

The DNA of Excellence

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“The Case for ‘Knowhow Management’”

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It's all about great people!

The great thing about this statement is that it can never really be wrong. It only gets into trouble when you add the word "Just" before, "all about great people" or, when you attempt to define what a great person is for your organisation.

Sooner or later it is clear that although great people are an essential ingredient in an organisation's performance success, the organisation itself has an amazing ability to 'make' or 'break' that greatness.

Great people may be valued because of the great they do for us. However given clear direction and what we need, all of us may be capable of greatness.

Framework.

The best test of organisational excellence we currently have is the Baldrige Performance Excellence Criteria. With a 100 plus questions, it tests the excellence of an organisation against performance benchmarks in an holistic framework.

It is a "results" oriented framework. Frankly if you are not financially very successful for your type of business model you cannot do well measured by it.

Article at a Glance

*If you **think** with a world class framework, you can design a high performing business.*

The DNA of this business needs to be where people can find, understand and use it to evolve with.

If you want your procedures to be valued and followed they have first to be made valuable.

You don't need procedures for everything but for ones you do, documentation needs to be presented in a way that people can and want to use, improve and share them.

For your values, policies, processes and procedures 'Alignment' is key.

The framework itself has been refined for nearly twenty years through the participation of the highest performing organisations in the world.

Almost every question in the criteria begins with the word "How" and almost every poor answer begins by explaining "who". Love them or hate them, you are as good as your practices allow you to be.

The fundamental premise of performance excellence is: a **great result** comes from a **wonderful approach, brilliantly deployed.**

Central to success are:

- ◆ continuous learning and knowledge sharing,
- ◆ continuous planning,
- ◆ measurement for decision support, (*measuring what counts and using the results to assist you make decisions in daily operations*)
- ◆ continuous improvement and;
- ◆ alignment.

Alignment is literally making sure that what you are doing in one area will line up with what you are doing in another. Alignment is achieved when all the parts of the whole fit and work together.

We achieve aligned systems and process through design. Our processes, their performance measures, the way we ask people to work in them, the IT that enables them and their leadership, have to be thought through from the beginning. Alignment is looking for the one or, the few integrated things that can deliver the most important results.

You cannot see alignment until you bring everything together and you never get to see it if it wasn't designed in from the very beginning... if it wasn't in the DNA.

For alignment, we need to know the factors that count, in the processes that matter, to the end to end deliveries that customers will pay for.



Excellence needs to be in your DNA!

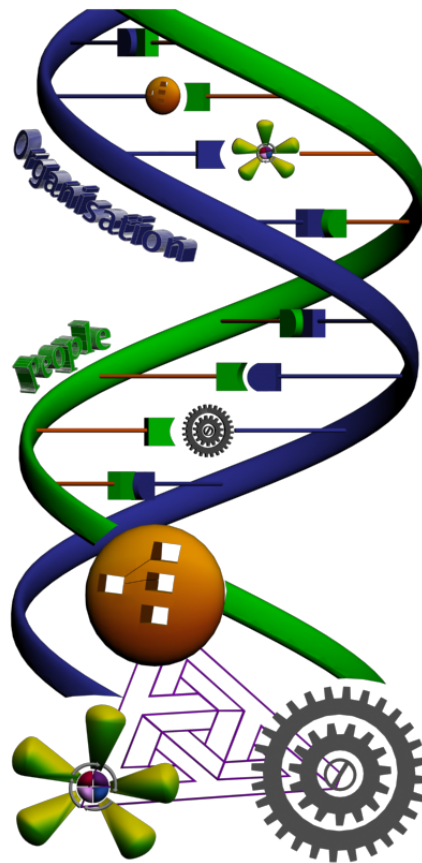
Mission,
Vision,
Values,
Policies,
Processes,
Procedures,
Behaviours,
Measures,
Strategic Objectives,
Action Plans,
Information Technology,
Knowledge
Management,
Communication

In this list all of these things need to be designed into your business.

- They need to have been designed to function as a cohesive whole.
- They need to be aligned and integrated to produce the optimum output.
- They need to be in the building blocks of your organisation; your DNA from the word go.

Over the past decades many models have emerged; from generic maturity models to the industry specific service or process models - CMM® to ISO® to ITIL®.

The one thing they can agree on, is that getting the the right people, doing the right things, is more than a recruitment exercise; more than a training exercise and more than a restructuring exercise.



DNA-Excellence

The icons in this diagram belong to the 4 pillars of DNA Excellence: Continuous Planning, Continuous Improvement, Measurement for Decision Support and Knowhow Management. See www.busxarchitects.com for further information.

After the last decade, putting the people with the right attributes for your business and its practices in the right places to give you maximum return on their effort, is also clearly more than can be accomplished by putting enterprise reporting systems in place. (*Notwithstanding that the measurement and reporting integration can be helpful.*)

What is required is a complete holistic model for the business. We no longer need a guy, we need a way! Then we need a way to share that way; that knowhow and continuously improve it.

Using cause and effect in the way you document

The way you conceptualise alignment can help you organise and present your most important 'How to' knowhow.

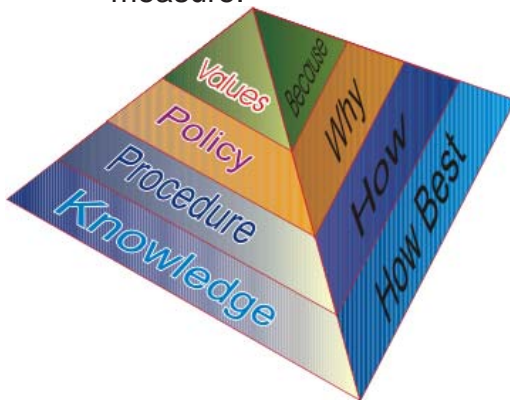
The 'How', 'How Best', 'Why' and 'Because', heirachy of procedure, process, policy and values can really help get things done quickly and well.

Ask any parent of a two-year-old the power of asking why and the pain of not having a good answer.



Conceptual Alignment

We all have Values, Policies, Procedures and Practices but often we do not know why we have the ones we have. We know at times that we have problems with them, but the extent of the time, money and aggravation cost inherent in things not being lined up and at our fingertips are often far greater than we stop to measure.



Generally when someone asks you how to do something in an organisation the answer is found in a documented process or subprocess; as described by a procedure.

Our collective experience of this documentation is that we are often not much the wiser once we have read it. We may know more about the subject, but we would still be unable to perform the tasks and get the outcome.

Documented procedures are evidence of a few things in your organisation however:

1. Here is something one or more people do more than once.
2. The outcome is sufficiently important for us to be concerned about the way they do it and;
3. If this is the kind of work you do, you should be able to recognise the intent and some of the practice it describes. It is a kind of superficial competency test for the 'would be' worker.

◆ *A higher order function of the organisation is to share knowhow and best practice.*

◆ *When local knowledge and expert user knowledge join with industry generic procedure or practice, 'best practice' can emerge.*

◆ *When integration is achieved through design, best practice can evolve to "best practice here".*

◆ *'Best practice here' is the outcome sought from the standardisation phases of process improvement methodology. It is a higher order function again. Its goal is to transform local or individual 'knowhow' into 'organisational knowhow' to establish 'How Best' for the whole enterprise.*

Not to be confused with 'know all'¹, 'how best' is the most important brand building stage in the evolution of your business. This is when the people and their systems come into aligned support of the value proposition encapsulated in your processes.

What was known to just a few key individuals is now available to all. The sort of 'knowhow managed', facilitative, collaborative procedure that is represented by "How Best", exists to assist anyone to achieve the highest possible output from the lowest possible effort. *If you thought being excellent would be difficult, try doing what most of you are currently doing.* 'How best' is a catalyst for assisting ordinary people to extraordinary performance.

Be warned, the path to hell is paved with good intentions. Inexpertly rendered or mismatched procedural 'How Best' documentation for the worker destined to use it, can be as bad as not having a procedure at all.

It is only 'right' when its intended customer chooses to use it, follow the best practice it describes.... and can!

¹="Know all" is traditionally the preoccupation of intranets . It is where everything is, but few can find it and even fewer could use it if they did - Knowhow Management advocates separating the informational from the procedural. This may be counter intuitive to alignment on the face of it, but the alignment sought is with the user and their reason for accessing the information in the repository, not the IT mechanics that allow this to happen.



Motivational Alignment - why should I comply?

If you cannot answer **why** our best practice is best practice or point to a value that we share that it serves, you cannot guarantee anyone will use it.

Organisations frequently end up with just too many policies (*and consequently too many procedures*). Some policies border on the ridiculous or are so detailed, specific or low level that they defy alignment with our values.

Lets take an example through the knowhow pyramid. If your organisation had a procedure for purchasing a company vehicle that allowed purchase from only one particular company with a single dealership, many questions would be raised. Why can I only shop here? Why can't I buy a different make of car?

We may have a policy to deal only with preferred suppliers. We could also have a policy to buy cars of a similar calibre to our peers in customer organisations, or we may have a policy to only buy vehicles from our biggest customer. In any event our policies need to be able to provide the answer to any **why** protestations someone may have at following the procedure.

If we can only buy a Toyota Corolla with this procedure and we do not know why we have to, we might be reluctant to do so.

We could create disharmony and squander organisational time and focus trying to get around this procedure. However if we have clear policy criteria for preferring suppliers, we can answer the why question for ourselves. This frees us to get on with the **'how best'** to expedite the procedure and in this case, the purchase.

Sometimes policy is not enough to motivate us. The free world may have a policy to stand by its allies, but that policy gets called into question when their allies look like aggressors or the data that prompted their action is called into question. At times like this we need more.

If you do not value your processes enough to continually improve them, it is hard to believe that you value their outputs.

If you do not provide people with somewhere to share their learnings, it is hard to believe that you value learning, innovations or indeed, them.

If you do not act in accordance with the values you espouse, it is hard to believe in you and it is hard to believe that you are ever going to be any good.

Back at our car example. If our policy to buy from those who shop with us, sends us toward a vehicle we would not ordinarily have picked as suitable, it is going to take an appeal to a higher authority to ensure that we comply. That higher power doesn't have to be some 'one' with authority over us. The appeal is most successfully managed by a higher order value that we hold above the desire to drive an Aston Martin.

◆ Our values are the source of our answers to our **'why'** questions. These answers begin with **'because'** and come from beliefs we hold to be true.

◆ Our business values are differentiators for our employees when they join us and our customers when they shop with us. A company or a country that has no values, needs no policies and stands for none. This is irrespective of the goods and services it delivers.

◆ A policy that does not appeal to, or is contra to a value we hold dear, cannot act as a foundation or test of our processes, procedures, practices or ultimately, our behaviour.

◆ A procedure that is not backed up by measures that themselves reflect policy, can change, but improves only by chance. In our purchasing example, our procedure tells us **how** to purchase a car from our preferred supplier. If it is an evolved procedure, it will



tell us **how best** to accomplish this and to do that it must satisfy an array of best outcome measures; financial, convenience and expeditious. These measures should enact our values and satisfy our policies.

Our policy should be able to back this procedure with a compelling answer to anyone who asks us **why?** In this case, why we can only buy a Toyota from company X.

Confronted with challenges to our policies we need a very good **'because'**. This is not to be a road block to changing a policy or a procedure. It is actually the fundamental 'first principal' route to changing it. If there is no **'because'**, or the 'because' is weak, this policy could and should fall. Compliance with the procedure it backs is not assured either way.

Our policies change only in alignment with our refined values. This in turn facilitates the corresponding changes to our procedures.

When the value behind a policy is weak, that policy loses potency. If the policy behind our procedure is without foundation, our procedures will not be followed or will not achieve the results they were designed to achieve.

Organisational Alignment

Many organisations place a high value on competitiveness. The mediocre ones are preoccupied with just being better than competitors. The great ones are preoccupied with being better today than they were yesterday, every day. *It is very hard to compete with a company that is on the same track as you but racing to beat its own best performance.*

The great organisations, like the great athletes, understand all of the elements that combine to bring about a great performance and they manage the ones that really count, really closely.

Above all they know that a methodology they can employ to monitor and improve all aspects of their performance is their most important process. Continuous improvement methodology is critical.

Holding fast to the gains you have made, by sharing the knowhow that you have won, in an effective and collaborative interface is just as critical.

Knowledge sharing systems and opportunity are the essential precursors to

the innovation revolution that can take hold in your organisation if you design for it.

- ◆ *Make it possible to see how everything lines up.- How best-how-why-because.*
- ◆ *Make it possible for anyone to access the relevant learnings of everyone.*
- ◆ *Make it possible for everyone to contribute to their own improved performance.*
- ◆ *Turn the improvement bug into a pandemic.*

In the early nineties when I first designed my improvement bug², the goal was to infect individuals with it. They would in turn, infect others and by and large the organisation would catch it and catch on. This infection strategy has worked extremely well. However when people get the bug it alters their DNA. If the organisation does not keep up with them, they simply out grow the organisation that has nurtured them thus far and move on to infect new organisations. Providing them with a mechanism to improve the way they work and deposit new knowhow spontaneously can be a foil to this, helping you to retain them instead of losing their talent, knowledge and performance.

²= The improvement bug is known as TurboSigma® in New Zealand and by other names in other markets. It is the continuous improvement process engine to continuously improving your knowhow.



◆ **First**, elevate the improvement process to full status as a critical process of the business and bring it to life through your Knowhow Management System

◆ Manage the process and improvement delivery as ardently as any of your core service or product delivery processes. *Do this with line management, not with an elite corps of process improvers. Infect everyone with the improvement bug.*

◆ Do not leave your continuous evolution to chance! Tie it to your organisation's continuous planning and see it as a critical strategic weapon in your competitiveness.

◆ Program manage the various improvement projects but make sure all

improvement projects are aligned with the strategic outcome you seek and the excellence framework you are trying to measure success against.

◆ **Second**, do not leave anything that an individual has learned in your employ in their head alone.

Excellence needs a tool like IPPreserver®. It is a knowhow management system; a documentation interface, built from the conceptual alignment pyramid and specifically designed to enable the standardisation and dissemination of knowhow as well as its managing own continuous improvement.

IPPreserver® is not intended to replace your

intranets, websites and collaboration or other communication and knowledge systems, but integrate with them and make them work for you!

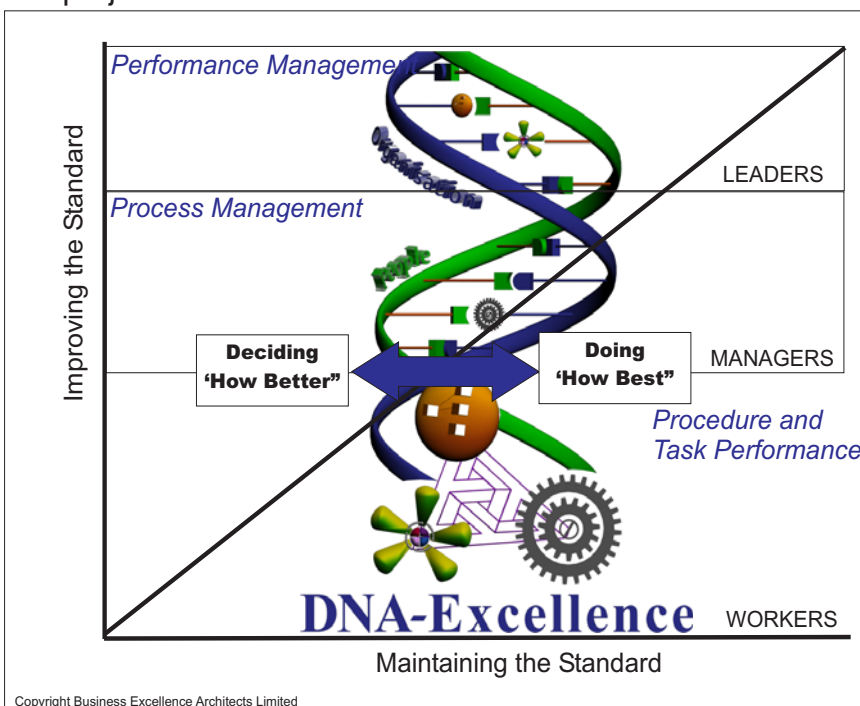
It is an interface to the factors that count, in the processes that matter, to the end to end deliveries that customers will pay for.

You can turn to it as a continuously evolving oracle of your best practice and learn quickly from it and use it, to get the things that matter most done. It is designed to be able to be updated instantly, launch any application or file just when you need it and requires no IT support to publish content. It can both encourage and keep up with accelerated continuous improvement in your organisation.

Populating IPPreserver® with 'How' and 'How Best,' aligned to 'Why' and 'Because' will keep your best and brightest improvers reinventing and innovating with your organisation.

An individual who has learned a better way is valuable to your organisation.

Teaching the rest of the organisation what that learning means to everyone's practice and performance is priceless!



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The diagram represents the case that everyone in your organisation has two elements to their role. They are always involved in maintaining the standard but they are also charged with continuously improving it. As you move up the organisational hierarchy the emphasis shifts from my area, to my process for middle management, to my organisation for senior leadership. See more at www.busxarchitects.com

