

# CE3 Solutions, LLC

## Operations Excellence

**To help our clients differentiate themselves from their competitors, a major focus is on developing the disciplines necessary to achieve Operations Excellence.** Together with Service, these two business functions are key to delivering on the client's brand promise. CE3 Solutions helps our clients **Optimize Service and Operations** for their particular situation and marketplace. There are several approaches on how to drive Operations Excellence. Generally, a client firm choose goals versus their competitors: do you want to be the low-cost provider, the best at service quality, the most flexible handling changes, and challenges? Or all of the above? In addition, a client needs to have a leadership model and culture that foster high achievement, continuous improvement, and engaged employees. Sustained intensity is a critical success factor.

Operations generally vary by industry, so I will not offer a one size template. As our client, CE3 Solutions would work with your firm to identify your unique opportunities, consider sequencing for adoption, and build a transformational road map. Creating an organization with a reputation for Operations Excellence requires disciplines in organizational design, process improvement, employee empowerment, culture creation and leadership, reduction of rework and bad demand, operations risk, and E2E partner collaboration. It also requires sourcing opportunity assessment and vendor management best practices. CE3 Solutions' partners have these experiences and have been senior leaders in large organizations doing service and operations transformations throughout our careers. We work with large and medium size business as trusted advisors. Because of our experience we can accelerate our client's efforts and ensure that knowledge transfer and client sustainability are part of our engagement.

While each firm will have its own detailed plan for their unique situation, based on our experience there are some general concepts that can be applied with a high reward and low degree of difficulty and cost. Often, they are necessary to maximize any transformation. They can have high leverage and unleash an empowering focus that is easily transferred to the entire organization. In a general order they are:

1. **Organization Design.** This step includes the organization design, role clarity and talent capable of delivering innovative and continuous improvement. This is a critical success factor often overlooked. It can happen fast and often results in management cost savings.
  - a. There are several alternative concepts to consider. What has been the organization structure in recent years? If it is switch up, can a firm generate new energy and faster execution? In several situations I have shifted from from being geographically organized to being national or global process structure.
  - b. Being process structured leads to faster standardization of processes, consolidation of sites, business continuity, automation, leaning and reengineering.
  - c. A process organization can be nimbler. It can determine if a process can be outsourced, can be modified to follow the sun, or direct work to best performers or underutilized sites.
  - d. If your company is a product of mergers and acquisitions, chances are high that the back and middle offices have not really been merged and have been left as was before the M&A. A processed based organization can take on the consolidation challenge more effectively than geographically based silos.

# CE3 Solutions, LLC

## Operations Excellence

2. **RACI.** Related to organization design is establishing the relationships between all groups and each other and how transformation work gets done effectively. Determine for all key organizational goals who is **Responsible, Accountable, Consulted, and Informed**. Are leaders' individual goals linked to each other appropriately and ensure constructive teamwork? Confusion can delay decisions, fuzz up accountability, and generally slow up any improvement efforts.
3. Create a **Culture of Sustained Intensity** on performance. A zero defects mentality can be brought to life by routines that highlight and require follow-up to deficient **Key Process Indicators**. Management could meet as a team for a short early day session to review previous days **KPIs**. The leader has to have power, respect, and discipline. When KPIs are out of set control limits, the leader requires the responsible manager to a follow-up with a written report summarizing the problem, cause and prevention of reoccurrence. Selected follow-up reports are discussed by the group led by the responsible manager.
4. **Measurements-** measure what you want and beware of measurements that reward unintended actions. Often there is new, perhaps currently unmeasurable, metric that if adopted can accelerate improvement. This may lead to resurrecting old improvement ideas that were ahead of their time. It will create new energy and improvement ideas that can drive cost reduction and service improvement.
5. **Constructive Pressure-** Challenging the status quo:
  - a. Constructive tension can be generated by having **Big Hairy Audacious Goals**.
  - b. An example of effective **BHAGs**: Challenge cycle times to be a very small percentage of their current time. (Example: Reduce cycle time from 8 hours to 8 minutes.) This will drive automation and lean reengineering. It also can result in benefits that could improve the customer experience and almost certainly speed reduces cost and improves accuracy.
  - c. Consider how you would reduce costs by 50% in 3 months (with an unlimited technology investment pot of money). If your team thinks it is real challenge, they will offer up more aggressive ideas than during normal annual budget reduction challenges. "Constructive" tension is a great lever.
6. Think **End-to-End** in your **process** assessment. Often an upstream process does not understand how their errors generate costs for downstream processes which have to correct or rework their error. Identify rework factories and put them out of business by reengineering the upstream processes and giving feedback to individuals if possible. It is cheaper to prevent an error than to correct it.
7. **Workload forecasting and planning:** Multifaceted improvements in this process can yield short term and intermediate term benefits. Raise the standards on forecast accuracy, shift staff to match the better forecast, identify opportunities to speed the work availability, and begin to understand good work demand and bad work demand. Bad work demand is driven by circumstances that are preventable. Reducing bad demand is a high ROI- reducing costs and improving customer experience. For example, contact centers often involve solving problems or requests for information. Both can theoretically be reduced (to zero) by proactive information delivery, self-service, process improvement, and customer education.

## CE3 Solutions, LLC

### Operations Excellence

Many of the above are simple, soft re-engineering or introducing new priorities. Often these opportunities are missed by insiders, and without the right soft re-engineering the larger transformation can be at risk or delayed. A fresh, seasoned advisor can spot these dysfunctions and opportunities quickly. This is a big part of CE3 Solutions' value to our clients. Our learning of your business and assessment cycle time will be fast because of our vast experience in different roles, at leading companies, with tough challenges in multiple industries. We would welcome the opportunity to understand your challenges and let you know how we can accelerate your transformation to a company that is Operationally Excellent.

In a previous paper we discussed **Service**. See our web page: <https://www.ce3solutions.net/insights> for our service paper.

---

John Quinn is Chief Executive Officer and Partner with CE3 Solutions, LLC, a boutique management consulting firm specializing in creation and implementation of strategic and tactical roadmaps for businesses to simultaneously improve their customer experience, shareholder/business value, employee engagement, and risk management. CE3 Solutions partners have collectively over 100 years of experience in directly managing these areas with numerous Fortune 500 organizations, while also providing solutions to businesses of all sizes.