Results not Reports

Building exceptional organizations by integrating process, performance and people

Peter Follows

Peter Follows cofounded Carpedia, a consulting firm and is its CEO. He played division 1 hockey for Harvard and was a member of the Canadian men’s lacrosse team

Good leaders don’t see improvement as a destination but as a journey.

This book is about the integration of process, People and performance.

Excellent firms don’t believe in excellence – only in constant improvement and constant change.

Few process changes are ever simple

Achieving operational excellence is still a massive challenge for many organizations.

Gaps in basic management practices resulted in large differences in company performance.

Results are the sustained elevation in performance of a targeted indicator.

Technology solutions are often limited by the quality of data that drives them and the way companies selectively use data.

Improved results don’t happen till people change and people stick with change.

Results are a mindset and getting and maintaining better results requires humility, courage, passion, and commitment

Organizations are organized vertically by structures but processes run horizontally. Where a process starts and where it ends is a matter of opinion.

The focus must always be on revenue, cost and capital efficiency.

A 1 % improvement in selling price is equivalent to a 10 % productivity improvement. It is surprising how organizations don’t focus on pricing.

Inventory management is a priority when interest rates and carrying costs are high.

No process is 100 % productive, every process has a 10 to 15 % non - productive time associated.

Revenue growth involves both strategic and tactical decisions.

Sometimes you improve the productivity of one function, only to transfer the cost to another function.

The more volumes fluctuate in a business, the harder it is to create a baseline of anything - costs, revenue, margins etc.

Changing budgets and targets midway in the year is not a good idea as it means realigning many different numbers.

30 to 40 pc of an employee workday is not productive.

This doesn’t mean that the person is not working, it means that whatever they are doing at that time is not adding value.

Sometimes managers have tried things in the past that didn’t work and that shuts down their ability to reexamine the current situation.

Organizations should use their customers to identify process challenges and opportunities.

One of the advantages of evaluating processes in a company is that you find duplicated processes, like a manual process co existing with an automated process.

In a project we did for a shoe client, the difference between the most and least successful sales people was their ability to get the consumer to try on new shoes. The consumer who tried wearing the shoes tended to buy it.

The overall objective for improving processes has to be about minimizing the inputs, maximizing the output and reducing total cycle time.

SCAMPER for processes

- Substitute – can the process be delivered with less expensive resources?
- Combine – can you combine positions or functions?
- Adapt – is there anything that can be adapted from another industry
- Modify – can the process be modified to make it faster
- Put to another use - can the space, time or equipment be used for something else?
- Eliminate – can some of the process steps be eliminated?
- Rearrange – can the process be sequenced to make it more effective?

Effectively scheduling resources to match demand can make the difference between a high and low performing organization.

Forecasts are many times inaccurate and in every company, every other person seems to be working on a different forecast.

Without accurate planning parameters, schedules are frequently more a reflection of what has happened vs what will happen.

The point of execution is the least managed part in an organization.

Every organization has too much data. Then the problem is distribution lists, managers often don’t need the information they receive.

Measurement should be used to provide information to management, not as a tool to evaluate people.

When management compensation is linked to budget attainment, there is a natural inclination to limit or manage improvement

One of the toughest parts of management is to focus on the few key indicators that matter.

The most common challenge in organizations regarding people is how managers interact with their staff, allocate work, review them etc.

A lot of management attention is about improving planning while we reward people who are scramblers.

Scramblers have social influence because they are outgoing and action oriented.

Scrambling can become part of the culture and good scramblers end up becoming managers which then makes the organization reactive.

People will change their pace of work depending on how much time they have to complete it.

Following up is not micro management , it can also be a method to understand and remove hurdles.

The most common people challenges are:

employees waiting to be told
lack of expectations
employees handling low priority work
skill gaps

If managers don’t see a need to adjust behavior , its very hard to get them to change.

Follow up is only effective if there is a proper schedule around it, weekly, fortnightly, monthly and it is focused.

When managers follow up in a meaningful way, the relationship between managers and employee changes to active mutual collaboration.

Communicating the organization vision on why change is needed is one of the most important messages in a change process.

Selling aspirins is easier than selling vitamins

The message from this is to make it a clear 'what's in it for me' in change.

In change, what you say and what people hear are not the same thing.

To minimize the chance of a disconnect, leaders should debrief after every meeting.

For change to stick, people need to understand that the status quo is not an option.

It is easier to modify specific management behavior rather than change the management style.

You have to manage through momentum swings in change.