

An Examination of OPERATIONAL EXCELLENCE

A Kaufman Global Survey Report

Dig deep with insights from over 40 top transformation leaders. Find out:

- How they are working to transform and sustain
- Data-supported conclusions about what works, what doesn't and why
- The single most important factor for winning OpEx
- Fatal mistakes that derail even the best
- The formula for success

Executive Summary

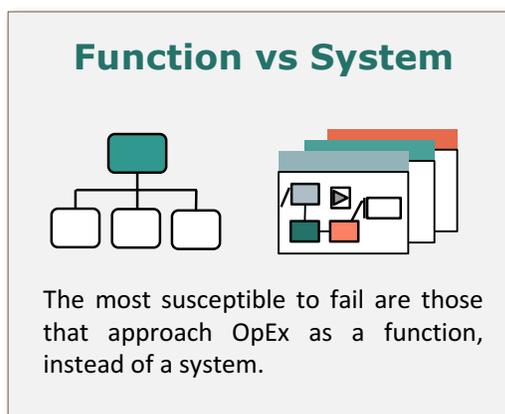
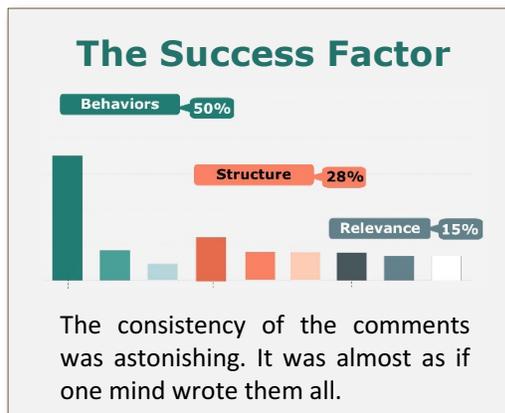
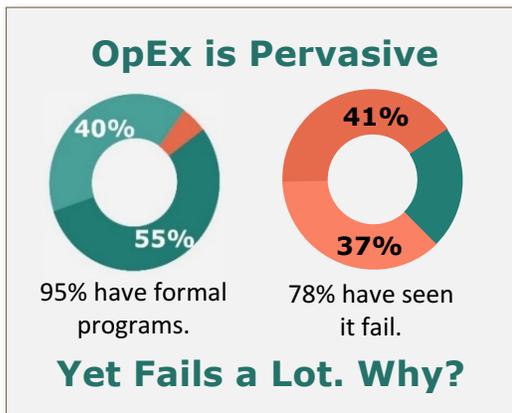
Operational Excellence (OpEx) is another way of saying “comprehensive process improvement”. As a function it is more robust than it has ever been. This report examines how organizations construct, use and think about OpEx.

Kaufman Global has been working on OpEx with a diverse client base for more than twenty years. Collected here is trend information and insights from people we’ve met and whose opinions we trust. They shared their experience with us, and we’ve included our point of view as well.

This report is rich in content and illuminated with understanding that only comes from real experience. We are delighted to share these results with you and hope you can use them as you work to transform and improve your enterprise.

Kaufman Global
November 2016

Highlights



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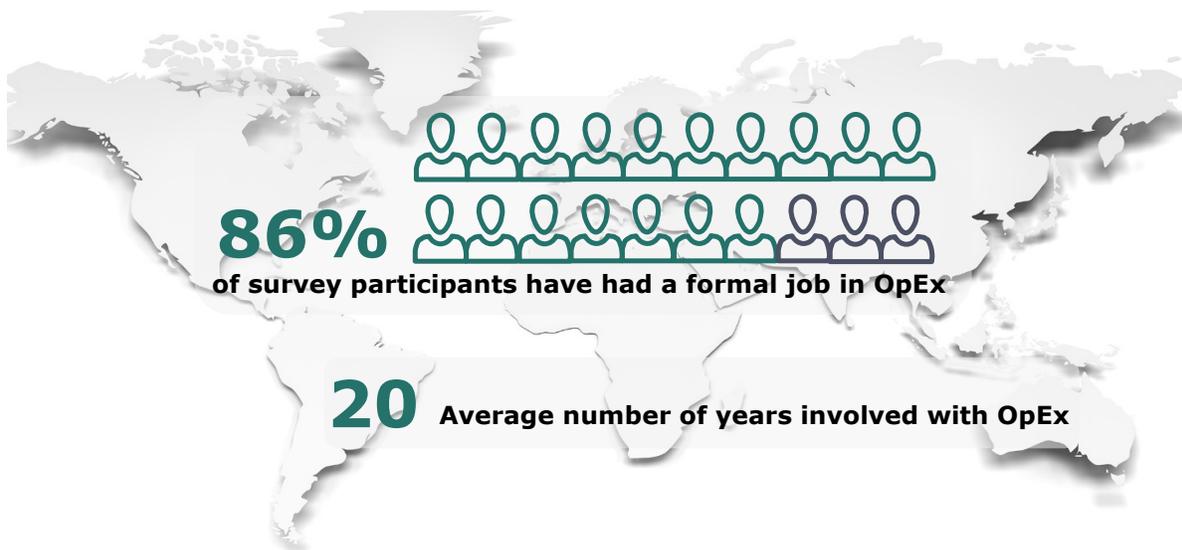
“Survey participant comments are contained inside these boxes.”

Survey Design

We have consolidated results from 16 key topics. These should give you an idea of where your organization stands in general and in comparison to others within this group of OpEx performers. Trend analysis of the open-ended comments yields some of the most interesting information where we can draw conclusions about what is and isn't working in the world of OpEx, and more importantly – why.

Survey Participants

The participants are transformation experts — people we know to have deep experience running and improving operations. Averaging over 20 years in and around OpEx programs and systems, this group provided over 1600 points of data that have been consolidated and analyzed.



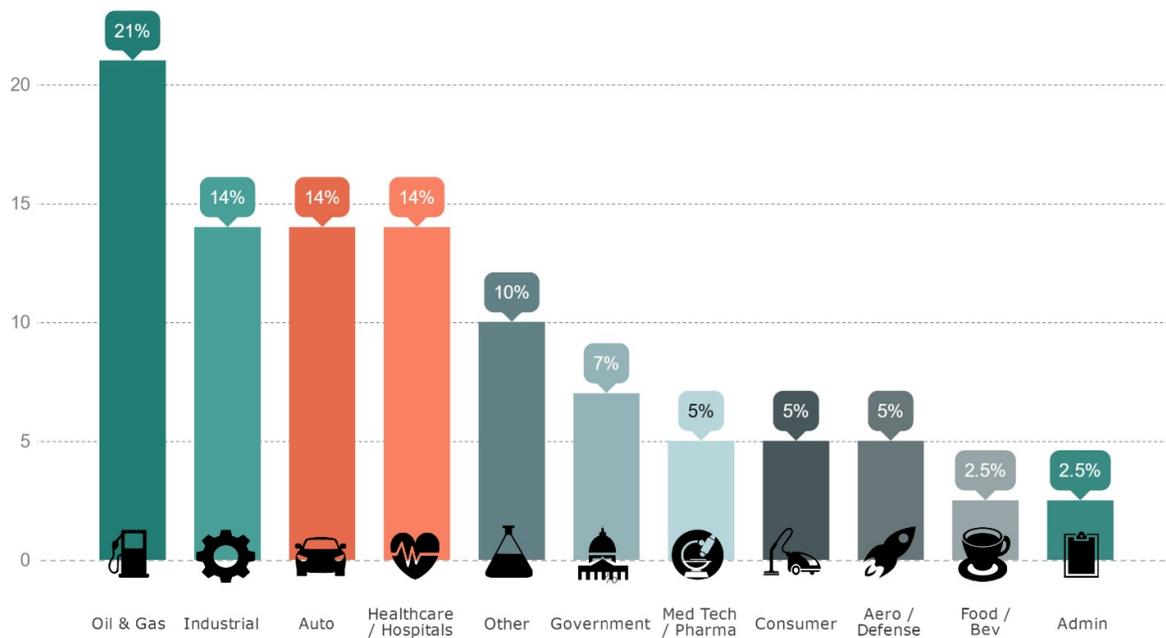
Talent

- VP Global Process Engineering
- General Manager
- Global VP OpEx
- Executive Director
- Deputy Superintendent
- VP and GM Europe and Asia
- Superintendent
- Senior Vice President
- Global Director Mfg. Eng. and Customer Satisfaction
- Site Director of OpEx
- VP, Global Lean Quality
- Director of Operations
- Sr. Director, Global Engineering
- SVP Supply Chain, Corp. Dev.
- Director of Process Improvement
- SVP and President
- VP Operations and Six Sigma (partial list)

Sectors Represented

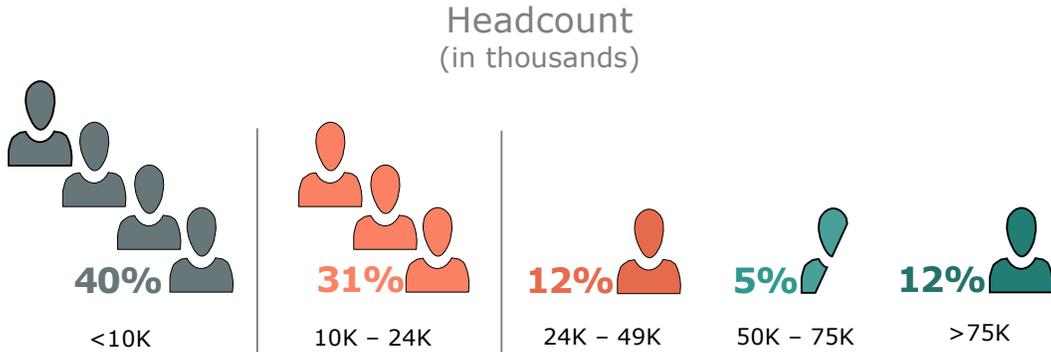
Twenty years ago we would have found continuous improvement endeavors to be far more prevalent in the automotive and traditional manufacturing industries. This is no longer the case. The idea that organizations of all kinds must formally address performance issues to compete is pervasive. Between the wide variety of enterprise types that participated in the survey, we saw no difference in their ability to respond to detailed questions about OpEx. Basically, everyone gets it. How it is structured, how far it has developed and how well it works are the places where gaps can still be found.

Participating Sectors



Headcount

Survey responses are split about evenly between smaller organizations with a population of less than 10,000, mid-size with 10,000 - 24,000 people and very large with headcounts above 25,000.

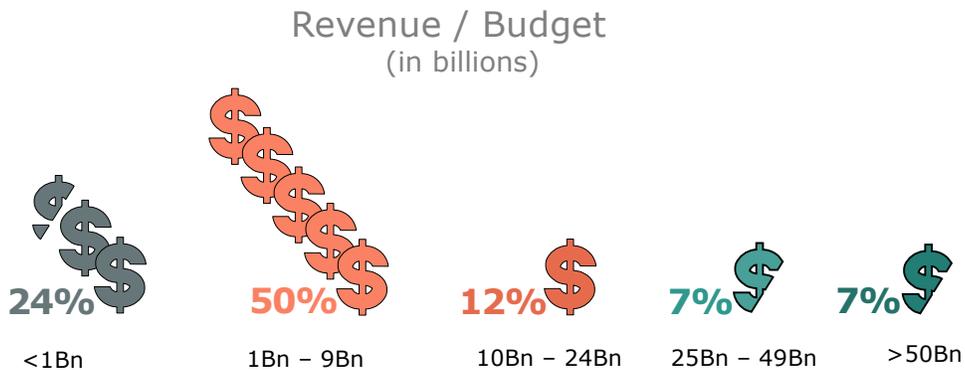


KG POV (Point of View): A culture of Operational Excellence is one where people work together to make things better. Does the size matter? Yes and here’s how. Large organizations must think more carefully about the change management required for alignment. They should break the organization into smaller units (“OpEx engines”) where the distance from the top to the bottom is manageable (say no more than 5 levels) and the unit size is no more than 3,000 people. The key is to ensure buy-in up and down the organization and this is only doable inside subsets of larger organizations.

The requirement to adequately define the roles of central vs. operating unit OpEx is more critical for large organizations. Confusion about who does what creates a lot of waste and is an easy out for those who don’t want to participate.

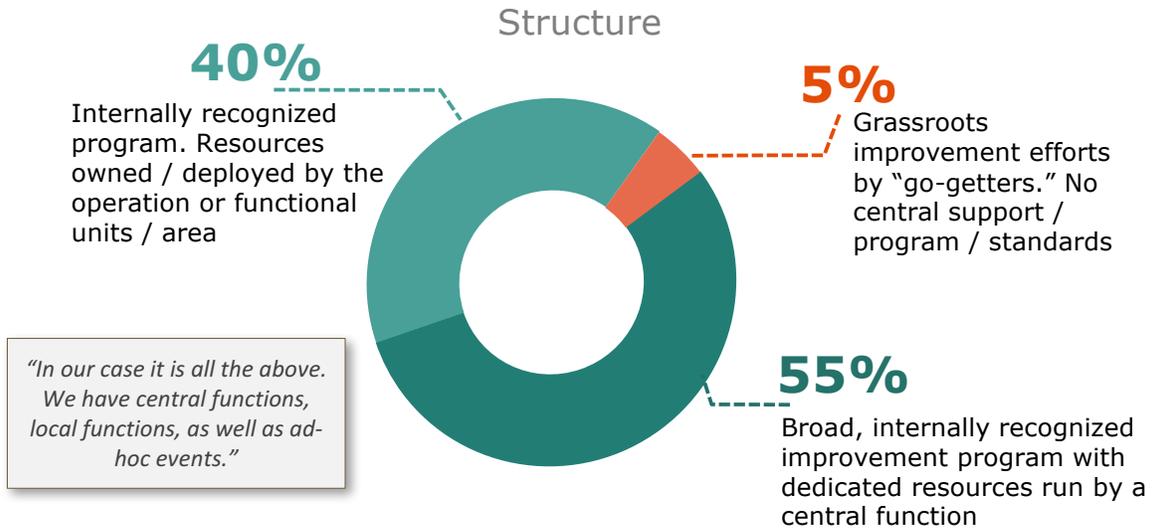
Revenue / Budget

For those enterprises participating in the survey, revenue (earn) for industry or budget (spend) for government, ranged from under \$1Bn to over \$50Bn.



How OpEx is Structured

Q: In my enterprise today, OpEx is structured in the following way:



THE DATA: This question seeks to establish two things:

1. How widespread and formal are the programs?
2. Who owns the resources?

The two highest rated options: central vs distributed control, are both "internally recognized" programs. Across a wide variety of enterprise types, 95% have formal OpEx.

KG POV: 95% with some form of sanctioned program is huge. 10 years ago, this number would have been half what it is today.

The control point – central ("corporate" if you will) or distributed (operating units) is one of the great questions of OpEx. We see fluctuation within organizations all the time and call this the "YoYo Effect"^[1]. Central wants to create standards for consistency and better adaptation throughout and to have a say in how resources are applied. Operating units will say that one size does not fit all and they must have more leverage in approach and targeting. Both are right, but there is tremendous waste generated while the YoYo spins up and down. Sometimes this happens because the organization is working to achieve the right balance. Other times, less positive forces are the cause such as business downturn, politics or lack of leadership.

"Transitioning from local to central ownership."

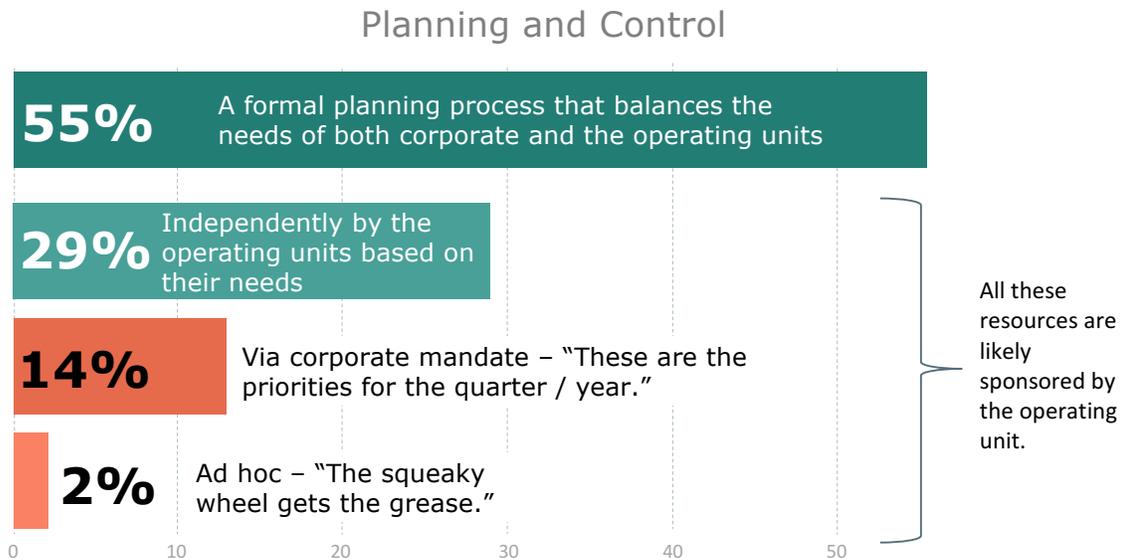
"There are resources in the functional units that are trained and coached by the central function of Process Improvement."

"Moving from Regional to Global, run by a central function, but we are not there as of yet."

[1] KG ASQ Paper: Operational Excellence – Managing Change and Avoiding the Yo-Yo Effect

Planning and Control

Q: In my enterprise today, OpEx activities are prioritized and directed:



THE DATA: We wanted to dig a little deeper into the connectivity and cooperation that takes place between a central control function and the operating units. The majority of the respondents (55%) indicate a cooperative arrangement. A smaller number (14%) indicate all improvement activities are mandated. It’s implied that the resources in the bottom three categories on this chart (in total 45%) are owned at the operating unit level.

KG POV: We suspect the cooperative balance response (55%) is a combination of special OpEx planning along with normal annual / quarterly goal setting and calibration. If OpEx is the platform for getting results, then this makes perfect sense.

To reduce back-and-forth power struggles, pay careful attention to the design and governance of OpEx for better communication and inclusion. Work to ensure:

- Alignment On roles and accountabilities for major elements of the OpEx system
- Relevance In a sustainable system, improvement efforts must achieve results for the user
- Standards Especially related to engaging leaders, managers and supervisors

“Starting to put in a formal planning process.”

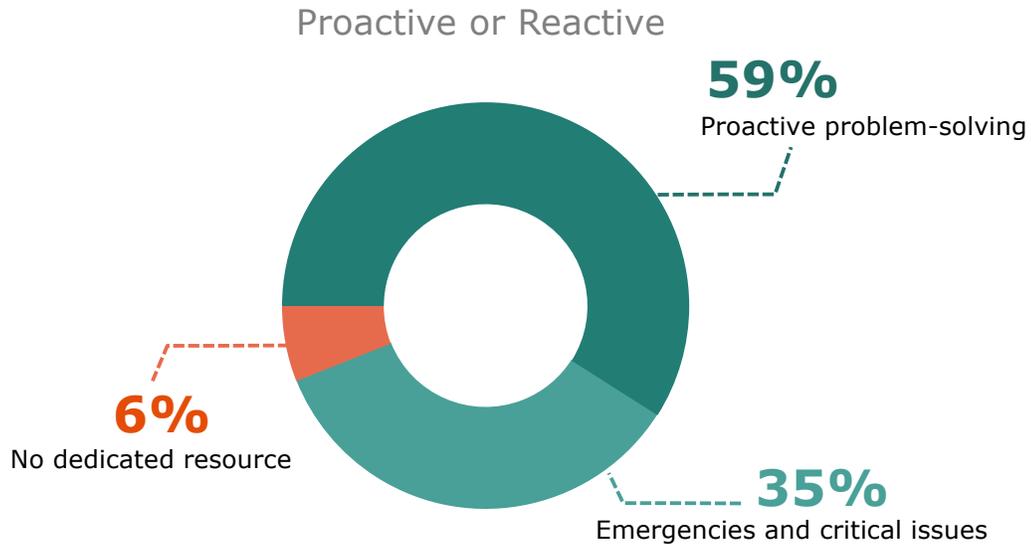
“Some corporate mandate but also through local planning process.”

“We have some divisional support but it’s getting smaller.”

“Planning is very much site led and directed.”

OpEx Activities – Proactive or Reactive

Q: OpEx resources spend their time like this:



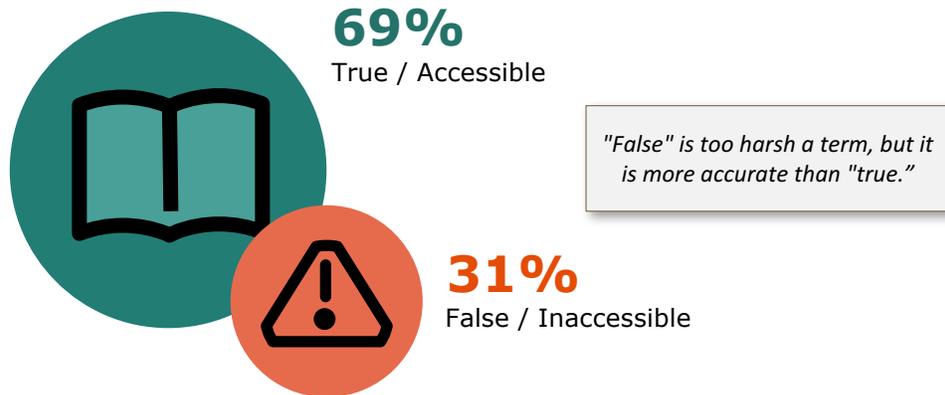
THE DATA: Time allocation is a solid mix of critical business imperatives (35%) and proactive problem-solving (59%). A small percentage have no dedicated resources. These are likely the grass-roots groups on the previous page where people fix problems when the pain becomes great enough.

KG POV: One of the remarkable benefits of having an OpEx capability is the ability to conduct special, high-impact projects that deal with acute (emergencies) and chronic (it's a real problem, but it's going to be tough to fix) business issues. Many organizations think of Kaizen Events or Six Sigma projects as the primary means for doing this. However important such swift episodes are for immediate results, they are only spot fixes. Our view is that while "events" address critical local issues, they allow the enterprise to side-step game-changing initiatives necessary for broader results – ones that require working across functional and geographic boundaries.

Proactive problem-solving is in our view, the work that goes on to involve and engage all levels of the organization with special emphasis for small workgroups and individual teams via things like Rapid Improvement Events and the Lean Daily Management System®. This is based on the premise that value is best understood where it is created and value creation is within the hands and minds of the people doing the work. If this concept isn't a big part of OpEx, then it's underperforming.

Training Materials

Q: In my enterprise today, we have an easily accessible catalog of OpEx training materials:



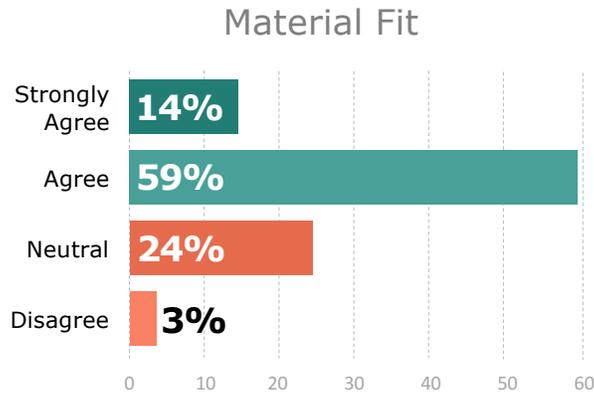
THE DATA: Training is an important part of getting OpEx in place and sustaining it. This survey focuses on three elements: Material Availability, Material Applicability and Training Effectiveness.

KG POV: Having a catalog of materials implies some form of version control and governance. This is an area that is often overlooked, probably because it requires a lot of alignment. Training materials content is often too complex and expansive which makes version control all the more difficult.

The importance (and difficulty) of coordination and version control comes into focus when organizations begin to think about implementing standard work and the documentation and instruction of standard work in a dynamic environment.

Training Fit

Q: Training materials have been rationalized, reviewed and harmonized across the organization:



THE DATA: According to these charts, the majority (63%) agree that training is fit for purpose. We interpret a Neutral response as “not so much”.

KG POV: Ensuring that training is fit for purpose is no small task. It starts with agreement about core OpEx messaging up and down the organization. Then, materials and methods are selected that support / integrate those messages. Training levels and objectives should be defined by audience and materials vetted for use. Finally, coordination with the Human Resources function connects the training with ongoing education, development and compliance.

Ensuring material fit and effectiveness is one of the important tasks for a centralized OpEx function.

Training Effectiveness

Q: The OpEx training approach is effective for each level of the organization (true or false):



THE DATA: OpEx training is deemed to be most effective for internal experts. As you move up the organization, training becomes less and less effective to the point where fully half of the survey respondents felt training for executives was ineffective.

KG POV: Lower in the organization, the work (at least in theory) is more technical. At higher levels, learning requirements are more about behaviors; organizational and personal. If we believe that the most important factor in transforming to an OpEx culture is about aligning the organization top to bottom – and that this is the role of leadership – then this chart tells us training in these areas is not very effective. This is the real challenge facing most organizations and larger ones have it the worst.

“Of the four business units, one is very strong, another is just starting, one wiped out their OpEx team and the fourth is growing it.”

“I believe we could do a better job engaging workgroups in some divisions in the overall training process.”

“In some cases comprehensive process improvement efforts are effective. In others they are less so. The two key variables are (1) proponent leadership and (2) the project leader.”

“There is no specific OpEx training per se, but rather individual training initiatives on various OpEx components.”

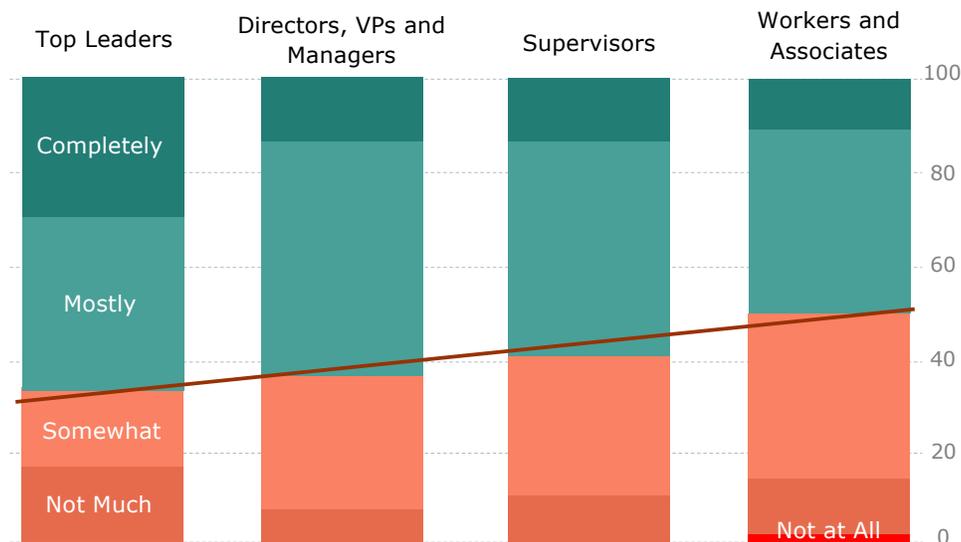
“Formal Sigma training is required at all levels.”

“We don't reach enough people... 3-6% people trained over 10 years.”

OpEx as a Means to Engage

Q: OpEx is understood, valued and embraced as a system to engage people and improve performance at the levels and degree shown:

Who Understands OpEx as a Means to Engage?



THE DATA: This question directly links OpEx to engagement. The chart tells us that leaders understand this concept the most and workers and associates understand it the least. The trend line is clear – as you progress up the organization, you know more about the importance of engaging the organization to improve performance.

KG POV: Interestingly, on the next page, we find that over 70% of the respondents have seen OpEx fail at least once in their career. 37% have seen it fail three or more times. On the previous page we saw that much of existing executive training is ineffective. We conclude that while leaders may understand the importance of engaging people, they are not well equipped to do so. Doing the hard work of changing one's own behavior without the right structure, discipline and coaching is difficult. Engaging and aligning others – especially when the expected specific actions required to achieve OpEx are not well defined – is impossible.

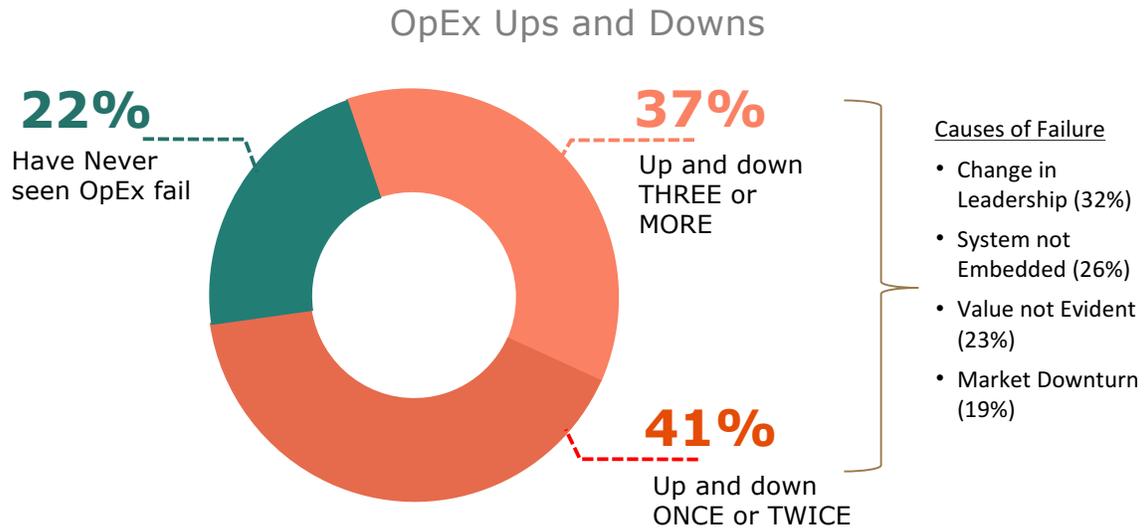
"Comprehensive CI is acknowledged as something we must do. It is simply not a priority to our leadership."

"There are still some skeptics. Raises are tied to completion of training and projects in some, but not all, business areas."

"Although there is a continuous improvement certification process for supervisors, the frequency of the program has slowed due to the industry downturn."

Sustaining

Q: How many times in your career have you seen OpEx efforts built up to a significant level, and then be killed off by the organization (that is, resources retracted, timing deferred, "overhead" cut, unit leaders subvert or ignore it, etc.)?



THE DATA: Seventy-eight percent of the population surveyed have seen OpEx fail at least once.

KG POV: Since sustaining is such a prevalent issue, we wanted to find out something about why so many organizations struggle with it. The data gives us an indication of how often OpEx fails. The answer is... a lot. Participant comments provide insights about why OpEx fails.

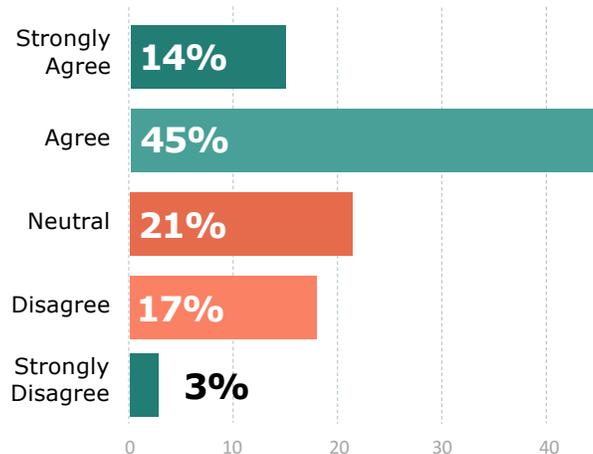
It's easy to get distracted. For those of you who have not experienced this, consider yourselves lucky. For those of you who have, you'll appreciate the consistency of the comments from multiple enterprise types. When categorized, four themes emerge as causes for failure (see list above to the right of the graphic).

- "Inconsistent or incompetent leadership approach, short term results-only focus, weakness of culture ("system for how we do things around here")."*
- "Leadership had higher priorities; leadership lacked the motivation to see the transformation through (i.e. too painful)."*
- "Market downturns and subsequent SGA / Field Support reductions."*
- "Sometimes we abandon what works."*
- "Lack of understanding by top management- they think it's just a bunch of tools."*
- "Leader change: emphasis on cost reduction, victory claimed too early."*
- "OpEx efforts must be understood, praised, and supported by Corporate leadership and must be aligned with Corp. Policy Deployment."*
- "Business cycle and organizational changes."*

Communications

Q: Communications specific to OpEx exist and are structured (frequent, standard and relevant):

Standard Communications



THE DATA: About half the respondents have a good system for communicating OpEx endeavors.

KG POV: People want to know about the journey. What have we done? Where are we going? What's in it for me? If routine communications are not crafted to answer these questions, there's a good chance OpEx results are less than they could be and sustainment is at risk. Sometimes communications start out strong, but wain as organizations convince themselves that they've checked this OpEx box.

Good communications are an important ingredient in generating enthusiasm and reinforcing a culture of improvement. Often this is as simple as connecting existing communication systems with the improvements being achieved. Once the vehicles are understood, messaging is the vital ingredient that gets and keeps everyone on the same page.

"We really no longer do structured operational excellence communications on a regular basis."

"Weekly lessons learned meeting and monthly training sessions."

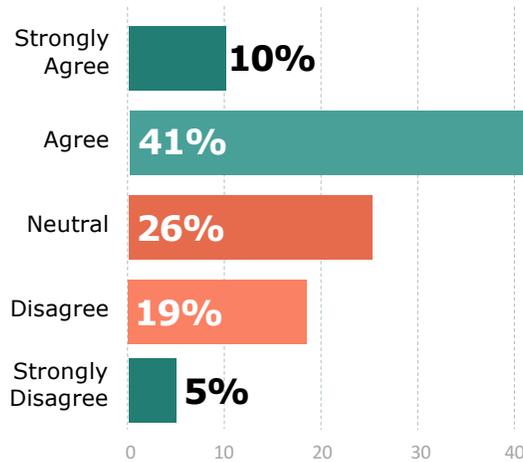
"Local reviews are frequent, company wide reviews are quarterly and annually."

"We have an internal web page devoted to OpEx. Newsletter is also distributed. More regular communication would be beneficial."

Benefits Tracking and Reporting

Q: OpEx results are tracked, rolled up and reported in a standard format:

Benefits Tracking and Reporting



THE DATA: About half the respondents have a method for tracking results.

KG POV: The trend is moving away from special tracking systems for CI and OpEx. The “Prove it” mentality, is starting to change, acknowledging that process improvement does deliver tangible results.

For the financial aspect of OpEx, the most logical approach is to account for basic process improvement and small projects within existing budget and accounting systems. For larger projects with greater investments of time and money (and greater expectations for results), it is best to use separate Return on Investment (ROI) analytics that are contained within the management of the project.

Reporting results in a standard format is another issue. This is critical for comparative analysis that looks at baseline versus progress or evaluates one area against another. Without a standard format, it’s like comparing apples and oranges. And, it’s not always about the money. Quality, safety, cycle time, etc. are all part of good reporting formats.

"We have a systematic approach to measuring, monitoring and reporting OpEx KPIs."

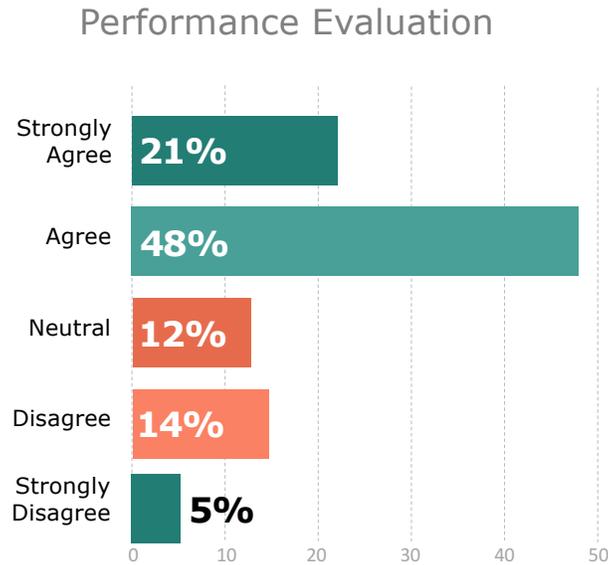
"Very poor overall metric implementation across the system."

"Financial results are included in monthly reviews. Improvements are celebrated locally and at company level."

"Common corporate KPIs. Maturity assessments. "Best in Class" competition."

Performance Evaluation

Q: In my enterprise today, there is a standard approach for establishing a baseline and evaluating location or functional process performance.



THE DATA: Most have a standard approach to understanding location (and functional) performance.

KG POV: This was a surprise. In our experience, location and function performance is rarely standard and often not well understood. We suspect some of the response here is about distributing big-bucket standard metrics back down into the organization. This approach provides blunt lagging indicators of performance, but doesn't dip too deep into the value stream nor does it provide a lot of tactical advice for how to prioritize and address problems.

"Metrics and scoreboards loosely tied to operations."

"Working on developing approach."

"Primarily based on operational and business metrics."

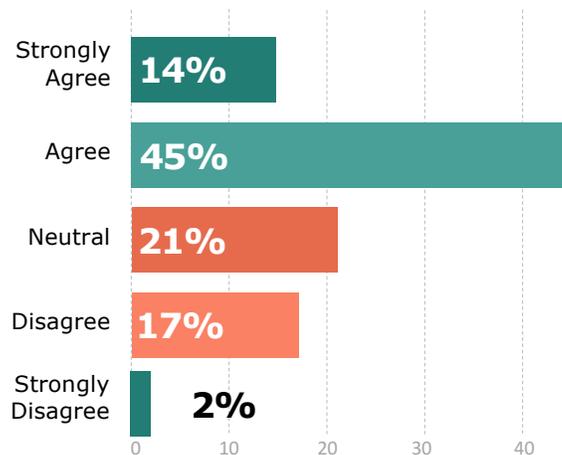
"Varying maturity from unit to unit."

"Value Stream Analysis: "standard" might be a stretch."

Best Practices and Lessons Learned

Q: In my enterprise today, OpEx lessons-learned and best practices are captured and communicated in a standard format:

Capturing Lessons Learned



THE DATA: An outstanding 60% of the respondents have a standard approach to sharing best known practices.

KG POV: Sharing best practices and lessons learned is not always the first attribute of an OpEx system. Even in small organizations we find “not invented here” pushback. In larger organizations, internal competitive pressure sometimes prevents the sharing of information (shocking we know, but true). Capturing and conveying this information is incredibly important since tribal knowledge tends to disappear over time and learning the same lessons again and again is a real hidden waste.

“Closest to this we presently use would be documented SOPs, one point lessons, and some use of problem-solving A3s.”

“Within OpEx but not across the enterprise.”

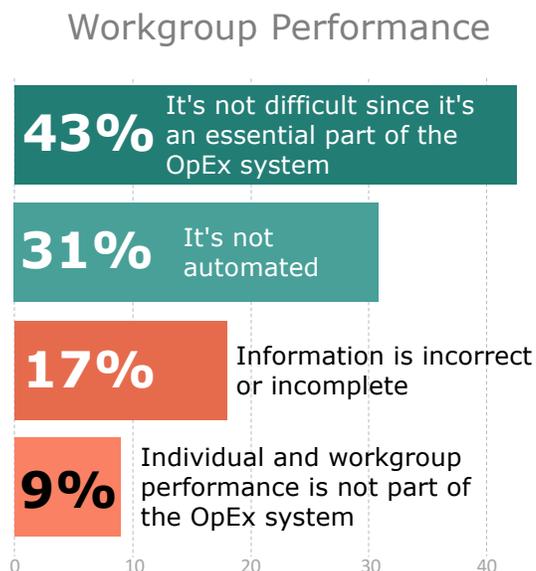
“Not always shared across business units.”

“Only done in some areas.”

“Knowledge Management System.”

Understanding Workgroup Performance

Q: The most difficult thing about obtaining performance information at the individual or workgroup level is:



THE DATA: The majority of the respondents have some difficulty with this, but 43% include workgroup performance as part of their OpEx system.

KG POV: Workgroup performance metrics are an essential ingredient in OpEx. 43% is good. Filtering for enterprise size didn't have much effect on the rankings either. The next step after obtaining workgroup performance information is to make sure its accessible to the workgroup that generated it – hopefully out of the computer and displayed visually for all. Then, provide the same workgroup with the means to directly and independently affect those metrics.

"With organizational change and business system changes, performance information is typically more driven at the location level. Some information is kept at the daily management process board (like LDMS), but historical reporting could be improved."

"May have metrics but very loosely tied at the front line level."

"Standardizing metrics is still a challenge across different types of business, i.e. software vs hardware."

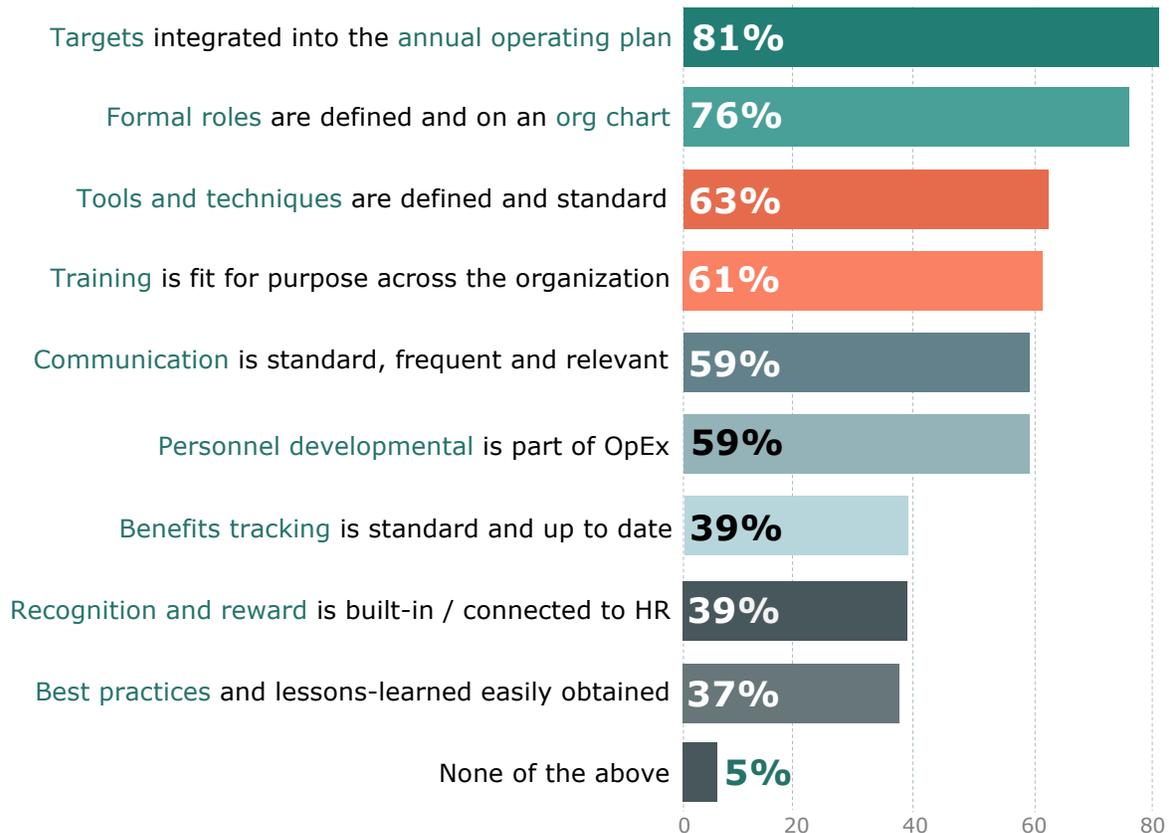
"The corporate culture avoids confrontations and admissions of mistakes."

"Different reporting systems hampers the roll-up of the Regions."

OpEx Attributes Across the Enterprise

Q: OpEx systems often have certain attributes. Check all that apply in your enterprise today:

Attributes of the OpEx System



THE DATA: The survey asked participants to check the observable attributes found in their OpEx systems. The resulting list shows items in order of prevalence.

KG POV: The highest ranking elements are those that are typically dictated, most controllable and easiest to observe from the top: targets for improvement, formal roles (organization chart), training, etc. As you move down the list, visible compliance gets murkier because policy is affected by functional groups, location, and individual proclivities. Although OpEx may have a functional component (i.e. on the org chart), it's important to remember that it's not a function, it's a system that touches many of the attributes noted here. OpEx is a system reinforced by culture and a culture supported by a system.

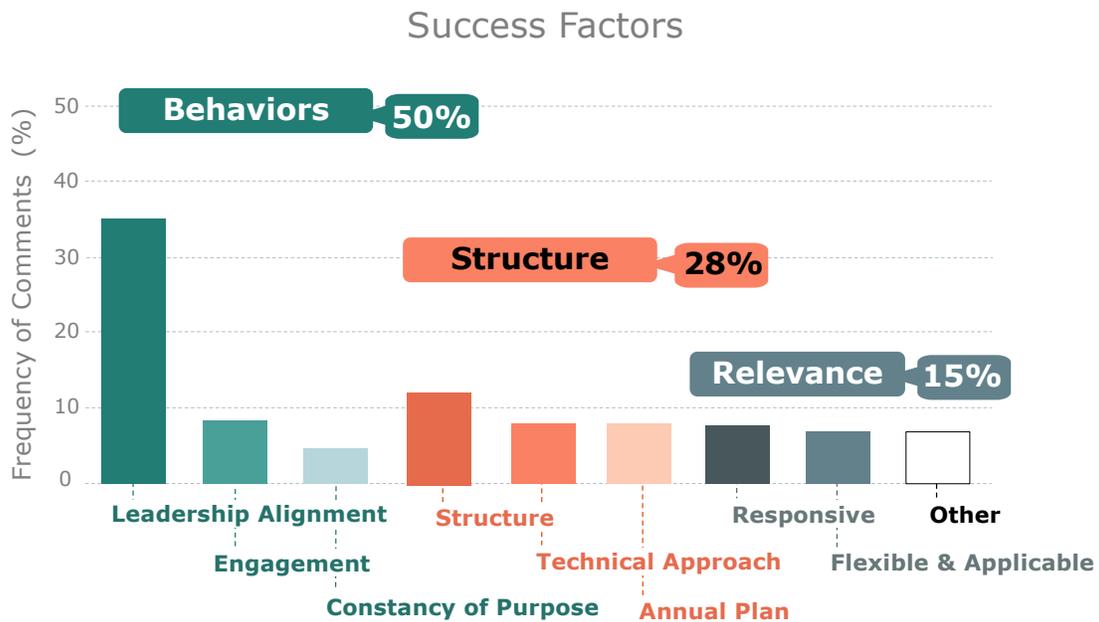
"Lots of opportunity here, must have executive buy in. We are too successful to have a burning platform."

"Depends on how we define OPEX. All of the above apply as part of the Business Plan but I don't consider this to be OPEX."

"The checked attributes formally exist. Their efficacy is marginal."

Success Factors

Q: What in your experience is the single most important thing an enterprise can do to help establish a successful OpEx culture?



THE DATA: Responses were sorted into nine categories. Three themes emerged.

- **Behaviors** Behaviors and values that create an environment where OpEx can thrive
- **Structure** Commonly available methods used to construct OpEx systems
- **Relevance** Ensuring that OpEx solves real problems for the users

KG POV: Everyone is aligned about the need for alignment. Still, the phrase “It’s all about leadership” leaves us wanting a better, deeper explanation. In other words, if this is true, then what must leaders do?

The OpEx attributes graph on the previous page shows most organizations have the structural elements in place – an organization, the annual plan and training. These are the easy things. Getting everyone engaged and enrolled to alter personal behaviors is much tougher. There were several responses that hit on the key to connecting leadership with specific actions. Here’s a good one:

“Ensure that there is true buy-in by the leaders at an executive level, and at the level of managers / supervisors who report to them. Unless the leaders of the organization understand and support the OpEx culture, it will surely fail.”

This FORMULA implies that there is a way to understand if individuals have bought in, and a willingness to do something about it if they have not. Use structure and measurable actions to effect behaviors and values.

Success Factor Comments

"The single most important thing an enterprise can do to establish a successful OpEx culture is to **engage the staff in the process**. This is accomplished by training all staff with **the tools and techniques**. Then empower them to **demonstrate by "doing"** and measuring their changes."

"Enterprise leadership must fully internalize their commitment to comprehensive process improvement. They must see it has one of their top three strategic objectives. They must overtly support it and overtly weather the storms."

"Senior management commitment is critical. OpEx needs to be understood and driven by the top leadership and then followed by them and **also integrated into the annual and mid-term planning processes.**"

"Engagement of the complete workforce is critical to the sustainability of OpEx initiative. This includes all functions, Operations, HR, etc."

"Senior Executive sponsorship -- OPEX savings figured into budgets -- Centralized guiding organization."

"Implement Lean first before you link it to a performance system. Trying to do both at the same time sucks up your capacity. Once Lean is established, there's a natural pull to **create a robust performance system** that aligns Lean activity with organizational goals."

"Complete senior leadership support | Structured yet simple model | Focus on getting to the front lines - where the value is."

"Ensure Leadership have well designed and clear management routines which are linked and reinforced at every level of the organisation. The routines should describe PDCA on OpEx activities."

"Ensure that there is true buy-in by the leaders at an executive level, and at the level of managers/supervisors who report to them. Unless the leaders of the organization understand and support the OpEx culture, it will surely fail."

"Consistency in overall OpEx strategy the can **transcend and maintain consistency through leadership position changes.**"

"The level of success achieved in OpEx is most influenced by the level of commitment to, and focus on, OpEx by the CEO and the executive level team. Their behaviors and example, good or bad, will be emulated."

"Get the top executives deeply involved in OpEx from the beginning and keep them involved, have them lead from the front to get their direct reports into the mode of CI."

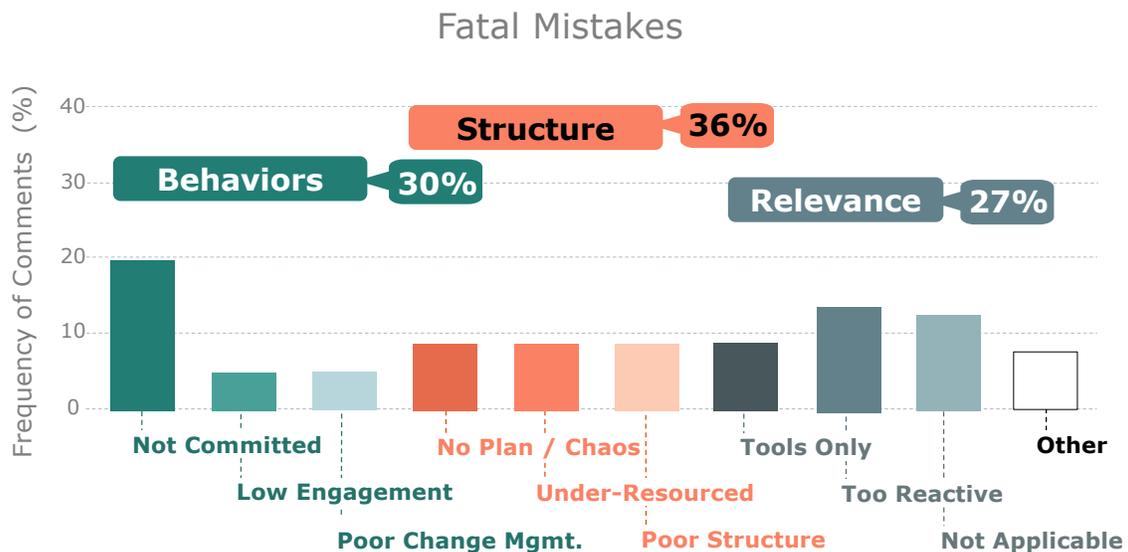
A complete manifesto

"Upper management buy-in, some quick wins to quiet the naysayers, excellent selection of initiatives to target that will impact the bottom line, a planned roll-out that emphasizes execution using tools over a thin layer of paint that broadly trains the masses without using the newly acquired tools, dedicated coaches, agreed upon results tracking methodology with CFO blessing, broad communication by the people to the people, public recognition of results, a consistent language within the organization (for tools, results, etc.), incorporating the methodology within the organization by taking the best to lead the rest and then pushing those people back into the organization, the use of higher level solutions when needed (statistics, simulation, DOE)."

Behaviors Structure Relevance

Fatal Mistakes to Avoid

What in your experience is the single biggest mistake enterprises make when trying to establish an OpEx culture?



THE DATA: The responses binned naturally into the same three themes.

- **Behaviors** Low commitment and engagement, usually related to reliance on technique
- **Structure** Not enough emphasis on pinning the system to the organization
- **Relevance** Focusing too much on short-term “show me the money!” wins, or failing to solve problems for the organizations involved

Some of this response is a natural counterpoint to Success Factors. The trend shows that while the most important factors for success are leaders behaviors, the reasons for failure are fairly evenly split. Even so, leadership behavior still gets the highest score with “not committed” which is a counterpoint to alignment.

KG POV: A way to look at this is to say that while leadership alignment is the crucial ingredient to making OpEx work, almost anything can cause it to fail. Alignment is the requirement for a healthy system. Without this, leadership’s commitment to solve the issues that invariably come up: integration, standards, relevance, planning, etc., is weak, and anything can cause it to go off course.

Change is hard and resistance is looking for an opening. The most common entry points for killing OpEx are business problems that are seemingly caused by external events. Unfortunately the very thing that is most capable of helping weather these storms is often first on the list for abandonment when times get tough.

Fatal Mistakes Comments

"Theoretical concepts developed by top managers (good), but implementation - realization of those concepts into real operations is largely overlooked and undetailed."

"Under-resourcing the effort, and leadership lack of engagement in the effort."

"Multiple methods of improvement implemented by different groups that strengthen the "silo" effect."

"Not focusing on the cultural engagement of people to achieve results - all knowing leaders behaviour!"

"Implementing "the processes of the year", that is, come in and disseminate a system to your organization, then when new management comes in, start anew. People are smart and will quickly recognize that it is blah blah all over again. OpEx needs to be seen as a base part of people's work, with standardization, and a discipline to use and continually improve."

"Tolerating resistance to change on the part of executive level leaders. Leaders who are disengaged or highly resistant to the changes OpEx requires must be dealt with."

Poor structure. Coach and leave.

"The single biggest mistake an enterprise makes is trying to apply it only to one situation. If OpEx is going to be part of the culture it must be practiced every day."

"Under resourced Not having expertise."

"Underestimate the importance of change management."

"Going straight to applying the "tools" without working on the organization culture, and using "drivers" to implement the tools given false impression that a culture has been established."

"Failure to recognize that the real purpose of OpEx is about doing more with the same, rather than the same with less, is a huge mistake that misses the point and sets one up for buy-in and implementation failure."

"The mistake of imposing it from the top down. There has to be a real sense of inclusion -- people lower in the organization have to see OpEx as meaningful to them, as a way of solving problems or eliminating waste on issues that are relevant to them. Success can never be achieved if the leaders are conveying a sense of "this is how it's going to be".

"The OpEx organization becomes too big and projects take too long, Scope creep, targeting someone's pet peeve rather than being data driven in selection where to put resources, selling the concept up the org. chart without a mentor, too broad an initiative, not piloting first, the salesmanship of broadcasting results and having buy in that the results are real, humbleness within the organization that the results are mutually beneficial rather than political."

"A common mistake is to refer to OpEx as a project rather than making systemic changes in the organization. Many times, this manifests itself as a lack of commitment. An overall management system should include continuous improvement to gain the biggest benefit and to ensure both the robustness of the system and the long term integration into the business."

"Placing the focus on requiring the completion of onerous benefit tracking mechanisms. The key is engaging the hearts and minds of employees at all levels to perform in alignment with organizational goals. Focus on the hearts and minds and the savings will follow. Focus on the savings and you quickly lose the hearts and minds."

Behaviors Structure Relevance

Closing Comments

The level of OpEx understanding and know-how from such a wide variety of enterprises is impressive. Even so, because it is our nature we seek to improve. Here are some points that deserve attention.

On a global scale OpEx progress is good! This is evident via the prominence of dedicated resources, structured planning, organizational training and more. Many have begun to integrate OpEx into their regular operating system; a key to sustainment. There is less certainty about spreading the culture, who should do what, and... *how to prevent failure*.

Leadership alignment is the most important success factor. Yet, it is not as simple as agreeing OpEx is a good thing. It won't become "the way we do things" without a template that overtly and measurably attaches the organization.

If the system is weak, OpEx dies easily and almost anything will kill it. There is one error that is always fatal: Relevance. If OpEx is meant to engage broadly but doesn't make a positive difference for everybody doing it, it will not gain popular support and the effort will not thrive. Process improvement outcomes must be relevant for the user.

As OpEx continues to evolve, more success will be achieved as the discussion and design moves from functions to systems and the focus shifts from the WHAT to the HOW.

Those (and by inference their organizations) who participated in this survey have put in place ways to increase performance. When done well, the rewards are real. Still, there is unrelenting pressure to avert change and let things shuffle along in their overly-complex, wasteful ways. OpEx cultures choose to reject the status quo and embrace change, concluding that to do better is to be better.

We wish you the best in this ongoing journey towards excellence.

Kaufman Global

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