

A Best Practice Approach to Business Improvement By Mike Watson, O

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 will 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 'silo's', or is there clear alignment across the organisation?

One of the key strengths of the CPE, is that it holds your senior management / excecutive 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:

Do you understand the value of the CPE?	Understanding the value of the CPE approach, how it fits in within your organisation's strategic plan, and how other organisations similar to yours have used it successfully, is an
Y	important first step - particularly at an executive and governance level to ensure it is supported from the outset.
Do you understand your organisation ?	Validate understanding of your organisation by developing an organisational profile that clarifies the initial who, what, when, how, where, and why.
Are you moving in the right direction? ▼	Is your vision clear, defined, and representative of a true vision statement? Do your strategic objectives align to your vision? Do you have a well balanced approach to your objectives (i.e. Balanced Scorecard approach) to include the key areas of Financial, Customer, Operational Effectiveness, and People (i.e. Learning & Growth)?
Where are the current gaps ? ▼	Put a stake in the ground and undergo a self-assessment or external assessment to identify where the gaps are in your current approaches across business functions, when compared to best practice approaches.
What are you currently doing? ▼	Review current organisational alignment. This involves looking at all current plans and activities and that they align to strategic objectives; that your performance tracking aligns to your plans, and in turn to your key objectives.
Are you doing the right things?	Evaluate your results against key objectives to validate that you are achieving what you have set out to achieve.
▼ What do you need to be doing? What is your plan ? ▼	Identify and prioritise key business improvement priorities including current projects and activities, new projects and activities, and agree the most appropriate business improvement methodologies best suited to address these.
Undergo necessary training for best results .	Undertake staff training in Project Management and business improvement (BI) tools, empowering and enabling them to work effectively on BI projects.
Execute the plan effectively , monitor progress.	Execute the plan. Ensure that there is regular monitoring and review of progress to date against objectives.
When is the end review point? Return to step 1 for re-calibration .	Set a review date to evaluate progress against objectives and cost-benefit, at which point you will decide to continue and establish a new review date, or re-calibrate by returning to step one to further refine BI activities.