



## ***The Corporate Governance of CI***

***'If we cannot convince the Site Manager that CI will significantly help in achieving their short term and long term Business Plan, there is no point starting at the site'***

Many multi-site companies start their Continuous Improvement (CI) journey with a pilot site in several regions before cascading across the entire business.

As such corporate needs to monitor the CI journey to ensure satisfactory progress is made in line with their Improvement Vision for the company. Monitoring should cover inputs, process and outputs from CI, recognising it needs to be implemented and monitored organically (People Development focused) rather than mechanistically (CI Tool focused).

Sadly many companies monitor their CI progress or maturity using a CI tools based scorecard rather than focusing on the impact that CI is having on the Goal Aligned Performance Measures linked to the short term and long term business plans.

As such any CI progress or maturity assessment needs to be done from an organic perspective recognising the many interactions and dependencies across the range of CI tools and concepts available.

To assist corporate we have identified a number of key questions which should be addressed sooner rather than later as they roll out their CI initiative:

- What KPIs should be used to monitor progress?
- What targets and expectations should be set and monitored?
- What reporting process should be established?
- How should learning be shared between sites?
- What are the possible risks to success and how should these be monitored?
- What external support will be required for corporate and the sites?

Before addressing the above important questions we believe a critical mass of Corporate and Site Leaders should gain a common understanding that the strategic intent of the proposed CI journey is to progressively and continuously:

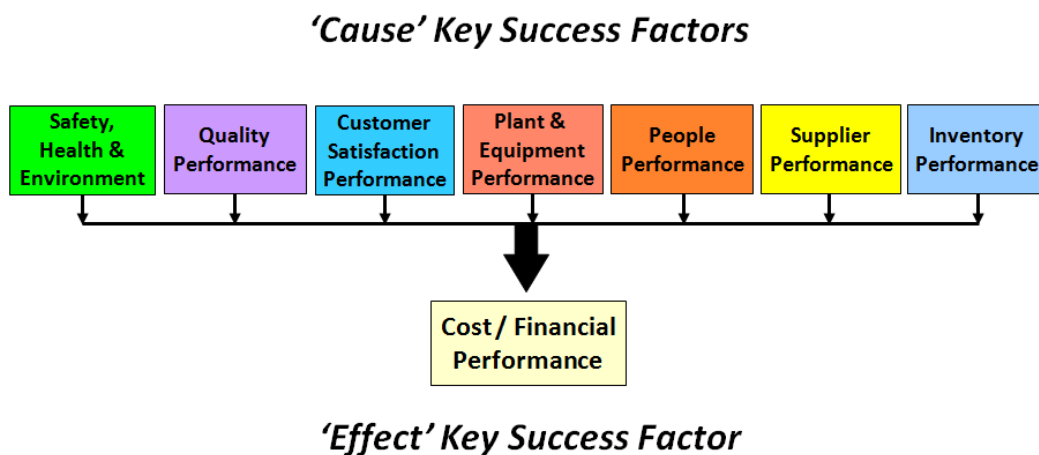
***Improve Performance*** (safety, quality, customer service, plant & equipment, productivity, cost etc) to achieve both short term and long term business plans, through the ***Development of all People***

The challenge of the CI journey is about maintaining the above **consistency of purpose** at all times and in all market conditions. The more you continue to develop your people to **problem solve**, the more engaged they will become to **think every day** on how they can formally improve their processes, products or services. This will allow the organisation to react quicker and respond to an ever changing market, or be more **innovative** and become a market leader.

Therefore the CI journey should be focused and measured on its impact on people development and business performance rather than the rate at which the various CI Tools are applied or implemented. The CI journey should also be broken up into Cycles of 12-14 weeks duration so that appropriate adjustments can be made as business needs or market conditions change.

Typically a 2-day interactive workshop for decision makers and key personnel is used to gain buy-in and understanding of the CI journey. Once this is successfully completed, a Corporate CI Leadership Team should be established and a half-day planning session conducted to:

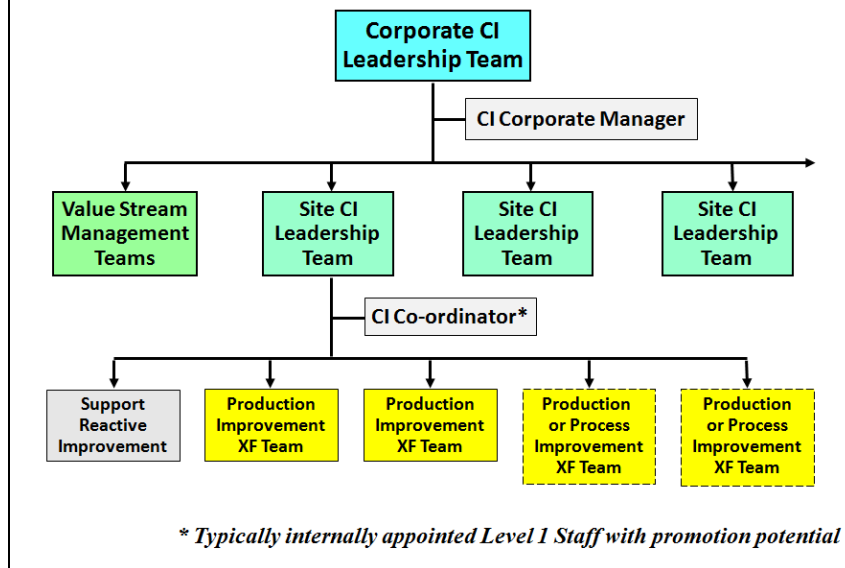
1. *Establish and agree on the order of the Key Success Factors for Operations to be used by all sites progressing CI so as to link CI to your short term and long term business plans;*



2. *Identify your aspiration for each Key Success Factor;*
3. *Identify the corporate Performance Measures for each Key Success Factor (suggest max 3);*
4. *Establish the corporate Baseline to allow monitoring of progress across the business;*
5. *Develop the Improvement Vision to identify what you wish to achieve and by when from your CI journey;*
6. *Develop an Operator Excellence Vision to guide the development of your frontline (Operators and Frontline Leaders);*
7. *Develop the Operations Vision to guide how you want to structure and align your people to support their learning and development;*
8. *Develop your Philosophy for decision making to ensure consistency of purpose across the business;*
9. *Develop the Improvement Policies that will guide all CI activities;*
10. *Establish structure for CI (this will evolve as you roll out CI);*

# Development of a CI Leadership Structure

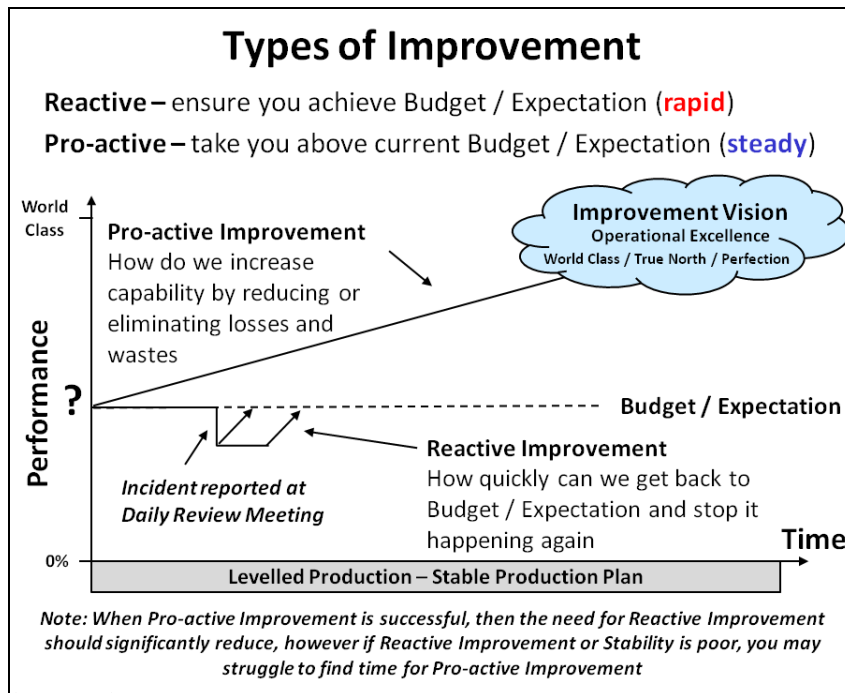
## Possible CI Structure for Cycle 1



11. Formalise the Corporate CI Leadership Team (membership, roles, rules, agenda, frequency etc) where the responsibility of the CI Leadership Team will be for all Improvement covering:

- Technology & Automation Improvement;
- Project and Event Improvement;
- On-going Continuous Improvement focused on developing all people to identify and address problems at the earliest possible time while creating a workplace that stops problems from occurring; and

12. Develop a plan for the different types of improvement covering:



## What KPIs should be used to monitor progress?

The most successful companies focus on measuring both the tangible and intangible benefits where the focus of the intangible benefits is the development of their people.

The tangible benefits should be developed under your agreed Key Success Factors by each Site Leadership Team, as they commence CI, establishing their Baseline with annual targets for the next 5 years.

## Sample Site Baseline for Operations

Key Success Factors	Performance Measures	Definitions	Timeframe of Comparing Performance	Baseline Date:	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target
Safety & Environment	Lost Time Injury Freq Rate	Per million man hrs	3 mth average	18	15	12	9	5	0
	Med Treat Injury Freq Rate	Per million man hrs	3 mth average	100	80	60	40	20	0
	Environmental Incidents	Incidents per year	6 wk average	5	4	3	2	1	0
Quality	Scrap	% of Total Processed	6 wk average	20%	15%	11%	8%	4%	1%
	Rework	% Hrs / wk	6 wk average	8%	6%	4%	2%	1%	0%
	Yield	% Recovery	6 wk average	90%	91%	92%	94%	96%	98%
Customer Satisfaction	Delivery to Customer	DIFOTQ	6 wk average	98%	98%	99%	100%	100%	100%
	Customer Complaints (Ext)	Complaints - ppm	6 wk average	50	40	30	20	10	0
	% Achievement Prod Plan	% Achieved	6 wk average	89%	92%	94%	96%	98%	100%
	Lead Time	Days or Hours	6 wk average	5 days	4 days	3 days	2 days	1 day	4 hrs
Plant & Equipment	OEE (if applicable)	HLOEE Equation	6 wk average	60%	70%	75%	80%	85%	87%
	Capacity	Output / Week	6 wk average	160kt	185kt	200kt	210kt	225kt	230kt
People	Productivity	Good Output / Labour Hrs	6 wk average	20	23	26	30	35	40
	Unplanned Absenteeism	% hrs worked	6 wk average	5%	4%	3%	2%	1%	1%
	Formal Improvement Time	% hrs / worked hrs	6 wk average	1%	2%	4%	6%	8%	10%
Supplier Performance	% On Time Delivery	Avg All Items	6 wk average	75%	80%	85%	90%	95%	99.9%
	Quality Issues	% Items Purchased	6 wk average	5%	4%	3%	2%	1%	0.1%
Inventory / Working Capital	Raw Materials Inventory	Days of Sales	6 wk average	14	13	11	9	7	5
	Work In Progress Inventory	Days of Sales	6 wk average	21	17	13	9	5	3
	Finished Goods Inventory	Days of Sales	6 wk average	14	12	10	8	5	3
Costs	Maint Cost	\$ / tonne	3 mth average	\$0.60	\$0.55	\$0.50	\$0.45	\$0.35	\$0.30
	Prod Cost	\$ / tonne	3 mth average	\$2.40	\$2.20	\$2.00	\$1.80	\$1.60	\$1.50
	Energy Cost	\$ / tonne	3 mth average	\$0.70	\$0.68	\$0.65	\$0.60	\$0.58	\$0.55
	Total Cost / Output	\$ / tonne	3 mth average	\$9.50	\$9.00	\$8.00	\$7.00	\$6.50	\$6.00

Survey Ratings									
Operations Rating	Rating Sheet during workshop, briefing or team meeting	12 monthly	52%	60%	70%	80%	90%	95%	
Maintenance Rating	Rating Sheet during workshop, briefing or team meeting	12 monthly	35%	50%	65%	80%	90%	95%	
Culture Rating	Rating Sheet during workshop, briefing or team meeting	12 monthly	49%	60%	70%	80%	90%	95%	
People & LD Rating	Rating Sheet during workshop, briefing or team meeting	12 monthly	27%	40%	60%	80%	90%	95%	

A site scoreboard should be established at each site progressing CI using the agreed Key Success Factors for Operations as headings with weekly run charts for agreed performance measures displayed to the corporate standard.

A CI Dashboard should be established by each Site Leadership Team with Input and Process targets and actuals for each cycle.

## Sample Site CI Dashboard

Inputs	Cycle 1 Target	Cycle 1 Actual
# Leadership Teams	1	
# Cross-functional Teams	2	
# Area Based Teams	0	
# Personnel in CI Teams (Including Leadership Teams)	18	
# Personnel at Site	80	
% Personnel in CI Teams	22.5%	
% Time for CI for personnel in CI Teams	6%	
% Time for CI for all personnel at site	1.4%	
Process	Cycle 1 Target	Cycle 1 Actual
<b>Leadership Teams</b>		
% Attendance at CI Meetings	80%	
% Achievement of CI Team Schedule	90%	
% Tasks completed	90%	
<b>Cross-functional Teams</b>	<b>Cycle 1 Target</b>	<b>Cycle 1 Actual</b>
% Attendance at CI Meetings	80%	
% Achievement of CI Team Schedule	90%	
% Tasks completed	90%	
# CI Improvement Sheets completed (1 per team member)	16	
# A3 Summary Sheets completed	0	
# One Point Lessons created	0	
<b>Area Based Teams</b>	<b>Cycle 1 Target</b>	<b>Cycle 1 Actual</b>
% Attendance at CI Meetings	Typically, Area Based Teams are not commenced in Cycle 1	
% Achievement of CI Team Schedule		
% Tasks completed		
# CI Improvement Sheets completed (1 per team member)		
# A3 Summary Sheets completed		
# One Point Lessons created		

The intangible benefits should focus on a range of Skills Matrices covering Base Skills (ability to Achieve the Production Plan), Mastery Skills (ability to apply Problem Solving, Visual Workplace and Prevention at Source for product and equipment so as to improve), Team Skills and Leadership Skills.

### What targets and expectations should be set and monitored?

Apart from the 5 year Improvement Vision and Master Plan, we recommend:

1. Annual Performance Targets displayed on the Baseline;
2. Cycle Targets displayed on the Site Dashboard including % Improvement Time for the cycle (*see Improvement Time Calculator below*);
3. Cycle Targets on each team's Team Information Sheet (adjusted, if required, after the Mid-way Presentation based on learning to date from their analysis); and
4. Weekly Targets displayed on the CI Schedule of Improvement Activities (did the teams meet each week, are the Mid-way and Final Presentations on target, and is the Pre-cycle Strategy Planning Session on target).

## Improvement Time Calculator\*

Site:

Completed: Mon 19/Aug/13

Cycle: 12



Number of Team Members in more than 1 team (Excluding LT members) 14

### IMPROVEMENT TEAMS

No	Team Type	Team Name	IMPROVEMENT TIME							STANDARD HRS			INVOLVEMENT					
			Kick off	Mid&Final Pressos	Meeting Weeks	Meeting Duration	Support Activities	Special Event Time	Total	Work Hours	Team Weeks	Total Hours	Non-LT Members	LT Members	Total Members	Total Hours	Improve Hours	% CI Time
			hrs	hrs	wks	hrs/wk	hrs/wk	hrs	hrs/head	hrs/wk	wks	hrs	heads	heads	heads	hrs	hrs	
1	Macro FE&PI	Line 3	2	1	12	1.5	1		33	38	13	494	4	2	6	2964	196	6.68%
2	OEM-2	Line 2		1	12	0.5	1.5	4	29	38	12	456	7		7	3192	203	6.36%
3	OEM-1	Line 1		1	12	0.5	1.5	4	29	38	12	456	7		7	3192	203	6.36%
4	OEM-1	Line 3 Day Shift		1	12	0.5	1.5	4	29	38	12	456	11		11	5016	319	6.36%
5	OEM-1	Line 3 Arvo Shift		1	12	0.5	1.5	4	29	38	12	456	11		11	5016	319	6.36%
6	WAM	Warehouse Despatch Day		1	12	0.5	1.5		25	38	12	456	5		5	2280	125	5.48%
7	WAM	Warehouse Despatch Arvo		1	12	0.5	1.5		25	38	12	456	7		7	3192	175	5.48%
8	WAM	Special Products	2	1	12	0.5	1.5	4	31	38	12	456	3		3	1368	93	6.80%
9	WAM	Maintenance		1	12	0.5	1.5		25	38	12	456	4		4	1824	100	5.48%
10	WAM	Warehouse Receipts		1	12	0.5	1.5		25	38	12	456	4		4	1824	100	5.48%
11	Daily Review	Line 1	2	1	11	1	0.5	0	19.5	38	13	494	4		4	3952	156	3.95%
12	Macro FPI	Site Traffic Management	2	1	11	1	0.5	0	19.5	38	13	494	4		4	2964	117	3.95%
13	Mini Micro NEM	Application Head Line 1	2	1	12	1	0.5	0	21	38	13	494	2		2	2470	105	4.25%
14	Mini Micro NEM	Application Head Line 2	2	1	12	1	0.5	0	21	38	13	494	2		2	2470	105	4.25%
TOTALS			12	14	166	10	16.5	20	361	532		6574	75	14	89	41724	2318	5.56%

Number of Leadership Team Members in more than 1 Leadership Team 0

### LEADERSHIP TEAMS

No	Team Type	Team Name	IMPROVEMENT TIME							STANDARD HRS			INVOLVEMENT					
			Kick off	Pre-Cycle / Quarterly Review	Weeks	Meetings	Support	Pressos & Special Events	Total	Work Hours	Team Weeks	Total Hours	Non SLT Members	SLT Members	Total Heads	Total Hours	Improve Hours	% CI Time
			hrs	hrs	wks	hrs/wk	hrs/wk	hrs	hrs/head	hrs/wk	wks	hrs	heads	heads	heads	hrs	hrs	
1	SLT	Site Leadership Team	0	4	14	1	0.5	12	37	38	14	532	8	8	8	4256	296	6.95%
			0						0			0				0	0	0.00%
			0						0			0				0	0	0.00%
			0						0			0				0	0	0.00%
			0						0			0				0	0	0.00%
			0						0			0				0	0	0.00%
TOTALS			0	4	14	1	0.5	12	37	38		532	0	8	8	4256	296	6.95%

### SUMMARY RESULTS

Hours Worked	
Number of personnel at Site	75
Average hours per week worked	38 hrs
Number of weeks in period (Cycle)	16 wks
Total Personnel Hours	45600 hrs

\* Excludes Awareness / Overview Training

CI Statistics	
Number of Personnel in CI Teams	69
Total Hrs of Personnel in CI Teams	45980 hrs
CI Improvement hours (Exc. Team Presentations & Special Events)	2602 hrs
Total CI Improvement hours	2614 hrs

Summary Statistics	
% Time for CI for CI team members	5.7%
% Time in CI for all personnel	5.7%
% Personnel in CI teams	92.0%

Weekly feedback should also be provided through a CI Weekly Progress Report Sheet (*see Sample Progress Report below*) which monitors each team's status regarding Noticeboard, Scoreboard, Mandate, Schedule, and Team Health along with key achievements and any blockages for the week.

## CI Weekly Progress Report

Site: XWZ

CI Co-ordinator: XXXXXXXX

Cycle: 1

Date: 3 March 2016

Week: 3



### Key Objectives for the Week (to be completed before start of week):

1.	Pre and Post meetings with Macro Team Leaders	2.	Assist Team Leaders to run as much of their team meeting as they are comfortable with
3.	Attend Production Daily Review Meeting	4.	Review Step 3 of Macro FE&PI with Co-ordinator to ensure they understand why all the analysis is needed
5.	Attend Site Daily Review Meeting	6.	Establish OEE Loss Analysis Spreadsheet with data collected to date

### Team Feedback

Team		Week	Key Issues / Actions to Address Non Compliances (No)			Yes	No
SLT		3	Baseline still not finalised, Scoreboard measures still not all completed, nor standard for presenting data has not been finalised		Noticeboard		
					Scoreboard		
					Mandate		
TMs	7		Achievements	Noticeboard is now on display in workplace	Schedule		
Attendance	7		Blockages	Scoreboard not finalised	Team Health		



Type of Team	Week	Key Issues / Actions to Address Non Compliances (No)						Compliance	Yes	No
Macro FE&PI Line 6	3	Team progressing well						Noticeboard		
Team Name	Step							Scoreboard		
Down and Dirty	3							Mandate		
		Achievements	Operator Survey & Knowledge Base completed					Schedule		
		Blockages	No briefings to crews started yet					Team Health		
Measures	Start	Now	Target	Improvement Sheets	Attendance		Objectives for Next Meeting: Review OEE Observation Data Develop OEE Ideal Vision			
OEE	45%	48%	56%	Initiated	0	TMs				
Quality	85%	86%	94%	Completed	0	Attendance				
Type of Team	Week	Key Issues / Actions to Address Non Compliances (No)						Compliance	Yes	No
Macro FE&PI Line 1	3	Team photo missing. No daily OEE run chart on Scoreboard. Operator Survey complete however results not yet collated and summarised						Noticeboard		
Team Name	Step							Scoreboard		
Roll'ems	3							Mandate		
		Achievements	Operator Survey completed with good response					Schedule		
		Blockages	Knowledge Base Analysis not completed due to breakdown					Team Health		
Measures	Start	Now	Target	Improvement Sheets	Attendance		Objectives for Next Meeting: Get OEE observations underway Summarise Analysis to date			
OEE	55%	57%	69%	Initiated	0	TMs				
Quality	90%	91%	95%	Completed	0	Attendance				
Type of Team	Week	Key Issues / Actions to Address Non Compliances (No)						Compliance	Yes	No
Micro FPI Team Prod Planning		Glenday Sieve analysis completed and possible green stream fixed schedule drafted. Currently working on variation analysis. Identified 3 possible blockages that require further investigation						Noticeboard		
Team Name	Step							Scoreboard		
Green Streamers	3							Mandate		
		Achievements	Draft fixed schedule created					Schedule		
		Blockages	Root Causes for changes to plan not clear					Team Health		
Measures	Start	Now	Target	Improvement Sheets	Attendance		Objectives for Next Meeting: Present savings of the plan Draft rules for events that may impact on plan			
TIP/TOP	60%	62%	95%	Initiated	1	TMs				
Changes / wk	15	12	0	Completed	0	Attendance				
<b>Reactive Improvement Activities</b>										
<b>Daily Review Meetings:</b> After Production Daily Review meeting developed a more effective agenda and meeting rules with Production Mgr and CI Co-ordinator. Also drew up possible Action List on Whiteboard. To be trialled next meeting										
<b>Information Boards:</b> Drew up an enhanced Action List										
<b>Frontline Problem Solving:</b> Attended weekly RCA meeting for outstanding actions resulting from RCA. Will address this after Daily Review Meetings are enhanced and proper triggers put in place										
<b>Mini Micro Problem Solving Teams:</b>										
<b>Other:</b>										

## What reporting process should be established?

The Corporate CI Leadership Team should initially meet weekly for a maximum of one hour (30 min max on status of CI journey and 30 min on team's tasks and on-going education). As the CI initiative matures this could be moved to fortnightly then monthly. This meeting could be via electronic medium such as a webinar (Go To Meetings) or some other means currently used by the company. The Corporate CI Leadership Team should include the Site Manager from each site progressing CI along with the CI Corporate Manager and chaired by the Corporate Operations Manager / Director.

It is critical that the Site Manager reports on the progress of their site's CI journey rather than the CI Manager. All reporting to be by exception supported by the CI Schedule (red and green for meetings) and the Weekly Progress Report from each site.

As each site commences their CI journey, the Site Manager should report on the outcomes of their CI Introduction Strategy workshop covering:

- CI Schedule for the first cycle;

- CI Dashboard for the first cycle;
- Team Information Sheet for each team outlining baseline and expectations for the team;
- % Improvement Time Spreadsheet; and
- Proposed Master Plan spanning 15 cycles / 5 years for their site, based on their Production and Support Areas and if appropriate Value Streams (sometimes Value Streams are introduced later).

Within 2 weeks of the Introduction Strategy workshop you would expect their Site Baseline to be completed and within 4 weeks their annual targets for the next 5 years to be tabled.

We would envisage the CI Corporate Manager would attend each site's Introduction Strategy workshop and their following Pre-cycle Strategy Planning Sessions normally conducted about 2 weeks before the end of each cycle.

The Master Plan would also highlight when the site expects to achieve each of the 5 Levels of the 5 Level Milestone CI Excellence Award.

Each site should progress at least 3 cycles per year as per their Master Plan. Each Site Manager should report on the outcome of their Pre-cycle Strategy Planning Session to the Corporate CI Leadership Team.

The CI Schedule from each site should include all Improvement activities progressing at the site (see point 11 on page 3) so that CI is not seen as 'another thing' sites need to contend with.

## How should learning be shared between sites?

All sites should use the same Team Member Manuals or Workbooks so that there is a common language and process used by all. Supporting this should be a range of CI Documents to allow rapid sharing of learning. Example CI documents are outlined below:

CI Document	Definition	Comment / Use
<b>Checklist</b>	Listing of tasks to be completed normally in sequence, with provision to note when completed	Used to reduce failure by compensating for potential limits of human memory and attention. Created for a set timeframe or event (eg daily or weekly or monthly or during changeover etc)
<b>Standard</b>	Desired Outcome or Desired Requirement	Shows what you expect to see (supported by Visual Controls in the workplace)
<b>Procedure</b>	A step-by-step sequence of activities that must be followed in the same order to correctly perform a task or achieve desired outcomes (Standards) where the Standards are <b>referred to</b> in the Procedure	Describes what to do, how to do, when to do, how long it should take to do and who to do it with reference to the desired outcomes (Standards), and is created for a set timeframe or event (eg daily or weekly or monthly or during changeover etc)



CI Document	Definition	Comment / Use
<b>Standard Procedure</b>	A step-by-step instruction to achieve a desired outcome or outcomes where Standards are <b>incorporated</b> into the Procedure	Incorporates the Standards into the Procedure
<b>Standard Operating Procedure</b>	A step-by-step instruction covering Major Steps, Key Points and Reasons for Key Points required to achieve a desired <b>Operating</b> outcome where Standards have been incorporated into the Procedure	Incorporates the Standards into the Procedure
<b>Work Instruction</b>	How to do something specifically for a single role Describes how to perform a task, which is a more detailed portion of the procedure	Written in a highly detailed manner. Usually written as steps and actions To aid in training, to reduce mistakes, a point of reference for jobs, etc.
<b>Schedule</b>	A list of tasks with intended start and finish times / dates to indicate when you should do the tasks	Used to monitor progress Tasks could be in the form of Checklists or Procedures
<b>Inspection Sheet</b>	List of things to inspect with provision to note the status of the situation	Used to record the status of the situation (eg 50% worn)
<b>Flowchart</b>	A type of diagram that represents a process, showing the steps as boxes of various kinds, and their order by connecting these with arrows.	
<b>CI Improvement Sheet</b>	A structured process for basic problem solving where potential improvements can be identified with expected outcomes, submitted for approval by all other shifts in the area and management, then used to record the outcomes from the improvement which can be shared with everyone	Frontline Leaders to sign off agreement on behalf of their shift Manager / Supervisor to sign off to authorise to proceed
<b>A3 Frontline Problem Solving Summary Sheet</b>	A summary of the Frontline Problem Solving process to allow documenting of the analysis and root cause solutions implemented along with results in a standard language format for easy sharing	Used for presenting to Daily Review meetings CI Manager to sign off to confirm compliance to agreed standard
<b>One Point Lesson (OPL)</b>	A brief one subject / one sheet training session regarding equipment most frequently conducted in the workplace. Topics could include how to achieve an equipment standard, how equipment functions highlighting inspection points, how to remove or install equipment components, or even how to clean equipment.	The training is initially given by the person who has prepared the OPL to the Frontline Leader who would relay the training onto their Team Members using the OPL to ensure integrity of the training

We recommend an Improvement Knowledge Base is established using your Equipment Structure (rather than cycle or team structure) to store all Improvement Knowledge created so that all sites can access this information.

We recommend that the CI Corporate Manager conduct a weekly 30 minute hook-up / webinar with all CI Co-ordinators at the sites to ensure there is a conduit to rapidly share learning.

## What are the possible risks to success and how should these be monitored?

### 1. Site Management see CI as an extra thing to do to appease corporate

CI needs to be embraced by site management as a means to achieve their short term and long term business plan, not as an add-on to their many other projects. As such they need to embrace the notion that everyone at site should ultimately be spending at least 5% of their normal work time involved in Cross-functional Team improvement activity and at least 5% of their normal work time involved in Area Based Team improvement activity.

As such, we believe some of the key attributes of a Site Manager and their direct reports such as Production Manager, Maintenance Manager, and Quality Manager etc should be:

- A commitment to excellence;
- A willingness and desire to learn a new way of thinking;
- A willingness and desire to learn a new way of leading;
- See their role as one of developing their people and creating future leaders, in other words, a desire to be a good teacher and long term thinker;
- Recognise that Safety First is a given, and that perfect quality and customer satisfaction are the most important focus of the company after safety; and
- Understand and re-enforce that quality is never sacrificed for cost or expediency.

### 2. CI is approached mechanistically rather than organically

Mechanistic is a linear view of the workplace, treating the workplace like a machine that requires tools to fix, hence Mechanistic is a very CI tools focused approach. Organic is a systemic view of the workplace, treating the workplace like a living organism that requires nurturing, hence Organic is a people development focused approach where the CI tools are used to develop people who then improve the business. The Learning from Professor Jeffrey K. Liker in his book **The Toyota Way to Continuous Improvement** is that 'Mechanistic approaches do not sustain'. All CI activities need to be linked to both vertical development through Cross-functional Teams and horizontal development through Area Based Teams of all your people so they become the frontline for Problem Solving, Visual Workplace and Prevention at Source.

### 3. No clear Improvement Vision for the site

To be world class you need a long term goal or Improvement Vision to strive for, that is challenging and achievable (something that other world class sites have achieved). It should be measurable and have a timeframe.

A possible Improvement Vision could be:

*Within 5 years be a site that has achieved:*

- *Our World Class targets for all our Key Success Factors / Goal Aligned Performance Measures and Ratings (Operations, Maintenance, Culture);*
- *All personnel engaged at least 10% of their normal work time in On-going Continuous Improvement activities (5% Cross-functional Team and 5% Area Based Team); and*
- *Recognition as World Class in On-going Continuous Improvement by gaining Level 5 of the 5 Level Milestone CI Excellence Award.*

#### **4. Poor Daily Management at the site**

Often we find that poor Daily Management at a site will lead to people being too distracted with day to day issues, that they cannot devote sufficient time to CI. A good indicator of this is the effectiveness of the site Daily Review Meetings and follow-up actions. If poor Daily Management is discovered (if not already identified, something to watch out for during Cycle 1), then we strongly recommend this is addressed rapidly through developing effective Daily Review Meetings and Frontline Problem Solving / Root Cause Analysis capability.

#### **5. Poor monitoring of the CI journey**

By monitoring the CI journey weekly, any small issues can be identified and addressed quickly recognising that ***'small problems are difficult to see but easy to fix, however, when you let these problems develop, they are easy to see but difficult to fix'***. When site management defer their weekly meetings or opt for fortnightly or monthly meetings, often issues raised are delayed in being addressed causing much frustration and disengagement of the people central to the success of CI – the frontline.

#### **6. Lack of clear policies to guide the CI journey**

CI should not be voluntary, everyone should be expected to be involved as it is cascaded across the site and made part of their normal work. However, care should be taken when engaging people, so that no one has an opportunity to say they don't want to be involved in CI. As such, everyone should understand 'why' they need to get involved in CI. For this reason it is critical that everyone, as they get involved in CI, has sufficient training so that they understand 'why are we doing this' and 'what's in it for me' before getting involved.

#### **7. CI Teams not being successful**

Every CI team must be successful in that every team must achieve their mandate and celebrate their success. We all know success breeds success. This is why it is critical to give proper consideration to establishing a clear mandate and boundaries for every team (we have created a series of Team Information Sheet templates to assist in this critical task of the Leadership Team that the team reports to). It is also why it is critical to hold a Mid-way Presentation for each team so that the mandate and boundaries can be reviewed by the Leadership Team and adjusted based on the learning to date, to ensure the highest possibility of team success as they implement their approved recommendations. It is also why Final Presentations are critical to acknowledge the team's achievements and capture their recommendations and learning.

To monitor these 7 risk factors we strongly recommend that Site Leadership Teams and initially the Corporate CI Leadership Team meets weekly (max 1 hour) and the appropriate managers take responsibility for their teams rather than expecting the CI Co-ordinator or CI Manager to be responsible. Once the CI journey matures, Corporate CI Leadership Teams will often migrate to fortnightly then monthly meetings.

## **What external support will be required for corporate and the sites?**

Often competent and experienced external support can assist both corporate and the sites by providing the training and facilitation until your CI Corporate Manager can take on this responsibility. The external support should be focused on transferring their knowledge and experience as rapidly as possible to your CI Corporate Manager through the adult learning process of Education, Demonstration, Doing and Reflection.

At the site level, the focus should be to transfer knowledge and experience to your CI Co-ordinator so they can take the responsibility of providing the support as soon as practical. Obviously the capability of your CI Co-ordinator will influence the timing of this. Often a structured process of gradual reduction of external support linked to the progress of the site in achieving the 5 Level Milestone CI Excellence Award is the most practical way to proceed. For example, some sites have found reducing external support by 50% upon achieving each level of the 5 Level Milestone CI Excellence Award has worked very well for them.

Ideally, the level of support required for each cycle should be determined at each sites Introduction Strategy workshop and the following Pre-cycle Strategy Planning Sessions.

As such, the level of external support each cycle may vary from site to site depending on your immediate needs.

***For more information about CTPM's approach to Corporate Governance of Continuous Improvement, please contact Ross Kennedy on +61 2 4226 6184; or email: [ross.kennedy@ctpm.org.au](mailto:ross.kennedy@ctpm.org.au); or visit CTPM's web page at: [www.ctpm.org.au](http://www.ctpm.org.au)***