3. it's done right first time

Typically 10-20% of an process that has not been improved



Related Glossary Terms

[Business Value Add](#), [Customer](#), [Waste](#)

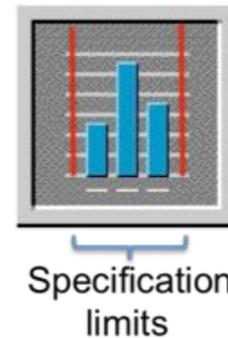
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Variability

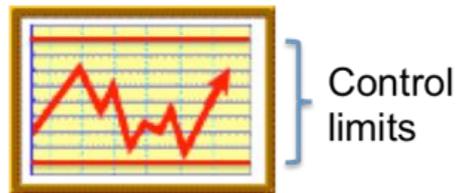
In relationship to a process this is the amount that the output of the process changes over time. The customer usually has a specification that we want to keep within otherwise we will get customer complaints. There needs to be an effective measurement system in place which can guarantee the accuracy and reliability of the measure, otherwise how can we be sure that the output changed or was it an error in the way we measured it.

Example is the speedometer in our cars, if it was not accurate to a couple of mph or km/h then it would totally change our driving, we would not know what speed we were driving at. Another would be the fuel gage, if it changed every few minutes, we would not know when to fill the car with fuel to stop us running out.

When the output goes beyond the customer specification (red lines) we say “out of spec”. Use histogram or bar graph to show specification limits.



When the output goes outside the process limits (red lines) we say “out of control”. Use Control chart to show process control limits.



Related Glossary Terms

[Complaints](#), [Control Plans](#), [Customer](#), [Hierarchy/linkages](#), [Measure](#), [Measurement System](#), [Process](#)

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[Chapter 3 - Continuous Improvement Methods](#)

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Vision

The future aim of you organisation.

A few key statements that will guide the organisation to work with a common purpose.

Related Glossary Terms

[Mission](#)

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Waste

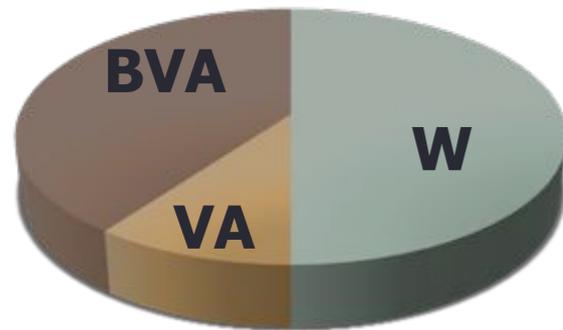
Any activity that uses resources but creates no value. By removing the waste, which is something that no one wants the process can dramatically improve by increasing speed, reducing resources requirement and reducing complexity for the same level of output.

Typically 50% of an process that has not been improved

Seven Types of Waste:

1. Transport
2. Inventory
3. Motion
4. Waiting
5. Over-production
6. Over-processing
7. Defects

= TIMWOOD



Related Glossary Terms

[Business Value Add](#), [Value Add](#)

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[Chapter 5 - New Projects Identified & Launched](#)

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WorkOut

An improvement methodology developed by GE in the early 90's to remove *work out* of the business process to bring more efficiency and effectiveness. Events in the form of workshops are a few hours to several days based on the complexity of the problems.

Teams can range from 3 to 30 and are often tackle cross department problems.

Related Glossary Terms

[CI methods](#), [Kaizen Blitz](#)

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