

A Ten Step Method To Continuous Improvement

Continual improvement is a type of change that is focused on increasing the effectiveness and/or efficiency of an organization to fulfill its policies and objectives. It is not limited to quality initiatives. Improvement in business strategy, business results, and customer, employee, and supplier business relationships can be subject to continual improvement. Putting it simply, it means getting better all the time'.

Continual improvement should focus on enablers such as leadership, communication, resources, organization structure, people, and processes - in other words, everything in the organization, in all functions at all levels. Continual improvement should also lead to better results, such as, price, cost, productivity, time to market, delivery, responsiveness, profit, and customer and employee satisfaction. There has been a tendency in total quality management programs to focus on departmental improvements which do not improve business results overall. Departmental improvements may merely move the constraints or problem somewhere else in the process chain.

What continual improvement is not

Improvement is not about using a set of tools and techniques. Improvement is not going through the motions of organizing improvement teams and training people. Improvement is a result, so it can only be claimed after there has been a beneficial change in an organization's performance.

Gradual, incremental or breakthrough

Continuous improvement is gradual never-ending change, whereas continual improvement is incremental change. Both types of improvements are what the Japanese call Kaizen. In the United States, Lean and Six Sigma improvement is common place. Breakthroughs are improvements, but in one giant leap - a step change. However, the method of achievement is the same, but breakthroughs tend to arise out of chance discoveries and could take years before being made.

When should continual improvement be started?

All managerial activity is directed either at control or at improvement. Managers are either devoting their efforts at maintaining performance, preventing change, or creating change, breakthrough, or improvement. If businesses stand still, they will lose their competitive edge, so improvements must be made to keep pace and stay in business. Every system, program, or project should provide for an improvement cycle. Therefore, when an objective has been achieved, work should commence on identifying what is meeting the requirements of the process, and what better ways of doing it.

There is no improvement without measurement. An organization must establish current performance before embarking on any improvement. If it does not, it will have no baseline from which to determine efforts.

A ten step method to continuous improvement

There are ten steps to undertaking continual improvement:

1. Determine current performance.
2. Establish a need to improve.
3. Obtain commitment and define the improvement objective.
4. Organize the diagnostic resources.
5. Carry out research and analysis to discover the cause of current performance.
6. Define and test solutions that will accomplish the improvement objective.
7. Produce improvement plans which specify how and by whom the changes will be implemented.
8. Identify and overcome any resistance to the change.
9. Implement the change.
10. Put in place controls to hold new levels of performance, and repeat step one.

Where do the ideas come from?

If the organization has identified its critical success factors (that handful of things at which it must be supremely good in order to succeed), then focusing the attention of the continual improvement process onto one or more of these for a defined period might give rise to major improvements. No one in the organization, from top to bottom, is exempt from the responsibility for improvement. It is a normal component of all employees' jobs to search out ways of improving performance. Furthermore, no one in the organization can be expected to do this without help and the necessary support.

What tools should be used?

The portfolio of tools used for continual improvement should be those which enable an organization to execute the ten steps above. These can include:

- Ishikawa fishbone diagram to examine cause and effect
- Failure mode and effects analysis to predict failure and prevent its occurrence
- Pareto analysis to identify the few influences on a situation which have the biggest impact
- Force field diagram to display the forces for and against change
- Charting techniques to demonstrate whether improvement is being achieved

Continual improvement is far more than a set of techniques. For many organizations, it involves a radical change in attitudes. The defense of the status quo, and resistance to innovation, cannot be treated as normal management behavior. A fear of reprisals for reporting problems has to be replaced by congratulating people for identifying an opportunity to improve. Hoarding of good ideas within departmental walls must be a thing of the past as people share their knowledge and experience in the search for greater collective success.

The importance of commitment

Continual improvement is about the entire organization and everything it does. It has to be a prime concern of executive management and its success depends upon commitment from the top. The commitment must also be highly visible. It is not enough to have a quality policy signed by the chief executive. If executive management does not demonstrate its commitment by doing what it says it will do, they cannot expect others to be committed.

Reward success

The encouragement of people who have initiated improvements, however small, is an important component. This can be done in many ways, from displays on special improvement notice boards to the awarding of prizes. This is an area in which the culture and style of the organization has to be considered. The sudden introduction of a show business style into a staid environment may lead to cynicism rather than effective promotion of success.

Fundamentals of Effective Customer Feedback

By Craig Cochran

Fundamentals of Effective Customer Feedback
1. Don't wait for customers to contact you. Reach out to the customer and ask how you're doing.
2. Keep your tools for capturing customer feedback as simple and streamlined as possible.
3. Remember that customer feedback is a leading indicator, unlike most other indicators that businesses use. That's why customer feedback is so important to an organization's success.
4. Take action quickly. The informational value of customer feedback doesn't last long.
5. Utilize lean tools that can be applied all the time by a variety of people. Don't make capturing and analyzing customer feedback an event that only happens every now and then.
6. Share the trends of customer feedback with the entire organization. The more people understand customers' perceptions, the better prepared they'll be to help improve them. Everybody in the organization can affect customer satisfaction positively.
7. Follow-through on customer feedback. If you don't take action—and follow through to completion—then the process will produce nothing.

Customer feedback has a short shelf life

Shelf life is a concept that people often relate to food items, but the concept is also applicable to customer feedback. Feedback is nothing more than information, but it'll go bad faster than a ripe peach. If you don't analyze and act on customer feedback quickly, its value will diminish to almost nothing within months. Use it or lose it.

Customer feedback has a short shelf life that's rooted in its nature. Feedback is based on perceptions, which are highly subjective. Perceptions can be derived from fact, fancy, fantasy or fables, and perceptions are often composed of all these things. People's understanding of their own perceptions can change or diminish very easily. What someone perceives today may be different from what the same person perceives tomorrow. Because perceptions change so quickly, the value of reacting to perceptions also changes quickly. If your organization doesn't act on perceptions quickly, the customer will have already acted, usually by finding a different organization to fulfill his or her needs. Customer feedback is a valuable product that expires quickly after its generated.

The short shelf life of customer feedback is one of the best reasons for utilizing simple tools for capturing and analyzing customers' perceptions. The more complex the tools, the more time will elapse before you take action. Some organizations spend so much time and effort capturing and analyzing feedback that they never take action. They exhaust their time and interest, and in the end they do nothing.

Before capturing customer feedback, the organization must commit to acting quickly on what it learns. You may wait to take action, but your customers won't.

Gathering feedback shouldn't be an event

The notion of creating long, unwieldy customer surveys is very appealing to many organizations, and they treat the process of gathering and analyzing customer feedback as an event. Maybe that's what comes to their minds when managers think of gathering customer feedback. "We send out our survey once every two years," is a typical remark I hear. Why make it a grand periodic happening, like the Olympics, when this almost guarantees that the chore will be enormous, requiring lots of time and money? We've seen how few customers have any desire to complete surveys of this sort, guaranteeing a low response rate and a big waste of time. A better approach would be to make the gathering of customer perceptions a continual process, something that happens all the time in different

ways throughout the organization. This enables quick action on feedback, which we've already seen is a key to success. The gathering of feedback should also be performed by a wide range of people in the organization. Mobilize everyone in capturing customer perceptions. If your tools are simple and concise (which is what you need to strive for), then they can easily be administered by almost anyone. Relying on a core group of experts to administer the customer feedback process by themselves will work, but it's not the best way. The more people are involved, the more they understand the nature and importance of customer feedback.