

Creating a Culture of Action

By Rick Pay

Does your company achieve disappointing or limited results? Do process improvement activities such as Lean and Six Sigma produce less than hoped for outcomes? Do your key managers have too many priorities and spend most of their time in endless meetings? If the answer to any of these questions is “yes,” you need to create a culture of action.



You might ask how a culture of action is different from Lean or other popular process and productivity improvement programs. First, a culture of action looks beyond problem solving toward progress and innovation. Many process improvement gurus suggest that problem solving is the foundation of change, however, at its core, problem solving simply gets you back to where you started.

Problem solving by its very nature assumes a harmful deviation from the norm, requiring that activities be undertaken to correct the

deviation and bring you back to the baseline. While that might be important for Lean, it doesn't move your company on the path to innovation and competitiveness. It simply corrects problems, and because people often don't like to admit they have problems, the process loses momentum fairly quickly.

Creating a culture of action is based on a combination of change management, continuous improvement and culture reinforcement. It fosters innovation in processes and management to take your company to the next level.



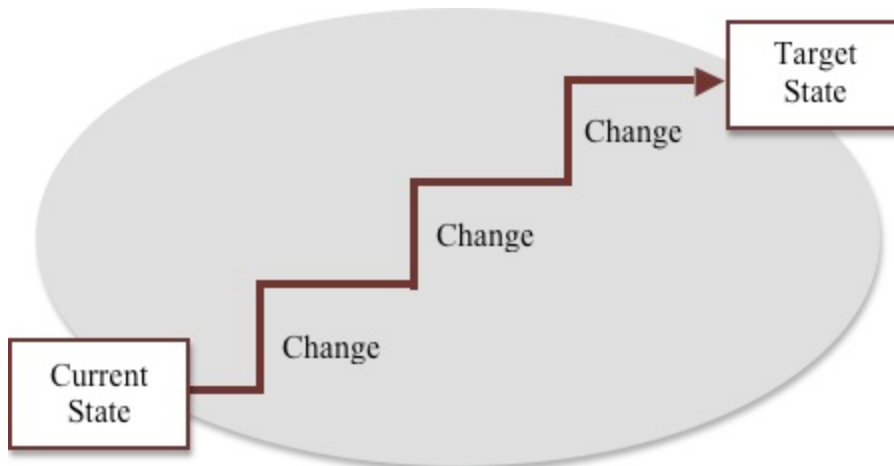
Combining change management with continuous improvement creates a stair step pattern of innovation that leads to a new level of competitiveness. One client, a wholesale distributor, is implementing sweeping culture change throughout its operations. Their target is improved customer service, which could boost sales by as much as 10%, double inventory turns, cut costs by 5% to 10% and significantly

reduce obsolete inventory. Another client, a manufacturing company, is focusing on their Operations and Supply Chain to bring about comprehensive enhancements to customer service and delivery throughout the chain of customers, internally and externally. Both companies are taking a large-scale, proactive approach to change.

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Once a culture of action is established and a vision and leadership are in place, the culture requires ongoing reinforcement to keep everyone in the organization moving in the right direction. Reinforcement requires not only consistent visible action, but also solid process discipline and metrics. A vital action is building culture into the hiring and evaluation process.

What are the keys to implementing a culture of action? First you need a clear vision of where you are going. Vision in this case is a picture of the future that clarifies your direction as an organization and motivates people to action. It is the dream you are trying to achieve.

Second, you need leadership: an overall champion for the process. This leader needs to walk the talk *and* talk the walk. The leader provides inspiration for change, sets boundaries of activity and behavior, and exemplifies operations discipline. The leader also ensures that change is not only implemented, but fully exploited. Only by exploiting the effects of change can you realize true competitive advantage.

The continuous improvement portion of creating a culture of action goes beyond the basic elements of Lean or Six Sigma.

It is a method of management thinking that examines processes and takes them to the next level of performance. It starts by looking at the pacing step, which is the step just before the product or service is delivered to the customer. The process works its way up the chain of customers to identify the real cause of quality issues, delivery problems, or unpredictable outcomes.

The root cause may or may not lie at the visible bottleneck. In a recent case, we found the problem was actually in another department completely outside of the production operation. We would never have found the source of the trouble by focusing only on the bottleneck. Continuous improvement examines the gaps between what is and what should be: the vision, or ultimate goal. Improvements are made one at a time – think baby steps.

As an example, smart companies carefully craft interview questions and structure their hiring process to ensure they hire people that fit with the company's culture. It may be tempting to hire the best and brightest, but if new employees can't get on board with the organization's proactive approach, then in spite of their talent they cannot bring value to the company, and turnover will be high. Training helps reinforce the culture.

By shifting away from problem solving and toward a culture of action by building on the three pillars of change management, continuous improvement and culture reinforcement, your company can achieve new heights of competitiveness, growth and profitability beyond what you ever might have expected.