



Business Improvement is an ongoing effort because today's record is tomorrow's standard

# Business Improvement – the 'new normal'

From mining in remote Western Australia, to serving a retail customer or processing a banking transaction in metropolitan centres, business improvement is crucial to every organisation's growth and survival. Coxswain Alliance has worked with in-house Business Improvement teams across various industries, and discovered that the challenges they face and the causal factors are common across all sectors and industries.

FUELLING GROWTH and surviving in today's dynamic business environment requires *operational excellence*. This means your organisation's operations need to be running at an optimum level so you are able to deliver products and services to meet your customers' needs at the right cost and quality, and in the right timeframe.

Achieving operational excellence is about *continuously* improving your processes, services and products to help increase the effectiveness, efficiency and productivity of your business operations. This is why most world-class organisations today are likely to have a Business Improvement [BI] function within their business. Surveys of such organisations indicate that internal BI functions have become more commonplace. They are an integral aspect of what is being called the 'new normal', as organisations strive to achieve and maintain success.

## The challenging world of Business Improvement teams

Internal BI functions fulfil a role in which external resources would traditionally have been marshalled. While the scope of their

role and complexity of tasks they tackle vary across organisations, they face the same challenges as external consultants along with some additional barriers due to being part of the organisation.

Recently, Coxswain Alliance conducted a survey of internal BI teams across the spectrum of sectors, which revealed that they face common challenges regardless of the size, skill base and complexity of their organisation, and the industry that they are in.

Whilst organisations are certainly *aware* of these challenges, many do not truly *understand* the implications or know how to effectively address them. This is critical as it often means the difference between success and failure of an improvement initiative.

### The challenges BI teams face

#### > Lack of clear direction within the organisation

A poorly defined strategy to direct the business improvement effort only serves to create confusion and conflict across all levels of the organisation that are impacted by the change, including the BI team. Moreover, any business

## The Keys to Success: 10 points that every executive and BI team should know

The challenges faced by internal BI teams contribute to poorly executed change or worse, failure to make the change. This costs organisations in terms of productivity, motivation, change fatigue and quality. This is why the partnering of internal BI and external consulting resources is commonplace. It produces a '*multiplier effect*' with external resources bolstering the level of expertise, focus and sense of urgency required for business improvement. Moreover, such a partnership allows for a transfer of critical skills and knowledge to the internal BI team that can be retained by the organisation to enable them to continuously improve.

Our experience has shown that there are ten critical factors associated with successful business improvements regardless of the organisation, industry or business improvement methodology used.

1. Make sure every business improvement initiative, however big

improvement must be visibly aligned to the organisation's overall goals in order to provide those involved with a strong sense of purpose and feel connected to the change.

The manager of a BI team in a manufacturing organisation found that it led to "...variances in expectations of the (BI) team and expectations of the local business (which caused) a significant disconnect, and removed focus from the key objectives... energy was spent on figuring out why things aren't working or why expectations and timings aren't being met rather than directing the energy of the (BI) team and local business to the required outcomes and work processes".

> **Inability to create a compelling case for change**

It can be difficult to get 'traction', for people to see and feel the need for change. "Whatever the inefficiency which you are targeting, it has to be so compelling that the business stays interested in chasing it when you get to the really difficult phase of the project, that part about 75% through when the going gets tough" observed the manager of a financial services BI team.

It can also be problematic to maintain momentum. "There is a lot of engagement in the early stages but people's enthusiasm wanes towards the later stages of the project" commented a BI team member working in the resources sector. This is especially true when solutions are long-term and require a behavioural shift in the organisation's culture.

> **No leadership accountability for the results**

A failure to establish responsibilities and accountabilities for the results of any

business improvement at the start leads to poor acceptance and adoption of the changes by the business. As the BI team manager from the manufacturing organisation can attest, "(When) the target or outcome is seen as the BI team's target and not the local businesses' target, there will be a lack of buy in and commitment to both the process and the outcome".

> **Lack of strong leadership support and commitment to the change**

Leaders set the tone through their own attitude and behaviour. Based on her experience, the manager of the BI team in financial services noted, "If you don't have the leadership of the organisation on board, it is really tough to get the change to happen. (You) need the attention of leadership and they need to be resilient in staying with the program".

This sentiment has been echoed by all the BI teams that we have worked with. "If management did not embrace the new operating model in its entirety then the outcome was at risk." confirms a member of a BI team from the retail sector.

> **Failure to empower the BI team to make change happen**

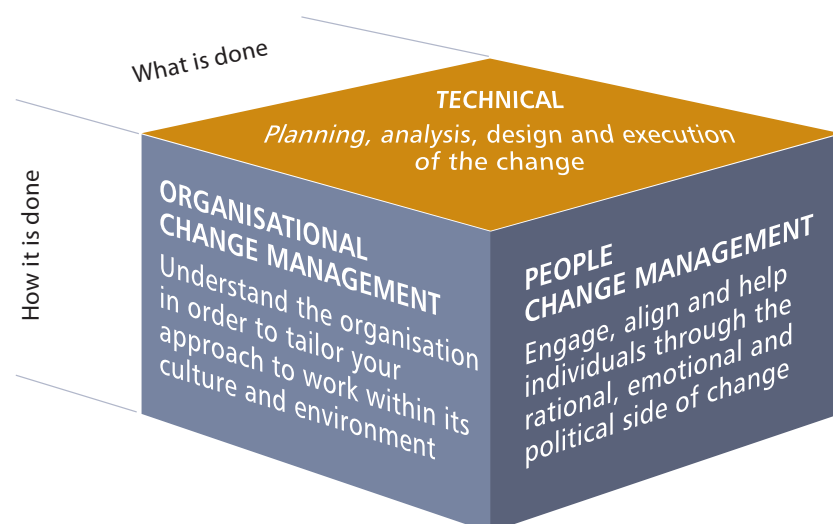
BI teams are placed in a difficult position with having to engineer and navigate difficult changes but at the same time retain productive working relationships with their colleagues. They are expected to be objective and work 'outside' the mould but still be 'in' the organisation.

If a BI team is not given the appropriate level of authority, demonstrated support by senior management and proper recognition across the organisation to facilitate the change, they cannot do their jobs effectively.

or small, has strategic importance i.e. it is aligned to achieving the overall goals of your organisation.

2. **Set up your BI team for success by providing them with the necessary infrastructure to succeed** – a clear strategy and purpose, a well-defined improvement plan, organisational ownership, demonstrated support and strong organisational alignment before even commencing the execution of the work.
3. **Establish what success looks like and define how it will be measured and who is accountable for the results** – it must be simple, clear and connected to what is being done.
4. **Select the appropriate people for your BI team** – you need the right combination of skills and knowledge, attitude and attributes.
5. **Focus on what is important, and see it through** – prioritise business improvement initiatives, and get to the root cause of performance issues to ensure that effort and resources are directed to the right opportunities.
6. **Take the time to properly engage all your stakeholders and align them to the change effort** – forming relationships with the right people can make a big difference to the speed of change, rate of adoption and commitment to the change. Go out of your way to involve people and explain what is actually happening using a variety of tactics and tools to ensure your communication is effective.
7. **Recognise that every business improvement effort must be underpinned by solid change management and project governance.**
8. **Don't hesitate to confront and remove all obstacles that will hinder or prevent the change.**
9. **Develop an improvement approach and tactics to sustain these improvements in your business from the start of the project.**
10. **Make business improvement team participation a career opportunity,** deploying ex-BI team members into key management roles, and recognise and reward success.

**Business Improvement = Technical (the 'what') + Tactical (the 'how')**





In my 20 years in consulting, I have seen the evolution of internal business improvement teams. What is evident is that there is a common set of conditions which predicate how successfully these teams operate. We have surveyed organisations in the following Australian and NZ sectors: Retail, Logistics, Financial Services, Manufacturing and Resources, and are summarising those conditions here – for you to reflect on how well you have set your people up.

Peter Braithwaite –  
Coxswain Alliance Principal

This significantly reduces their value-add to the organisation and is counterintuitive to why they are there in the first place.

In addition, some organisations struggle with how to manage the ongoing career development and progression of individuals within BI teams and do not have a clear strategy on how to retain and grow these talented individuals.

> **Stepping outside the comfort zone**

True business improvement requires *courage* to face facts, accept reality and recognise that change needs to occur. This is because change involves a lot of responsibility to *do it right*, and accountability to *get it right* and *achieve results*. At times the organisation's culture can place limitations on the willingness to make difficult decisions, tackle 'sacred cows' and take the necessary risks to make the change happen.

> **Finding the right balance between business improvement imperatives**

Successful business improvement teams deploy varied approaches. This involves the *integration* of the *appropriate methodology* to the right opportunity which will involve rethinking, evaluating and adjusting *organisational processes*, *the management operating system* (how work is managed) and *behaviour*.

> **Trying to do everything and achieving not very much or nothing at all**

Ultimately a failure to prioritise dilutes the effectiveness of every business improvement effort because of the conflicting agendas, competing demands, disagreements and fractured focus. This

is usually from a misconception that a large volume of activity will make the biggest impact and lead to results. While in some instances it may produce quick results, these will often be short-term.

> **Inability to manage expectations and rise above organisational politics**

Business improvement involves change and all change involves uncertainty and always runs into resistance – however big or small. BI requires multiple stakeholders from various departments and roles within the business to pull together to achieve a common goal. It places extra demands on those people who already have other competing responsibilities and priorities. *"Being both flexible and able to show what other teams had achieved was critical to overcoming resistance"* reflected a team working in the logistics/services sector.

> **Difficulty in making the changes 'stick'**

*"...there is generally a regression to the original state. This is apparent as the BI team are constantly doing projects that have been completed in the past. This is caused by a number of things including turnover of staff, failure to implement sustainable solution."* admitted a BI team member working in the resources sector.

There are actually 11 points and this one is for you, the leader.

All the textbooks are right. Without your consistent and resilient leadership – all the way through – the program will struggle.

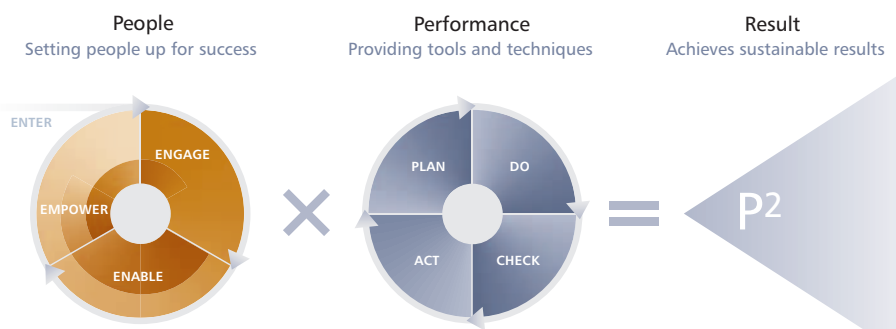
Sustaining change and maintaining momentum beyond the life of a project, and transitioning to a 'business as usual' state requires a structured plan from the outset. This also requires a defined handover to the business that starts from day one. Failing to do so is to the detriment of the project and its results, and ultimately overall business performance.

**The new normal**

As organisations are placing increased focus on developing business improvement as a core competency, we are seeing the focus shifting from labour cost reduction to improving critical processes, increasing workforce productivity and efficiency, and attracting and retaining customers, often through better leverage of their internal networks.

This is why business improvement is not only the 'new normal' for every modern organisation, but also an absolute necessity.

**Maintaining Momentum – Building a performance culture**



If you would like to talk with us regarding business improvement, or require more information on how to make business improvement succeed in your organisation, contact us:



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Synoptic are Business Process Improvement, Knowledge and Operations Management specialists. Combining our leading edge approach to process modelling, analysis and improvement with our client's in-house knowledge delivers tangible and defined outcomes such as sustainable cost reduction, improved service levels, and increased throughput.



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