



#CONSULTANTSPEAK

BUILDING HIGH PERFORMANCE CULTURES

**BUILDING A SUSTAINABLE CULTURE
OF CONTINUOUS IMPROVEMENT 101**



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CULTURE 101

GROWTH STRATEGIES FOR THE LONG TERM, UNLOCKED

How do we create a culture of continuous improvement and innovation? How can we sustain this in the long term?

This is a complex question with a complex answer, but we will break it down simply into a few key facets:

LEADERSHIP: The entire process begins with leadership. Leadership needs to define the vision and outline what they want to create clearly. **What do that organization and that plan look like? What's the end goal in mind?** This involves understanding **what your key KPIs are going to look like and what performance in the future state looks like with targets—so how do you set up roles and responsibilities? How do you embed that kind of thinking into the organization?** Then, it is important from there to actually communicate this vision clearly to your teams. Everybody needs to understand that information and know exactly how they can contribute to that environment of continuous improvement.

FRAMEWORK: After you communicate the goals, the biggest challenge that most organizations face is setting up the framework around it, i.e. educating and empowering managers and frontline staff on how to execute the vision. This takes a lot of effort— **you have to infuse an understanding of how to problem-solve, where to look for problems, how to break them down, how to use data to actually get actionable insights, how to use design thinking when breaking things down and communicate that framework as effectively as you can.** Note that this framework should also allow space for employees to report back what they found, and then empower themselves to effect change. In essence, therefore, the framework tells you what to do *and* provides a roadmap to execute against it.

Senior Consultants at TPG weigh in on best practices and pitfalls when mobilizing organizations to catalyze continuous improvement and innovation.

AWARENESS: The third step is building widespread awareness about why this work is important. It is essential to continue educating and raising awareness through town halls, 1-1s, and/ or any public recognition for teams/ individuals doing this work successfully. **But if people fail while attempting this, the education process must also make it clear that it is okay to take a failure in the name of continuous improvement, as long as you have learned something from the process.** Ensure that people don't stop trying to continuously improve and get stuck in the status quo.

EMPOWER: It is also essential to empower your people to take accountability. Ask yourself how you can embed it into their day-to-day. Some companies do this by giving their employees tangible ownership (shares etc.) while others tie it back into their performance metrics for the year. Make sure that employees know their performance isn't exclusive to the entire system, so that they are motivated to try to fix the bigger problem.

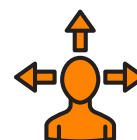
What are key pitfalls to avoid during this process?

A common pitfall is forgetting that **continuous improvement just means that you are constantly improving. The goalposts keep moving.** If the maturity level you're trying to get to this year is two, next year you should aim for three and the year after, four. If you get to four and feel complacent, then you will quickly end up back at two.

Another is forgetting to define what excellence looks or not tying it back to a concrete KPI. One employee might consider maintaining a clean desk a relevant continuous improvement project, while another might feel saving a million dollars qualifies. **Continuous improvement projects should be tied to organizational goals and move the needle on KPIs that matter to the organization.**

3 CHARACTERISTICS FOUND ACROSS HIGH-PERFORMANCE CULTURES

➔ Movement, Movement, Movement!



Stagnation is antithetical to growth in these contexts. The *most* important characteristic is movement, i.e. lack of stagnation.

These organizations habitually do not wait for any one person to make a decision. When you look at a high performance culture, every single person is able to move the needle forward.

➔ Alignment across all stakeholders



All stakeholders understand the impact of their actions/ plans on the business, understand the overall mission and are enabled to act.

In the reverse of high-performing cultures, you'll often find two people working on two different objectives, and they're not even really aligned to the organization's objectives. This is particularly common at the VP/ SVP level and is a communication miss.

➔ Fail often, fail fast



High-performance cultures are not afraid of failure. Although it sounds counterintuitive, they fail often, but they fail fast and learn from their mistakes.

These cultures empower employees to act and remove bottlenecks that prevent experimentation. They encourage innovation, conduct trials as rapidly as possible, and then pivot accordingly.