

QOOLING

STRIVE FOR

OPERATIONAL EXCELLENCE



Introduction

Every organization tries to get the most out of itself and its people, regardless of its size. The fundamentals to do this are, of course, a great product or service and a great team that can make this happen. Operational Excellence is a management approach where these two are combined with a structured way of working to really get the most out of the organization.

We believe that every organization should strive for this. Having an efficient process makes everything so much easier and a lot more fun. We try to do this every day, and when it is done properly, you can have a great impact on other companies in a positive way regardless of your own size.



What is Operational Excellence?

Operational Excellence is getting more and more important for companies. Globalization and digitalization force companies to be more effective with lesser resources. Operational Excellence is a business philosophy that allows companies to accomplish this.

Companies in pursuit of Operational Excellence go further than just running the business based on events. They manage their business processes systematically and continuously invest in creating the optimal system. The world is constantly changing; hence the organization will continually be in motion to keep this optimum. The company should be able to adapt to these changes, you could call this agile or any other word. In the end, the company should be able to become resilient to these changes. As discussed earlier, Operational Excellence can be applied regardless of the size of your company.

In order to strive for Operational Excellence, two components are crucial: an Integrated Management System (IMS) and an Operational Culture. The IMS can be based on any ISO standard or setup, no matter the number behind it. Some key components of the IMS are:

- **Clearly defined risks and how to mitigate them**
- **Processes to structure the operations**
- **Continuous improvement approach**
- **Change management**

Another great option is to build a management system based on an ISO standard. This will give the structure defined by the standard. Getting certified isn't a requirement; it's just merely a guidance to build the Management System.

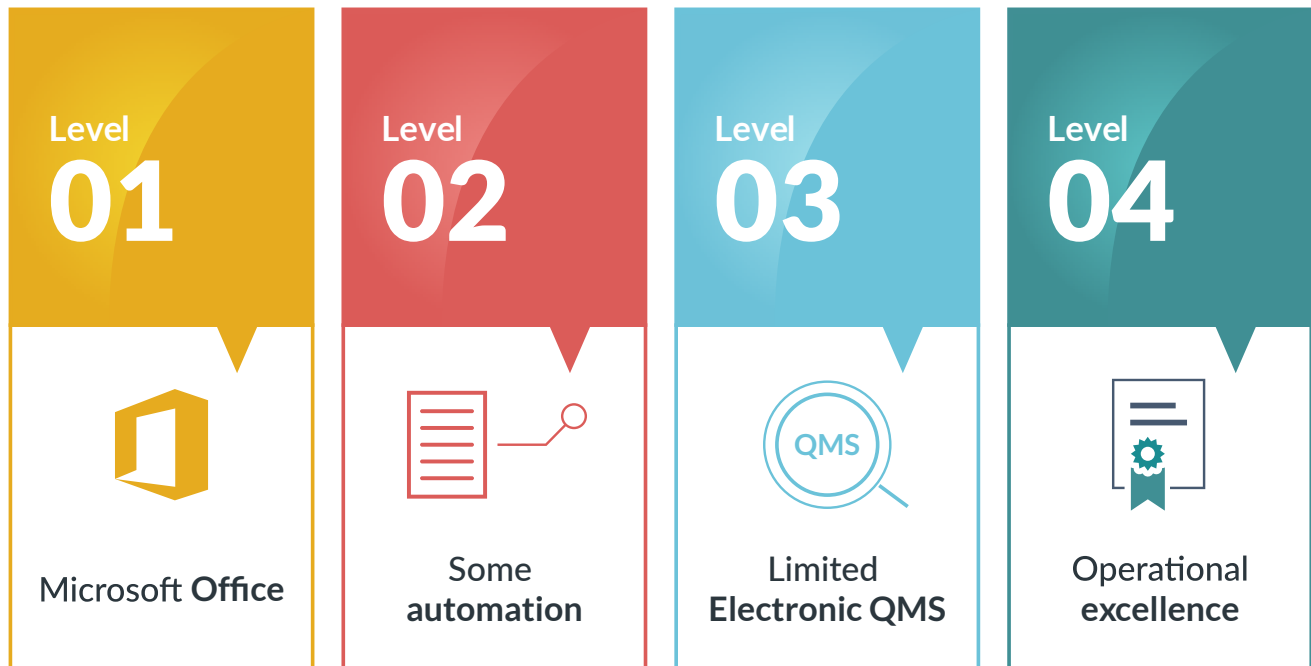
The second component, the Operational Culture, has been described as doing the right thing, the right way, every time. Before the company even tries to strive for Operational Excellence, make sure these two things are in place, otherwise it will be a very frustrating road which leads to nothing.

In this e-book, you will find best practices on how to strive for Operational Excellence and therefore how to bring your company to the next level.

Structure your IMS

When the company starts to strive for Operational Excellence, the need for a platform starts to get apparent for lots of companies. Structuring the IMS with just a pile of documents isn't going to cut it. We use the General Maturity Model of Operational Excellence to explain this.

General Maturity Model



Level 01: The company runs a complete office-based management system. Everything is handled in Microsoft Office documents.

Level 02: The company introduces some form of automation like an administration software for financial activities.

Level 03: The company has some form of digital IMS. Some data is gathered in different solutions like ERP, WMS, MES, Mobile Apps, Sharepoint, etc.

Level 04: The company has a dedicated open platform to run their IMS on. This platform allows for easy integration with other solutions and allows for rich visualizations.

Most companies get stuck somewhere in between Level 2 and Level 3. They have implemented some automation but lots of data is still flying around in different systems and, therefore, companies struggle to make something out of it. There is a system for document management, an app for an inspection, an ERP system that holds some data, and another system for the risk analysis.

All the systems work fine separately, but most can't be easily integrated due to their architecture. Most data stays in silos and cannot be utilized in a company-wide environment. During the streamlining part, companies see that data is never picked up by others. Hence forms are filled in but never followed up by anybody.

The first step companies need to take is selecting the right platform as their vehicle towards Operational Excellence. The platform should not be selected on the current situation but be able to support the company's future vision. Therefore the selection of the platform shouldn't be taken too lightly. It is a crucial piece in the transition and should be able to support the company during this transformation.

Key Components of the Platform

When selecting an IMS platform, two ingredients are very important: the ability to integrate and ease-of-use. Yes, of course, all the features have to be available in the platform, but when it is hard to operate or cannot integrate it's useless to begin with. When it is too complex, nobody uses it and when it is a silo, the company can never really leverage the data within.

Integrations

The platform should be able to easily integrate with other systems. The IMS has to be able to pull and push information from other applications within the company to make sure they're not keying in data multiple times. Data is key in Operational Excellence. You should be able to track progress on your important indicators. In order to do this consistently, data is a necessity. It is a utopia that all the required information is created within one platform. Connections to systems like ERP, CRM or HRM take away a lot of errors. The connections are most of the time realized with API's or even open API's. The platform of your choice should have an API, otherwise striving for Operational Excellence is very hard or even impossible.

Ease-of-Use

Cut out all the clutter in the IMS. Make sure employees only have to interact with the parts of the IMS that are relevant to them. This will reduce the search time and errors. It also keeps morale high because people don't get lost in the system. When the ease-of-use is low, people tune out and don't do anything anymore on the IMS. Keep in mind, employees are the most important component when the company strives for Operational Excellence. The company needs their input to improve.



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Organizational Steps

Starting to strive for Operational Excellence looks pretty easy on paper. We check and streamline our IMS, train some people on the new culture and off we go. However, these steps require lots of dedication and resilience because of the resistance from people within the company that will follow. Most people cannot deal well with change and prefer to do things like they have always done. But for now, just look at these two steps. Doing them in a proper way is already hard enough.

Streamline IMS

Checking the status of the Integrated Management System seems pretty straightforward. However, when we strive for Operational Excellence we really need to review all the processes thoroughly. Are they really required and do they add value?

We start off with aligning the IMS

The Team

Aligning the complete IMS is the first thing we work on. To do this thoroughly, a team needs to be assembled. This team should represent all aspects of the business. The composition of the team allows for all the viewpoints from within the company. Also, this diverse team will start to better understand the interaction between the different processes that are present within the company. It's important that everybody in the team has a positive feeling with the company and knows who to reach when there are questions. Hence, everyone in the team needs to be well connected inside the company.

PRO TIP Involve customers and suppliers too. They can give you insights from outside of the company that nobody thought of.

The Procedures

When the team is selected and guided, start with finding all the procedures and processes. Not just the ones that are written down, but also the implicit ones. Some processes are bypassed by the employees to allow for faster decision-making or to simply cut some red tape. It is essential to have people in the team that are well-connected in the company; otherwise, these implicit processes may never be found.

In order to have a clear overview, make sure the complete core processes of the company have been mapped out. When this core process is clear, it is much easier to start and find all the supporting processes. All the procedures/processes should be present and visualized in such a way that the interaction between them becomes clear. This doesn't have to be high-tech, just good enough to put them on the ground in a sequential order.

Data input

Next to the processes is making sure the internal forms and data entries are checked. Whether they are Word documents or digital forms, we need to make sure it works properly. Try them all out and see how long it takes for the owner to respond. You can do this by simply keying in the webform or sending the Word document to the person you think is responsible for the actions. When the responses take too long (like days), make sure appropriate actions are taken, e.g., explain the responsibility to the owner or maybe take out the form to reduce the bureaucracy. Some forms might not even be responded to.

These blackspots lead to lots of frustrations within the company because people never hear anything about their requests and time is wasted. Make sure these flaws are fixed. This very easy and straightforward exercise gives you direct feedback on the processes that work properly and the ones that simply break due to errors. Therefore, you can also start with checking the forms in the company before even all the processes are mapped out.

When we have all the data and information compiled, we can start to structure the IMS.

Culture

Culture is the second key ingredient to strive for Operational Excellence. Developing and maintaining a good culture is very important in so many ways, but when it comes to Operational Excellence, it is just a little more. Every person in the company needs to strive to do the right thing at any time, all the time. This isn't always easy and also requires people to be open for improvements and changes. Changes are a big hurdle for a lot of people because they feel comfortable with the way they've been doing their work for years.

Legacy

Organizations that have existed for quite a while will find it hard to get a good feeling of the culture in the company. There are all kinds of gained privileges over the years. These need to be broken down to make the mindset shift. Breaking down this legacy will be tough and takes a lot of time, especially in the bigger organizations that are scattered over different locations. It is crucial to have Top Management buy-in and support from operational staff to make this happen. Top Management needs to be willing to change and force people to change or make them leave. Yes, this will hurt a lot, but things need to change for the better and that won't happen when people aren't on board.

Accept Failure

Failure is a model for improvement; without failure, you cannot improve. People within the company should be open to failing. This isn't easy, especially when people aren't used to this. Lots of companies have these zero-incident KPIs which simply give people a great means to hide stuff under the carpet. In order to break this mindset, the company should welcome mistakes and set KPIs on the number of incidents, near-misses and NCRs reported. This data is crucial for improvements. You should track the number of issues reported to really see if the mindset is changing.

Focus on Improvement

People should start to spot possible improvements, not just in their job but also in others. Whenever they experience a process that doesn't go smoothly or when they experience friction, they should record it. Not just in their own job but also when they see colleagues struggle. This information is gold when it comes to improving processes. Also incorporate feedback from other stakeholders in this process to really start to make progress.

Change

Striving for Operational Excellence comes with lots of change within the company. This means that a lot of new processes need to be added, but also different skills need to be developed or even hired.

Communication

Employees may get angry and upset. They see the company changing and not every person will experience this as a positive. Communication is crucial in this case, explain why choices are made and how it will impact day-to-day operations. This communication should be guided from the top and echoed by middle management. It is critical to get everybody on the same page and supporting the plans.

Skills required

The new way of working requires new skills. These skills can be developed by training people or by simply hiring new people. During the process, it's key to identify the required skills for every function. HR plays a big role in this process because they have the expertise to identify knowledge gaps for certain function. HR can create new job descriptions based on the future demands and perform a gap analysis on the employees and these future job descriptions. The gaps can be filled with training or by hiring specialists.

Analytical

In order for a company to run in Operational Excellence mode, data becomes the number one resource. Data is crucial to see how the company is doing, not just on a financial level. This data needs to be gathered to start with. Which data you want to gather and why are important questions before you even considering asking somebody to administer this. In the end, someone needs to key in the data. Having a proper data set coming out of each process is a great way to start. In the beginning, not all the data will be gathered but clear end goals have to be defined in such a way.

CONCLUSION

Operational Excellence isn't something you reach and will stay indefinite. It is a state a company needs to continuously work for. The company and its environment is constantly changing and therefore the company needs to be able to adopt. A smooth and good functioning IMS is a big piece of this. The processes and policies need to be clearly defined and communicated. Another big part of this is the culture of the company. The people make the organization, so they are the most important part of the IMS. The culture should embrace failure and allow people to make mistakes but also to report these mistakes. It is impossible to improve processes when no mistakes are reported.

Qooling helps companies to reach Operational Excellence by structuring their Integrated Management System on an intuitive online platform. Want to get to know what a next-generation platform looks like?

QOOLING

Making quality and safety
an easy priority

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