

Developing Operational Excellence Leaders

INTERNAL EXPERTS GUIDE IMPROVEMENT FOR ENDURING RESULTS

In this Kaufman Global White Paper, learn about:

- POTENTIAL PITFALLS THAT MAY SIGNAL OpEx IMPLEMENTATION WOES
- FUNDAMENTAL COMPONENTS OFTEN MISSING FOR WORLD CLASS OpEx
- HOW WELL PREPARED SPECIALISTS CAN HELP YOU SUSTAIN YOUR OpEx BENEFITS

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ACCELERATING PERFORMANCE

Have you considered launching Operational Excellence (OpEx) efforts where you work? Have you wondered how to make it good for everyone and likely to secure sound results while delivering a solid return on investment? Or, have you already started and you're wondering why implementation isn't happening as deep or fast as expected?

THE RELENTLESS PURSUIT OF OPERATIONAL EXCELLENCE IS
A PERSISTENT DUTY OF ANY LEADING ENTERPRISE.

The road to OpEx isn't without a few challenges. In your efforts, you may have heard rumblings such as:

- Employees feel uninformed and ill-prepared to engage with OpEx intent and direction
- Associates are anxious about how they fit into changing roles and expectations
- The training is ineffective: too much, not enough or not applicable
- People say OpEx is extra work and they might lose flexibility and freedom

Regardless of where you are on the journey, let's reflect upon what successfully implemented OpEx looks like and a critical role that can help manage these concerns – while delivering a substantial return on investment.

OpEx | Components and Roles

What is OpEx? When people refer to "OpEx", they mean: an engaged culture focused on the customer, structured approach and standard methods that are habitually applied to anticipate and avoid issues, solve problems, and measurably improve processes.

Where OpEx delivers sustainable results, it's framed by six fundamental components:

1. **EXECUTIVE STEERING:** A chartered, functioning Executive Steering Committee (ESC) engaged in the improvement process, who resources needed changes, removes progress barriers and recognizes results.
2. **ROADMAP:** A plan, portfolio and schedule that describes the steps to achieve "what good looks like" to improve.
3. **MEASURES:** Key performance indicators are embraced, measurement systems are inculcated and rational metrics are applied. Benefit tracking and reporting is an integrated system.
4. **COMMUNICATIONS:** There is an effective protocol that relays progress, successes, setbacks and best demonstrated practices with an avenue to recognize contributors.
5. **DAILY MANAGEMENT SYSTEM:** Everyone has a way to measure, influence and communicate performance, get attention when needed and plan for future improvements.
6. **TOOLS AND METHODS:** There are effective problem-solving countermeasures about which most are aware, in which many have been trained, and with which a select internal group are experts.

"OpEx"= AN ENGAGED CULTURE, STRUCTURED APPROACH AND STANDARD METHODS THAT ARE HABITUALLY APPLIED TO ANTICIPATE ISSUES, SOLVE PROBLEMS AND IMPROVE PROCESSES TO DELIVER EXCEPTIONAL CUSTOMER VALUE.

OpEx Roles – Inside an OpEx culture:

- **People** are compelled to be *actively involved* in process improvement.
- **Leadership** is *engaged with and accountable for* focus, investment, and oversight to achieve the anticipated improvement outcomes.

Lastly, there's another role vital to sustainability. That role is:

- The **OpEx Leader** who is *responsible* to guide the organization through the improvement process. OpEx Leaders are expert in catalyzing beneficial change. They enable broad and deep organizational capability to improve. They're stewards of the approach that brings OpEx alive.

OpEx Leader | Function and Competence

Activities – The OpEx Leader's function is easy to understand, yet organizations often struggle with getting this role right. These carefully selected and trained internal resources are the organization's guide for beneficial change. At a minimum, their job includes:

- **Management Coordination:** Form and facilitate the Executive Steering Committee (ESC) that prioritizes and resources changes, monitors progress and recognizes results.
- **Performance Assessment:** Factually assess process performance, measure gaps and monitor improvement progress.
- **Project Planning:** Align customer needs, enterprise strategies and imperatives into an improvement plan and portfolio of work that attack waste and variation.
- **Associate Training:** Lead employees through skill workshops that implement needed improvements and prepare workgroups to sustain beneficial changes with an effective daily management system.

Competence – An OpEx Leader's required proficiencies include practical know-how in three principal areas:

1. Facilitation and Coaching
2. Change Management
3. Problem-Solving Tools / Skills

People often expect that the 3rd point, the Tools piece, is "the thing" for OpEx Leaders.

That expectation, while common in many organizations, is wrong. This doesn't mean technical skills are not important. They are and include: standardized problem-solving methods, workplace organization, visual management, error-proofing, process mapping, statistical methods, TPM, Kaizen, RACI charts, etc.

WHEN TRYING TO GAGE INDIVIDUAL FIT WITH THIS ROLE, IF THE TRADEOFF IS PEOPLE SKILLS VS. TOOL AFFINITY, PLACE YOUR THUMB ON THE BALANCE FOR PEOPLE SKILLS.



The right way to think of the OpEx Leader's required skill mix is as a *triad*. The tools piece is important but it is also the part that can be most easily learned because it is technical in nature. The "people part" – connecting with and being able to motivate others – is more personality based. Without that, an investment in deep tools acumen will be wasted.

A technically competent OpEx Leader must first and foremost be able to deal with people. That means effective outreach at all levels. We've consistently concluded that **facilitation and coaching** talents are the leading skills with which successful OpEx Leaders engage to motivate others in a new

vision and a better way. Next, **change management** expertise is of nearly equal importance because the OpEx Leader must enroll people in inclusive plans and measurable actions to drive meaningful results. **Problem-solving skills** then round out the competence triad, ensuring that a standard suite of improvement tools and methods can be consistently applied to eliminate waste.

OpEx Leaders | Where to Begin?

Make Your Case – OpEx Leaders enable the organization’s initiatives for rapid and sustainable improvement. They return significant value that’s many multiples of their cost. Yet, often, there is resistance in some form or another to establishing this role. Do some investigation – find out how others have navigated the “justification” threshold. Or, run a pilot that employs the protocols already mentioned here and get some fast, valid and obvious points on the board. Compile your evidence about the value aspects for this role and make your case.

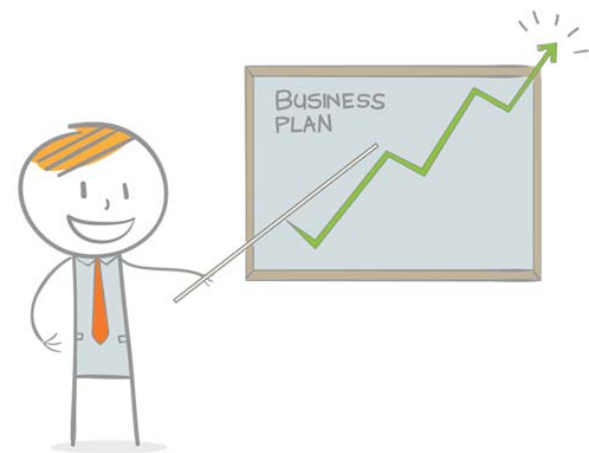
COMMON MISSTEPS TO AVOID... POOR ROLE DEFINITION, WEAK CANDIDATE SELECTION, INADEQUATE TRAINING.

Pick a Name – Titles for these individuals vary as frequently as the organizations in which they work. For convenience, we refer to them as **OpEx Leaders**. Elsewhere, they might be called Lean Leaders or Black Belts. It depends on what’s most fitting for the organization’s mission as well as the predominant suite of improvement tools with which the enterprise aligns and identifies. Pick a name and stick with it.

Integrate the Role – In parallel, collaborate with HR to classify the OpEx Leader’s

position and level within the reporting hierarchy. Integrate the OpEx Leader role into hiring and development programs underway. Figure out how to code and compensate the position. Provide OpEx Leaders direct reporting access to enterprise management, but position their daily tasks close to where the work is performed and where customer value is best understood. This will help ensure a high degree of relevancy between what’s being improved and how meaningful it is to the organization.

OpEx Leaders enable the organization to improve and keep improvements on track. They return significant value... many multiples of their cost.



Identify OpEx Leader Candidates – Begin by selecting credible and passionate talent for the job. While there are detailed OpEx Leader job descriptions, understand that the strongest candidates possess some general characteristics that help predict success.

For example, OpEx Leader candidates are customarily those who have already come under top leadership’s gaze, seen as high-potential team players. In that, they should be individuals who like working with others – and similarly, can inspire others. Ideally,

they already have developed a keen appreciation for the importance of:

- Leadership engagement and employee involvement
- Structured change management skills for predictable outcomes
- Finesse in delicate situations when trying to negotiate necessary compromise
- Applied analytics and improvement tool know-how
- Awareness of how the products and services come together for customers

Often, the best source for OpEx Leaders is from inside the organization. While the diversity that results from outside picks and their experiences can enrich the approach to OpEx, employees often view this as OpEx being done *to them* rather than *with them*. And, when organizations bring in too many ad hoc advisors to fill the OpEx roles, the desired work culture and the core improvement methods can significantly diverge from the original intent of your approach. Confusion results. Desired outcomes are slower won, harder to sustain and of diminished magnitude.

Next Step | Developing OpEx Leaders

Immersion – We’ve found that the best way to develop OpEx Leader candidates is to immerse them in an intensive, yet practical group training program that builds and sharpens skills in areas such as:

- Engagement and Involvement
- Sustained Implementation
- Structured Problem-solving
- Business Process Analytics
- Workshop Facilitation, and...

- Daily Workgroup Protocols

Tactically, such an approach is characterized by a mix of structured classroom learning and hands-on application. Participants are trained at a host location on appropriate toolbox fundamentals such as **Value Stream Mapping**, leading **Rapid Improvement Events** and **Error-proofing** processes. Critical “soft skills” are emphasized. These are necessary to **coach** and **mentor** the organization in sustaining a system for daily improvement that drives engagement. Then, it’s on to the front line! The OpEx Leaders get the opportunity to work as a team to complete real improvements at the host site while receiving shoulder-to-shoulder coaching and mentoring as they practice their new skills.

HAVING AN INTERNAL NETWORK OF SKILLED CHANGE AGENTS IS PART OF A STANDARD APPROACH TO ENGAGING THE ORGANIZATION AND IMPROVING OPERATIONS.



After the initial “boot camp” of classroom training and host site work, OpEx leaders return to their home sites. This part of the program allows each OpEx Leader to begin implementation of their own site-specific improvement roadmap. They receive one-on-one coaching from their trainers who rotate through each location, spending a few weeks with each OpEx Leader. This segment is crucial to close capability gaps and assure that OpEx is **up and running in the home**

organization and achieving expected results and returns, despite predictable urgencies and deviations that arise with daily work.

Benefits – Completing real improvements in authentic learning laboratories is vital. First, it's relevant that such training is performed at host facilities inside the OpEx Leader's organization. People are familiar with these locations and the sites have tangible challenges that will benefit from the help.

GETTING POINTS ON THE BOARD PROVIDES THE BEST PROOF-OF-CLAIM TO CONVINCE EVERYONE TO STAY THE COURSE WITH THE OPEX JOURNEY.



Second, *training for training's sake* is dead. This cannot be “vanity training”. A robust program should produce OpEx Leaders who can demonstrate new skills and secure near-term results. Getting points on the board quickly provides the best proof-of-claim to convince people to stay the course on OpEx.

Third, when training is done in a group format, participants get to know each other quite well. This forms a cohesive network that helps with disseminating best demonstrated practices and successes in a standard way throughout the organization.

Lastly, it's a process that can be internalized and repeated again and again. In that, top OpEx Leaders are ultimately expected to lead the ongoing development for future OpEx Leaders.

Conclusion

There's a lot more to know about this rich topic of optimizing OpEx with the right talent in place – the OpEx Leader.

For Kaufman Global, OpEx is not only a core competency, it's our passion. ***If you want to learn more about our specific approach to developing internal capability, let's talk.*** We'd be happy to share how we've successfully customized programs like the one outlined in this paper for leading brands around the world.

About Kaufman Global

Kaufman Global is a proven implementation partner that focuses on accelerating performance. For over 20 years we have worked with clients around the world to drive enterprise-wide change initiatives and cultural transformations. Leveraging Lean, Six Sigma and proprietary change management techniques, Kaufman Global delivers structured implementation and transformation projects that enable sustainable operational and financial results.

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