

Case studies: Starting the Business Excellence Journey

Prepared by Jo Innes, STRATUM, 2005

Organisation A

(see the Excellence Report for a fuller description)

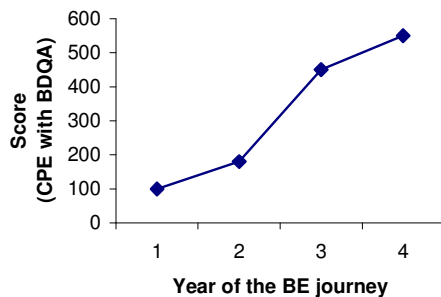
Organisation A is a Unit within a large local government organisation that provides frontline services to rate payers. The improvement journey was started by a new CEO in response to the public losing confidence in the organisation. The new CEO focused on establishing sound business systems across the organisation and also created a new service to provide a "one-stop-shop" for customers. The General Manager recruited to develop this service adopted BE to guide the development of the service and ongoing service improvement.

This GM focused on developing a customer focused way of working. He saw BE awards as a way of improving the external credibility of the organisation. In year the GM submitted an application for the Business Development Quality Awards (BDQA), a regional award programme based on the Criteria for Performance Excellence (CPE). The first feedback report was "shocking" but provided the motivation to improve.

The following year, the GM involved the staff in preparing a second application to the BDQA. The Group achieved the runner up award which entitled 2 people to visit Baldrige Award winners in the USA. This visit was seen as a turning point. These 2 people came to realise that BE was about continuous improvement not winning awards.

On returning from the study tour, the GM and his group of managers integrated business and improvement planning. All managers were expected to be actively involved in improvement planning and projects. As staff became more involved and saw improvement ideas actioned, they developed their understanding of BE, their confidence & trust in management, and their energy & interest in improvement.

By year 4 the Group was reporting overall improvement in service and financial results, strong public confidence in the organisation, and a willingness of the staff to be involved in improvement initiatives. The CPE score over these 4 years improved dramatically. Having observed the success achieved by the Group, the CEO of the organisation introduced BE as the improvement strategy for the whole organisation.



Key points

Why did Organisation A start the improvement journey?

Why did they adopt the CPE to guide the improvement journey?

Is there a pattern to the BE journey?

What were the key practices that enabled and constrained the BE journey?

Who were the key people that enabled and constrained the BE journey?

How did these practices and people influence the BE journey?

What changed over time?

Organisation B

(see the Excellence Report for a fuller description)

Organisation B is a registered limited liability company that provides information technology solutions through consultancy, contracts and ongoing support. Organisation B has clients throughout the world.

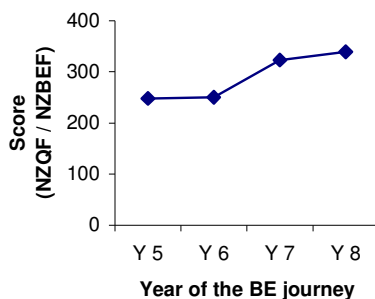
The decision to start an improvement journey was influenced by the owner's desire to develop a "proven quality company". The need for external recognition influenced the decision to apply for ISO accreditation. Later the company applied for BE awards to provide an external measure of progress.

The BE journey started for Organisation B following the receipt of the feedback report from the Business Development Quality Awards. The report was a major "wake-up call". The key message was the management team needed to be "better at business" not just "great at technical work." The next 2 years involved developing business capability in the form of organisational structure, recruitment of key people and gaining a key contract which provided steady income.

In year 4 of the journey, Organisation B won the BDQA which entitled 3 people to visit Award winners in the USA. This study tour was seen as a turning point for the organisation. The 3 people returned motivated to "lift the bar". The following year they applied for the National BE Award. Although the feedback report was "depressing" the management team were motivated to respond to the report's recommendations.

Over the next 3 years, Organisation B continued to improve the organisation structure and key business systems. Senior people from across the company were involved in the planning process and recruitment processes. This practice was perceived to improve confidence, staff satisfaction and productivity. Unfortunately much of this confidence was lost when a new performance management and remuneration strategy was developed "behind closed doors".

The CEO continued to sponsor BE but had difficulty engaging his executive team in BE. He continued to use the National BE Awards as an external measure of progress. Applications were prepared by an experienced BE person from within the organisation with limited input from executive or staff. Although the company achieved steady progress over years 1 to 7, the CEO recognised that progress had flattened off. In response to this lack of progress the CEO introduced an organisational goal "to achieve an improvement of 75 points a year". Some members of the executive and staff reacted negatively to this goal as they could not see the relevance to organisational strategy.



Key points

Why did Organisation B start the improvement journey?

Why did they adopt the CPE to guide the improvement journey?

Is there a pattern to the BE journey?

What were the key practices that enabled and constrained the BE journey?

Who were the key people that enabled and constrained the BE journey?

How did these practices and people influence the BE journey?

What changed over time?

Organisation F

(see the Excellence Report for a fuller description)

Organisation F is one of the three armed services which make up the New Zealand defence force. As an armed service, Organisation F provides ongoing peacetime services and a readiness to respond to conflict as and when required.

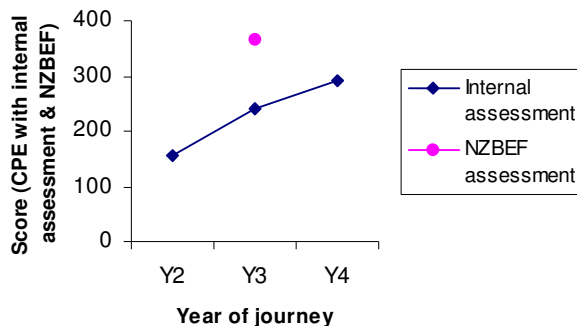
The Chief recognised the organisation needed a “systematic approach to deal with change and improvement” if the organisation was “going to survive as a credible organisation”. In consultation with his international and national networks, the Chief identified “Baldrige as the tool” to guide improvement and to change the culture away from “command & control” to “improvement & excellence”.

The Chief committed the organisation to BE as a long term improvement initiative. The journey started with the Chief’s “visionary thinking and strong personality”. He then appointed the leader of strategic planning as the project leader and a BE consultant as a mentor. The Chief made his executive responsible for championing an aspect of the journey as a strategy to get them “on board”. Unfortunately the executive did not engage in the journey until year 3 which was perceived as a constraint.

In year 1 Organisation F completed an organisation-wide self-assessment process carried out by trained internal people. This process provided the organisation with a baseline, improvement plans and actions, and a network of BE trained people. This first assessment process identified the need for a customer and results focused strategic plan. When completed, the Plan provided staff with a clear sense of organisational direction.

In year 2 and 3 BE education was offered to the executive which raised their confidence in BE and consequent support. The education included BE workshops which focused on understanding BE and its relevance, and exposure to a Baldrige winner which was also a defence organisation. This confidence and support was further enhanced after the executive prepared an application for the national BE award.

Although the organisation has made continual improvement as measured by the CPE (see below) some staff question the effectiveness of BE. Anecdotal comments suggest BE has contributed significantly to the move away from a “command” culture to a focus on improvement and “excellence” – this shift is yet to be formally evaluated.



Key points

Why did Organisation F start the improvement journey?

Why did they adopt the CPE to guide the improvement journey?

Is there a pattern to the BE journey?

What were the key practices that enabled and constrained the BE journey?

Who were the key people that enabled and constrained the BE journey?

How did these practices and people influence the BE journey?

What changed over time?