



A Best Practice Approach to Business Improvement

By Mike Watson, CEO

Organisations are **complex systems**, and it is incumbent on any organisation **to seek to continually improve**.

After working in the Business Improvement space for over 30 years it still surprises me how often organisations underestimate the value of undertaking a strategic review of their operations and reviewing organisational alignment.

Whilst the NZBEF is known for our awards programme, we are very much focused on supporting our members on their business improvement journeys. Our focus in particular is on increasing the understanding of best practice approaches and best practice performance levels. This approach is underpinned by the internationally recognised and respected best practice framework, also known as the US Baldrige Criteria for Performance Excellence (CPE) that provides world-class benchmarks and best practice case studies.

Unfortunately we are still seeing the same issues and challenges being faced by our members as they attempt to use the framework. The most common issue being, that users of the approach do not appreciate how using the CPE evaluates and clarifies the degree to which an organisation is integrated and aligned.

The CPE is without a doubt the easiest, and most effective method to guide an organisation in aligning its operations and in coordinating business improvement activities. The most successful implementations are where the senior leader(s) are committed to the process and prepared to take a long hard look at the organisation and acknowledge that there is room for improvement.

Unfortunately, more often than not, this approach is delegated to middle management where, without appropriate Executive level sponsorship, it can languish and thus compromise the potential benefits of the approach.

The CPE Difference

The Baldrige framework is a **“Strategic”** business framework and as such enables an organisation to determine the levels of alignment across the whole business.

The word **excellence** was used for the CPE, not just to instil the aspiration of reaching world-class levels of performance, but also to separate this particular model from other frameworks. Whereas tools like Lean, Six Sigma and Business Process Re-engineering are operationally focused, the CPE is strategically focused. The added benefit is that it still works in harmony with all other methodologies.

The CPE is an evidence-based framework that is **“non-prescriptive”**, meaning that it doesn't tell you how to run your organisation or what processes you should use, it will check to validate that the approaches you are using are **working for you**. The CPE examines **“how”** your organisation addresses business activities across all areas of the business, checking organisational alignment and the consistency of your approaches, in addition to verifying that your approaches are effective and delivering the results that you seek.

Understanding Complex Systems.

As a leader or manager driving an organisation forward, can you say that you understand the complex system that is your organisation? Do you fully understand your stakeholders, your customers and their requirements? Does your organisation operate in departmental 'silos', or is there clear alignment across the organisation?

One of the key strengths of the CPE, is that it holds your senior management / executive team accountable for business improvement activities across the business. It also provides them with the necessary evidence to support a strong case for any requests or project approvals because they know exactly what they should be focusing on. The CPE **eliminates doubt** offers a **clear direction**, and allows your organisation to guide its own business improvement activities in only the most productive and purposeful way.

The Strength & Simplicity of the CPE

10 Simple Steps to Successfully Using the Criteria.

Many people look at the CPE as a complex framework that is a 'tool' or 'project'. When in actuality, the CPE offers so much more. As our award-winning members will attest to, the CPE offers a clear step-by-step process for business improvement activities within the organisation. Those that see the CPE as part of their overall strategy, and other 'methodologies' such as Lean and Six Sigma as tools that work incredibly effectively (when appropriate) underneath and within that strategy, achieve the greatest results.

When we look at it from a process perspective, the CPE involves the following key steps:

