

CONTINUOUS IMPROVEMENT

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Not too long ago people used to say if it isn't broke, don't fix it. Now, we live in a fast paced environment where the devil takes the hindmost. There is only loyalty in business relationships when all else is equal. When a new player comes around with a lower price, or higher quality for the same price all the business shifts. This situation is not unique to Trinidad and Tobago and one of the responses to it internationally is the concept of Continuous Improvement

Is Continuous Improvement a fad created by consultants as part of a "make work" exercise, or is it a useful concept that should be adopted as a strategy for any organization expecting to survive in the fast paced environment in which we live? Can it be adopted in our culture where trying is regarded as an end in itself, rather than achieving results?

Companies practicing Continuous Improvement challenge their employees to regularly find new ways of making incremental improvements to processes and product quality. The Japanese have been particularly successful at this, with Toyota being considered a world leader. It has found one of its most visible expressions in the computer industry where the continual introduction of enhanced and new products is now almost taken for granted.

It is hardly likely that our businesses will survive the breakdown of trade barriers unless our entrepreneurs rise to the challenge themselves. Fortunately, Continuous Improvement draws both on common sense and proven ideas that have been in existence for some time, and there is a considerable body of information about it. In an article in Industry Week (www.industryweek.com) dated June 1, 2003, writer Patricia Panchak reported on the ten points that Pella Corp. followed to transform itself from a "factory-focused, top-down, change-averse culture, where change occurs twice a year, to an enterprise-focused, bottom-up, continuous-improvement culture". They are as follows, along with this writer's observations.

1. Top management commitment: The most successful improvement assignments I have seen have always been driven by the CEO. The CEO's involvement ensures that the project enjoys a high level of priority, resources are made available and problems are quickly resolved.
2. Dedicated resources: Improvement projects are almost never completed on time if the person with the responsibility for it has other conflicting responsibilities as well. In such cases the issues with an immediate impact always take precedence over the future impact of an improvement program.
3. No layoff history: Pella committed that productivity improvements would not lead to layoffs, and retrained workers for new assignments.
4. Share the wealth: The financial benefits of improvements should be shared by all employees of a company, not just a favored few.

5. Training: There has to be a continual investment in updating skills based on new developments. Even in mature industries, customer requirements and attitudes may change, requiring training to reorient employees.
6. Communications: Employees will only support the process if they believe that they have been honestly informed about all of the issues that impact on them, and that there are no hidden agendas.
7. Frequent reviews of progress: These are necessary to make sure that the project remains on track and that problems are resolved before they delay achievement of targets.
8. Track performance: Any improvement activity should have specific and measurable impacts that deliver improvements to profitability. The identification of these measurements is of critical importance to the process, as those that are irrelevant or impractical would not provide a true assessment of the situation.
9. Maintain intensity: Targets should be challenging and stretch the capabilities of the team to improve the processes. Targets that are easy for the team will also be easy for competitors, and would not result in having an advantage over them.
10. Get people involved: For a continuous improvement programme to be effective, it has to have the support of all of the employees of the organization, not just the production department, or the customer services department. Administrative and support departments provide critical inputs to front line departments, and any lack of co-operation or enthusiasm on their part would compromise the entire process.

Survival in a liberalized environment will require a thorough understanding of what our customers need, what our competitors can deliver, and a clear idea of what we have to do to get the business. Because all of our competitors will be doing the same thing, the process of improvement cannot be allowed to stop, and must be continuous and focused on keeping ahead. It will not be sufficient to say that we have done our best if we fall short. We cannot rely on the Government or any external agency to save us. Survival to the year 2020 will require hard work that we will each have to do ourselves.