

# Achieving and Sustaining the Gains

*"It is possible to consistently meet and exceed the improvement program targets."*

Do your improvement programs often fail to deliver? Is improvement overshadowed by current priorities? Are stretch targets and adjustments the *modus operandi* for meeting financial targets?

You likely answered yes to these questions. Yet, leading companies know with confidence they will achieve their targets because they have built improvement into their day-to-day culture.

To achieve and sustain improvements, companies need to make five changes.

## 1. Shift the focus

Restructure the monthly performance review process. Most reviews spend 75% of the time discussing negative variances from plan. Leading companies allocate the first 75% of the review meeting to improvement programs. This signals that improvement is the top agenda item for the organization.



## 2. Make Improvement a Team Sport

Many improvement programs are led by a project leader. With someone accountable for improvement, executives go back to what they were doing, "running the business".

True improvement needs enterprise-wide involvement. Executives, middle managers and front line workers all have a role.

## 3. Tracking Leading & Lagging Indicators:

Performance **transparency** is absolutely essential to organizational prioritization and focus. Leading indicators show progress towards the goal and lagging indicators demonstrate the objectives have been met. We like to see activity indicators, indicators of actual change and final impact on results.

## 4. Short and Specific Time Horizons

Many improvements are built into the budget. With competing priorities and procrastination, projects are often delayed and ultimately not completed. Smaller projects can be finished in weeks or a few months with higher probability of delivery.

## 5. Adjust the Budget

Too frequently reported savings are spent on other priorities. We recommend adjusting all budgets as soon as value is delivered.

These five changes will ensure a sustainable improvement program and may deliver more than 100% of expectations.

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*Lion & Stutz is dedicated to assisting companies to achieve their full potential through practical solutions. Our size ensures that experienced consultants are personally involved on a daily basis.*

