



OPERATIONAL EXCELLENCE : AN APPROACH WITHIN EVERYONE'S REACH

The practical guide



Editorial

The current period is a source of disruption: processes are being shaken up, organisations are being disrupted, steering and management systems are being put to the test, certain markets are changing, and the climatic and health impact of our daily actions is being systematically challenged.

But there are and will continue to be needs, clients, partners, collaborators and equipment. We now need to redraw the contours and operating rules of this whole.

And even if it means being in adaptive mode, why not try out the mechanisms of operational excellence, which could not only avoid repeating the mistakes of the past, but also allow us to regain some serenity and time for ourselves?



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Operational excellence, with its simple, common sense principles, is a good way to go. We often tend to think that this is reserved for large organisations, but this is not true, there is an agile and flexible way for everyone: here is why and how.

Lionel Pasco - CEO of Perfony



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What is operational excellence?



Operational excellence is a state of mind based on an **organisation** and **methods** which, as its name suggests, aims to be the best possible in a given activity in order to improve its performance.

To achieve this, there are several tools available, but above all it is necessary to adopt an organisation and a company culture that allow everyone to participate in identifying what can be improved without administrative obstacles or hierarchical weight.

A powerful lever for competitiveness, **operational excellence** can have one or more goals, such as

- Gain market share
- Optimise productivity
- Improve product quality
- Reduce costs
- Increase safety

But what is important to understand is that the achievement of these objectives is the result of a fundamental approach based on an intelligent mix of various seemingly simple methods and the often hidden complexity of the human being.

A human system above all !



Operational performance is therefore based above all on simple and human principles. Under no circumstances should the search for excellence be focused exclusively on methods, processes or the organisation itself. The best system will be ineffective if it is not driven and embodied by the employees and managers on the ground.

Some people draw a parallel with the human body to explain the principles and interactions of an operational excellence approach: the eyes for vision, the heart for the decision-making organ and the different teams as members that must have coordinated actions. The analogy is interesting in that it shows the importance of coordination for a continuous improvement process. Firstly, because you cannot do everything on your own, and secondly, because when looking for root causes or identifying solutions, it is often easier to do so with several people, thus demonstrating that collective intelligence is greater than the sum of individual intelligence.

A continuous improvement process will only work if the members who govern it and are involved are motivated and committed. Individually and collectively. Without this, there is no sustainable approach. It is therefore necessary to adapt the pace to its members, while striving to achieve and respect the principles of operational excellence.

The key principles of operational excellence



The objective of operational excellence is to put in place mechanisms for continuous improvement at all levels of the organisation in order to get it right first time and avoid mistakes being made again.

To achieve this, there are a few important principles:

- 1** As seen in the previous chapter, it is important to involve and consider the **humanfactor**. Both in its individual and managerial component. After all, the manager is also a human being with strengths and weaknesses. So we take into account the fact that human beings are fallible but also capable of surpassing themselves when they are motivated.
- 2** We start with the **customer's needs** first! Not only is it not very productive to set up a continuous improvement process for something that does not concern the customer, but it also risks diverting us from improvements that could and should have been made for the customer first. So the customer comes first.
- 3** **Waste is eliminated**. With the help of Lean tools (see below) we will try to avoid over-consumption: materials, energy, time, etc. Hunting for waste.
- 4** We strive for a target, **for perfection**, while knowing that it is difficult to achieve. And this is normal. Once again, perfection is not of this world. What is important is to strive for it. Not being able to achieve perfection is no reason not to try.
- 5** We **rationalise** and break down the steps of a process into small pieces. We avoid value judgements and quantify analyses, we base ourselves on real figures, not on preconceived ideas or "we think". So we leave aside our beliefs and false analyses fuelled by cognitive biases.
- 6** **Treatment at source**: the earlier or earlier a defect or problem is identified, the less costly it will be to correct. It is therefore necessary to measure at different stages of the process or activity so as not to discover the extent of a drift at the end.
- 7** We **systematise**: setting up dynamic routines (meetings, exchanges, etc.) helps to strengthen the group around the results obtained or the progress to be made. Meetings are useful for making the best possible decisions. But be careful! A decision without operational implementation remains an incantation. The key lies in the ability not only to make the best decisions, but also to be able to monitor and measure the results of the resulting actions. So with a modern and dynamic action plan system that avoids wasting time on follow-up.
- 8** We **communicate**: the more appropriate the communication (KPIs, posters, testimonials) and the more widely it is disseminated, the more motivating the effect. It seems silly to say it, but without communication, the effectiveness of the approach cannot be shared.

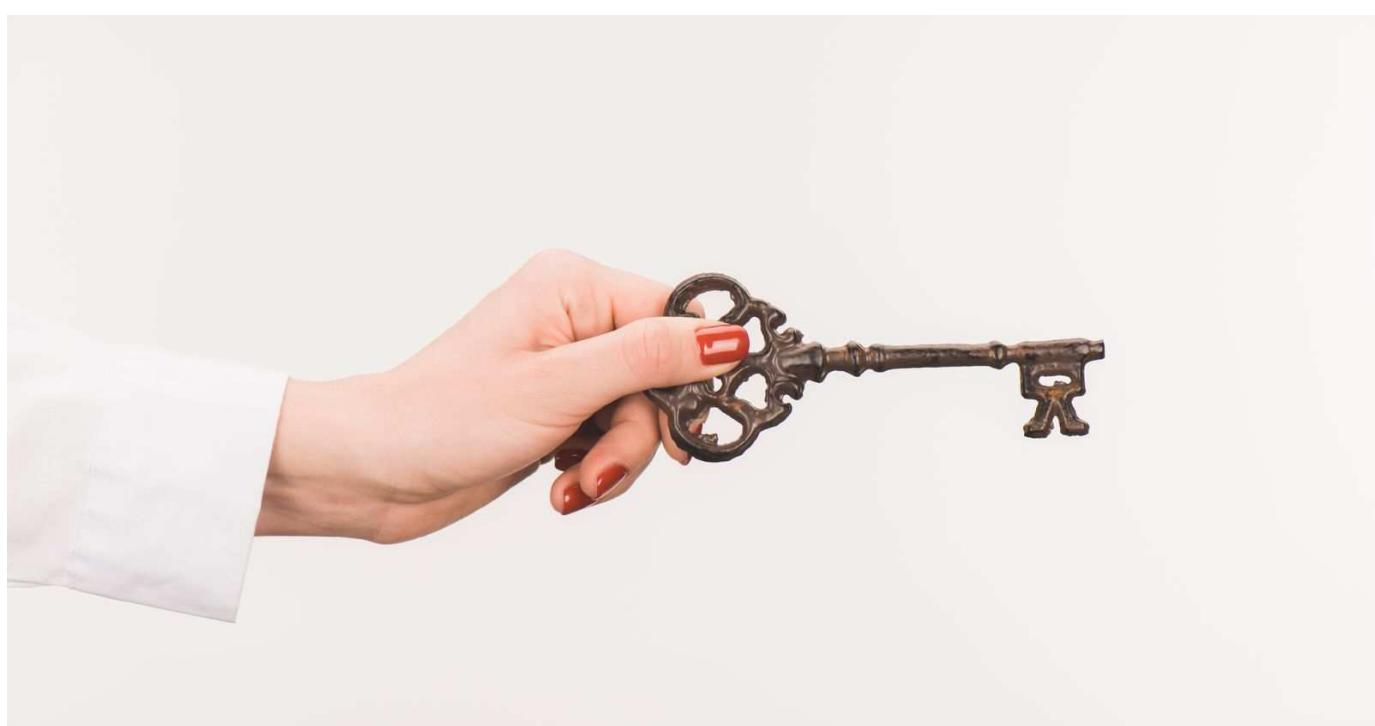
SIGNALS THAT ALERT YOU TO THE NEED FOR OPERATIONAL EXCELLENCE IN YOUR ORGANISATION

Operational excellence is an ongoing process of identifying and implementing improvements. If you are experiencing any of the following symptoms, it may be time to think about initiating an operational excellence approach that will help you turn things around in a sustainable way:

- ❑ You have the feeling that you are systematically repeating the same things during meetings.
- ❑ There is a slow and insidious but real deterioration in your margins, your KPIs, your costs, without you being able to clearly identify the cause of the discrepancies.
- ❑ Some of your employees are coming up with good ideas but you don't know how to implement them.
- ❑ Any idea for change or progress is blocked by a small number of people who prefer to stay in their comfort zone and not challenge themselves.
- ❑ Your competitors are innovating faster than you, your image is stagnating or deteriorating.
- ❑ You are unable to measure the benefits of the actions you take.

The good news is that with a little method and willpower, all this is reversible, here is how...

Some keys to successfully launching an operational excellence approach



Implementing an operational excellence approach may seem tedious.

However, whether you are going around the world or shopping, both start with the same steps!

Here are some practical tips:

Start with a reasonable scope. Small, but not too small either, so that the gains are commensurate with your expectations. This initial scope will allow you to run the process and adapt it to your corporate style and culture.

Be open-minded and tolerant ! The beauty of operational excellence lies in the ability to question yourself. Assume you don't know, put aside your prejudices and opinions and make the effort to analyse a situation as if you were new and everything can be surprising.

Take your time but change ! The hardest thing is not necessarily to carry out an analysis of a process in order to identify areas for improvement, but rather to ensure that this analysis is shared by all the key players in the process. Once these stages have been completed, if you have succeeded in creating a climate of trust and openness to the possibilities, the identification of the solutions to be implemented will be all the easier if the analysis has been quantified, factual and without value judgement (no one should feel attacked by a state of affairs). 80% of solutions come from the field! We too often forget this. Once this is done, it's time for the big bath: we change the way we do things, for real! Let's go for it! We are brave!

Accompanying, being on the ground: to encourage, support change, measure drift, analyse together. The field, the field, the field and the field again! That's where things happen. So you don't lock yourself away in your office when you set up a continuous improvement process.

Share and communicate : If the efforts are collective, then the results must be too. Involve the team in the recognition of the work done. You will then find enthusiastic supporters who will be able to reproduce and sustain the process.

Remain agile : Resist the temptation to want to set up gas factories, real systems within the system, under the guise of wanting to capitalise on and share the good practices obtained in one place. This is laudable but often counterproductive. The aim should be for information to be self-disseminating rather than systematically creating reference systems that will be perceived as ukases that do not take account of the reality on the ground. This is a bit rich for an approach that comes from operations!

MISTAKES NOT TO BE MADE WHEN IMPLEMENTING AN OPERATIONAL EXCELLENCE APPROACH

Not accepting the right to make mistakes. This is the main weakness that risks undermining any attempt to set up an improvement process. One should not want everything to be perfect under the pretext that the approach is called "excellence". Perfection does not exist in this world, and even worse, the notion of permanent over-performance is a lure for human beings. When a peak in performance is reached, it is because there is a conjunction of multiple factors at the same time. But it doesn't last. Before he became world number one and the player we know, Roger FEDERER was angry, broke rackets when he missed shots. What a contrast with the calm player he has become. Why is that? Because he let go, accepting that he didn't play tennis well but that he always did his best.

Not really believing in it and not accepting the fundamental changes that the approach can bring. In other words, we sometimes find operational excellence approaches that are too narrow in scope and whose effects will only impact on a small part of a problem. This means that the burden of change is generally always on the same people who rarely initiate the process. An operational excellence programme from the very top of the organisation aimed at the lower levels without incarnation on the ground is in reality a savings plan. A true operational excellence approach is a-hierarchical and circular.

Carrying the process alone: "alone you go faster, with several you go further". Even if this maxim is debatable, launching an improvement process alone, if it worked it would be known. By definition, it is a collective approach, since it will be necessary to identify and implement small or large changes to all or part of a process or a way of doing things. If you can't get a small group of followers and sponsors on board, the mission will be frustrating and complicated. Think of Jean-Christian FAUVET's theory of allies, which is still relevant even 50 years later.

Do not measure or communicate: Firstly to show that the approach is making progress, secondly tactically to convince those who didn't believe in it, and thirdly to show your hierarchy the extent of the power reserve you can tap into by extending the approach.

Trying to do too much and losing sight of the end goal. Once again, the idea is to adapt the speed and power of the process to what the organisation is humanly and socially capable of absorbing. If you try to do too much, such as over-communicating or starting out with too wide a scope when the results are not yet conclusive, or if you only talk about this and forget about the operational problems that are still outside the scope of the approach, you run the risk of isolating yourself and losing credibility. The other risk is that, in order not to lose face, you will not admit your mistake and will lock yourself into a process for the sake of a process and not for what it is supposed to bring.

Lean management : a toolbox for operational excellence



"Lean" is inseparable from any operational excellence approach, originating in the industrial world (lean manufacturing), it has since been extended to all environments (lean management).

Lean management is a method of steering organisation and production. It originated in the Toyota Production System, or TPS, also known as "Toyotism", developed in Toyota factories in the 1950s. Initially intended for the automotive industry, it was renamed in the 1990s in the USA and adapted so that it could be applied to various sectors.

Lean management is a management method based on reducing costs and lead times by eliminating "mudas" (waste - lack of added value), which is one of the ways of achieving a good level of operational excellence in that it improves productivity while strongly involving all the players in a given process.

To achieve this, this method relies on a number of tools, of which the following is a non-exhaustive summary:

THE 5S

The 5 S's correspond to the Japanese terms "Seiri" (to sort), "Seiton" (to tidy up), "Seiso" (to clean), and "Sei (tidy), "Seiso" (clean), "Seiketsu" (standardise) and "Shitsuke" (respect). This method is the first to be implemented in teams. It is about gaining efficiency by changing habits. By applying these 5 principles automatically, the resolution of small problems that hinder efficiency is accelerated. Easy application: tidying up the office.

THE 5 WHYS

Without analogy with the 5S, it is a method of questioning when looking for the root causes of a problem. Generally, it is the answer to the 5th question "yes, but why are we doing this? It is edifying to test!

SIX SIGMA

A mathematical approach (statistics and big data) that tends to eliminate variations and defects in processes. It naturally applies to industrial processes of large series, but also to all administrative, logistical or commercial processes.

KAIZEN

Kaizen, or small steps strategy, consists in solving identified problems with simple solutions, validated in the field and implemented quickly. The word Kaizen literally means "continuous improvement". This approach is based on a holistic approach that includes the involvement of all staff in developing and implementing improvements in various areas of activity. It can be applied anywhere.

KANBAN

The kanban ("cards" in Japanese), which is designed for stock optimisation (but can be used in many areas), allows containers and flows to be materialised in the form of cards or labels. By improving the legibility of flows and production, it is possible to build up only really useful stocks and to eliminate those that are a source of loss. The Kanban process is based on the principle of priorities. Tasks are allocated in order of priority, irrespective of the time required to complete them. This type of approach is optimal for small professional teams that are not bound by fixed deadlines.

VISUAL MANAGEMENT

The results obtained (KPIs) can be viewed by everyone in real time. By displaying and distributing graphs and figures highlighting the progress made and the deviation from an objective, it is possible to bring a group closer together towards a common goal. It also allows for dynamic stock management.

VALUE STREAM MAPPING

This is an analysis of processes, physical flows and their management, making it possible to identify the obstacles to productivity and eliminate them. This method consists of drawing the different stages of a flow or process and adding analysis figures (rate, variance), measuring the lead time and resource consumption. This is done in order to identify the sources of gains (time, added value, etc.)

SMED

Single Minute Exchange of Die (SMED). This method aims to reduce production changeover times and the size of batches manufactured. The objective is twofold: to produce as quickly as possible according to customer needs and to reduce stocks, which represent a cost. The method consists of optimising the time of a tool change on a machine as much as possible in order to limit the unproductive time. One of the best illustrations is the changing of wheels on an F1 car during a grand prix.

SCRUM

"Scrum" is a concept based on the distribution of tasks in defined work periods. These stages, called "sprints", last between one week and one month. This work process is well suited to engineering professionals who market software. Intense sprints over a limited period of time are intended to increase the performance of the employees, so that they focus their attention on the problem at hand. Close collaboration with each actor is necessary for this approach to work.

Conclusion



By definition, operational excellence is **meaningful**. And its implementation process must also be meaningful. Meaningful because it involves the **involvement of employees** in the improvement of their daily work; Meaningful because it involves the **customer and his needs**; Meaningful because, in the end, it involves **ecology** through the search for and eradication of sources of waste and loss.

There is no need for a complicated system, it is necessary to analyse calmly, with several people, factually, to have the **courage** to ask the right questions and above all to change the ways of doing things.

It is not a question of field of activity or skills, it is a matter of good operational sense. It's a matter of asking the right questions, of knowing how to slow down for a while in order to better analyse and orientate activities: to develop in the direction of the market's needs, to work with a goal and not just with an email box and a clock as the only horizon.

Support during the first few weeks by a specialist consultant can be beneficial. But the objective must be to give you the reins of the process very quickly. You will see that the consultant will have the time that you do not have for studies, analyses and acting as a catalyst. He will do what you would have done but in half the time and he will reassure you of your potential to succeed because your case, although always particular, is never very different from others.

Finally, there are now many tools, particularly for monitoring improvement action plans, measuring their results and creating best practices that can be replicated elsewhere.

But in any case, whatever results you achieve and whatever tools you use, they will be the success of your team.

People first!

PERFONY: THE TOOL FOR OPERATIONAL EXCELLENCE

Operational Excellence: why use Perfony?



- Formalise your meeting minutes in one click
- Reduce the mental burden of following up decisions
- Manage the progress of your progress plans easily
- Measure the impact and results of your action plans
- Identify and share improvement plans with your teams
- Gain mobility with our integration with MS Teams Mobile and O365
- Simplify your project management with a modern tool

Contact

Perfony is a French publisher, born from the meeting of the management consulting and IT worlds, which has set itself the ambitious project of bringing the principles of operational excellence within everyone's reach.

To this end, it proposes a simple tool that improves the efficiency of teamwork:

- follow-up of action plans,
- traceability of decisions,
- production of meeting minutes,
- compliance with quality requirements...

Perfony is the solution that helps you achieve operational excellence.



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