

Cut the Complexity - a 'RAPID™' approach to Improving Business Performance

Introduction

Malcolm Holden and Philip Atkinson have developed a unique solution for use by organisations of all sizes in both the public and private sectors that need to rapidly improve their business performance and competitive position in their chosen market place. This solution is based on best practice, synthesised from leading-edge change management methodologies as practised in many world-class companies and has been designed as a simple but comprehensive process for driving through the cultural and operational changes that organisations are finding necessary in an increasingly competitive environment. Initially, an exploratory meeting is held with the senior management team to determine the extent to which an appropriate culture and all the necessary linkages for running a world-class business are in place. The fast-track approach is enshrined in a 'closed loop' Business Management Process - referred to as 'RAPID™' (Rapid Assessment, Planning and Integrated Deployment). This process covers every aspect of business from the cultural aspects of leadership through to delivery of increased customer satisfaction, employee motivation & satisfaction, market share and financial performance.

Business Models

Application of the concepts articulated by W Edwards Deming are well documented as being the driving force behind the highly successful Japanese challenge to world-class businesses in the UK, Europe and the rest of the world. The US was first to realise what was happening and, through the early pioneering work of Kaplan & Norton and Malcolm Baldrige, the US economy rose to meet the challenge. Europe then saw then need to increase the competitiveness of business and this spawned formation of the European Foundation for Quality Management (EFQM) in 1989. The EFQM launched a Business Excellence Model in 1990-91 as a tool against which companies could assess their overall position relative to 'criteria' that were considered essential for any well run organisation.

A large number of UK companies and local authorities have adopted the Excellence Model for assessing the competitiveness of their business and as a basis for high-level inter-company comparisons. The Excellence Model, which draws on earlier models and best practice, is a useful tool for a comprehensive and systematic health check of a business where this has not been carried before.

In parallel with the Excellence Model, a number of companies are now adopting a Balanced Scorecard approach and are trying to integrate this with the concepts of the Model. In some cases the original Balanced Scorecard of Kaplan & Norton has been modified to fit the 'end results' section of the Excellence Model.

Despite having gone through extensive training in the use and application of business models it is evident that many companies and local authorities are struggling to integrate these models into mainstream business activity and to actually make the models 'fly'. In the opinion of the authors, the reason for this is very simple. Organisations that struggle do not have the right 'top team' culture - linked to a comprehensive 'Business Management Process' that shows how and where a Business Model fits into Strategic / Business Planning and day-to-day operational activities.

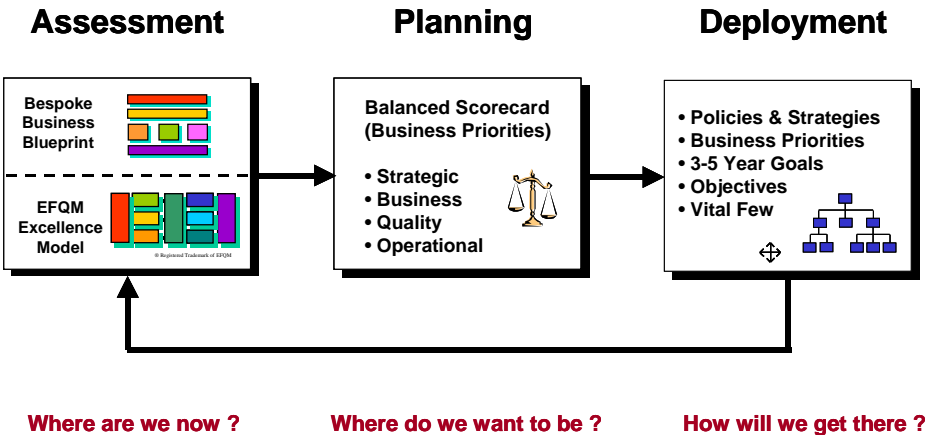
RAPID™ Business Management Process

The RAPID™ Business Management Process (BMP) designed by the authors operates from the top down and, when signed off by the management team of an organisation in either the public or private sector, provides a very simple way for systematically, speedily and relentlessly improving business performance.

So what is RAPID™? The key point to grasp is that the RAPID™ is a **complete Business Management Process**, not a Model. It is designed to be the highest-level process in the business. It describes how the business is run and how next level processes, including assessment against a business model, such as the Excellence Model, fit into the overall process for running the business. Like all processes RAPID™ is dynamic. It has a clearly defined owner, customers, inputs, outputs and performance measures. The business model is just one element, and assessment against the business model is just one activity, within the overall Business Management Process.

In the experience of the authors, unless a comprehensive BMP is in place - with all the necessary linkages - introduction of a business model in isolation will never really capture the hearts and minds of the senior executives of the business. Rather it will be left to experts within a 'quality' or training environment to perpetually fight an uphill battle.

Diagrammatically the overall RAPID™ Business Management Process is portrayed in the box below as a 'closed loop' process:-



Assessment Process

The first element of the RAPID™ is the Assessment Process, which may include the use of a business model (such as the Excellence Model) as one of the tools for determining where a company is positioned relative to its competitors and world-class performance. Within RAPID™, other processes, (such as customer satisfaction / loyalty, employee opinion feedback and market intelligence gathering), provide inputs into the assessment process and are well defined together with all the appropriate linkages and measurement systems.

Planning Process

The second element is the Planning Process. When planning a journey to become a world-class organisation it is advisable to 'start with the end in mind'. This is nothing more than crushing common sense, as it is far easier to plan a route forward if you know exactly where you want to finish up. Over the months and years ahead the desired end-point of the journey may change - but then it is simply a case of adjusting course in a controlled and pre-meditated fashion, rather than resorting to knee-jerk reaction.

What this means for private or public sector organisations alike is that the end point has to be financial success and delivery of 'Best Value'. However these goals are unlikely to be achieved without having employees who are satisfied, highly motivated and operate as a single team. Clearly there must also be a strong focus on customers. In the private sector 'no customers' means 'no business'. In the public sector there may be a strong element of the 'captive customer' - but it is far easier to run a business with satisfied customers than one where significant time is eroded by placating them and delivering goods and services that are less than absolutely fit for purpose and delivered at the right time.

Consequently, 'planning with the end in mind' is an approach, which from day one dynamically balances the needs of the customer, the employee, market share and financial performance.

These needs, which are identified from the Assessment Process, are carried through into the Planning Process. The RAPID™ BMP has been expressly designed so that Strategic Planning - which traditionally concentrates on the 'big picture' is merged with the 'Voice of the Business' feeding up from an internal assessment process. This effectively provides a single version of the truth - just one hymn sheet setting out for what needs to be done to move the business into 'fast forward' mode.

The Planning Process design ensures that 'Quality' and 'Business' Planning are dealt with as a single exercise. This simplifies how quality standards such as ISO, Investors in People and Charter Mark are implemented, seamlessly integrated and managed within the overall context of running and improving the business. Far too often organisations treat ISO as a separate exercise with a stand-alone routine for controlling the processes that are necessary to achieve and maintain ISO accreditation. This breeds bureaucracy

and has led to ISO being discredited and sidelined in a significant number of organisations. The new ISO 9001:2000 standard is a considerable improvement on the earlier version, but still adds complexity to an organisation where the standard is dealt with on a stand-alone basis.

It is within the Planning Process that mission, vision, values, culture and behaviours are reviewed, and long / medium / short term strategies and goals are set for customers, employees, market share and financial performance. These are translated into one-year 'vital few actions' and passed into the Deployment Process.

Deployment Process

The Deployment Process is based on Hoshin goal deployment¹. This element of RAPID™ is the process whereby the vital few 'whats' that need to be achieved at the highest level in the organisation are systematically cascaded down and across the business. This is done through an iterative process of converting 'whats' into 'hows', which is far removed from the old fashioned approach of Management by Objectives. This cascade extends throughout the entire business to ensure that all teams are aligned, pointing in the same direction and are putting in place appropriate improvement activities, which in total will effectively deliver year one of the organisation's Business Plan.

The Deployment Process also contains the methodology for ensuring that all actions are aligned both vertically and horizontally across the business to avoid any conflict of direction or priorities.

Throughout the year there will inevitably be unforeseen events that place a degree of risk on attainment of the deployed actions. RAPID™ contains all the necessary steps and early warning systems to make sure that deviations from plan are promptly identified and appropriate corrective actions are put in place.

The concept of the RAPID™ Business Management Process is extremely simple in that it starts from the top of the organisation and everything else flows from it. Correctly applied, this ensures that there are no loose ends, that cultural and organisational change proceeds at whatever pace the management team consider is appropriate and that inefficiencies are rigorously and systematically driven out of the business.

It also ensures that the business is protected from uncoordinated re-organisations and changes in business practice, which are all too common with a change of management. Any changes that affect the way in which the business is managed are channelled through the RAPID™ BMP to ensure that key process linkages are not broken and left dangling in mid air, and that the impact of any planned change is predicted in advance and measured after the event.

¹ Hoshin goal deployment is an element of Hoshin Kanri – a complete methodology for running a business and translating an organisation's mission and vision into reality.

Management Timetable

Processes within the RAPID™ are built around a timetable of key management events. It is important to have the output from key processes scheduled to provide information at the correct time of year for driving the ensuing year's planning and deployment processes. For example, it is no use measuring customer or employee satisfaction at the end of a financial year. This is the equivalent of trying to steer an organisation using historic financial information. The information relative to customers, employees, market share and financial performance is required in advance of the year end - to enable next year's plans to be formulated, agreed and seamlessly deployed as one year ends and the next one starts.

Business Management Model - (BMM)

As previously explained any public or private sector organisation using or planning to use a Business Model (such as Excellence Model) should ensure that this sits firmly within a Business Management Process. For senior executives who may be a little daunted by the prospects of getting to grips with a complex business model and associated points scoring system, the authors have designed a fast track improvement model - **The Business Management Model**². This model concentrates on culture and leadership linked to people, process management, customers and business improvement tools - with appropriate financial and non-financial 'end-result measures covering customers, employees, market share and financial performance'³.

Unlike other business models, this model is comprehensively equipped with business improvement tools and techniques as used by world-class organisations. These tools and techniques include problem solving, systematic process improvement, benchmarking, project management, change management and statistical & management planning tools. Also included are techniques for the so-called 'softer skills' of (for example) facilitation, improving the efficiency and effectiveness of meetings and improving team / personal performance.

All of these tools have been systematically linked back into the Business Management Model, with measures to determine the extent to which these improvement tools have been systematically deployed into the business together with the actual results that use of these tools is generating.

The BMM has been designed with flexibility in mind and can be used as an easy way into the Excellence Model or can be modified to operate as a bespoke Business Management Model for any organisation.

² A comprehensive yet simple model for improving a business based on the concepts of Deming, Kaplan & Norton's Balanced Scorecard, Malcolm Baldrige, European Excellence, Six Sigma, Lean Thinking and best practice benchmarking. It also incorporates Quality Systems such as ISO and IiP together with the concepts that include Knowledge Management, E'commerce and Economic Value Added.

³ For Local Authority use, 'Market Share' has been replaced by 'Performance and Outcomes'.

A bespoke model provides a very powerful approach. It is not a question of having to grapple with the problem of how best to integrate a generic, third party designed, model into your business. The BMM becomes your business - your own blueprint - describing exactly what you want your business to look like in the future and how you will go about achieving it. How to best 'integrate' a generic model therefore is not a consideration. It is simply a matter of communication and deployment to engage the entire workforce on making your business the business you want it to be.

For organisations that have heavily invested in the Excellence Model, the Business Management Model contains generic improvement processes and tools that can be seamlessly uplifted and applied within the framework of that model. Encapsulating the Excellence Model within a complete Business Management Process transforms the model from being primarily a stand-alone assessment vehicle into an integrated and powerful management tool.

Summary

The approach to fast track business improvement as proposed by the authors is built around 'RAPID™' - a comprehensive **Business Management Process** that is positioned at the leading edge of business management. It is not a static business model. It is a dynamic **Process** - a process that sits at the very top of an organisation and exists whether or not a formal business model is in use.

All businesses have a Business Management Process. This may be a well-defined and structured process which takes a business fast forward or it may be a process which is not defined at all and just operates through the sheer drive, business acumen and 'flying by the seat of the pants' style of the chief executive.

It is your choice.



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He has over 25 years practical business experience gained from working in UK blue chip companies at "Director of" level in Finance, IT and Total Quality Management.

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He also has had hundreds of articles published by journals all focused upon demystifying behavioural and cultural change leading to bottom line results.