MAKING THE IMPROVEMENT OF VALUE A BUSINESS STRATEGY pdf

1: Using Six Sigma DMAIC for Creating Business Strategy

making the improvement of value a business strategy I n Parts One and Two of this book, we dealt with making improvements at the project level. The vehicle for improvement was often a temporary team that came together to work on the project.

It is a concept that aims to, as it is the most effective way to improve business, improve processes. The central idea is to maximize the value added to the customer, at the same time minimizing waste. Lean business process improvement is basically to create more value with fewer resources and costs. A Lean organization is one that understands the importance of customer value, and that focus its critical processes on increasing it. Lean Business Process Improvement describes the processes as a whole and optimizes them at all. In doing that, it reduces the time between activities, events, and cycles. It is a simple equation. There are 8 types of wastage Lean tries to get rid of: It is very dangerous because it can lead to other kinds of wastages. If you cannot complete a process or a step because you are waiting for suppliers or someone to finish something, there is little you can do. Although, this is a waste of time and money. It is important to coordinate steps and balance production scheduling. It is a waste of talent not to utilize the ideas generated by those who use the processes themselves. The ones who work with the process on a daily basis are those that know how to improve it. Listening to them will result in great results and increase morale. For example, a storage frozen room far away from the restaurant will be an inefficient solution, since it will take time, gas, people, money to transport it every time. Storage takes up valuable floor space and requires the use transportation to move the product. Imagine a cook that is making dinner for 30 people. He will need pans, utensils, and cutlery. If everything is close and organized, the dinner will be out way faster. For example, in a coffee shop, the attendants can put lids on the coffees, and the clients immediately remove them to add sugar or drink better. What if you do not put lids in the first place? It is not, although, the same concept. They are complementary methodologies, and Lean has focused on decreasing the time between activities. The whole point is to optimize and make the cycle smaller and faster, thus making more of the time available. Produce more in the same amount of time causes noticeable costs reduction. Six Sigma is all about quality control. Therefore, Lean Six Sigma is the ideal for companies looking to grow. They can create processes that need less human effort, less space, less capital, and less time to make products and services at far fewer costs and with much fewer defects, compared with traditional business systems. They can also maintain low prices by reducing costs. Now that you know about Lean Business Process Improvement read about how to cut costs with BPM , and combine the methodologies in the best way for your company!

2: Making the Business Case for a Process Improvement Culture

Whether you are just starting out as a new business owner or you have successfully been running one for quite some time, there are always new strategies that can help maximize your success rate in.

Digital Workplace Find new examples of successful business process improvements to sell your team on the idea â€” old ones like improving customer experience are too vague Long term success â€" and in some cases, survival â€" of many organizations relies on ongoing business process improvement efforts. When managed well, process improvements can fuel efficiency, engagement, profitability, innovation and growth. But how do you gain the executive buy in needed to kick-start such efforts and ensure those initiatives are maintained over time? It takes a structured approach to bring process improvement efforts to life and to keep stakeholders involved and motivated. Demonstrating how process improvements can help the company achieve its business goals will attract the interest and support of senior leadership. And, of course, listen to your customers â€" what issues are impacting them and what specific complaints do they have about your company? Only with organizational wide buy-in will you motivate people to participate and make the process improvement initiatives work. Seek out process champions in each department or team â€" the creative doers who are most likely to challenge the status quo and identify better ways of doing things. Their buy-in will help communicate the improvements for staff and customers process improvements can bring. Use short, sharp messages that give examples of exactly how process improvement will make things better. Look for new examples â€" things like reducing costs or improving customer experience are overused and too vague to grab attention â€" and always be honest and realistic. Establish a few quick wins as quickly as possible so people can see the benefits. Look for processes with high levels of inefficiency, negatively impacting customer experience or in high-risk areas. And recognize that the executive team will need to see more than the promise of happier customers for them to buy-in. They will want to see tangible, quantifiable benefits. Finally, remember this is an ongoing process. Continued buy-in at the executive level demands continued delivery and demonstrations of value. Implement regular reviews to track and report on your progress, identify new areas of opportunity, and maintain momentum. Both are critical to maintaining process improvement momentum. Getting Started Is the Hard Part By making business process improvement an integrated part of your day-to-day operational processes and reviews, you set your business up for long term success. It transforms process improvements from being viewed as an extra, administrative thing to do to a normal part of your project methodology and PMO. The good news is that the hardest part is getting started.

3: Strategic management - Wikipedia

A version of this article appeared in the Autumn issue of strategy+business.. Most companies have leaders with the strong operational skills needed to maintain the status quo.

Save Program This program provides practical tools and methods for sustainable improvement efforts of any scale, in any industry, and in any function. It is built on a foundation of principles and methods called Dynamic Work Design and can be adapted to any type of work in any type of organization. Proceeding from principles, not practices, is a key to sustainable change, allowing integration with current culture, processes, and practices, while delivering fast results with little overhead of training or major initiatives. Improvement begins to happen in rapid and natural ways; results begin showing up almost immediately. This process improvement training program is inspired by the collaboration between instructors Don Kieffer and Nelson Repenning who integrated industry practice and academic investigation over a year period to develop Dynamic Work Design. Students will learn to identify the value-added elements of their own work and of their organization and more importantly, identify opportunities for improving and how to get started based on a framework of principles and methods. The subtitle of this program has changed. The program was previously named "Implementing Improvement Strategies: Practical Tools and Methods. This program will enable participants to: Here are some indicators that this program will be of value: She directs a team of more than scientists, engineers and laboratory technicians who develop and run DNA sequencing production processes. She oversees daily operations of the Labs, IT, and Engineering as well as new project and new process execution that keep this organization at the front edge of an industry where changing technology and speed are critical. She is also Six Sigma, Black Belt certified and works across many boundaries between the science, technology, process development and operations applying her expertise in Visual Management systems and Dynamic Work Design. Kieffer started working in factories at the age of 17 as piece-worker on a metal lathe. He later spent 15 years at Harley-Davidson where he led the Twin Cam 88 engine project and became vice president of manufacturing excellence, responsible for both engine manufacturing and improvement across the company. He was also senior vice president of operations for a multinational corporation, responsible for 5, people globally in manufacturing, engineering, supply chain, quality, and logistics. He works globally with a focus on knowledge, creative, and executive work. He founded his consulting company, ShiftGear Work Design www. He has worked extensively with organizations trying to develop new capabilities in both manufacturing and new product development. He has also studied the failure to use the safety practices that often lead to industrial accidents and has helped investigate several major incidents. This line of research has been recognized with several awards, including best paper recognition from both the California Management Review and the Journal of Product Innovation Management. Building on his earlier work, today Nelson focuses on developing the theory and practice of Dynamic Work Design--a new approach to designing work that is both effective and engagingâ€”and Dynamic Management Systems, a method for insuring that day-to-day work is tightly linked to the strategic objectives of the firm. In he received the Jamieson Prize for Excellence in Teaching. Sample Scheduleâ€"Subject to Change.

4: Business Strategy

At the business-unit level, strategy development generally entails identifying alternative strategies, valuing them, and choosing the one with the highest value. The chosen strategy should spell out how the business unit will achieve a competitive advantage that will permit it to create value.

It has been used to improve performances in companies in virtually every industry and in every department within athos companies. Developing a strategy is critical for establishing business direction. A great deal of work goes into developing strategy and it is regularly reviewed by the company executives. The DMAIC roadmap can help executives establish a disciplined process for creating and executing these strategies. The Define Phase The Define stage sets the blueprint for the strategy. Executives define the current status of the company and how it is presently operating as well as the current market or economic situation. Externally, the voice of the customer needs to be confirmed. Political, economic, social and technical trends sometimes referred to as PEST analysis are recognized and the strength and weaknesses of the competition are established. Internally, the voice of the business also is verified by creating or reviewing company vision, mission and values. Kano Analysis Tool In a business improvement project, goals and target key performance indicators KPIs would normally be set in the define stage as part of a project charter. There is no difference when setting corporate strategy. Leadership can establish or reconfirm stretch targets for the company to move forward. As in business improvement projects, the Measure phase confirms the current baseline operation. During this stage, data is gathered to show how the company is tracking. Financial performance and growth internally, of customers and of competitors, are reviewed using stock market data, balance sheets, cash flow statements and return on investment. Indicators including inflation, price elasticity, currency exchange, market growth and changing market share need to be charted. Supply and Demand Performances in other strategic areas also need to be measured. Benchmarking studies may provide useful data in this stage. Internal and competitive benchmarking helps determine how a company is performing both with business units and with competitors. The Analyze Phase Careful analysis of the business and the market will help leadership determine the best strategy for the company. Opportunities, threats, strengths and weaknesses, which are validated with data from the measure stage, are analyzed in detail. The data is used to help root cause investigation of gaps in performance, competitor strategy, product cycle stage and positioning and market growth. The voice of the customer, voice of the business and voice of the economy all need to play a part. If the company is looking at international strategy, the voice of the culture including social and political issues also must be considered. There are countless financial calculations that can be analyzed as well. Boston Consulting Group Matrix Here is where experience and good judgment are essential â€" in interpreting the results. Executives need to sift through the scores of information and synthesis the results to identify where the company needs to improve. The Improve Phase Strategy needs to be continuously improved as customer, economic and technical factors change. Using the information from the Define, Measure and Analyze phases, it should be clear what areas of the business need to improve. Executives, using their experience and knowledge of the company, the competition and of the industry, brainstorm ideas to drive the company forward. These new strategies are consolidated and prioritized, actions are agreed on and a Champion is appointed to drive the initiatives. It is important for executives to assess the risks involved with any new initiative. Using tools such as a risk matrix Figure 4 , financial sensitivity analysis and revenue forecasting, the leadership team needs to fully understand the impact to the organization. A marketing exercise or design of experiments may be needed before implementing a new strategy. Trialing new products, customer focus surveys, or developing prototypes will help executives conduct low risk experimentation. Risk Matrix The improvement stage is where the details and execution tactics of a strategy needs to be put in place. Using the corporate vision, stretch targets and goals discussed from the Define phase, leadership sets realistic milestones to achieve the strategic goals. High-level KPIs are set. Business unit leaders would then use these KPIs to develop their own performance measures. Measures eventually cascade down to shop floor performance efficiency targets. Using these targets, Black Belts, Green Belts and other business improvement professionals can find Six Sigma projects which help their business unit achieve its goals. The Control Phase It is important to closely monitor and manage company performance against strategy. This is to ensure the company follows the path that leadership wants to take. The adage from Dr. Key financial and market performances, production, or sales are closely tracked against target. Tools such as a balanced score card or business dashboards are ideal to summarize how strategy execution and tactics are being controlled. Executives also should consider contingency or response plans in the Control phase. Finally, the executive team needs to decide on how often they will meet as a team to review and reassess the business strategy. DMAIC is a controlled, disciplined, step-wise model that can be used for both business improvement and for creating a well thought-out business strategy. The DMAIC roadmap provides a framework to incorporate many of the strategy and decision-making tools and models into a structured process and can help any company on the road to success.

MAKING THE IMPROVEMENT OF VALUE A BUSINESS STRATEGY pdf

5: How to Measure and Improve the Business Value of IT Service

Linking Strategy to Value Juldocx Page 6 of 11 Mapping Strategic Initiatives to Value and billing Given a vision and a set of strategic objectives, the strategic initiatives that a company decides to focus on may or may.

For more than 50 years, Auerbach Publications has been printing cutting-edge books on all topics IT. Read archived articles or become a new subscriber to IT Today, a free newsletter. This free newsetter offers strategies and insight to managers and hackers alike. Become a new subscriber today. Partners Interested in submitting an article? Want to comment about an article? How to Measure and Improve the Business Value of IT Service Phil Weinzimer Improving the value of services is all about understanding what the business is trying to accomplish and express it in business terms everyone can understand. It is difficult for business executives to align these cost items to the services they receive and business processes they perform, let alone the value they generate. Most executives recognize that IT is a necessary cost of business and just accept the charges without much fanfare. This can really help you transform the way the business views IT. Communicating the value of IT services to business unit vice presidents is a key component for building a trust-based relationship with your business peers. Unless you can accomplish this, your IT organization will forever be viewed as the cost center where technical stuff happens versus a strategic partner where IT personnel partner in business teams to create significant and measurable business outcomes. If your IT organization enables business value and you cannot communicate in a way that business personnel understand the value, your IT organization will be misperceived as a cost center. The challenge is to communicate value in business terms. The objective of this article is to define a process you can use to communicate and improve the business value of the IT organization. Many business units managers view IT organizations as cost centers and not the value generators, which they really are. This is the challenge for every CIO. The business defines the business processes; IT enables the processes leveraging information technology. The answer is simple. The objective is to change the perception of IT from a technology provider to that of a services-oriented organization that helps the business create sustainable value. The pathway to accomplish this is to clearly map the IT services, associated costs, and value derived by the business units in performing their activities, across the enterprise value chain. The first step is to educate the business community about how IT supports the business. How does a CIO handle this challenge? During a quarterly update meeting with business unit executives, Tom Grooms, the CIO of Valspar, reviewed the quarterly IT activities and the goals and objectives for the remainder of the fiscal year. One of the first slides was on IT challenges. There was only one bulleted sentence. It read as follows: Communicating the intent to help the business understand the value of the IT organization is a good beginning. Actually demonstrating how IT services provide value is an entirely different challenge. Valspar, the global coatings company with 10, employees in 25 countries, hired Tom Grooms as the new CIO in January Grooms had a challenge. The business viewed IT services as a free service. IT costs were included in the coprorate cost pool that was allocated to the business. The business never thought about IT as a cost, but just a department ready to serve the needs of the business. IT received numerous requests, always exceeding the supply of resources to perform the work. The culture in the IT organization was to figure out a way to get it done. IT personnel would never say no. It was the rule for IT. Of course, other work had to shift, and the daily routine in IT was trying to figure out what to work on first, what to move into the future, and how to satisfy the increasing demands from the business. Grooms changed all that. With a strong experience-based philosophy on collaborating with the business and providing value-based solutions, he embarked on a program to change the mindset of how the business viewed the IT organization. He realized that he needed to figure out a way for the business personnel to view IT as an enabler of business value and that the services IT provided to the business have to provide measurable value at a designated cost. In other words, just like any other business investment, IT expenditures require a business case. His objective was to help the business understand how the IT supports and enables the business processes that drive value to Valspar customers. In order to do that, Grooms, and his IT teams, continuously worked with the business to understand the business value of the requests for IT services. This meant developing a business case for each

IT request. In addition, Grooms needed to make sure that business requests benefited the company as a whole and not just a single business unit. For example, a division manager requested an enhancement to a service used to support a process used by his plant in Chicago. The sister plant on the West Coast was fine with the current process. In the past, IT would approve the request from the Chicago plant. Grooms conducted some research and found that the enhancement would only benefit the Chicago plant, and not any of the other sister plants manufacturing the same products. So Grooms said no to the Chicago general manager, explaining that there was no overall Valspar value to the enhancement. Slowly, the business began to understand that IT services link to the supported business process. Grooms started asking a set of questions when the business requested enhancements or new services: How will this help Valspar? Slowly, the business started to think differently about IT. Each of the four phases are explained in more detail following the graphic depicted in Figure 2. To help your business leaders understand the value of the IT services delivered to their business units, you need to map the IT services to the business processes their organization utilizes to perform their work activities. Following is a process you can apply and modify as appropriate. The process is simple: Revisit the working documents you used during the process of developing IT services where you met with the business unit executives and their team. Schedule a follow-up meeting with each business unit team to review and identify the work activities, by major process, performed by the business unit. Review the list of business services provided to the business units and map the services to the business process. You can accomplish this in a working session with a whiteboard and flip charts. Document the working session results and send it to the business unit team to validate. Review for duplications and errors and modify accordingly. Meet with business leaders, and their teams, to review the consolidated mapping and modify as necessary. How effective a process and a service perform is no exception. You cannot objectively evaluate the performance of a process or a service if you do not have any measurements goals. The measurements can be based upon the effectiveness business value derived or efficiency How quickly the service is delivered. However, each provides a different dimension of performance. The performance of a business process is all about achieving a defined outcome. The performance of an IT service is how efficiently the service performs. Key performance indicators KPIs are quantifiable measurements you can use to measure the performance of a business process. Service metrics measure the performance of the technology that supports the process. Let us look at a customer order process as an example see Figure 4. Customer satisfaction, ease of use, and flexibility of entering orders are examples of business process outcomes. Number of incidents, downtime, problems, wait times, and mean time to repair are measures of how well the technology supports the process. Metrics can measure time, quality, quantity, cost, and customer satisfaction. Following are a few simple guidelines to follow when choosing metrics: Choose metrics that make business sense. Develop metrics that follow the SMART principles specific, measurable, actionable, relevant, and timely. That is, do not expend more effort to collect the metric than the value it provides. The report shows, by month, the planned versus actual costs, consumption, unit cost, and variance. This is a summary report. Supplemental reports provide more detailed information about the business units usage history. These types of reports provide a basis for a business dialogue between IT and the business units as to the usage and value derived from the data center. You need to measure the planned versus actual costs since IT costs are part of an overall budget. There are many sources available to help identify the right metrics your organization should use. ITIL is a good place to begin. The process to accomplish this is simple see Figure 6: Form a team comprised of IT and business unit personnel to develop an assessment instrument you can use to capture the objective data, as well as the subjective data from service stakeholders for each IT process as well as the IT services group that supports the process. For each process you want to measure, develop a set of three to five questions that assess the effectiveness of the process. The scoring would be 1â€”5. Similarly, you would develop a set of three to five questions to measure the efficiency of the process on a scale of 1â€”5. A score of 5 would indicate that the process is very efficient and a score of 1 would indicate that the process is very inefficient. It will be interesting to see the disparity between how IT personnel rate the process and how business unit personnel rate the process. Use weighted algorithms to develop a score for each process questions as well as IT service questions. Plot the scores on the maturity grid.

6: Assessment and Strategy

SK BUSINESS EXECUTIVES to deï¬•ne "strategy", and you are likely to get differ-ent answers. Some will em-phasise market-positioning choices, stating that "Our strategy is to.

Strategic planning is analytical in nature and refers to formalized procedures to produce the data and analyses used as inputs for strategic thinking, which synthesizes the data resulting in the strategy. Strategic planning may also refer to control mechanisms used to implement the strategy once it is determined. In other words, strategic planning happens around the strategic thinking or strategy making activity. While described sequentially below, in practice the two processes are iterative and each provides input for the other. Formulation ends with a series of goals or objectives and measures for the organization to pursue. Environmental analysis includes the: Where are the customers and how do they buy? What is considered "value" to the customer? Which businesses, products and services should be included or excluded from the portfolio of offerings? What is the geographic scope of the business? What differentiates the company from its competitors in the eyes of customers and other stakeholders? Which skills and capabilities should be developed within the firm? What are the important opportunities and risks for the organization? How can the firm grow, through both its base business and new business? How can the firm generate more value for investors? Bruce Henderson [17] In , Henry Mintzberg described the many different definitions and perspectives on strategy reflected in both academic research and in practice. Because of this, he could not point to one process that could be called strategic planning. Instead Mintzberg concludes that there are five types of strategies: Strategy as plan â€” a directed course of action to achieve an intended set of goals; similar to the strategic planning concept; Strategy as pattern â€" a consistent pattern of past behavior, with a strategy realized over time rather than planned or intended. Where the realized pattern was different from the intent, he referred to the strategy as emergent; Strategy as position â€" locating brands, products, or companies within the market, based on the conceptual framework of consumers or other stakeholders; a strategy determined primarily by factors outside the firm; Strategy as ploy â€" a specific maneuver intended to outwit a competitor; and Strategy as perspective â€" executing strategy based on a "theory of the business" or natural extension of the mindset or ideological perspective of the organization. The first group is normative. It consists of the schools of informal design and conception, the formal planning, and analytical positioning. The second group, consisting of six schools, is more concerned with how strategic management is actually done, rather than prescribing optimal plans or positions. Prior to , the term "strategy" was primarily used regarding war and politics, not business. He addressed fundamental strategic questions in a book The Practice of Management writing: He recommended eight areas where objectives should be set, such as market standing, innovation, productivity, physical and financial resources, worker performance and attitude, profitability, manager performance and development, and public responsibility. Andrews in into what we now call SWOT analysis , in which the strengths and weaknesses of the firm are assessed in light of the opportunities and threats in the business environment. Interactions between functions were typically handled by managers who relayed information back and forth between departments. Chandler stressed the importance of taking a long term perspective when looking to the future. In his ground breaking work Strategy and Structure, Chandler showed that a long-term coordinated strategy was necessary to give a company structure, direction and focus. He says it concisely, " structure follows strategy. He developed a grid that compared strategies for market penetration, product development, market development and horizontal and vertical integration and diversification. He felt that management could use the grid to systematically prepare for the future. In his classic Corporate Strategy, he developed gap analysis to clarify the gap between the current reality and the goals and to develop what he called "gap reducing actions". This supported the argument for achieving higher market share and economies of scale. The idea of strategy targeting particular industries and customers i. The prevailing concept in strategy up to the s was to create a product of high technical quality. If you created a product that worked well and was durable, it was assumed you would have no difficulty profiting. This was called the production orientation. Henry Ford famously said of the Model T car: The fallacy of the production orientation was also referred to as marketing myopia in an article of the same name by Levitt. This marketing concept, in the decades since its introduction, has been reformulated and repackaged under names including market orientation, customer orientation, customer intimacy, customer focus, customer-driven and market focus. Jim Collins wrote in that the strategic frame of reference is expanded by focusing on why a company exists rather than what it makes. What are we passionate about? What can we be best in the world at? What drives our economic engine? Change creates novel combinations of circumstances requiring unstructured non-repetitive responses; Affects the entire organization by providing direction; Involves both strategy formulation processes and also implementation of the content of the strategy; May be planned intended and unplanned emergent ; Is done at several levels: Chaffee further wrote that research up to that point covered three models of strategy, which were not mutually exclusive: A planned determination of goals, initiatives, and allocation of resources, along the lines of the Chandler definition above. This is most consistent with strategic planning approaches and may have a long planning horizon. The strategist "deals with" the environment but it is not the central concern. The need for continuous adaption reduces or eliminates the planning window. There is more focus on means resource mobilization to address the environment rather than ends goals. Strategy is less centralized than in the linear model. A more recent and less developed model than the linear and adaptive models, interpretive strategy is concerned with "orienting metaphors constructed for the purpose of conceptualizing and guiding individual attitudes or organizational participants. It places emphasis on symbols and language to influence the minds of customers, rather than the physical product of the organization. These reflect an increased focus on cost, competition and customers. These "3 Cs" were illuminated by much more robust empirical analysis at ever-more granular levels of detail, as industries and organizations were disaggregated into business units, activities, processes, and individuals in a search for sources of competitive advantage. By the s, the capstone business policy course at the Harvard Business School included the concept of matching the distinctive competence of a company its internal strengths and weaknesses with its environment external opportunities and threats in the context of its objectives. This framework came to be known by the acronym SWOT and was "a major step forward in bringing explicitly competitive thinking to bear on questions of strategy". Andrews helped popularize the framework via a conference and it remains commonly used in practice. Experience curve The experience curve was developed by the Boston Consulting Group in It has been empirically confirmed by some firms at various points in their history. Author Walter Kiechel wrote that it reflected several insights, including: A company can always improve its cost structure; Competitors have varying cost positions based on their experience; Firms could achieve lower costs through higher market share, attaining a competitive advantage; and An increased focus on empirical analysis of costs and processes, a concept which author Kiechel refers to as "Greater Taylorism ". Kiechel wrote in Further, the experience curve provided a basis for the retail sale of business ideas, helping drive the management consulting industry. Modern portfolio theory and Growthâ€”share matrix Portfolio growthâ€”share matrix The concept of the corporation as a portfolio of business units, with each plotted graphically based on its market share a measure of its competitive position relative to its peers and industry growth rate a measure of industry attractiveness , was summarized in the growthâ€”share matrix developed by the Boston Consulting Group around This framework helped companies decide where to invest their resources i. Prahalad and Gary Hamel suggested that companies should build portfolios of businesses around shared technical or operating competencies, and should develop structures and processes to enhance their core competencies. He mentioned four concepts of corporate strategy; the latter three can be used together: A strategy based primarily on diversification through acquisition. The corporation shifts resources among the units and monitors the performance of each business unit and its leaders. Each unit generally runs autonomously, with limited interference from the corporate center provided goals are met. The corporate office acquires then actively intervenes in a business where it detects potential, often by replacing management and implementing a new business strategy. Important managerial skills and organizational capability are essentially spread to multiple businesses. The skills must be necessary to competitive advantage. Ability of the combined corporation to leverage centralized functions, such as sales, finance, etc. The growth-share matrix, a part of B. Analysis , was followed by G. Companies continued to diversify as conglomerates until the s, when deregulation and a less restrictive anti-trust environment led to the view that a portfolio of operating divisions in different industries was worth more as many independent companies, leading to the breakup of many conglomerates. Competitive advantage In , Porter defined the two types of competitive advantage an organization can achieve relative to its rivals: This advantage derives from attribute s that allow an organization to outperform its competition, such as superior market position, skills, or resources. Porter five forces analysis Porter developed a framework for analyzing the profitability of industries and how those profits are divided among the participants in In five forces analysis he identified the forces that shape the industry structure or environment. The framework involves the bargaining power of buyers and suppliers, the threat of new entrants, the availability of substitute products, and the competitive rivalry of firms in the industry. Companies can maximize their profitability by competing in industries with favorable structure. Competitors can take steps to grow the overall profitability of the industry, or to take profit away from other parts of the industry structure. Porter claimed that a company must only choose one of the three or risk that the business would waste precious resources. Porter described an industry as having multiple segments that can be targeted by a firm. The breadth of its targeting refers to the competitive scope of the business. Porter defined two types of competitive advantage: The focus strategy has two variants, cost focus and differentiation focus.

MAKING THE IMPROVEMENT OF VALUE A BUSINESS STRATEGY pdf

7: DePaul University Catalog | DePaul University, Chicago

Understanding how the business improves on the delivery of value to its customers is only the first step of integrating improvement with strategy. Management must have real-time information on how well the processes are performing relative to the process performance levels required by the strategy.

Have highly knowledgeable, trained, and informed Employee Owners associates. Be effective at creating and fulfilling demand. Ensure the Hallmark brand is highly perceived by all stakeholders. Customers understand and value our service offering and they purchase, promote, or specify our products as a result. Have level 4 or 5 relationships with key suppliers, channel partners, and customers. Create a highly trained, educated, and informed workforce and an environment free of fear and fosters positive energy, urgency and commitment to the Hallmark Purpose. Achieve profitable growth through geographical expansion, existing and new customers, existing and new products, product extensions, services, programs, and acquisitions. Ensure that the business structure suppports our strategy, positions us to compete, and allows decision-making to be accomplished close to our customers. Keep our Learning Organization and improvement tools effective and relevant. Appreciation for a system Most products, services or outcomes result from a complex system of interaction among people, procedures and equipment. Appreciation of a system helps us understand the interdependencies and interrelationships among all components and thus increases the quality our system produces and the accuracy of our improvement efforts. Knowledge about variation Everything operates as a system. Within that system everything varies. Knowledge of variation allows us to determine what variation is normal and occurs as a result of simply operating a system and what is outside of normal system operation. Theory of knowledge Management is prediction. The theory of knowledge helps us understand that the more knowledge you have about how a particular system functions, the better the prediction and the greater likelihood that the changes you make to the system will result in an improvement. Psychology The theory of psychology helps us understand what makes people resist or accept change. Everyone is different â€" they learn differently, act differently and react differently. Understanding that this is part of normal variation allows us to communicate and help foster an environment that is free of fear. It enhances our ability to successfully improve the system and create a workplace that is enjoyable. It is a map, which in the theory, is converted to the actionable, results-oriented implementation of managing a business and quality improvement within an organization. This approach to managing an organization centers around the following activities: Purpose activity The purpose of an organization is the reason the organization exists â€" the need in society that it fulfills. The purpose statement helps a company maintain a long-term focus and fosters an environment of improvement and quality. System activity The system activity refers to viewing the organization as dynamic, adaptive to the needs of the customer and comprised of interdependent people, departments, equipment, facilities, processes and products all working toward a common goal. Everyone works as an interdependent system. Making a change in one area can dramatically positively or negatively impact another part of the organization. Link to a System View of Hallmark. Measures of the System Key measures of the system are required to manage the performance of the system. These measures are defined by the purpose, they are displayed graphically using the theory of variation to evaluate, and provide data to be used by decision makers to predict what may happen in the future. Obtaining information This activity requires an established system to gather information relevant to the need the organization is fulfilling. Hallmark actively gathers and solicits feedback from our customers, channel partners and associates to help us plan, improve and guide our strategic direction to best meet the needs of our customers. To provide feedback, contact us. Planning activity The planning activity uses the information that has been gathered from the system to determine system improvements and to guide business operation plans. Managing improvement activities This activity provides a process for managing and implementing improvement efforts in various areas of our system. Each improvement effort starts with a charter that answers three basic questions: As a result, Hallmark started to formalize the quality journey that is now part of our culture. Everyone in the Hallmark system is responsible for participating in our quality journey and improving the quality of everything we do. To learn more about

Dr.

8: Lean Business Process Improvement how youâ€™ve never seen

(Harvard Business Review, Nov/Dec); and On Competition (Harvard Business Review,). No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any meansâ€"electronic, mechanical.

It almost seems too simple, but this industry buzzword is about continually improving your business, processes, and way of working. How you go about studying, planning, implementing and evolving that improvement is where it gets more complicated. You need to encourage a philosophy of constant, logical, and sustainable improvement throughout your organization. This allows continuous improvement to go beyond being a slogan on a poster, so it becomes the way your company operates at all times. While continuous improvement can range from simple changes in the day-to-day workings of your company to major shifts in focus and procedures across a global structure, in all cases, you will require the right instruments to achieve success and keep it going. While the call of the unknown is appealing to some, it is a natural and reassuring thing to resist putting ourselves in new situations. In the business world, this is no longer possible. Competition is a good thing. It gives us a basis for comparison amongst our peers and pushes us to do better. For most industries and businesses these days, you not only have to be concerned about local competition but also with foreign competition. More and more borders are coming down, and mature products and services from other markets can catch you by surprise. They have access to information at their fingertips. Whereas previously a product, service or marketing plan was designed for longevity, nowadays you need to be ready to react to shifts and trends in the market. The old walls around products and services have been torn down, and intelligent, flexible companies are reaping the rewards. Mobile apps are turning the taxi industry upside down. Online banks are offering an alternative to brick-and-mortar banks. Home delivery is changing the way we buy everyday products. On the contrary, realizing and accepting that there is a new way of doing business is exciting and can create many great opportunities for you and your organization, company or group. Formalized in the s in countless textbooks and publications, the notion that we should always strive to do our jobs better has existed for a very long time. It comes naturally to some people. Look at the case of the caveman: The poor caveman struggled to catch his food, which was too fast to catch by hand. He discovered that if he used a stick, he had a longer reach and a better chance. Throwing the stick gave even better range and improved his odds of catching his prey. Adding a sharp stone to the end of the stick meant even greater success. Involving other cavemen in the hunt also multiplied his chances of catching dinner. This is continuous improvement. Once that goal is met, you start again, finding ways to improve further. With the wealth of information available on the subject of continuous improvement, it can be difficult to know where to start. What we suggest is always starting with analyzing your current situation. You need a full understanding of how you operate today so you can follow the principles of PDCA. First you establish your baseline, your starting point. Plan your improvements, including setting goals. Put in place the actions required for improvement. Measure your success relative to your baseline. Adjust or tweak your changes. As you progress through each step, you keep the wheel moving, representing continuous improvement. When you arrive again at your baseline stage, you take into account your previous improvements and plan the next improvements. This is where the notion of a culture of continuous improvement comes into play. When you first broach the subject of continuous improvement with your employees and collaborators, most will agree in the necessity but not necessarily know where to begin. Creating a formalized plan that works for your structure is critical. There are many reasons why formalizing your continuous improvement strategy is important: It gets everyone using the same language. Formalizing documents, procedures and work instructions makes it easier to get everyone on the same page. It creates a mindset. Instead of viewing continuous improvement as something to restart with every new project, a formalized and consistent approach to continuous improvement teaches people that the system is inherent to how your business runs. It makes people accountable. Knowing that your business never stops evolving helps your employees see where they can be an active part of continuous improvement. It reinforces the importance. Continuous process improvement needs to be treated as an integral foundation for your organization, and formalizing how you approach it makes it more concrete. An effective continuous improvement strategy requires a long-term, sustainable mindset and may not bear fruit in the extreme short term. Simply continue your analysis of other aspects. You will always find an area that can benefit from improvement. For example, in the case of a review process for projects that you have in place, you might make the following observations: The steps in place may all be necessary. Instead, search for a fundamental understanding of the entire process and make improvements based on that. You may need to include other departments and divisions to understand the impact of improvements you have in mind. Be aware that the inputs and outputs of your process relate to many other actors, such as suppliers, customers and employees, and that any improvements you make need to continue to satisfy their needs. Including them in your scope can help you work together to make even broader improvements than if you focus solely on what is under your control. It is important to plan for change. Make sure your continuous improvements provide the flexibility for whatever the future may bring. New project types, new customers, new volumes, new products â€” these all need to be taken into account. Let a thorough analysis of your processes, products and procedures dictate the changes you put in place. Other Benefits of Continuous Improvement The direct benefits of your continuous improvements are often easy to predict. You can calculate or estimate cost and time savings even before you implement the changes. There are other significant benefits, however, that you will not realize until your continuous improvement strategy is in place: Your collaborators and employees will benefit from the improvements and increased dynamism that continuous improvement provides. Continuous improvement projects are an opportunity for employees to step outside the box and have a meaningful and rewarding impact on their job. Better Acceptance of New Ideas: When your organization is used to accepting the status quo, new projects and opportunities can be seen in a negative light. With a continuous improvement strategy deployed, your teams will get used to and appreciate working with the notion that change is positive. We have all encountered resistance to change. It happens at all levels of an organization and needs to be managed. When you start communicating your continuous improvement strategy to your teams and employees, make sure you focus on the benefits. Some may assume it simply means more work. Treating continuous process improvement as a one-off project for a small group is a sure-fire way for it to be forgotten as soon as the first project is completed. Instead, make it clear that continuous improvement is a new way of doing business and that it should be applied by everyone and in all aspects of your business. Some great ways to make sure everyone is on board include: Communicate the strategy clearly and to everyone. Create a continuous improvement team and have them come up with a mission statement, guidelines, scope and other details that can be shared for all to see. Let every employee know their ongoing contribution and dedication is vital. Have a kick-off event. Introduce the team and make it clear who is responsible for what and who the contact people are for different activities and sectors. Put in place a simple and inclusive way for employees to share ideas they have â€” like a suggestion box, internet forum, chat group, recurring ideas meeting, etc. Find some pertinent examples for your sector or industry. Show examples where your company has made improvements in the past, and explain how that can be a springboard for continued improvement. The goal is to improve your business by removing waste, overlap, and redundancy and coming up with creative ways to streamline and improve the way you work. Let your employees know that continuous improvement can be applied to every single aspect of your business. Create several kick-off projects. While continuous improvement should become second nature in your workplace, in the beginning, you will need to babysit your strategy. Train and empower team leaders to closely follow the evolution of these projects, and solicit input from as many employees as possible. Find ways of bringing it up often, always highlighting the reason for it and potential improvements. Praise even the smallest improvements, because employees might be hesitant at first to make suggestions. A continuous improvement strategy has no time limit, no end point, no expiration date. Start This Instant Of all the workplace management decisions you can make, continuous improvement is the easiest to begin. Consider what you have to do today and find a way to improve it. Then put in place a way to measure your improvement and check at regular intervals to see your progress. Pick three areas where you want to apply continuous improvement principles. To help you understand just how broad and all-encompassing a continuous improvement strategy is, look for the following examples within your organization:

9: Understanding Work & Job Design Improvement Strategies | MIT Sloan Executive Education

Ensure that the business structure suppports our strategy, positions us to compete, and allows decision-making to be accomplished close to our customers. 5. Build/improve the perceived value of Hallmark Building Supplies, Inc. with all it's stakeholders.

By Victor Cascella European businesses are often faced with the challenge of deploying centrally developed business strategies in a uniform manner, while at the same time accommodating local customer, market and regulatory differences. It is risky to assume that interpretations and adjustments across diverse European business geographies will simply happen. Likewise, it is unwise to believe that a well-defined business strategy will implement itself. No matter how well conceived by senior management, business strategy becomes virtually worthless when others in the organization misinterpret it, block it or simply do not know how to act on it. Business leaders and practitioners need a framework for guiding the mobilization of an organization around its strategic plan. Such a roadmap enables business leaders and members to clearly understand each element for rolling out a strategy. It details what decisions need to be made, who needs to make them and when. This approach is translated into a project plan, specifying the nature of work in each of the associated phases of construction. As shown in Figure 1, the five phases of the roadmap are: This approach to making strategy actionable assumes that a business is pursuing a strategy that is appropriate and timely. Methods used to develop a business strategy are broad, complex and well beyond the scope of this article. It is not necessarily designed to be prescriptive in terms of the precise sequence in which these elements are addressed. It does, however, acknowledge the inter-dependencies of the elements and can serve as a framework for developing a plan for executing strategy. As the business evolves in the necessary capabilities and systems, the roadmap can be more thoroughly integrated into the existing planning cycles. In almost any business, products and services for customers are produced not by departments, but by processes which tend to cross functional lines. These are referred to as value delivery or core processes. Core processes have all the elements of the business processes suppliers, inputs, boundaries, outputs and customers , but are far more significant in scope. They tend to be the way the customers identify with the company. Their effectiveness is directly tied to the extent they can satisfy customer needs and achieve the objectives of the business. Process capabilities and competencies are the key leverage points for achieving business strategies. It also is important to remember that core business processes allow the various elements of an organization to link its activities to the delivery of value to the market. Then, if businesses define themselves in the market based on their core processes, where is it that the rest of the organization can make a difference? The answer lies in support, or enabling processes. These are the critical business activities that are required for an organization to operate, sustain and continually improve. Enabling processes provide their service to core processes, or internal customers. Examples of enabling processes include recruiting, skills development, marketing, performance management and compensation, information technology, and administrative support services. Just as external customers have demands of products and services, enabling processes are expected to meet internal customer critical-to-quality factors CTQs. They must have measurement systems to evaluate and continuously improve their ability to meet core process requirements. Phase 2 â€” Translate Defining and agreeing on the strategy of a business is the responsibility of senior leadership. It is about making choices regarding what processes will be developed to deliver what products and services to what customers. Equally important, the top tiers of leadership must translate strategic objectives into operational terms. They must communicate the strategy in a manner that is meaningful to every member of the organization, for these are the people who must execute the strategy. This requires a business to consider its operations in the context of a whole â€” processes that are designed and linked to one another. Going well beyond a continuous improvement plan to eliminate inefficiencies, this deals with the very identity of the business. One key to building accountability for the strategy is to be able to define the financial impact of each element of the strategy. In other words, if a business is to attempt a sustained 10 percent increase in revenue during the next three years, what is important is that the 10 percent annual growth in sales be translated into a net income figure. It is critical that leadership define the strategy to this level of detail prior to attempting to communicate it to the business. The message must be crafted and communicated in a manner that each stakeholder perceives it to be relevant to him or her. If this cannot be done, it is a good indication that the strategy has not been sufficiently defined or thought out. It can be beneficial to include trusted members from different areas of the business to help in the translation process. This insures a cogent message delivered in a consistent way. Randomly chosen operational improvement efforts may result in increased efficiencies and elimination of cost and non-value-adding activities, but they may have little or no strategic impact. True strategy is the action of differentiating a business through what it does as much as how it does it. Differentiation is achieved by performing value delivery processes in a unique and complementary fashion. Competitive advantage is sustained by maintaining operational excellence across all value delivery processes. Once operations are prioritized according to strategy, a business can assess the current levels of performance relative to the levels desired. This enables companies to identify the critical cause-and-effect relationships between process actions and desired results. Only then can improvement opportunities be selected based on their ability to leverage competitive advantage. Phase 3 â€” Indicate In order for the strategy to be made actionable, measurement systems and data must be developed to show the link between process performance and the business and customer objectives. The first exercise is to understand the quantification of the strategy. If the strategy is achieved, what will the business processes be able to deliver? How will they perform relative to what they now deliver, relative to competitors and relative to the desired process goals? Most strategic goals are stated in terms of lagging indicators â€” revenue, operating costs as a percentage of revenue, market share, new sales, even share price. But there are an infinite number of ways to effect those measures â€” some that may be in direct conflict with the desired direction of the business. These lagging indicators are used to define, establish and communicate the strategy of the business. The challenge, however, is to direct and coordinate every member of the business into activities that have a cause-and-effect relationship with the desired outcomes of the business. Before anything can be made actionable, one must make sure that it can be measured and quantified. Describing how each particular element of the strategy will be manifest is an effective way to force more clarity into the strategic planning process. If the leadership of the business cannot describe what a particular aspect of the strategy will look like when it is achieved, how could that translation be expected of the business? Understanding how the business improves on the delivery of value to its customers is only the first step of integrating improvement with strategy. Management must have real-time information on how well the processes are performing relative to the process performance levels required by the strategy. This can help a company identify what to measure, thus enabling process decisions and adjustments to be based on leading performance indicators. Awareness of the strategy is not sufficient to ensure its achievement. Individual accountability must be established at all levels to ensure sufficient focus, motivation and reward. This includes operational and organization development performance indicators as well as more traditional financial and customer satisfaction measures. Phase 4 â€” Dedicate This step in the roadmap is designed to create an organizational culture which fosters alignment with every organization department and member. Leaders themselves demonstrate the process and data-based decision-making behaviors that serve as models for the rest of the business. Activities in this phase include: Engage and make accountable the personnel necessary to achieve, sustain and continuously improve process performance Allocate the right process indicators and measures to the appropriate personnel Design appropriate process performance reporting disciplines and procedures Develop and implement visual management systems Train and engage personnel and process management teams Link process performance to individual performance management systems Executive leaders must first recognize that they are not just responsible for the output and costs of their respective functional areas. Each executive must both share accountability for the performance of the value delivery processes and ensure proper integration and coordination of the processes across the business. Phase 5 â€” Operate Process performance defines the extent that a business will win or lose in the marketplace. In the final phase of the roadmap, process management systems are integrated as a decision-making tool and discipline to continually adjust and direct the improvement efforts of the business. Not only does the approach compel organization-wide improvement that is linked to achieving strategic business priorities, but it fosters a high-involvement, high performance culture that can become self-sustaining without reliance on external consultants. Process management systems can vary greatly in terms of complexity and organizational scope. While the effort and resources required to develop variously sized systems can be significant, there are some fundamental aspects that are common to all process management system deployments. It is these fundamental components that can best be addressed using a standardized approach, or roadmap, to assure that the right people are involved in answering the right questions at the right time. It also serves as a framework for the project plan that will effectively manage the many contributions by organization leadership and members. Some of the activities associated with the operate phase of the roadmap include: Conduct process and process-based performance management systems per design Evaluate process performance and prioritize improvement opportunities Determine appropriate methodologies for addressing improvement opportunities Train, engage and dedicate appropriate personnel in process improvement efforts Assess changes in business environmental conditions e. Answers for the Right Questions By having a framework for mobilizing an organization around its strategy, European business leadership can better direct resources to answer the right questions about how a strategy can be deployed in a consistent but flexible fashion across diverse market and cultural geographies. As an expert in strategy and operations consulting, he works with executive-level leadership teams to translate business strategies into operational goals, and helps them develop measurement systems to improve strategic clarity and accountability for performance. Cascella has worked in a wide range of industries, including government, pharmaceuticals, manufacturing, services and financial. He is based in Washington, D.

MAKING THE IMPROVEMENT OF VALUE A BUSINESS STRATEGY pdf

Head first javascript book Color atlas of reproductive pathology of domestic animals Understanding urban ecosystems Collected Works: Karl Marx : Capital, Vol. 36 (Karl Marx, Frederick Engels: Collected Works) College physics young and geller 9th edition A permanent League of Nations Alabama in Perspective 2002 (Alabama in Perspective) Watch Out If You Go to Barkersville The Islamic conquest and its implications 188 Authority and control in modern industry Keeps printing to manual feed Success Without Money Mark Twain wit and wisdom Spanish civil war summary Depths of the heart. Assembly Language programming on the IBM PC Dewey on meaning in the context of analytic philosophy Comparative formulations Paleolimnology (Developments in Hydrobiology) The boy and the theorist. Growing older, getting better Church without walls: essays on the role of the parish in contemporary society The alimentary canal and human decay in relation to the neurons The Lady Chapel 199 Listening to Children in Educ V. 1. The black velvet pelisse. The death-bed. The fashionable wife and the unfashionable husband. The ro Energy and Environment Multiregulation in Europe Bradley (Images of America: Illinois) School for secrets Manage construction site operations 1-2-3 Sorting and Classifying (1-2-3) 1000 Things You Should Know About Geography (1000 Things You Should Know About.) Jaguar XJ-S 3.6 5.3 Range Parts Catalog (Official Factory Manuals) Playing on His Team The burden of knowledge and the death of the renaissance man Spiritual Community Game programming gems 7 Teaching Notes for Nonprofit Boards Leadership Cases on Governance, Change Board-Staff Dynamics Liberty, desert and the market The story of Lymington