

The Continuous Improvement

Companies that excel at continuous improvement start with the mindset that success comes from:



- ▶ Innovating “how” they do what they do (big and small).
- ▶ Engaging all employees in sharing knowledge and generating improvement ideas.
- ▶ Exploring better ways to deliver to customers and respond to changes in the external environment.

Fostering a continuous improvement culture is rooted in three practices:

- ✓ *Performance transparency* starts with making goals public and cascading those goals (typically a balanced mix of financial and operational metrics) in a way that is tailored to individuals at all levels of the organization. Progress toward goals must be transparently tracked to give everyone clear visibility into what is working and what needs work.
- ✓ *Knowledge sharing* is critical to scale best practices across (and up and down) organizations. One company became adept at deploying small cross-functional teams against any problem to break down the organizational silos that had previously prevented knowledge sharing. The teams would co-locate to promote informal and formal knowledge sharing and were given license to explore every idea and bring in additional expertise as needed.
- ✓ *Employee involvement* is a necessity in continuous improvement organizations. Frontline employees are closest to the work, and thus typically have the richest insights on how their work can be done better. Capturing their perspectives is critical.

Core to a continuous improvement mindset is the belief that a steady stream of improvements, diligently executed, will have transformational results.

Excerpted from

How continuous improvement can build a competitive edge <https://www.mckinsey.com/business-functions/organization/our-insights/the-organization-blog/how-continuous-improvement-can-build-a-competitive-edge> May, 2019