Introduction

Organizations have since long decades explored ways to keep on improving their excellence (team work, quality circles, ISO, Six Sigma…), characteristic that is especially needed in a world as competitive as ours.

In their journey towards excellence, organizations have noticed that they needed discipline and vigilance as, as Aristotle puts it, “Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted right. We are what we repeatedly do. Excellence, then, is not an act but a habit”.

They have also learned that excellence meant product leadership, operational excellence and customer intimacy (M. Treacy and F. Wiersema, 1997¹). They witnessed that excellence needed capable and motivated people, people who can drive market share, financial resources, technical competencies… (People who can have things happen).

Product leadership means creating and producing best products to the market in the sense of high value and good prices to the customers. It calls for understanding and responding to customers’ needs (example of DELL) with innovative products (example of APPLE, 3 M², SONY³). Customer intimacy means understanding the customers’ needs and providing them solutions, as well as gaining their loyalty and long-term relationship (i.e. becoming their trusted advisors). What about operational excellence and people excellence?

¹ Based on their findings, rather than pursuing a diffused strategy over these three excellence axes, market leaders will focus their resources over the one particular value discipline they believe they can excel most in.
² “Our goal is to lead customers where they want to go before they know where they want to go” – W. Mc Nervey, Jr. – CEO.
³ “Our plan is to lead the public with new products rather than ask them what kind of products they want because we know what is possible more than them” – Akio Morita
The purpose of this article is to address the last two characteristics of the excellent organizations, i.e. operational excellence and people excellence.

2. Operational Excellence (OE)

Operational excellence is when all employees in the organization act in a coordinated manner to ensure effectively creating and delivering the values the organization drives at providing to its clients, without needing a doctor to stitch them up when they break down.

2.1. Foundations of Operational Excellence

We would agree that operational excellence translates to increased production flexibility, improved customer responsiveness and cost minimization, and, as such, confers the organization a competitive advantage. It is not however easy to define as it advocates doing things right, at a good cost, providing value to customers, earnings to shareholders, contribution to stakeholders...

Operational excellence drives at helping the organization delivering value at a competitive cost with ease of purchase and use for the customers. It requires effective and efficient processes, high productivity and quicker delivery to market.

Observations show that operationally excellent organizations:

- Follow a well-defined strategy and operational planning
- Translate their objectives into measurable success indicators and ensure alignment among the different constituents of their setup
- Are process oriented that enjoy proficient management, value chain and support processes
- Have the right attitude, capabilities and motivation.

Moreover, as per W. Boothe and S. Lindgor (2012), for organizations to be successful they also need to identify and agree on their mission, vision and values, which help their managers be sincere in their excellence journey and hold each other accountable.

To sum up operational excellence, I particularly appreciate the model of John R. Darling et al (2007) which model of Keys to Organizational Excellence and Leadership Strategies focuses on customers, people and innovation:
2.2. Examples of the perception of Operational Excellence by some organizations

2.2.1. Du Pont de Nemours

Du Pont de Nemours OE model is believed to be the key to their global business competitiveness:

- It drives their business productivity by applying best practices with respect to:
  - Asset Productivity
  - Capital Effectiveness
  - Operational Risk Management.
- It gives the company the benefits of lower costs, increased efficiencies, fewer injuries, maximum sustainable returns on operating assets, and an enhanced competitive position.
- It confers the company the following advantages:
  - Strategic clarity about the company’s mission, objectives and organizational expectations
  - A culture of OE
  - Best practices in process architecture
  - A well-orchestrated improvement journey, and
  - A superior organizational alignment and execution.

2.2.2. Chevron

(Source: Chevron: Operational Excellence Management System – An overview of the OEMS)

- For Chevron, OE is not something separate from their business; it is how they must run their business to achieve their vision of success. For them, to achieve and sustain high levels of performance, they must develop strong capability in operational excellence throughout their organization.
- Chevron states the following Objectives to their OEMS:
- Achieve an injury-free workplace
- Promote a healthy workplace and mitigate significant health risks
- Eliminate spills and environmental incidents. Identify and mitigate key environmental risks
- Operate incident-free with industry leading asset reliability, and
- Maximize the efficient use of resources and assets.

• Chevron OEMS consists of 3 parts:
  - Leadership Accountability: establishes the vision and sets objectives that challenge the organization to achieve world-class results.
  - Management System Process: drives progress toward world-class performance. It is linked to the business planning process and begins with defining a vision of success and setting objectives.
  - OE Expectations: they are met through processes and programs put in place by local management and are detailed under 13 elements:
    • Security of Personnel and Assets
    • Facilities Design and Construction
    • Safe Operations
    • Management of Change
    • Reliability and Efficiency
    • Third-Party Services
    • Environmental Stewardship
    • Product Stewardship
    • Incident Investigation
    • Community and Stakeholder Engagement
    • Emergency Management
    • Compliance Assurance
    • Legislative and Regulatory Advocacy.

2.3. The need for change

Organizations seeking achieving operational excellence must simultaneously seek the right mixture of structural and executional changes while accounting for market discontinuities. This is well put by ACCENTURE in their following model where:

• Competitive Essence is about what makes the organization better than others
• Operational Excellence Strategy is about the right blending of structural and executional moves the organization wants to make
• Change Journey is about planning the right change journey.

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4 Operational Excellence booklet 2011
3- People Excellence

Excellent organizations depend on seniors capable of developing their people by inspiration, and by providing them with proper means so that they attain an appropriate level of competence and motivation to get involved in the fulfillment of the organizations’ goals. While these seniors would keep on working on helping their people improve on their capacities (experience on the job, trainings...), they also need to boost their motivation as performance is the result of these two constituents: Performance: Capacity x Motivation.

They need however to give enough care also about getting their people in the right mood... enjoying the right attitude as attitude is everything. Among the thing seniors can do in this area are the following:

• Incite people to indulge themselves with a Positive Attitude as, should their people think they can do, they would create the force they need to excel. Helping people matching their attitude with their superior expectations will help them amaze themselves of what they would be capable of, i.e. much more than they can possibly imagine. Let our people than dream of things that never were as rightly put by J. F. Kennedy.
• Help people know themselves, their dreams, what pleases / displeases them (what makes them tick), their skills / transferable competencies (technical, sales, figures, people management...), their
hindrances that do not allow them making *their dream come true* (character, education, experience...)

- Encourage people to assess from time to time their strengths and weaknesses, as well as their opportunities and threats in order to help them exploit their superiorities and alleviate their weaknesses, while working on exploiting their opportunities and tempering their threats
- Make sure that people acquire the discipline of getting things done, giving their job what it takes, stopping accepting half works, doing today what they have to do today
- Find ways to getting people fully involved and committed
- Help people becoming real organization builders by improving on their personal competencies and engaging in team plays (we don’t want our people to be failures by having low competence and low concern for team play after all, nor lonely shooters trying to work on their own or second rank performers depending on the capabilities of the others)
- Help people remembering that, as per Arthur Ashe, “Success is a journey, not a destination. The doing is often more important than the outcome”.

While doing above:

-Seniors need to remember that they can never force their people into perfection. *They can only engage them enough so that they want to do perfect work. It is so as they cannot change the personality of their people. They can however influence their behavior. In fact, and as advocated by Chip Conley*, seniors are to help their employees succeed their **Happiness Emotional Equation that should be > to 1:**

\[
\text{Happiness} = \frac{\text{Gratitude: Wanting what we have}}{\text{Gratification: Having what we want}}
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- Seniors need to stop applying A. Maslow’s Hammer Maxim “He that is good with a hammer tends to think everything is a nail” (he tends to apply this to all situations...)

In fact, seniors should remember well that the more meaning the organization gives to its employees, the more commitment it gets from them (the higher the employees performance)... and people deserve it. After all, these same seniors recruited these same people, and they did it trusting that they were good, and these people were happy and fully motivated when they joined the organization. The issue for the seniors should then always be: **What best to do / how best to treat these new comers so as they remain happy and proud and go even further in their willingness to serve themselves through serving the company by being EXCELLENT!**

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5 CEO of “Joie de Vivre Hospitality”, author of Peak: How great companies get their mojo from Maslow
Seniors should better act as Leaders and not as Managers to improve their people performance:

As per the CIPD\(^6\) “unlocking the black box” study, John Purcell et al (2003) advocates that for organizations to excel, they need to help their employees secure three characteristics;

- The ability to perform (skills, competencies, knowledge, education)
- The motivation to perform (reasons and attitude), and
- The opportunity to perform (the chance and the right conditions to do).

Above may be tedious to do. But seniors can accomplish it by helping their people:

- Be responsible and stop presuming, keep focused, see the big picture and set goals
- Be action oriented and not only reactive. Do what they have to do without overshooting and without expecting apples from those who have none
- Properly manage their time and persist till they finish it, without sticking to errors
- **Be creative** and accept mistakes. (We must be ready to let our people try new things and do wrong sometimes - in a controllable manner of course; we need to let our people get “their experience” over and above the experience we want them to have - *they might come up with new ideas that may astonish us)*

While working on building the capability of people, seniors must remember that their job will be a multifaceted one as the individual capability has two dimensions as determined by the 4A model of capability of Tamkin P. et al (2004):

\(^6\) Chartered Institute of Personnel and Development
• 1\textsuperscript{st} dimension encompasses the development capability at one end and its deployment at the other
• 2\textsuperscript{nd} dimension has the individual at one end and the organization at the other in terms of their role

The 4A model of capability

Of course, coping with above would often prove to be laborious. However, the question should not be “do our people deserve such efforts?”, but rather “do we deserve them?” It is so as people would foster the excellence of good companies, and good companies would foster the excellence of good people.

In the final count, let our seniors set their priorities right. And let them not permit their daily operational issues crowd their important ones, i.e. recruiting, developing and retaining good people. Mostly, they should stop looking only at the “hands” and “heads” of their people. They should rather look more at their HEARTS... that’s where their real capacity of excellence is (i.e. the source of any excellence).

4. Conclusion

The key to creating excellence in organizations requires hard and systematic work. But:

• It is simple business-management sense, especially when it comes to attracting and retaining good people (it’s about Confidence, Motivation, open Communication, mutual Respect, and superior Performance... good deeds in fact!!!).
• Our people would stand by us, and in fact may amaze us. Let’s not underestimate the capabilities of our people once they are motivated! In his speech about “Schools Kill Creativity”?, Ken Robinson told the following story: A little girl who was in a drawing lesson. She was six and she was at the back, drawing, and the teacher said this little girl hardly ever paid attention, and in this drawing lesson she did. The teacher was fascinated and she went over to her and she said, "What are you drawing?" And the girl said, "I'm drawing a picture of God." And the teacher said, "But nobody knows what God looks like." And the girl said, "They will in a minute."

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