6 Principles of the Continuous Improvement Model

by Maggie Millard

There are a host of methodologies that businesses use to bring structure to the process of identifying and acting upon <u>opportunities for improvement</u>. You may be familiar with <u>Six Sigma</u>, <u>Kaizen</u>, <u>Lean</u>, <u>Toyota Production System</u> and others. Although these methodologies differ, the heart of each of them is the <u>continuous improvement</u> model.

The continuous improvement model reflects the idea that organizations should undertake incremental improvements to services, products, and processes. It is guided by a few core principles:

Principle 1 – Improvements are based on small changes, not major paradigm shifts or new inventions

This concept is important, because large changes often feel frightening and destabilizing to organizations. By approaching change in small, incremental steps, the continuous improvement model reduces the fear factor and increases speed to improvement. When following this principle, the organization does not need to wait for a strategic shift or a new product release to begin to advance.

Principle 2 – Ideas come from employees

The continuous improvement model <u>relies on employees</u>, not top management, to <u>identify</u> <u>opportunities for improvement</u>. This <u>bottom-up improvement</u> is effective because employees are closest to the problems, and thus better equipped to solve them.

When thinking of these two principles, consider the value of engaging your staff. If you were to ask everyone in the organization for ideas to create a new product line or revolutionize the way they care for their patients, you're not going to get anything; staff are focused on their own day-to-day work. They (understandably) can't come up with monumental ideas at the drop of a hat!

Instead, ask people what improvement they could make that would save them 5 minutes a day. Then empower them to implement that improvement and spread it to everyone else in the organization doing the same process. In this way, you can take a small idea that anyone could come up with and drive a big impact. For example, say get one idea from ten employees, each of which saves them five minutes per day. That's ten ideas. Share all ten of those improvements with one hundred other employees, so that every one of them is now saving fifty minutes per day (10 ideas x 5 minutes each).

By asking people for a small idea that shaves 5 minutes off their day and propagating their ideas around the organization, you're about to save 3.4 YEARS of manpower with the ideas of just 10 people. Imagine how much you would save if you extended the "ask" of a five minute idea to your entire organization!

KaiNexus customers have cumulatively saved over one MILLION hours of manpower, time that can now be spent on value-adding activities. <u>Check out this article to see what can be</u> <u>accomplished in one million hours</u> for a better picture of the impact of incremental improvements

Principle 3 – Incremental improvements are typically inexpensive to implement

Employees tend to focus on small changes that can be accomplished without a lot of expense. In fact, many ideas from employees involve eliminating processes, rather than adding them, which is an excellent way to be sure that every activity adds some value to the customer and reduces wasted effort.

We have the benefit here at KaiNexus of being able to see the detailed improvement data of a ton of organizations at every stage of the improvement journey around the world, in nearly every industry. Through examining that data, we've discovered that the average improvement with a financial impact brings in (or saves) a whopping \$12,000 - and each employee has an average annual impact of \$8,000. So, not only are these ideas inexpensive to implement - they can also have a huge impact on your bottom line.

Read more about the impact of improvement here.

Principle 4 – Employees take ownership and are accountable for improvement

<u>Getting people to change the way they've always done things is hard</u>. Do you know what makes it easier? Rolling out changes that originated from the front lines. When people come up with the ideas to improve their own work, they intrinsically see the value of the changes. Knowing that improvements come from their peers inspires faith in the necessity of the changes much more so than does a decree from senior leadership who has never actually done the process in question.

By engaging your staff in the continuous improvement model, you empower them to take charge of their own work. They're able to identify problems or opportunities for improvement, follow through on implementing their ideas, take credit for the work, and see a measurable impact from their efforts. In this way, the <u>burden of improvement is lifted from managers</u>, who can spend their time more effectively coaching staff on improvement techniques and removing barriers to implementing changes. Because the continuous improvement model relies on employees for ideas for improvement, they become more invested in the outcome of the change, and <u>employee engagement</u> increases. This increases the chance of successful, <u>sustainable improvement</u>.

Principle 5 – Improvement is reflective

Constant feedback is an important aspect of the continuous improvement model. Open communication during every phase of executing an improvement is critical to both the final results of the improvement and to the maintenance of employee engagement.

Admittedly, this is tough to pull off in a traditional improvement culture. Coaches don't have the visibility they need to keep up with everyone doing the improvement work, senior leaders can't engage without a major time commitment, meetings are tough to schedule, and communication gets buried in inboxes.

Organizations with a more modern approach to improvement use continuous improvement software to <u>improve visibility</u> and <u>team collaboration</u>, giving coaches access to the reports they need to evaluate performance and target coaching. Senior leaders can follow the improvements that matter to them and engage quickly and easily. Staff can get the help they need from their managers without having to wait for a meeting or a email. Essentially, continuous improvement software gets everyone on the same page by improving visibility and streamlining communication.

Principle 6 – Improvement is measurable and potentially repeatable

It is not enough to simply make a change and call it improvement. To achieve real improvement, the impact of change must be measured. This makes it possible to determine if the change can be applied successfully to other problems. <u>Proving positive ROI</u> also helps keep the organization aligned around improvement.

Making continuous improvement part of company culture is an excellent and cost-effective approach to tackling an organization's most difficult challenges. When supported by improvement technology, results can be achieved quickly and success can be sustained over time.