FROM PAPER TO PROFIT

7 STEPS TO MAKING YOUR BUSINESS STRATEGY A REALITY

SHIVENDRA
&CO.

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WHY YOU'RE HERE

Every business is unique. However, you being here, reading this, means that you may have hit a stumbling block when it comes to executing that business strategy you put so much work into.

You know the one.

That strategy you put thousands of hours into perfecting and thinking about.

That strategy that lives in a professionally-designed slide deck that has been printed on to paper and now sits on your desk ageing gracefully.

The good news is you're not alone. From my experience guiding and supporting businesses, this is a common issue many organisations face.

The even better news? There's an easy-to-follow 7-step process that will take your business strategy off the paper, into your organisation and hopefully, result in profit.

This process is called The IMPROVE Method, and you'll be glad you've come across it.

WHO AM I?

Let me state upfront that this is not an existential question. I merely want to tell you a bit about myself before you read on.

My name is Shivendra Kumar. Over the last 12 years, I have led teams in diverse organisations, delivering many successful major business improvement programs.

With experience leading a global volunteer organisation and hands-on proficiency developing high performing teams at Siemens and Downer, I have acquired high-level skills that allow me to manage and coach talent to deliver superior advantage.

Having completed a PhD while working full-time, I developed tenacity and the autonomy to pursue visions and dreams, solve complex problems and pursue excellence.

Today, I work with various organisations that share my hunger and willingness to succeed.

THE IMPROVE METHOD

I spend a lot of time thinking about business strategy. And I'm privy to the strategies of many organisations, of all sizes and across all industries. Many organisations have asked me to help them get to where they want to be, and from this, I have developed what I call The Improve Method – 7 simple steps to executing your business strategy.

Here's a breakdown of what's involved:

IMPLEMENTATION PLAN

MEASURE PERFORMANCE

PROCESS

RISK & OPPORTUNITIES

OPERATIONAL DISCIPLINE

VALIDATE

EXTEND FURTHER

ALMOST THERE PTY LTD

I would like to introduce you to 'Almost There Pty Ltd'. They are a company with a lot of potential; however, they faced a significant (or so it seemed) challenge.

In fact, their challenge was not too dissimilar to the challenge that thousands of other businesses face every year. Here it is in black and white:

A few months ago they had spent considerable resources and time on a business strategy for the year ahead. It was devised with the right intentions and well-thought-out vision.

But …

Months later the strategy remained a theory. Nothing had been executed. Nothing had changed.

The issues facing Almost There were the same. And, as a result, General Manager George was feeling the pressure. Internally AND externally. As they stalled, the number of competitors in the market increased at a time when demand for their services was set to reduce. And, he had just returned from head office where his CEO communicated the new annual strategic targets.

So the pressure was on.

George needed a process. A step-by-step guide to ensuring that, this time, what they had written down on paper had the best chance of turning into profit.

George decided to turn to an external consultancy that introduced him to The IMPROVE Method.

STEP 1 - IMPLEMENTATION PLAN

Having been unsuccessful in seeing strategy through in the past, George engaged Tom, a consultant from Partner Inc.

They began working together by workshopping the business objectives. This included unpacking the strategic objectives outlined by the CEO as well as the market requirements that George needed to meet to keep the business thriving.

From this, a set of tactical objectives (which also included George's vision for the business) were developed.

As he did each year, George then initiated an all-day strategy workshop with his leadership team. However, this time – thanks to a little advice from Tom – instead of just communicating the strategy and discussing current business challenges, George made sure they had a lengthy discussion around the proposed objectives.

TALKING ABOUT THE OBJECTIVES

After George set the context for the business and shared his vision, the team began by focusing on each of the tactical objectives mentioned earlier. George proposed three questions that helped guide the discussion on each objective:

1. What's the purpose of this objective?
2. Why is this objective important?
3. What actions or initiatives are required at a functional level to deliver the objective?

George found that reflecting on the purpose of an objective generated good discussions. For the teams, it made it very clear that they were just not in the business of selling their services, but that they were there for the benefit of the community too. It gave a new meaning to the Safety and Environment targets, which were discussed first.

Quality became a matter of pride too, and the conversation on profitability shifted from bonuses to letting the business thrive so that their 400 employees nationally could have stable employment.

INITIATIVES AND PRIORITIES

Each tactical objective was then dissected and operational initiatives derived. A list of 3–5 initiatives came out of each tactical objective.

While the team worked on the objectives, George listened with a keen ear. It was fascinating to see a shift already taking place. For example, when the Quality objectives were being discussed, there was engagement from everyone in the room. In the past, only the quality manager would talk when it came to things that fell under the Quality banner.

And the ideas being thrown around were proving to be useful too. A good example was when the HR manager joined the discussions and offered to deploy Quality training to all staff using their HR training platform.

There was clearly a shift.

Once discussions on the operational initiatives were complete, the team discussed priorities. Tom helped set up a ranking matrix with input from the team. Collectively, it was decided to use impact to the business in dollars as the guide – converting safety, quality and delivery to cost measures with the help of the finance manager.

All objectives were then successfully ranked. When asked by one of the managers whether the priorities should have been set earlier, Tom, who had been sitting in on all the discussions so far, explained that having a deep understanding of the objectives and their overall impact makes prioritisation easier and more accurate. Earlier discussions on the purpose and importance helped a great deal with this.

IT'S ALL ABOUT TIMING

After the prioritisation exercise, the team allocated time frames to each objective. Obviously, the critical goals had to be achieved early on, and the less impactful ones could wait until later in the year.

While the team felt enthusiastic enough to start everything tomorrow, George explained that he didn't want to repeat the mistakes from past years.

'Strategy needs to translate to success this time, and success has to stick!' he told them.

The day ended with George giving his leadership team the floor. He wanted to hear what they thought of it all.

'I really feel we are going somewhere this time!' said one of the team members.

'This has brought a real focus to what we are doing; I feel energised,' said another.

And it was true.

George could sense a shift in the energy and understanding in the room. He could sense a desire to move forward and achieve the outlined objectives. All in all it was a very successful day.

THE LEADERS TALK TO THEIR TEAMS

The next day, each leader or manager was asked to meet their functional teams to discuss the tactical objectives and operational initiatives in detail.

There was a real buzz in the business as all this took place. Employees were for the first time becoming involved in these discussions and being privy to the bigger picture.

Tom had set out a simple guide for all the managers, which outlined the nature of the discussions that were to be held. He reminded each leader that while open discussions are always good, they needed to keep focus on the overall objective, especially since time wasn't on their side.

The guide Tom developed for the managers consisted of the following:
- Discuss the tactical objectives.
- Discuss the operational initiatives that fed the tactical objectives based on the workshop with George and the leadership team.
- Indicate the direction of the solution.
- Brainstorm and develop actions for the team for the initiatives.
- Establish a clear linkage (cause and effect) between the goal and objective.
- Clarify and agree on the benefit of the solution.
- Note down and overcome any reservations that need to be considered as a risk.

Discussions progressed well across the different teams. George took the time to walk through some of the discussion rooms and while a little concerned about the time the process had taken, he was impressed by the ideas that flowed and passion that was exhibited.

'Why isn't the vibe in the business like this every day?' he wondered to himself.

THE LEADERS RECONVENE

Later that same afternoon, the leadership team got together again with the ideas and feedback from their functional teams. Tom then put together a spreadsheet of all the ideas heard, categorised by objectives and functions.

Every idea, every piece of input, was challenged or accepted and taken to the next level. Guesstimates on resources, investments, and technology infrastructure were noted by Tom as the discussions progressed.

As the objectives had now cascaded into smaller deliverables, it was noticed that some of the operational goals had the potential of impacting other objectives.

'Supply Chain', for example, had identified a new vendor who could deliver materials on-demand, whereas 'Quality' was reluctant to change vendors at that time given their internal quality audits schedule.

Options and a roadmap to work through a few of the conflicting priorities generated good constructive discussions and George felt it was a much 'calmer' time and place to resolve these issues, instead of during the aftermath of an issue that had impacted the business (as they had always done in the past!).

Towards the end of the session (a long one!), they agreed on the operational initiatives and the activities of each of the functions.

With Tom's help, a draft master schedule was created so that everyone could be on board. Through the discussions, 'what will be done' and 'what will **not** be done' was agreed and documented. Who was accountable for completing each task, as well as a draft timeline, was shared with everyone.

Tom also put together the *Hoshin Kanri* chart: a single sheet that literally shows how the team will work together to achieve the agreed goals.

STEP 2 - MEASURE PERFORMANCE

What gets measured gets improved.

It was a saying that George was familiar with. In fact, he had once had it scrawled across his whiteboard for over a year! Despite this, measuring the success of the organisation's goals had never really been done properly.

This year was different. Under the guidance of Tom, senior consultant at Partner Inc., George requested further discussions on a governance model. Tom then worked directly with each of the line managers to better define the reporting and tracking of the goals.

Always equipped with tools and templates, Tom populated a master table with all the managers. Something like this:

PARAMETER	RESPONSE
Goal	
Performance Measure	
Baseline	
Lead Indicator	
Lag Indicator	
Source of Data	
Frequency of reporting	
Target	
Escalation Definition	

All this resulted in a list of new reports, including updates to existing reports, that were then provided to the data analyst who worked for George.

STEP 3 - PROCESS

While the data analyst worked on the reports and dashboards, Tom held workshops with the functional managers, with a primary focus on their all-important objectives.

With increased sales being forecasted, workforce productivity needed to be increased, all while keeping costs controlled at the same time. A **value stream mapping activity** was done with the delivery team looking at the end-to-end business process.

Value add and **non-value add** processes were then scrutinised by the team. Tom helped model a few scenarios using simple analytical models he developed, and from this, bottlenecks quickly became apparent.

Through a mix of levelling, planning, reducing rework and removing unnecessary steps, the productivity and cost targets felt generous.

'I can't believe our goals can be achieved with no additional headcount nor any capital investments,' said one of the participants.

Tom then brought the Delivery and Quality teams together and did a **root cause analysis** of the rework. Commencing with a **fish-bone diagram** followed by **5-Why Analysis**, root causes of rework were identified.

Using data and the experience of the team itself, an action plan to attack the rework was put together. Solutions were a mix of mistake-proofing (Poka-yoke) processes and training. The team wanted to shift attention to working on preventative measures, instead of spending resources on monitoring quality and managing defective work.

Separate discussions were held with finance too, and using a **tree diagram**, cost drivers were identified. With available data, it was evident that there was a lot of variability of expenditure. This was attributed to the lack of controls and governance in a few critical areas of the business.

The team then decided to track this more rigorously and established leading metrics to track expenditure, indexing it to delivery performance. While reducing cost and headcount were initial assumptions, the finance team now had an action plan that would achieve the targets without risking disturbance to the customer-facing processes.

As a final step, actions identified in all the workshops were added to the master schedule before tasks were assigned to team members, each with its own deadline.

STEP 4 – RISKS & OPPORTUNITIES

Thanks to the leadership and support of Tom, George was really getting somewhere. He could sense the whole machine moving to a better, more efficient place.

Tom was extremely detail-oriented. And so, at the end of every workshop, he spent some time finding out what the risks of every action were.

Collectively, the teams brainstormed risks and determined potential control measures. This allowed the teams to proactively update procedures and training, as well as take other appropriate risk aversion steps at the supervisory level instead of the current practise of escalating issues to George and his team when they occur.

Tom began putting together the **Failure Modes and Effects Analysis** (FMEA) table, as well as the **Control Plan** – two documents that quickly became much-sought-after assets in the business.

Tom also shared these documents with the Safety Team as those tools were universally applicable and could also be used to identify safety risks and steps where current controls are not adequate.

Opportunities were the next cab off the rank. We're talking about low-hanging fruits or ideas that could be easily worked on to get significant improvements within the organisation. Tom ran the opportunities session using an adapted version of the FMEA.

George made sure he was actively involved in everything that was going on and was impressed by both the documents and the outcome of the workshops.

'I feel that we're finally capturing the learnings and documenting the know-how we've accumulated from being in this business for 10 years,' he remarked. 'This will now allow us to operate like an expert in the industry.'
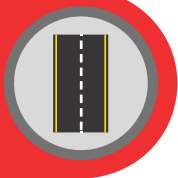
STEP 5 – OPERATIONAL DISCIPLINE

So far, the theory had been put in place and some action had been taken. However, there was a question George kept asking himself.

'How do I ensure these improvements are embedded in the business … how do I make them stick?'

When he voiced his concern to Tom, Tom mentioned there were already best practices established by other successful organisations that could be easily utilised.

Enthused by the progress himself, Tom led George into one of the meeting rooms and began scribbling on the whiteboard with great energy. He began to develop a framework that referenced those best practices mentioned earlier.

Tom thought it best to establish a multi-pronged approach that blended accountability with empowerment and enthusiasm. George then outlined his vision of a system that self-sustains, a culture that governs itself and is easy and flexible enough for a fast-changing organisation.

MAKE IT VISIBLE

George was a firm believer that visibility enhances accountability. So his first action was to introduce visual management and daily governance reviews.

He chose a wall in the common area where daily performance was to be published. The plan was that each morning the leadership team would review the performance against the forecast for the week and month.

DAILY UPDATES

George knew he needed to be kept in the loop, across all actions and functions and on a day-to-day basis. That's why he instigated daily updates.

The manager of each function was to provide updates to George at a set time each day. Actions to keep the performance track were communicated too, allowing managers to seek assistance from other functions promptly.

In a nutshell, the 20-minute review at a set time daily informs George and his leadership team on how the business is travelling as well as areas where intervention is to be prioritised or actions are to be escalated.

COMMUNICATE CHANGE

Ensuring everyone remained aware of major changes was another improvement George wanted to implement. It forms a good basis to identify any negative impacts of major changes, and how it will impact stakeholders upstream and downstream.

The last thing George wanted from the improvement program is a change that impacts customer delivery or leads to a breach of contractual or regulatory standards.

The change process George introduced was to be led by the Quality function, and they were to ensure all functional managers had signed off on the document before any changes could go live. The application for change, submitted by the person owning the change captured the specifics of the change and countermeasures to any identified risks.

Tom readily agreed with this initiative as he believed it would enable the business to have a list and therefore keep track of all implemented improvements. He thought this would also allow the **Plan-Do-Check-Act (PDCA)** loop to occur periodically too, and should anything go wrong, responsible managers could trace back issues to process improvement.

All in all it was a simple solution that had the potential to yield significant benefits. George, as was his habit, felt time was of the essence and had this implemented and operating within a day!

ENGAGE THE WORKFORCE

George also knew that communicating with his workforce was vital in the efforts to create discipline throughout the organisation. His own experience reminded him that strategic improvement initiatives are not well received by people in general, so open channels of communication were critical.

George decided the best way to do this would be to produce a monthly newsletter that would be sent to all staff. He ensured that the newsletter would be something staff members should be able to show their families with pride. It should celebrate wins and keep people aware and engaged in the process with increasing enthusiasm.

At the suggestion of one of the junior staff, George also agreed to launch a recognition program. In implementing a 'Thank You' card, George's idea was to have staff nominate their colleagues for a 'Thank You' card if they went above and beyond their duties to improve the performance of the business.

George began presenting these in the weekly team meetings. As such, the team meetings quickly went from being a report of things that went wrong to a celebration of dedicated individuals, as well as an acknowledgement of the progress of the business, opportunities that have been identified and communication of overall direction.

Yes, there were things brought up that were not all that celebratory (as there always are), but they began to be packaged as opportunities rather than problems. An important shift.

George also began inviting his team to provide updates too. This was well-received by all. The different teams could showcase their work and provide the broader business with an on-the-ground picture of progress. George found preparing for these updates and contributing to the newsletter a good time to reflect and capture learnings too.

But it wasn't all bright skies. George required stability in the business processes and there were occasional instances of deviations that caused several other functions to create workarounds. George didn't want workarounds to be the way of doing business; standard work and stable processes were his vision, as without them, improvement and further improvement opportunities will not be visible.

As such, he sanctioned the Quality team to commence audits on processes and implement corrective and preventive measures where processes were different from the procedures.

Further, George instructed functional leads to stop the process and review incidents the moment non-conformances or defects were identified.

This was the start of a culture of root cause analysis, and another step forward to ensuring the experience and expertise of the organisation developed over the years were capitalised.

IT'S NOT ALL SMOOTH SAILING

Change was racing through the business at pace. Improvements and refinements were everywhere. As this was happening, George noticed that certain parts of the business weren't buying into the changes as much as others.

For example, he noticed that the changes weren't being taken seriously and implemented correctly in the Materials Management function.

He believed the best way to investigate this was the direct approach and had a conversation with the functional lead of the team. The chat made it clear that there were gaps in their commitment and delivery – gaps that were becoming more pronounced every day and were impacting downstream processes.

George knew he could not afford to have an anchor dragging down the ship and derailing a program that simply had to succeed.

Using carefully considered options, George acted quickly and made leadership changes to the Materials Management team. In no time, the team caught up with the improvements and were hitting their targets.

The word quickly got around the business that rowing the boat together in the same direction was the only way forward. When asked about the change during his now more frequent discussions with on-the-ground employees, George replied that keeping the livelihood of the 399 other employees was more important to him than any one individual, and it was his responsibility to ensure the business continued to thrive for the many people who keep it going every day.

STEP 6 – VALIDATE

Change was happening. Morale was high. Everyone was invested in the new way forward.

But would it all be worth it?

Yes, things were progressing well, but George began to wonder whether the improvements were real and whether they would translate to the business achieving its strategic goal.

He was also concerned that changes may be required to the implementation plan, the measures, processes, risk and opportunity profile, and he was worried that he may not be able to single-handedly perform the due-diligence before approving the changes.

What if he missed the details and there was an oversight?

Without delay, he called Tom to seek his advice.

Tom suggested he form a Steering Committee or a Governance Board with 2–3 direct reports, preferably one with a more commercial background and the other technical. They would be the foundation of a board that reviews all changes alongside George and advises him. And, before any changes can be made, George would have the final say.

Tom also mentioned that the Steering Committee could actively pursue customer feedback as well as arrange auditors to offer an independent perspective of the business and if necessary, assist in manoeuvring through any significant changes that may come from corporate or the market.
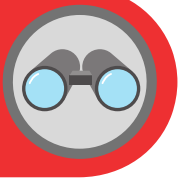
STEP 7 – EXTEND FURTHER

George felt he was on a roll. Working **ON** the business, and not just **IN** it, was proving fruitful. The business was changing, improvements were being made across the board.

With this in mind, George invited his own manager to visit the business. He ran her through the progress on strategy deployment by showing her the results in the visual management area.

George then took her to meet all the teams who were working on the various initiatives and recognised their contributions so far.

As the meeting with his manager concluded, George requested that they have a scheduled weekly review and work together to explore further opportunities to expand the business.

George also highlighted some areas where help from his senior management would be helpful. One such example was in expediting approval permits from the local authorities when he needed to order specialised materials.

While all of this was happening, George began receiving emails and calls from suppliers and customers who were sharing their positive perception of the changes. This was a huge change from only a few months ago and an outcome George hadn't expected. Contract review meetings that were scheduled twice weekly started to drop off from the calendar gradually and there was more time available for everyone.

THE FUTURE IS BRIGHT

Three months had passed and George was happy to see Tom again. The cafe where they had agreed to meet was a hive of activity. Their coffees had been brought to the table and breakfast wouldn't be far behind.

George was in a very reflective mood. He told Tom that at the start of the entire process he had major doubts. He was unsure if engaging an external consultant was the right move, but that he was out of answers and felt he had no other choice.

Now, looking back, he could see that having tools and expertise in business improvement on hand made a huge difference. He was grateful they hadn't wasted resources internally trying a hit-and-miss approach – instead, utilising what was available more efficiently.

From regular meetings where all they did was fight fires, the business moved to meetings to discuss risks and plan for success. Quality improved without having to introduce a new system, productivity increased, and more headcount wasn't needed after all to meet the delivery targets.

George, now on a roll, also told Tom that the employee engagement survey results came out the previous week and that they were nothing short of outstanding.

Staff were clear on the purpose of the business, the direction leadership was taking the business, and their own involvement.

This entire process had shown him that being an accountable, structured organisation, which believes in its processes, made such a difference.

George mentioned that he now has one-to-one reviews with his reports, and this is a good place to discuss progress, as well as for him to coach and develop his team into competitive units that are committed to winning more business.

He also briefly mentioned that all this change has affected his life outside the business too. He feels great as he gets to spend quality time with his wife and his two sons.

Tom watched as George enthusiastically spoke about how bright the future looked. He couldn't get a word in. George, pausing to breathe, looked at his watch and said that he needed to go.

He had colleagues from other business units coming with his manager to see the improvements. People were talking! And they were only saying good things.

WHAT NEXT

I am confident that you have gained useful insights from Michael and his team at Almost There Pty Limited, and are ready to go FROM PAPER TO PROFIT.

If you could complete the sentence…. *This time next year, I want my business to be………..*

How would you finish it?

Will you IMPROVE your strategy execution, just the way Almost There Pty Ltd did and move away from aspects of the business that continuously irritate, frustrate and exhaust you?

Will you IMPROVE and make the necessary corrections that starts a new trend of remarkable results?

I believe you have already stepped forward to take your business to the next level - towards courageous goals and success you deserve to have.

My commitment is to impact you and your business positively. I want you to be successful in executing your strategy. So if you have any questions or would like to discuss anything, shoot me a quick email at hello@shivendra.com

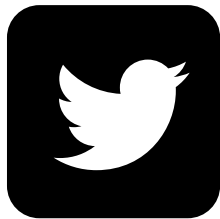Thank you, and I am excited that you are here!

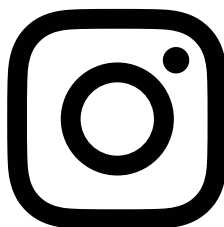Shivendra

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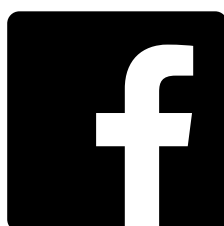**&CO.**

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