

**Dubai Global Convention on
BUSINESS EXCELLENCE**
&
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THEME PAPER

Business Excellence and Beyond
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At the Dubai Global Convention on Business Excellence delegates will be reviewing different approaches and models for achieving business excellence and considering what changes might be needed to address contemporary challenges and opportunities. Are existing models still fit for purpose or are they an unnecessary distraction? Can they contribute to continuing relevance, vitality and competitiveness?

The convention represents an opportunity to compare different approaches to business excellence and explore their relevance to sustainability and other current concerns. Is minor amendment required or more fundamental review? Are there more affordable alternatives that could contribute more directly and quickly to the achievement of key corporate objectives? Should existing excellence models be developed or discarded?

The author played a modest role at the inception of one widely adopted business excellence model, namely by co-chairing with the then Secretary-General of EFQM a meeting of quality directors of major European companies hosted by BMW in Munich. The meeting was called to discuss findings of two reports *Beyond Quality* and *Quality: the Next Steps* based on the author's research. It concluded that a more holistic approach was required. EFQM undertook to investigate how best to do this.

The outcome of these deliberations was the development of the first version of the European Quality Model which drew, in particular, upon a management model used within Xerox and Rank Xerox. Perhaps not surprisingly Rank Xerox was the first winner of an associated European Quality Award that assessed performance and achievements according to the wider range of factors within the new model.

In themselves, many management models, techniques and approaches are neutral. It is how they are used and for what purpose that will determine whether they help or harm us. Operating a business excellence framework can prove an expensive distraction or turn out to be a crucial contributor to corporate success depending upon the thought and rigour that is committed to its use. Often important choices have to be made.

At some point in a business excellence or management model there may be a stage at which areas and opportunities for improvement are identified. One can then make a selection from a variety of techniques and approaches that could be employed according to the nature, extent and timescales of improvements required.

The approach which is most appropriate is invariably a matter of horses for courses. A simple quality tool could be used by operatives to quickly make a local improvement. A larger and more strategic step might require re-engineering and the acquisition of new technology. Such projects can be expensive and disruptive and it may take a year or more for them to deliver results, which may or may not prove beneficial.

It may be possible to initiate a number of quality or process improvement projects in parallel. Fundamental restructuring or re-engineering projects are likely to be fewer in number. Their greater cost and a requirement for specialist and external support may limit their use to where an organisation has clearly fallen behind and needs to catch up, or where an opportunity has been identified to gain a clear competitive advantage.

In relation to purpose, exercises can be undertaken for a variety of reasons, for example to cut costs or speed up responses. Sometimes different initiatives can have a variety of rationales and if there are too many of them they may conflict and get in each other's way. In other organisations there may be greater consistency, for example a common theme of focusing primarily upon reducing the cost base.

Large numbers of single issue initiatives can be confusing for the people of an organisation. An extensive portfolio of projects can be difficult to manage. People may feel as though they are being pulled in different directions by conflicting demands. Initiatives may compete for attention and resources. A single theme may help with alignment, but can still result in conflicts with other objectives and trade-offs.

Operating an annual business excellence cycle in a mechanical way might be appropriate for an organisation in an established, mature, static or declining market when margins, profitability and matching competitor prices may depend upon making a succession of improvements. However in rapid growth situations, when innovations are occurring, or a step change is required to catch up, differentiate or be competitive, a more focused and thinking application is likely to be required.

A common failing in the routine use of an excellence framework is that far too many projects are initiated and approved. People in many companies and large areas of the public sector are suffering from initiative overload.

The author recalls addressing the top team of a multinational company that had over 8,000 quality improvement projects world wide, and asking its 40 most senior executives to identify what each of them felt were the top factors that would determine whether or not the corporation would survive in the face of intense competition. A simple 'post-it note' exercise completed over a tea break resulted in a prioritised list of eleven 'challenges'. Going around the room and asking each participant how many of the improvement projects for which they were responsible related to these challenges was a sobering experience. One director thought one quality improvement project might relate to the eleventh and last factor on the list.

This US multinational was passionate about quality and business excellence. Yet the reality was that thousands of people around the world were working hard on over 8,000 initiatives and not one of these was thought to be related to the top ten challenges facing the corporation. Not surprisingly - and within a few years - what was once a household name company was overtaken by events and is now a pale shadow of its former self and largely forgotten by most consumers.

The author has encountered many companies around the world whose commitment to business excellence has simply resulted in far too many initiatives. Teams of people have worked hard on improving areas that have not been differentiators or visible to customers. They have not applied simple tests such as whether a project would be a source of competitive advantage or have a significant impact upon the customer.

On another occasion, the author facilitated a three day review of the change and transformation programme of a financial services company based in the Middle East. At the time it was similar to its competitors in many respects. However, this company did take advice and massively pruned the number of improvement projects it planned to undertake. It just kept the projects whose results would be visible to the customer groups it was targeting and which would differentiate their banking experience. The bank quickly secured a high proportion of the customers it was seeking to attract.

In over 100 similar engagements the importance of focus and selection to concentrate effort on a far smaller number of activities that deliver key corporate objectives has been demonstrated time and time again. One should never be impressed with activity, motivation and commitment *per se*. It all depends upon whether or not all this energy is devoted to achieving organisational purpose, vision, goals and key objectives.

Early approaches to re-engineering were criticised for over-looking 'people factors' that were thought essential for achieving significant change. On occasion, projects were also driven by the need for internal cost saving at the expense of the interests of external customers. Business excellence models sought to address these deficiencies by embracing a wider range of factors, particularly in terms of results sought.

One consequence of more holistic approaches and their application to the full range of corporate activities has been a significant expansion in the number of initiatives being undertaken within a single organisation. Enthusiastic adopters have encouraged the review, and where it is thought necessary, the improvement of all areas of operation, irrespective of their significance for customers and priority corporate objectives.

A recent five-year investigation by the author found there are much more affordable, quicker and less disruptive ways of transforming performance and ensuring continuing competitiveness than the costly, general and multi-year initiatives found in many corporations. The greater impact and quicker results of approaches

set out in the *Talent Management 2* and *Transforming Public Services* reports is due to a number of building blocks, one of which is a greater focus upon key corporate activities.

The author's *Winning Companies; Winning People* research programme has identified critical success factors for important corporate activities such as winning business, building customer relationships, and pricing, purchasing and creating and exploiting know-how. The investigations identify and rank outcomes achieved and compare the approaches of top-quartile performers (winners) and bottom-quartile achievers (losers) to determine what the top performers do differently.

The findings are sobering in that even the top-quartile performers are typically only very effective at less than half of the identified critical success factors. More disturbingly, in many organisations most of the change and improvement initiatives one encounters do not relate to identified critical success factors for key corporate activities. The initiatives one observes either do not touch these crucial activities that contribute directly to priority objectives, or they get in the way when they do.

More encouragingly, the investigations show that the performance of every participant in every survey – over 2,000 companies and over 500 professional firms – could be quickly improved by simply putting in place additional critical success factors. These are set out in over 20 research reports. Simply focusing upon certain key jobs that contribute disproportionately to priority objectives and stopping other activities can save resources and have a massive impact upon performance.

Perhaps most encouragingly of all, the distinctive approaches of 'superstars' can be captured and shared so that average performers can emulate their superior ways. Building critical success factors and the approaches of top performers into performance support can make it much easier for average achievers to understand complex areas and excel at difficult jobs.

Job related performance support that is available on a 24/7 basis, and which can be quickly and automatically updated, can help people as and when they face particular problems or challenges wherever they might be, including when on the move. Support can be provided over the internet and by widely available technologies such as mobile devices, including lap-tops, tablets and the latest generation of mobile phones.

The great advantage of performance support in comparison with other approaches is its affordability and the fact that it can quickly deliver huge returns on investment when applied to critical jobs. Crucially, it usually does not require a change of culture or structure or large investments in new technology. It can also enable people to cope and succeed as situations and circumstances change, which is a decided advantage in an era of uncertainty.

Applications of performance support set out in the *Talent Management 2* and *Transforming Public Services* reports - and a forthcoming report on knowledge management - can also simultaneously deliver multiple objectives. For example, one can simultaneously engage, increase productivity and appreciation, speed up bespoke responses, cut costs, ensure compliance and reduce stress.

Support can also be provided directly to customers, clients and citizens enabling them to help themselves. When customers are made aware of the consequences of different options they are able take more responsible and beneficial purchasing and lifestyle decisions. Applications of performance support can therefore benefit users, employers and the environment.

The ability of performance support to bypass significant areas of organisations to directly help end customers has significant implications, as does the fact that very often the top performers whose superior approaches are captured and shared operate very differently from the procedures and approaches set out in corporate manuals. There is a real danger that business excellence initiatives might result in significant effort being devoted to improving areas and activities that are no longer be required.

Business excellence models can embed existing forms of organisation. Improving them may entrench activities and ways of operating that can be an obstacle to progress and a barrier between external customers and the satisfaction of their requirements. It can prevent an organisation from rapidly adapting to match a changing market environment, shifting corporate priorities and evolving customer requirements. The risk is especially high when general and time consuming projects are initiated.

The author recalls one financial institution missing a once in a life-time opportunity to gain competitive advantage and grow market share. It was thought that introducing an innovative new product would create problems for a team of consultants struggling to re-engineer what was considered a key process. A new product launch was postponed to allow the consultants to plod on in the hope of completing the re-engineering.

The re-engineering exercise was subsequently abandoned. Writing off of its enormous cost significantly dented the company's financial results for the year in which it was stopped. In the meantime, a competitor had introduced a similar but inferior product to the one whose launch was postponed and gained a significant market share.

An advantage of performance support is that its adoption can be bespoke to address the particular problems of those working in key jobs. One can start where there are pressing problems and the approach works with whatever structures, cultures and systems are in place. It is also easy to scale up and roll out across a global organisation. Applications can be extended and people involved as required.

Whereas 'traditional' approaches can inhibit innovation, early adopters of performance support have used it to facilitate innovation and roll out new products. The approach can also incorporate social networking and other means of securing and sharing feedback. It also integrates working and learning. Applications can be designed to enable users to become more competent and confident with each use.

Business excellence approaches can encourage adopters to seek to improve existing operations and corporate bureaucracies rather than reform or replace them. They also attract various vested interests ranging from internal staff to external consultants who might not be required if simpler and more focused approaches were adopted. One might actually need a corporate bureaucracy to utilise all the various tools and techniques that could be employed at each stage of some models.

With any approach there could be a risk of losing sight of the customer when there is a strong focus on internal corporate needs. Performance support can engage and empower customers and involve them in its development. By enabling certain groups within a corporate bureaucracy to be bypassed it can also weaken internal lobbies and exclude those with their own agendas, perspectives and self-interests.

Modern corporations are networks of internal and external relationships. How does one extend the coverage of business excellence models to virtual teams, collaborating and partnering organisations and the co-creation of value with customers? Applying comprehensive general models to a wider supply chain can be problematic. However, task related performance support can usually be easily and quickly extended to embrace business and channel partners.

Are business excellence approaches relevant to transforming relationships? Should we apply standard and general models to the very different activities found in today's companies? Should organisations drop business excellence models and move on? Could the drawbacks of many adoptions be addressed by more effective application?

Are 'too many initiatives' an inevitable consequence of using business excellence models? Does the use of a 'balanced scorecard' invariably result in managers having to deal with too many measures of performance? What are the activities that most impact upon the delivery of key corporate objectives? Should there be a greater focus upon fewer but more strategic and enabling factors?

Have applications of contemporary excellence models become too complex? Are there too many different elements to consider? Less can be more. Are discussions at too high a level? Should people be looking at particular jobs rather than 'corporate cultures'? The iteration and review of models, using them to focus and differentiate, and incorporating learning and feedback are essential in dynamic environments.

There are many questions for speakers and delegates to the Dubai Global Convention on Business Excellence to address. Widely used models now embrace factors relating to the management of people, but what about the management of knowledge and the exploitation of know-how? Performance support makes relevant know-how available when needed. Do business excellence models sufficiently address competitiveness and sustainability? Do they engage and involve customers and other stakeholders?

Crucially, do some applications of contemporary business excellence models entrench top-down 'old leadership' with the attention their adopters often devote to motivating and managing people rather than helping them? In today's world one works with stakeholders for mutual benefit. One collaborates rather than leads. 'New leadership' shifts the emphasis from top-down approaches to the provision of better support.

Whatever approach is adopted certain steps are especially important, particularly those which select which areas and activities to focus upon. If business excellence models are used to identify and focus on key jobs and performance support is used to make it easier for people to excel the two approaches could prove complementary. Adaptation and a bespoke and more thoughtful application of a general business excellence model could pay dividends for many organisations.

Business excellence models and approaches are widely used. The Dubai Global Convention provides an excellent opportunity to discuss, refresh and re-energise them. When properly used, a holistic approach to business excellence can become so much more than an annual ritual. It can live. It can ensure a focus on key areas for improvement and critical success factors. It can be a framework for sharing best practices. It can enable a company to remain relevant, current and vital.

About the author

Prof Colin Coulson-Thomas, an experienced Process Vision Holder of successful transformation programmes and international Change Agent and Transformation Leader award winner is author of *Winning Companies; Winning People*, and *Talent Management 2* and *Transforming Public Services* on a more affordable route to high performance organisations. He has helped over 100 boards to improve director, board and corporate performance, and spoken at over 200 national and international events in over 40 countries. He was the world's first professor of corporate transformation and is a member of the business school team at the University of Greenwich and an adjunct professor at Manipal University. His latest publications can be obtained from www.policypublications.com and he can be contacted via www.coulson-thomas.com.