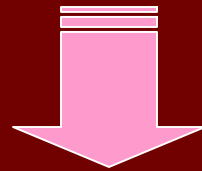

Achieving Business Excellence

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Agenda

- Introduction
- Using Baldrige as a framework
- Business Process Management as a foundation
- Applying continuous process improvement
- Adding in a touch of project management



Achieving Business Excellence

Is This Business Excellence?



Introduction

- Businesses face many challenges
 - It's tough to achieve sustained profitability
- Many approaches to achieve business excellence
- Stepping back and look at all approaches
 - Some common elements are keys to success
- I'll address three – Baldrige, BPM, and CI
 - Each brings a specific focus
 - They overlap and complement each other

Business Excellence

- Definition - A holistic, customer focused, process based, systems approach to successfully achieve the goals of the org.
- The Baldrige Criteria provides:
 - The framework for this systems approach
 - What an organization must do to be successful
- Embedded throughout the Criteria
 - A proactive, integrated, process framework that uses data to make decisions

Business Excellence (continued)

- To continually improve all the processes...
 - Need to keep current with
 - Changing customer requirement
 - Changing market requirements
 - Apply a continuous improvement approach
- Project management used to
 - Implement changes necessary to make process improvements

Operating in this Environment . . .

Is not magic!



Operating in this Environment . . .

Is not magic!



Good News

**Any organization
can do it**

Operating in this Environment . . .

Is not magic!



Good News

Any organization
can do it

Bad News

It may mean you
need to think
differently about
how you manage
the business

Using Baldrige as a Framework

- Baldrige Criteria represents best practices of role model companies
- Provides a framework to
 - Evaluate how value is delivered to customers and stakeholders
 - Determine how successful you are
- Goal should be to accelerate your journey
 - Use self-evaluation or award process
 - Focus on feedback – not the award

Baldrige Criteria Framework

**Organizational Profile:
Environment, Relationships & Challenges**

Baldrige Criteria Framework

**Organizational Profile:
Environment, Relationships & Challenges**

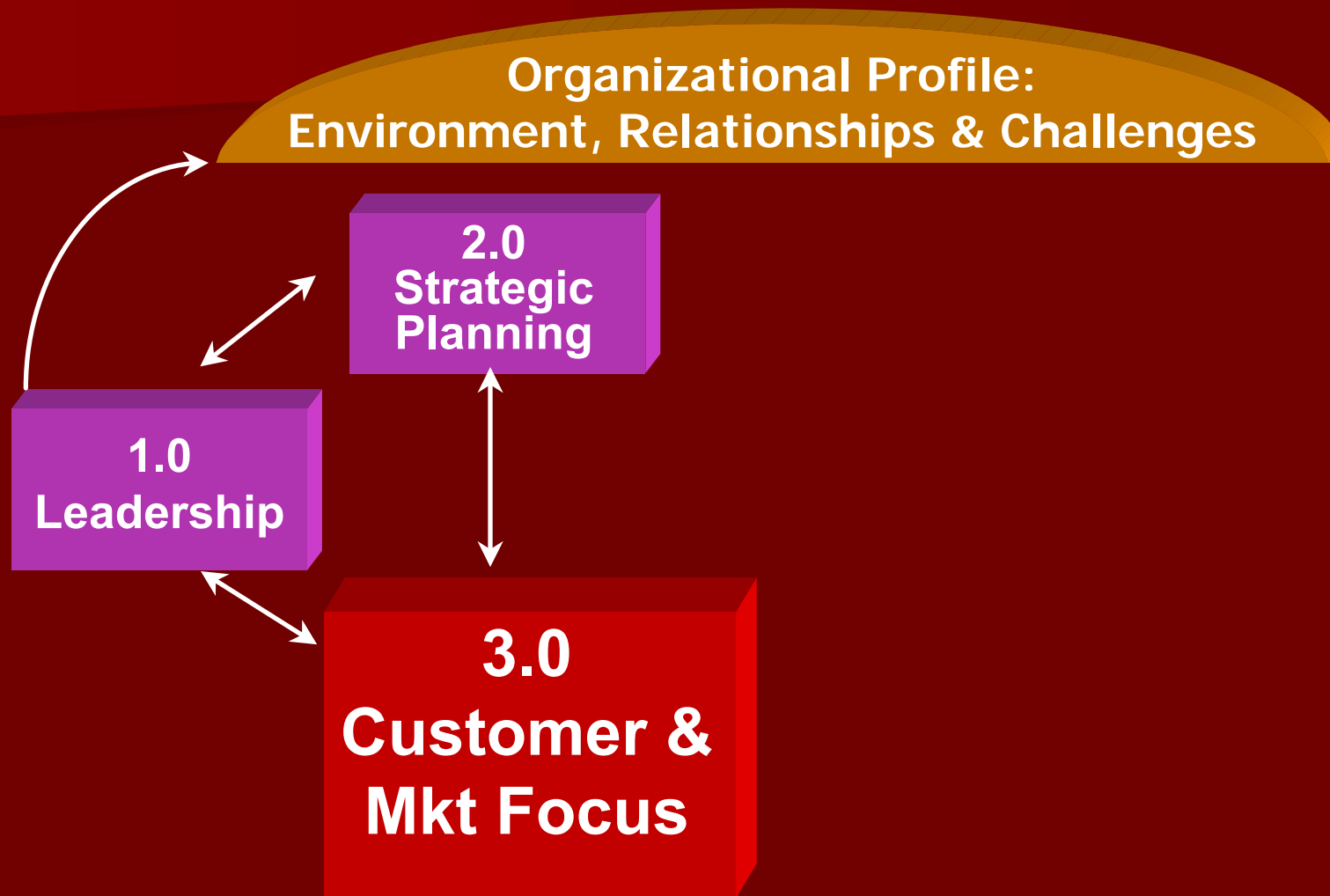
**1.0
Leadership**



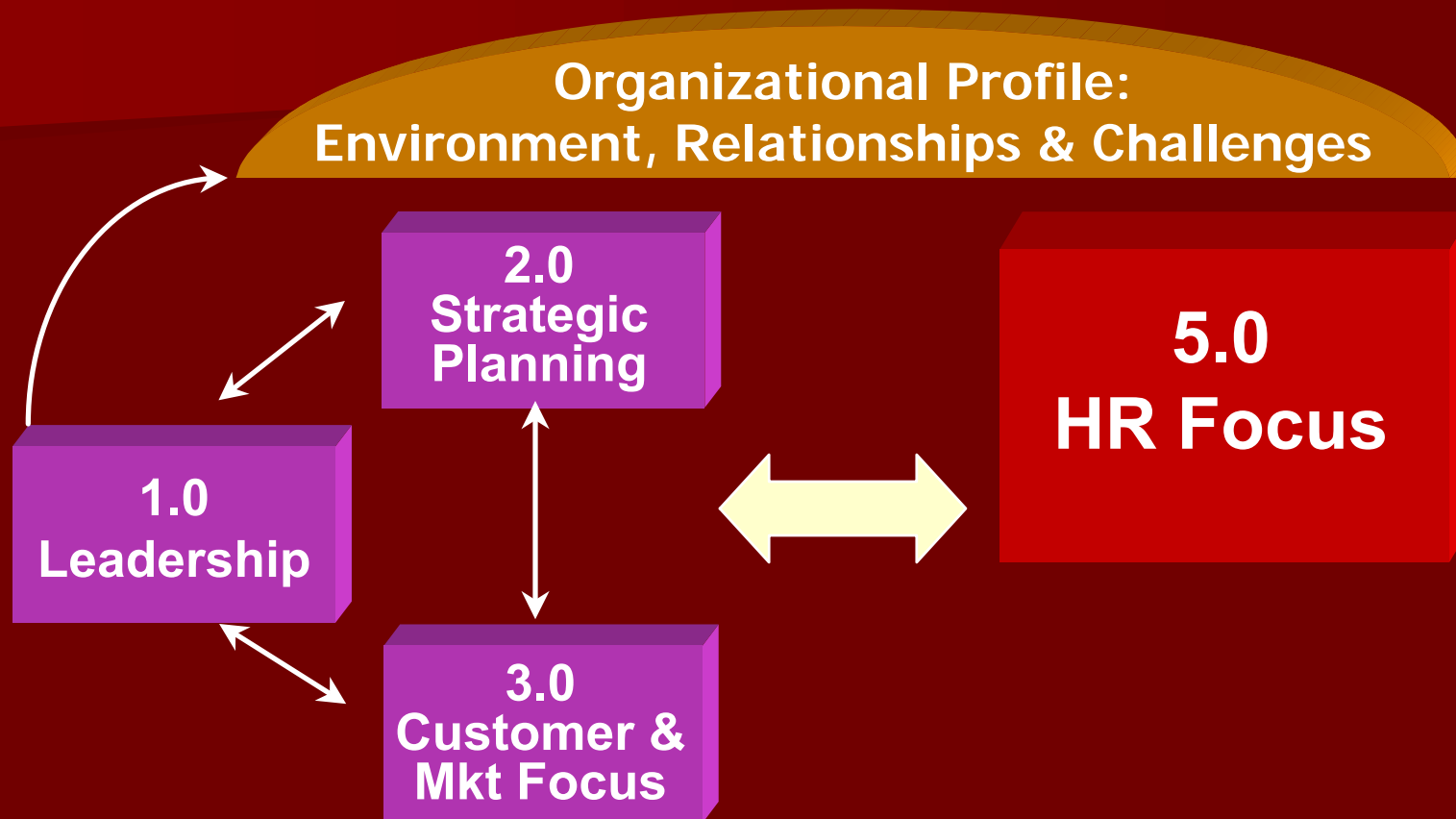
Baldrige Criteria Framework



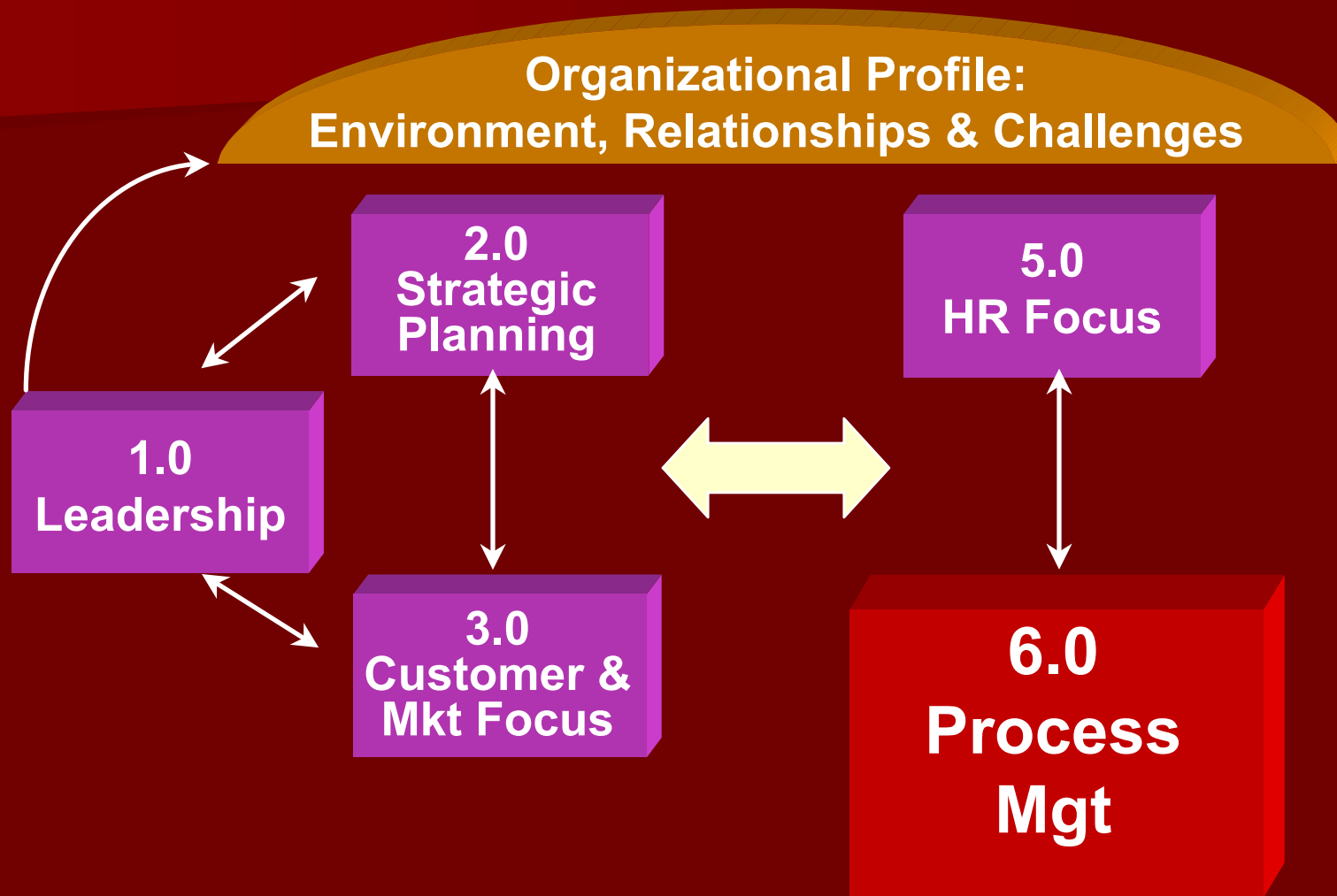
Baldrige Criteria Framework



Baldrige Criteria Framework



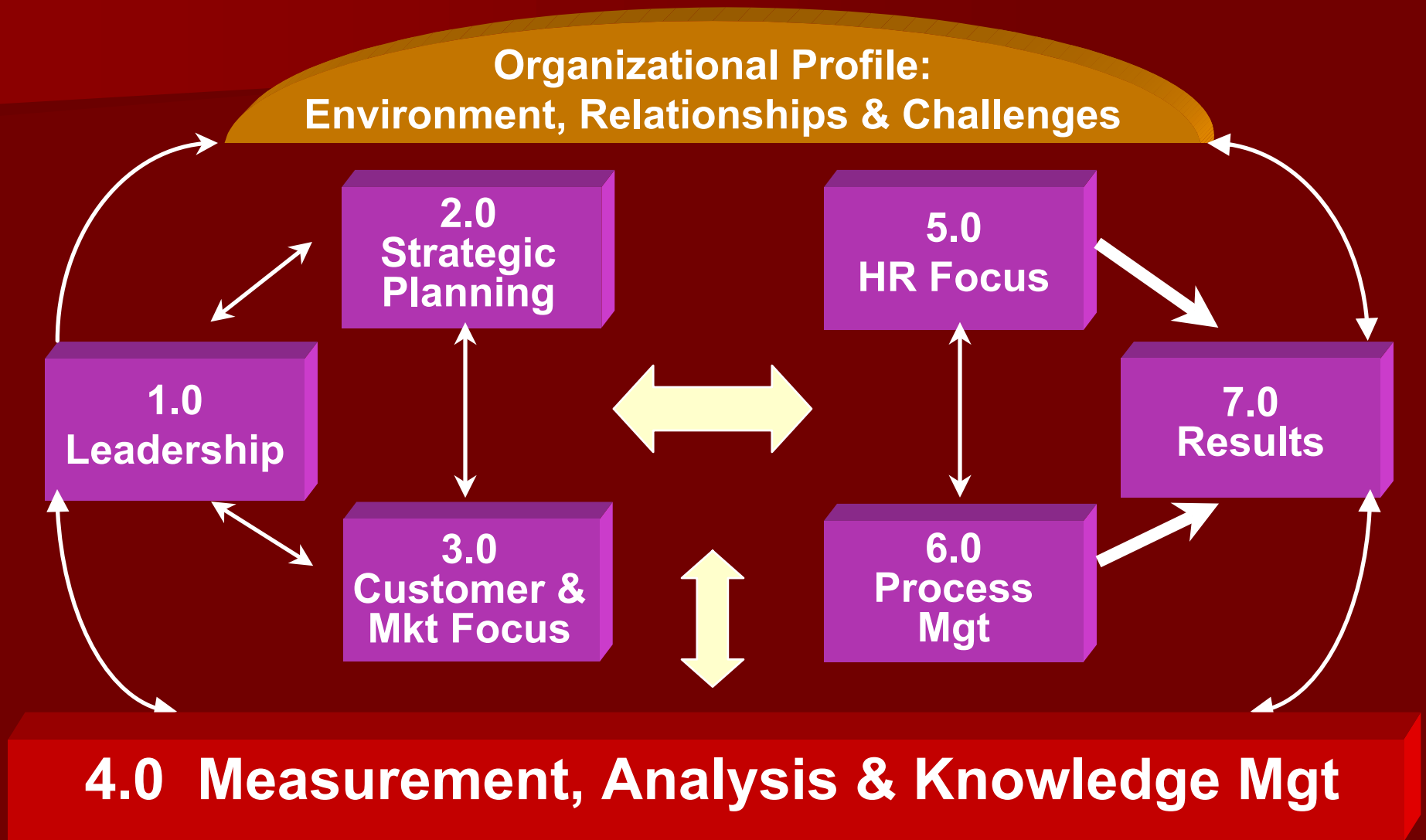
Baldrige Criteria Framework



Baldrige Criteria Framework



Baldrige Criteria Framework

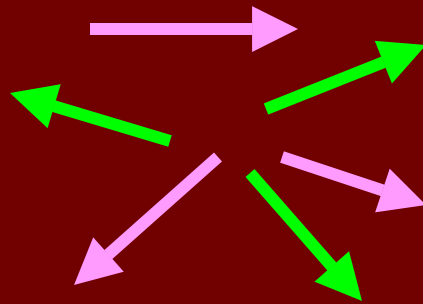


Baldrige Criteria Framework



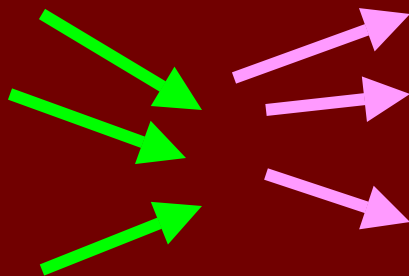
Process Management Maturity

1. Reacting to Problems



Strategic and
Operational Goals

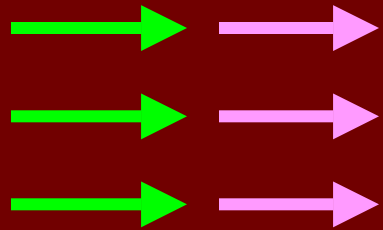
2. Early Systematic Approach



Strategic and
Operational Goals

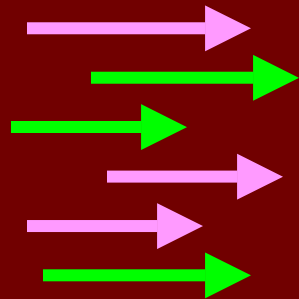
Process Management Maturity

3. Aligned Approach



Strategic and
Operational Goals

4. Integrated Approach



Strategic and
Operational Goals

Business Process Management

- Manage processes to get desired result
 - Consistent processes → predictable results
- BPM is foundation for success
- BPM implementation
 - Identify top-priority, critical processes
 - Validate customer requirements
 - Model the process
 - Develop process measures
 - Monitor the process
 - Manage and improve the process

Identify Critical Processes

- Typically operational in nature
- Can be very complex – multiple layers
- Core to delivering products and services to external customers
 - Problem in critical process directly results in not meeting customer requirements
- Look at what's most critical and what's not performing as expected
- Provides pipeline for projects for CI

Validate Customer Requirements

- Includes external and internal customers
 - Internal customers must understand system view and how they link to external customer
- Not all customer requirements can be met
- Requirements are valid when
 - Need can be satisfied
 - We agree to provide it
- Other stakeholder req. also important
 - e.g., Health Care – patients, physicians, families, insurance companies

Model the Process

- Various methods
 - Flowcharts
 - Value stream maps
 - Computer modeling
- Look at multiple levels of processes
- Identify process owners
- Always look at current state (as-is) first
- Look at activities but also look at
 - People
 - Information, data, systems, documentation
 - Materials, tools, equipment, environment

Develop Process Measures

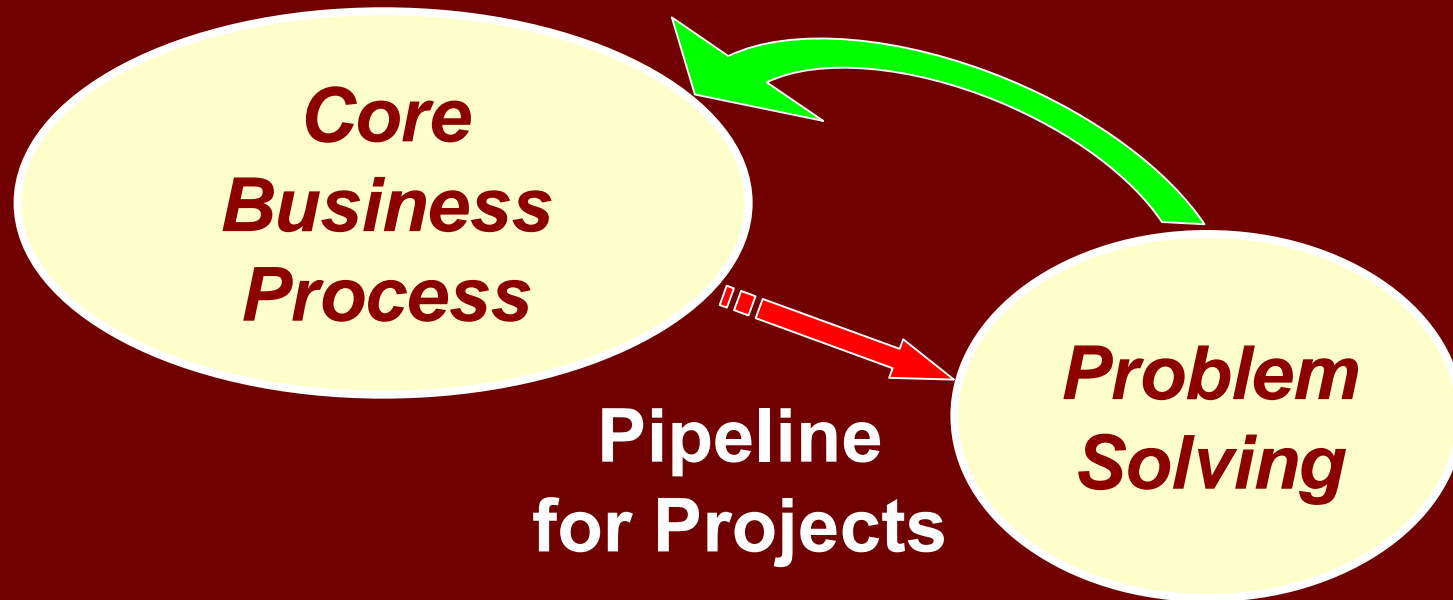
- Result indicators – are we meeting customer requirements
- Process indicators – looks at critical act.
 - “Voice of the Process”
 - Alarms for unwanted outcomes
- Understand relationship between process indicators and results indicators
- Meet target but not stable – **lucky**
- Process stable but target not met
 - Process not capable

Monitor, Manage & Improve Process

- Confirm process model with stakeholders
- Measure the results and process indicators
- Establish targets and thresholds
- Manage and improve process based on analysis of data from the measures.

Continuous Process Improvement

Manage core processes



Ongoing process improvement

Continuous Process Improvement

Approaches

- Six Sigma – DMAIC, DFSS
- Problem Solving Process
 - 6-Step, 7-Step, 8-Step, etc.
- Lean – Value Stream Mapping, 5S, etc.
- ISO 9000 – Corrective & Preventive Action

Use of Statistics

- 7 Basic Tools
- Advanced Statistical Tools

Project Management Skills

- CI efforts are often project based and cross-functional in nature
- Use PM skills for doing Baldrige Criteria, BPM, or Continuous Process Improvement
- Projects must be completed
 - On time
 - Within budget
 - Deliver improvements based on customer requirements

Project Management Skills

- Project Leads are required to
 - Manage multiple activities/projects at once
 - Address change management issues
 - Meet rigorous “tollgate” timelines
- Using PM discipline improves probability of success of Business Excellence projects

Summary

- Business Excellence is a continuous journey
- Keep up with changing customer and market needs or someone else will
- Profitability and success are challenged
 - Even survival can become an issue
- Continually achieve Business Excellence by providing
 - Better, more responsive, innovative, and efficient products and services

Does Your Organization . . .

- Make things happen
- Watch things happen
- Wonder what happened

Look to the Future

“What today is impossible to do in your business, but if it *could* be done would fundamentally change what you do?”

— Joel Barker
The Business
of Paradigms

Look to the Future

“If the world is changing faster than the organization, the end is rapidly approaching.”

— **David Robbins, VP
Wainwright Industries
1994 Baldrige Winner**

Questions?

Questions?

Questions?

Questions?

Questions?