



DEVELOPING A CONTINUOUS

IMPROVEMENT CULTURE

IN YOUR ORGANIZATION



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A person wearing a grey suit jacket and an orange tie is seated at a wooden table. In front of them is a white laptop and a white coffee cup on a saucer. The background shows a window with blue curtains. The entire scene is framed by a large, light-colored diamond shape with a black border.

If your organization is similar to many, your people come to work focused on doing their job effectively and in a quality manner. That's good, but it's not enough. The employees of world-class organizations go beyond that—they are constantly also thinking about "how can I make my job, my department, my organization, the world around me better"
... that is the essence of Continuous Improvement

EVERYONE EVERYDAY

FOCUSED ON GETTING BETTER AND BETTER

E2B2, which is a trademark of Project World Impact, stands for “Everyone, Everyday focused on getting Better and Better”. It’s all about creating a culture where your people come to work each day thinking about how to improve.

It is powerful! One organization of over 250 employees that recently implemented E2B2 has implemented over 10,000 improvement ideas in the last three years! If you are committed to continuous improvement, your organization can have similar results.

WHY E2B2?

Why should you consider implementing a continuous improvement program like E2B2?

- You need to use the full capabilities of your people - not just to do a job, but to improve themselves and the organization.
- You may have a really great organization, but without continuous improvement, you'll have a hard time staying great.
- Just like in our personal lives, as you mature, it takes even more work and focus to drive improvement.
- Driving a continuous improvement culture is never ending - the organization can always get better.
- If you are not driving continuous improvement, you are not achieving all the financial, quality, throughput, timing, employee satisfaction, safety, etc. results you can as an organization.
- Because the future is uncertain, you must improve if your organization is going to succeed in good times and bad.
- As your organization gets better, there is more security for your people.
- For-profit companies have found that they can improve their gross margin performance by 5-10%. Nonprofits can improve their effectiveness by similar amounts.

DO YOU HAVE AN E2B2 CULTURE?

There are some simple questions that a leadership can ask to assess the organization's continuous improvement culture.

- Do we clearly value continuous improvement? How do we show that?
- If one of our employees has an improvement idea, how would they communicate that idea? Implement that idea?
- If we compare ourselves to a world-class organization, how far away are we?
- Do our people regularly ask "why" when they see a situation that doesn't make sense - or do they just accept the status quo?
- Is the common response to improvement ideas, "That's the way we've always done it"?
- Do our people feel empowered to question the status quo and explore improved ways of doing their jobs?
- How do we recognize or celebrate people who are improving their jobs or the organization?



WHAT ARE THE
CONTINUOUS
IMPROVEMENT
OPTIONS?

There are five general options for driving continuous improvement in your organization. As you will see, not all of them drive a culture of continuous improvement. However, since most of these are not “either or” options, you can select to implement two or three.



A TOP-DOWN
**LEADERSHIP
DIRECTED**
APPROACH

This approach relies on the leadership of the organization to set the main improvement objectives—usually through some sort of annual planning or priority-setting process. It makes sense because leadership is usually in the best position to see what needs to be improved the most in the organization.

THE PRO'S

- This approach assures that key improvement priorities (from management's view) are addressed.
- Because it's a management priority, resources to accomplish the improvement objectives are more easily made available.

THE CON'S

- This approach naturally implies that there are a set of limited ideas to be improved.
- Most people in the organization are not going to be involved in the improvement process.
- Although there will be improvements, it doesn't change the culture into one that values improvement from everyone.



2

THE
**ANNUAL
APPRAISAL**

Most organization conduct an annual employee appraisal. During the appraisal, supervisors can and should layout areas for improvement for the person themselves (employee development) and their job (performance improvement).



THE PRO'S

- It's done on a regular basis.
- It covers almost all employees.
- It can drive some improvement.

THE CON'S

- Generally an annual review is not timely—the reviews are too far apart.
- It has a limited cultural effect—people are told what to work on.



3

IMPROVEMENT "BLITZ"

The improvement "Blitz" (sometimes referred to as a Kaizen event) is a special event to emphasize improvement (sometimes a one-time event or a series of special events). The "Blitz" is usually an all-day meeting where improvement principles are taught (like the seven main forms of waste) and participants brain-storm and begin improvement ideas for their area. After the blitz is done, periodic meetings are held to review the status of the ideas generated during the blitz.

THE PRO'S

- This approach can easily be combined with other approaches (like E2B2).
- It gives a high energy start to an improvement effort.
- It provides excellent short-term results.

THE CON'S

- Doesn't drive on-going daily improvement.
- It requires a specific time to be set aside to conduct the blitz.
- Unless supported by another process, the improvement efforts and emphasis tend to die out over time.



4

SUGGESTION BOX APPROACH

WITH FINANCIAL AWARDS

This was the standard approach for many companies in the past, but is no longer popular in world-class organizations. In this approach, employees are provided with a standard way to voice their improvement ideas (usually via a suggestion box). Management assigns someone, or sometimes a team of people, to review and analyze the ideas/suggestions and coordinate their implementation. As an incentive to participate, employees are given a financial award—usually based on the amount of cost saved by the suggestion.

THE PRO'S

- It offers a standard process for submitting ideas.
- It does encourage some ideas.

THE CON'S

- Generally there is a lack of ownership—the suggester is not required to implement the idea, it is passed on to someone else.
- The financial focus drives the wrong behavior. Rather than focusing on the ideas, the focus becomes money. It doesn't lead to culture change. Although financial reward would seem to motivate individuals to get involved, actual studies shows that is not the case (this requires more in-depth discussion to fully understand).
- The focus tends to be on cost—so the emphasis is reduced on quality, safety, work place organization, cycle time, etc.



E2B2

APPROACH

E2B2 (Everyone Everyday trying to get Better and Better) is all about creating a culture where your people come to work each day looking for opportunities to improve. The focus is on the idea, not the size or the importance of the idea. Everyone (from the top down and in every department) participates. People are encouraged to implement ideas that are under their control, rather than pointing at someone else or another department that needs to improve. Rather than direct financial reward for an idea, most organizations use creative forms of recognition to highlight those who participate. World-class organizations find that employees can implement from 1 - 5 improvement ideas per month. If you have an organization of 100 people, that means they will implement between 1200 - 6000 improvement ideas per year.

THE PRO'S

- Every person in the organization is involved.
- It drives daily improvement.
- Ownership stays with the person who makes the improvement idea
- It drives a culture change because it is idea focused.
- Can be supported with Blitzes
- Integrates with recognition programs.
- Integrates with the Business Plan and Appraisal processes.

THE CON'S

- Not all of the ideas will have a big effect.
- There needs to be a lot of reinforcement at first to overcome the "what's in it for me" attitude.
- Requires more responsibility on supervisors to shepherd the process for their areas.

E2B2

"Desired State"

The goals for an effective E2B2 Program should include:

- All employees (top to bottom) implementing at least one improvement idea per month (Note: World Class would be one improvement idea per week).
- The C.I. Process follows a standardized process (i.e.; forms, approvals, recognition, etc.).
- The first line supervisors are trained to coach and facilitate the process with their direct reports.
- People understand that the organization is trying to adopt a new culture - a culture of continuous improvement.
- Everyone recognizes that the SIZE of the improvement idea is not critical - the IDEAS themselves are critical.
- There is a solid (non financially-based) recognition and reward system in place to support the process.

5 WAYS TO FIND GREAT E2B2'S

What are some ways to help your people to find improvement ideas?



LOOK FOR "THE GAP"

"The Gap" is any area of performance that doesn't meet your expectations or desired performance. It could be a gap in cost, revenue, productivity, quality, work environment, meeting schedules, etc.



2

ASK "WHY?"

One of the biggest hindrances to continuous improvement is "status quo blindness"—people just don't "see" areas for improvement. Maybe people are blind because they are used to doing things "the way they've always been done". Maybe they've been shot-down when they've asked "why" in the past, so they now feel it's not safe to question the status quo. Maybe they just can't envision doing something a different way. Whatever the reason, the best cure for "status quo blindness" is to develop a culture where people "ask why" whenever something doesn't make sense, they don't understand, or something bugs them.



3 **LOOK FOR “WASTE”**

People can be really busy, but there can still be a lot of waste. Experts say that waste can be grouped into seven general categories:

- Mistakes or defects—that cause rework, scrap, or to have to start over.
- Motion—when your people have to walk, reach, or lift to do their job.
- Waiting—when your people are waiting for something else to be done in order to do their job.
- Excess Inventory—when you have more of something than you really need to do the job. A simple example is to look in your supply closet and see how many things you haven’t used in a year or more.
- Overproduction—making more than you need. A simple example is making more copies of a presentation than you really need.
- Over-processing—doing more than is required or using something complex to do something simple. An example would be using premium paper in your copy machine for everyday use.
- Transportation—similar to motion, but when your products have to move from one operation to another for processing. An example would be when you receive an invoice in the mail and it has to move to three different people in different places in order to be processed.



LOOK FOR

WORKPLACE ORGANIZATION

In just about any setting, workplace, or job site there are opportunities to improve workplace organization. The Japanese auto companies were the first to call this "5S" (after five Japanese words which represented the steps to organize something). That concept has been translated into five English "S" words to communicate the same idea.

- **SORT** – Go through and get rid of old, out-of-date, or unused things in your workplace.
- **SET** in Order – Establish a place for everything and make sure that everything is in its place.
- **SHINE** – Clean up the area
- **STANDARDIZE** – Make rules for people to follow and enforce them (for example, how should electrical cords be placed to make sure there are no tripping hazards).
- **SUSTAIN** – Make it part of a regular routine and make sure it becomes a habit.

5

LOOK FOR WHAT "YOU CONTROL"

The first tendency in any improvement effort is for people to think about how their job would be better if someone else improved—but you must push-back on that tendency.

Whoever thinks up the improvement idea must implement it or at least follow it through to implementation. So, the best ideas for people to concentrate on any ideas within their control. Since people tend to be "blind" about their own jobs, it sometimes takes an improvement facilitator to help them gain additional perspective.



7 KEYS TO SUCCESSFUL CONTINUOUS **IMPROVEMENT** IMPLEMENTATION

If you are interested in initiating a continuous improvement program in your organization, here's seven areas that you should be addressed to improve the probability of success.



Be prepared to explain to your people,

“WHAT’S IN IT **FOR ME?**”

The first question in most people’s minds when a new initiative is announced is, “What’s in it for me?”. Here’s some typical “concerns” with thought-starters for a “response”.

CONCERN:

It's extra work to write it down.

RESPONSE:

Documenting improvement ideas allows them to be shared across the organization, provides a basis for recognition, demonstrates the progress you're making, and can be used to inspire new ideas from others.

CONCERN:

There's a benefit for the organization, but I don't see the benefit for me.

RESPONSE:

A high percentage of the improvement ideas will benefit employees directly (i.e.; work organization, efficiency, or safety). Reinforce that your organization's success is vital to your employees' success (i.e.; jobs, raises, increased benefits, hiring, special activities, etc.). Finally, it allows for more formal recognition for those improving your organization.

CONCERN:

This is just added work for me.

RESPONSE:

In the short term, it might be additional work. However, in the longer term, it will result in a better work environment and less effort for employees. Make sure they know that you'll try to find ways to provide support for employees so they can find the time to work on continuous improvement.



Make it clear that this is

LEADERSHIP LED & REINFORCED

If your people see that the leadership are involved and participating, they will more easily get involved themselves. Therefore, everyone in the organization should be involved -- from top to bottom and across all functions. Plus, the leadership should look for multiple ways to express their support and reinforcement of the continuous improvement process.




PROVIDE

APPROPRIATE SUPPORT

The success of your E2B2 approach depends on how well you support it. It doesn't take a lot of extra overhead, but you must be intentional to provide support in the following areas:

- The primary support for continuous improvement comes from each person's direct supervisor. The supervisor is the key link in the process. They review and approve the ideas -- and provide the first level coaching for the process. They also are the ones responsible for getting support from other departments, if required.
- You should train C.I. "team leaders" from within the workforce to assist supervisors and work with other employees (in addition to their current assignments). You'll find some people have a knack for C.I. and really will enjoy the added challenge of helping others along the way.

- 
- There needs to be an overall C.I. Coordinator to provide oversight, training, tracking, and to be a catalyst for the program. At first it can be a part-time position, but at least 50% of someone's day-to-day responsibility. Within a short time, however, you'll find the need for someone to focus their full attention.
 - As mentioned in #1 above, you need to find ways to provide support for employees so they can find the time to work on continuous improvement. That could be as simple as allowing 10-15 minutes during or at the end of the day once in awhile to spend time on C.I.



4

RECOGNITION PROCESS

It's really important that you think about how you are going to recognize those who participate in the C.I. process -- and the more creative the better. However, remember what was shared earlier, that a process built on financial recognition will drive the wrong behavior (See page #___). Here's an example of an effective recognition process implemented by an E2B2 focused organization.

- They hold quarterly all-employee meetings. During those meetings, they recognize everyone who has participated each month and they randomly select about 25% of the employees to receive a small gift card.
- They occasionally have special incentives (like tickets to a professional sports event or concert) or focus on specific categories of ideas (like quality or safety).
- They hold an annual E2B2 dinner and hand out awards (like the Academy Awards).
- When the CEO hands out profit-sharing, he mentions that one of the main reasons for success has been the E2B2 process.
- To show how effective the program has been, the 250 people in this organization have implemented over 3,000 improvement ideas each year for the past three years!



5

TRAINING

There are four main areas of training required:

A: ALL EMPLOYEE TRAINING

All employee training. There needs to be overview training for all employees in the organization. This should be general in nature and focused on how each employee can participate.

B: SUPERVISOR TRAINING

Supervisors training should be focused on how they facilitate the process, rather than technical problem solving or statistics. That means they need to understand the difference between a good idea and a bad one; how to help their people to write up ideas; and how to work with other departments when ideas require cross-functional support. Supervisors in most organizations already feel overloaded, so adding this to their platter will require understanding and persistence. Remember, they are the critical link in the process, so make sure they are equipped.

C: OVERALL C.I. COORDINATOR TRAINING.

This person is going to need much more in-depth training in C.I., problem solving, and statistics – and exposure to best practices. That usually means finding a reputable outside organization to do the education/training and allowing the person to travel to world-class benchmark organizations to experience successful implementations first-hand.



D: WORKFORCE C.I. "TEAM LEADERS"

Workforce C.I. "team leaders". The overall C.I. Coordinator needs to spend extra time and attention coaching and helping these team leaders. In addition, formalized education/training can be very helpful.

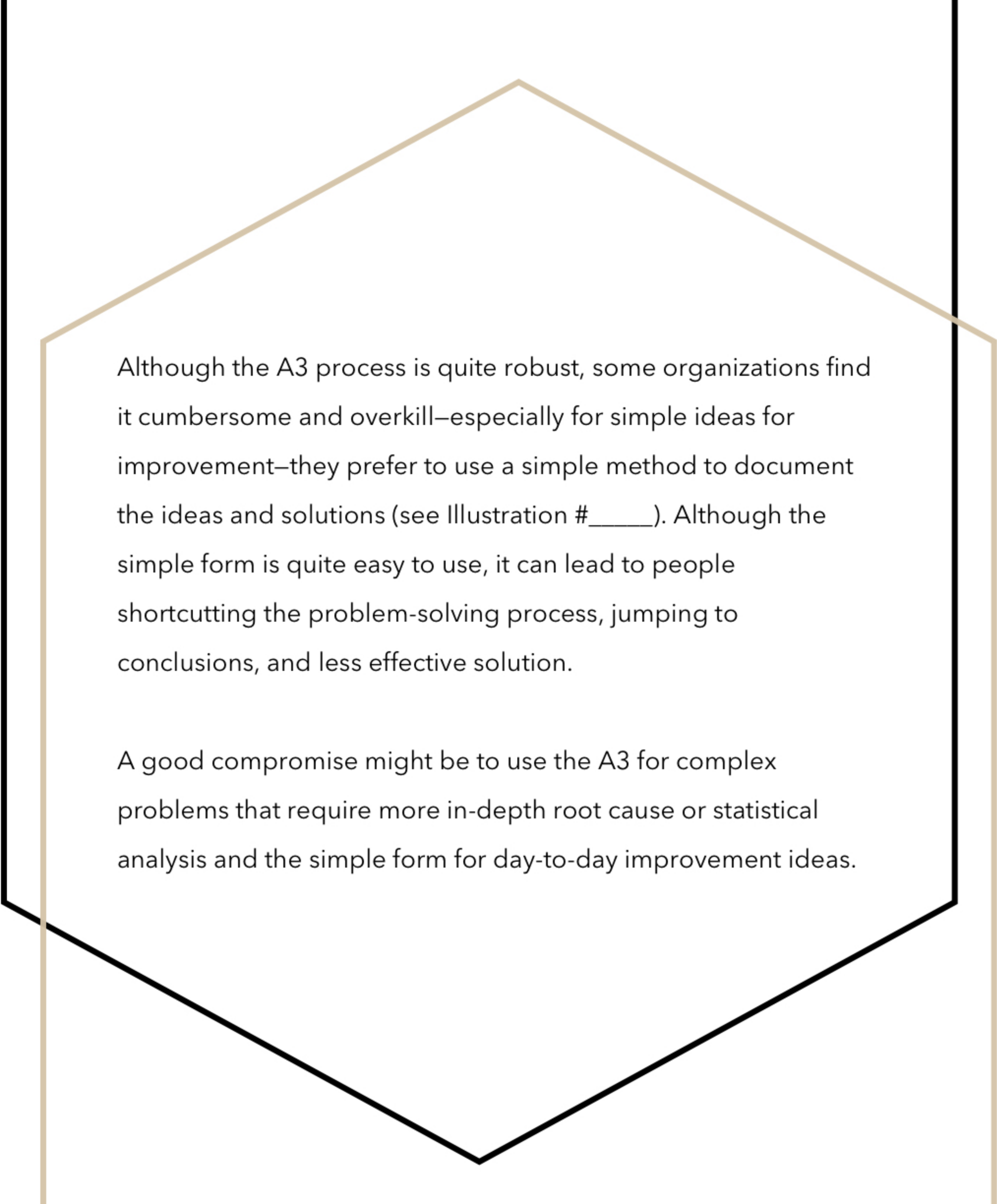


STANDARDIZED FORMS & PROCESS

FORMS

THE A3 OR THE SIMPLE FORM?

Many organizations who implement a C.I. process use a problem solving form that was first widely implemented by Toyota, called the A3. Why A3? Because that's the size paper that was used by Toyota. The A3 follows the standard steps in a robust problem solving process (see Illustration #__). It is not the intention of this resource to explain the use of the A3. A good book for further information is "Managing to Learn", by John Shook, published in 2008.



Although the A3 process is quite robust, some organizations find it cumbersome and overkill—especially for simple ideas for improvement—they prefer to use a simple method to document the ideas and solutions (see Illustration #____). Although the simple form is quite easy to use, it can lead to people shortcutting the problem-solving process, jumping to conclusions, and less effective solution.

A good compromise might be to use the A3 for complex problems that require more in-depth root cause or statistical analysis and the simple form for day-to-day improvement ideas.



PROCESS.

Clearly lay out your expectations, how people should fill-out and submit their ideas, how the ideas will be reviewed and tracked, and how recognition will take place.



SETTING GOALS AND TRACKING

PERFORMANCE

World-class organizations (like Toyota) receive about one implemented improvement idea per person per week. That's usually overwhelming for most organizations. I recommend one improvement idea per person per month (12 per year per person). Just about everyone, if they put their mind to it, can think of one improvement idea every month.

The Overall Coordinator needs to establish a system to track when ideas have been implemented and approved by the supervisor. Tracking can be as simple as having the supervisor forward the ideas that are implemented to the coordinator, who enters them into a spreadsheet. Sometime it helps to categorize the ideas to better understand what types of improvements are being implemented.



E2B2 CONCLUSION

To sum it up, a properly implemented Continuous Improvement process, like E2B2, is critical to becoming and remaining an outstanding organization.

Just imagine what your organization would like like if everyone came to work every day and not only did their job effectively, but also focused on making it better! It would be amazing!

Why not get started today? Contact Project World Impact at info.projectworldimpact.com and we'd love to talk with you about how to do just that!



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