

Continuous learning

How to build a culture of continuous improvement in an era of permanent change?

After the Second World War, new theories about quality that would end up changing the way of producing began to be implemented in the world. Many were applied first in Japan, one of the hardest hit countries, which had to improve its efficiency and productivity during the post-war years. This was how the Japanese Kaizen methodology ("Kai": change, "Zen": good) made companies such as Toyota, Honda and Sony revolutionize their industries and then it settled around the world with its philosophy of change and continuous improvement to optimize products, processes and designs.

Today, the idea of continuous improvement is not a novelty but neither is it a quick or easy process. The current challenge lies in how to implement it in a changing and disruptive work environment in which, in order to survive, companies must continuously modify the way in which they execute and manage their work. And this, of course, cannot be instantaneous but quite the opposite: It is an arduous work and to know that the concretion of the benefits can be, at times, agonizingly slow. According to Andy Crowe, CEO and Founder of Velociteach, the leading company in Project Management certification, education and training, the key to implementing cultural

change is to take small steps and aim for the long term.

Yesterday and Today

Crowe explains what the old school would do (and still does): Take a product, put it in its category, optimize the process and start making money. The Kaizen methodology, on the other hand, takes a different starting point. A product or process will never be good enough; the goal is never to stop improving. And this is the idea that can make a big difference in a product.

With the speed with which the market is changing, companies must adopt a progressive culture and dynamic strategies. Therefore, continuous improvement is even more vital these days. While defining and executing a series of projects to optimize processes can be a good start to build a continuous improvement culture, it is just that, a first step. To collect tangible rewards and obtain sustainable results over time, organizations must soak the heart of their business with continuous improvement, because that is where the true transformation happens and generates new opportunities.

To do this, in its article "Building continuous improvement culture in the age of disruption", the Deloitte consultancy firm proposes five principles

that can help convert the processes of continuous improvement in the DNA of the organization.

Five pillars for a successful implementation of continuous improvement

1 Persistent and committed leadership

Aligning organizational leaders behind each project and confirming their involvement is one of the most fundamental factors affecting continuous improvement. It doesn't happen overnight, it is a multiyear journey that requires commitment. So a strong leadership mindset should be instilled across the organization early in the process.

Continuous improvement aims to produce transformational, long-term results and achieving this requires striking the right balance between establishing consistent governance and conscious participation of every member throughout the organization.

2 Real Change Management

Usually, change management has a bad reputation, and generally there are good reasons to back up this fame. It's often done too late, it's too soft, and it's viewed as optional within the company.

Change management should be more than just tagging some people as "change agents", sending out a release and offer some training courses. It does not have to be superficial but rather visceral.

There are many aspects of change that can and should be measured such as how well a future state vision and its goals were communicated or understood, how much people are ready to change from the current state. The results of these measurements can be displayed in a simple way, on a



blackboard indicating where things are going well and where efforts need to be increased to improve awareness and knowledge, readiness or capabilities.

3 Manage what you measure

Peter Drucker, the most recognized thinker on the effect of globalization on the economy in general and on organizations in particular, used to say that what can be measured can be managed. But measuring the wrong variables can be counterproductive.

So what exactly must we measure? For example, a company that seeks to provide superior customer service does not necessarily need to judge only the performance of its employees in the Customer Service area. Executives should also be assessed in similar performance categories (a concept known as cascading scorecards).

Current metrics should be designed to exactly match what each organization needs to measure. Implementing the cascading scorecards (from the highest executive level to the operational areas) can align focus and behaviour towards the company's goals and can help people see how

their daily actions contribute value to the goals and priorities of the company. To encourage cultural change, these metrics must be aligned with incentives that lead to the desired behaviour.

4 Let the data guide the way

As mentioned above, there is not a single model for continuous improvement that works for all companies. Effective companies incorporate and customize continuous improvement tools and methods in order to adapt them to their culture and help enable their achievements and challenges. However, beyond the chosen method, something is indisputable in any case: Any initiative for continuous improvement should be based on decisions made based on the data.

The key to choosing the method will be to develop and use systems that bring the company closer to improving processes. Organizations that invest in analytical techniques will be able to separate facts from speculation and thus increase their chances of reaching their goals.

5 Do fewer things better

Companies with a strong culture

of continuous improvement have management skills that allow them to maximize their opportunities for improvement, allocate resources effectively and manage changes towards realization. All this often means doing fewer things but doing them better.

This concept is at the base of continuous improvement capabilities. Leading companies start with small but strong scales, pilot projects before launching on a larger scale.

True transformation

In this era of constant change, agility is imperative for the creation of sustainable competitive advantages. Organizations are compelled to experiment and learn, to identify new opportunities, to explore them quickly and to move forward.

This requires commitment and tangible, quantifiable and sustainable processes to bring continuous improvement to the core of the business and experience true transformation. •

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