Achieving Business Excellence Through Business Excellence Models

by Khurram Nawaz

ACHIEVING BUSINESS EXCELLENCE POST WTO SCENARIO

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Purpose

1 Major Industry Threats and Common Pitfalls
2 Achieving Business Excellence – Discussion
3 Vision, Mission and Values
4 Strategy and Quality-Strategy Relationship
5 Strategy and Customer / Employee Relationship
6 Objective Setting and Monitoring
7 Process Management
8 Learning Points
Major Industry Threats & Common Pitfalls

- WTO, Global Economic Recession, Political Scenarios, Terror Threats, Increased Competition, Performance Complacency
- Lack of effective strategy
- Lack of strategic alignment at every level with core processes
- Attention to devise strategies than carrying them out
- Poor deployment
- Adhoc planning rather than goal oriented strategy

Achieving Business Excellence

1. Organization visualizes future results
2. Establish mission and values for right direction
3. Develop policies and objectives / goals
4. Translate into strategies and document
5. Set objectives at all levels
6. Develop and/or review existing processes
Achieving Business Excellence

7. Cascade down to all levels
8. Establish clear & continuous monitoring / measurement process
9. Analyze and review all results
10. Review policies, strategy and objectives and visualize / determine results again.

“The time to repair the roof is when the sun is shining”. (John F. Kennedy)
**Vision**

- A Statement describes, how organization wishes to be in future.
- Some leaders think - it's beyond reality but missing big picture
- Reality - No company can predict future exactly
- One cannot get there without an end in mind
- Visualize future results - visualize Co. future (results) & have defined goals

**Mission**

- A Statement describes the purpose of an organization, why it exists
- Identify underline aim of the company
- Provides guides for strategic planning
- Determination of mission based on Judgement
- Value judgement is proved correct or incorrect by another value judgement
- Top management should directly & deeply involve in formulation of mission
- Decide what require for “good” to “great” company
Values

• Understandings / expectations how organization's people behave
• Upon which all business relations are based
• Should be ethical values - contains universal morals

Path to Achieving Business Excellence - Another View

- Leadership Role
- RADAR methodology
- Strategy Formulation & Implementation
- Continuous Review & improvement
- Self-Assessment

- Better Quality
- Lower Cost
- On time Delivery
- Innovation

- HR Management
- People Management
- People Results

- Company Processes / Operations
- Integrated Management Systems (IMS)
- Resource & partnership Management
- Benchmarking
- Six Sigma
- Balance Score Card
- Continuous Training & learning

- Customer Expectation
- Customer Surveys
- Customer Complaints & Compliments
- Key Account Management
- Society Results

- Business Results

- Customer Satisfaction / Retention
- Continuous Review (Business results, processes, performance)
- RADAR methodology

Leadership Role
- RADAR methodology
- Strategy Formulation & Implementation
- Continuous Review & improvement
- Self-Assessment
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**Strategy**

- Two types of management - Strategic and Operational
- Strategic management provides guidance, direction & boundaries for Operational
- Central focus / bond between these two is Strategy.
- Strategy is the creation of unique & valuable position, involving set of different activities (Michael Porter)
- No any more sustainable competitive advantage, locally or globally.

**Strategy**

- Strategy turn out to be cluster of interrelated sub-strategies.
- Examples - expand plant capacity, increase market share within 3 years, increase profitability in 3-5 years
- Best practice improvements, restructuring, operational effectiveness, innovation - are not strategy but part of strategy or sub-strategy
- Strategic Quality Management (SQM) --- strategy - quality relationship
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Strategy - Quality Relationship

- Strategic Management
- Quality Relation
  (Strategic Quality Management)
- Strategy
  (Strategy - Quality Bond)
- Operational Management
  (Operational Effectiveness)

Strategy – Customer Relationship

- Managing Strategy
- Managing Customer Needs
- Developing True Relations
- Customer Satisfaction
- Developing True Loyalty
- Developing Customer Retention
- Effective Business Management

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Strategy – Employee Relationship

(Employee In View)

- Managing Strategy
- Managing Processes / Change
- Effective Deployment
- Effective Motivation
- Employee Satisfaction
- Developing Employee Loyalty
- Employee retention
- Effective Business Management

Strategy & Customer / Employee Relationship

(Customer In View) (Employee In View)

- Managing Strategy
- Managing Customer Needs
- Developing True Relations
- Customer Satisfaction
- Developing Customer Loyalty
- Customer Retention
- Effective Business Management
- Managing Strategy
- Managing Processes / Change / People
- Effective Deployment
- Effective Motivation
- Employee Satisfaction
- Developing Employee Loyalty
- Employee Retention
- Effective Business Management
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Objective Setting and Monitoring

Overall Company Objective
(Time / Target bound)

Deptt. A Objective
Deptt. B Objective
Deptt. C Objective

Section A1 Objective
Section A2 Objective
Section B1 Objective
Section B2 Objective
Section C1 Objective
Section C2 Objective

• To assess department effectiveness in meeting customer requirements
• To monitor & review department performance
• To analyze effectiveness of existing controls and improve
• To identify bottlenecks within the process and take corrective / preventive actions
• To reduce non quality activity & thereby cost
• To fulfill applicable standard requirement, e.g. ISO 9001
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Process Measurement

Measurable Processes

Section Objective

Dept. Objective

Overall Company Objective

Key Process Indicator identified for the processes of each dept.

Process Performance Measurement & Review

REQUIREMENTS

PROCESSES

PRODUCTS/SERVICES

Process Indices (Parameters)

Monitor, Measure & Analysis

Reporting of Indices (Results)

Review by Management

(19)

(20)
Learning Points

• Visualize future results – one can not get there without end in mind
• Establish all links from strategic to process management & strengthen them
• Weak links adversely affect business results
• Weak strategy-quality bond --- Ineffective SQM and less operational effectiveness
• Business results directly proportional to customer and employee retention
• Set measurable objectives at all levels and continuously review them
• Establish process performance measurement I.e. identify process parameters, continuously measure and review.