# Continuous Improvement – How to Implement!

The concept of continuous improvement is easy for most people to understand, however when it comes to implementation often we can start with a lot of enthusiasm but somewhere in the process lose our way. The end result being the gains we had hoped to enjoy by taking this step, are not realised.

Before outlining the Continuous Improvement process it is important to remember:

- Continuous improvement is about progressive incremental gains – which often can lead to breakthrough ideas.
- To work effectively, it needs to involve everyone in the business. A top down approach may work in some instances, but invariably will overlook critical factors that have the potential to significantly lift a business performance.
- It requires the right culture within a business that is, one where all ideas and input, are valued and evaluated.
- Even in the most successful of businesses there is likely to be some degree of resistance to change.

Continuous Improvement Model

While there are many different models available, one we believe is effective is:

Problem

Brainstorm

Test

Evaluate

Implement

Monitor

Optimise

Reward
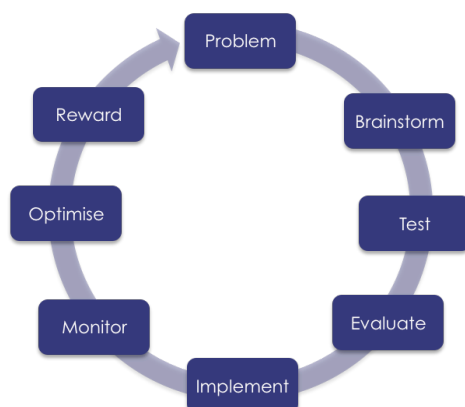
Identify the problem

The first step is to actually identify the problem. Then:

- Write it down.
- Outline the impact.
- Identify the drivers (the need) for change.
- Ask what are the outcomes we are looking to achieve as a result of this process

When the overall problem has been clearly identified we then recommend you write down all the elements that are involved in the process.
For example the starting point may be a - shortfall in sales – the elements that need to be examined could be:

- Marketing
- Sub elements being: value proposition, positioning in the market, price position, differentiation, advertising, promotion, web marketing.
- Human Resources.
- Sub elements being: training, sales effectiveness, motivation, productivity, leadership, resistance within elements of the team.
- Shop front.
- Delivery – Logistics.
- Sub elements to consider: Back office support, capacity, system blockages, warehouse operations.
- Suppliers.
- Other external/internal issues.
- Etc.

Once you have identified the major elements it can be helpful to them record the information using a diagram such as below:
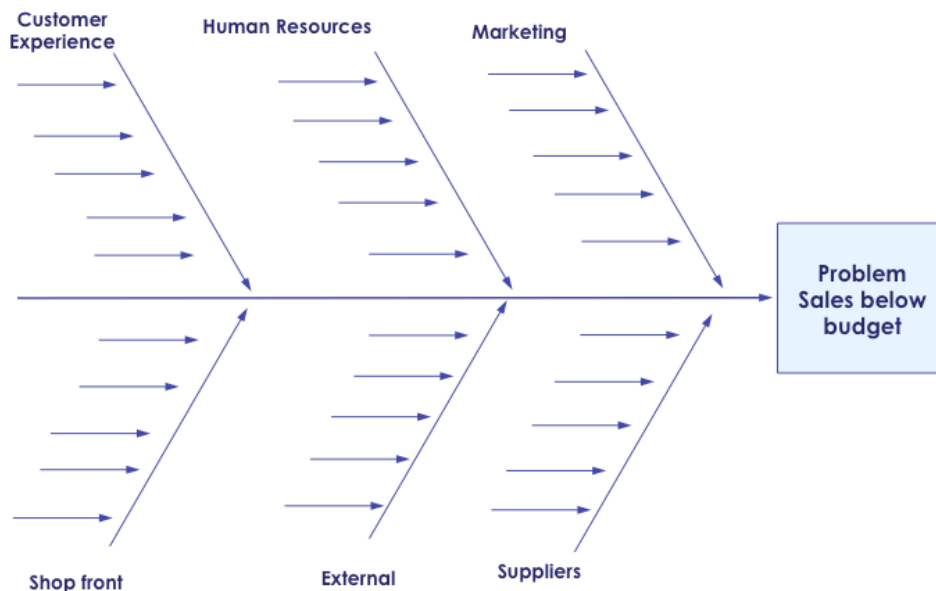
- Start with the problem (Sales below budget).
- List all the elements.
- Then focus on each element to try and identify all the contributing factors.
- When the contributing factors have been identified - score each using a scale of (1) Poor to (7) Excellent

- The next step is to examine those areas below 5 and ask what to what extent it is contributing to the problem and conversely, what the impact would be if remedied.

Time to delve deeper!

Clearly within each of the above elements there will be sub elements that need to be examined and scored (May be as simple as, how we answer the phone, what we say, how we greet clients etc.)

The reality is it is at this level where the incremental improvements can be made, insights and breakthroughs occur!

But we state again, the importance of involving all team members is the process, giving them the responsibility of recommending solutions.

Brainstorm Potential Solutions

The simple assignment may be – what can we do this to improve "X" - always on the context of achieving a broader overall objective.

It is important to create the right environment, with all people able to contribute their thoughts and ideas, without interruption or judgement.

Test the idea

When an idea or solution is considered to have merit, try it out in a small way for a limited period of time. This is a low risk option; it also allows a greater number of solutions to be tested, increasing the potential for a breakthrough.

Evaluate

With any change it is important to evaluate the impact before rolling out on a broader scale. Did it have the intended impact? Were the benefits expected derived? Is further refinement required?

Implement

When the change has been tested and results evaluated, then rollout on a broader scale. However prior to doing so, it is important to communicate to the all those impacted:

- The reason for the change.
- The fact it is has been tested.
- The results of the pilot program.
- The benefits to be derived.

Ideally use those directly involved in the pilot to "champion" the rollout. In larger organisations the implementation should be progressive and adjusted to suit local conditions.

Monitor

It is important having implemented the change, to continue to monitor its impact to ensure all the anticipated benefits are derived.
Failure to do this can result less than optimal outcomes being achieved and crucially, employees becoming dis-engaged from the Continual Improvement process. Seeing it as just another "fad" of management. One that had potential, but was allowed to whither and die!

Optimise

It is important after change is introduced, that it is viewed by all involved, management and employees, as simply part of an ongoing process – that further refinement and enhancements are to be expected and strongly encouraged.

From this, the cycle then begins again, enhancements are proposed, tested, evaluated, implemented etc.

Reward

To create a culture of innovation in a business and an openness to change, it is crucial that the efforts of those involved in the process are recognized and celebrated.
This should not be limited to only those projects that are ultimately implemented, but also include:

- Acknowledging those who put forward ideas – whether ultimately implemented or not. This is crucial to ensure "bottom up" involvement.
- Ideas that fail to pass the evaluation stage – Important to ensure those involved understand why full implementation was not feasible.
- Refinements to ideas previously implemented.

Rewards can vary – they may be financial for those ideas that have a significant positive impact on the business, through to recognition certificates/awards or simple (but powerful) acknowledgement for an individual or team's initiative.

A simple "thank you" can go a long way to creating a culture of innovation in a business.

Summary

Continuous improvement can be an exciting and rewarding journey – it can also fundamentally change the culture of a business for the positive. Make the business a fantastic place to work and often lead to a meaningful, competitive edge in the marketplace.

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