



BASG Insights

IS CONTINUOUS IMPROVEMENT TOO MUCH IMPROVEMENT?

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In the past couple of years the well-defined term Process Improvement has been re-branded to Continuous Improvement (CI), but is that a misnomer? Is there a need for CONTINUOUS Improvement?

WHAT IS CONTINUOUS IMPROVEMENT?

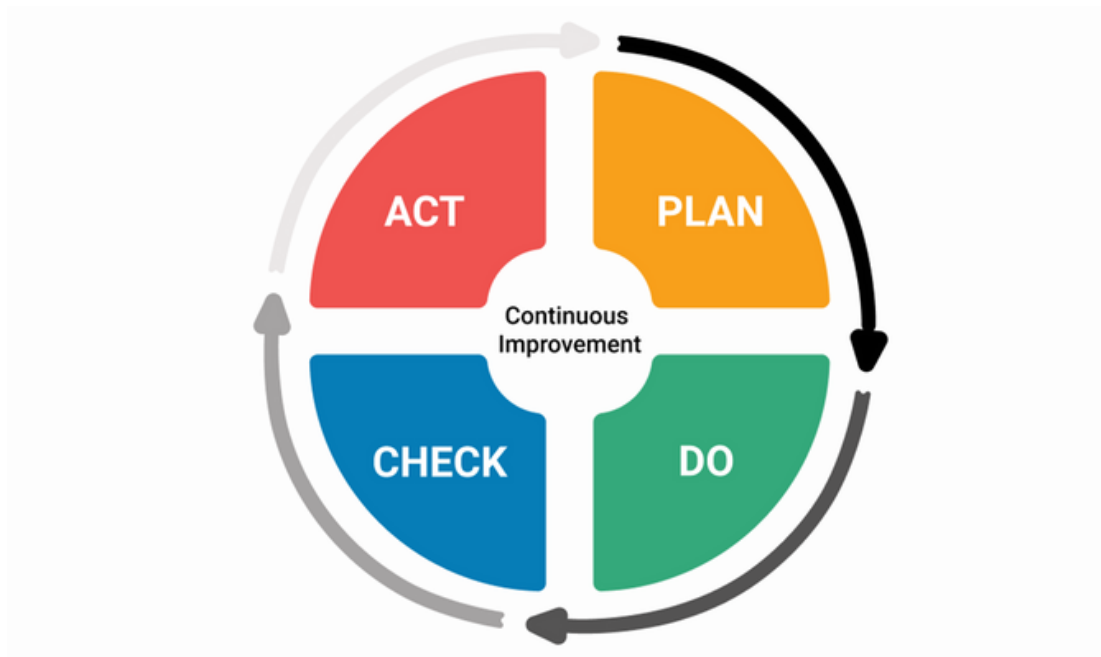
Continuous improvement is a business strategy that involves the evaluation and revision of processes, methods, and practices within an organization. The goal of this effort is to increase the efficiency, accuracy, and effectiveness of the operation.

Continuous Improvement (CI) is usually divided into two major types, Incremental and Breakthrough.

Incremental CI refers to the process of making minor adjustments to operations, methods or practices within an organization, often driven by problems that arise in the normal course of business.

Conversely, Breakthrough CI refers to the process of making substantial changes to a process, method or business practice. Breakthrough CI usually takes more time, involves more planning, and requires a more robust investment of resources and budget. The motivator for Breakthrough CI is the need for a significant change in a process or operation. The reason may be as simple as something's just not working. Or it could be a forward-thinking response to recognizing that anticipated growth cannot occur unless improvement is prioritized.

There are a number of models for CI; for the moment we will focus on the PDCA Lean method. PDCA is straightforward.



PLAN - DO - CHECK - ACT

The PLAN phase is perhaps the most important because it is here that an organization establishes the objectives, the target to be hit, the goal to be met. If this step is not given adequate attention, the rest of the cycle cannot be successful.

The second phase is DO which is simply executing what was planned in phase one.

Then it's time to CHECK what has been achieved and compare it to expectations set in the PLAN phase. This involves gathering the needed data and determining what has been achieved and what else can be improved in the process to achieve greater results next time.

If post-project research shows improvement compared to previous efforts, then it is time to ACT and the standard is updated, and a new and higher goal is set for even better performance next time.

If there is no improvement or if the results are below what was accomplished in the past, the standard stays as it was before the project began.

PROCESS IMPROVEMENT IS ESSENTIAL

Process Improvement is an absolute necessity and to be encouraged in every organization. But there are many today who question whether a mis-used concept of CI can go from a positive to a negative. CI has been accused of stifling innovation and leading to so much focus on improvement that good processes, innovation and productive people get lost along the way.

The answer to that is moderation. Continuous improvement does not have to be incompatible with innovation. However, unless an organization takes the time and the effort to think about Continuous Improvement in more subtle, nuanced, and creative ways, it may be forced to choose between the two...and that would be a loss. Simple examples include:

- **Customize how and where continuous improvement is applied.** CI is not a one-size fits all program. It does not fit every sector of an organization in exactly the same way. The kind of disciplined approach required in one department may be unnecessary, or even destructive, in another area where creativity is vital.
- **Question whether processes should be improved, eliminated, or disrupted.** If the focus is too much on gaining efficiencies without understanding the story behind the process being improved, failure is a likely outcome. The organization must challenge the basic assumptions of what is being done. For example, if you are focused on more efficient data flows, take time to question how/if all that data is really used. Sometimes simply eliminating unused data is all (or part of) what is really needed.

A MIS-USED CONCEPT OF CI CAN GO
FROM A POSITIVE TO A NEGATIVE

- **Assess the impact on company culture.** Take a hard look at the cultural implications of continuous improvement. How do they affect day-to-day behaviors? Being too focused on CI can lead to ignoring human intuition. It can cause managers to ask execution-oriented, cost-focused questions instead of using old fashioned experimentation or brainstorming with experienced team members that cannot be justified through traditional metrics.
- **Think about the timing.** Weigh the necessity of improvement against the daily needs of the organization to reach its business goals. Is the timing right? Is delay an acceptable option IF it would matter to the people affected by the turmoil that naturally occurs with change and improvement?
- **Embrace a thorough Change Management program.** Strive to build CI into the culture of the organization. It needs to be accepted by everyone, not just a few. It can become something that is welcomed and adopted, not just something to be dealt with by the people involved. Reaching that stage absolutely requires good Change Management and lots of communication.

Finding the balance point that best suits an organization can allow a vigorous program of CI to comfortably and productively co-exist in a dynamic and innovative environment that is poised to evolve and grow.



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