

# ROI on Leadership Coaching

Improved Work Performance—70%

Improved Self Confidence—80%

Return on Investment—86%

#### Did you know?

An important trend in recent years for both men and women has been the growth in the employment rate of people 55 and over. This growth could mitigate certain anticipated effects of population aging. For men, the growth represents a reversal of a previous trend, since their employment rate was falling between 1976 and 1997. For women, the growth is the continuation of a trend. From 1997 to 2010, the employment rate of men 55 and over grew from 30.5% to 39.4%, and that of women grew from 15.8% to 28.6%.

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## Measurement will help drive the Continuous Improvement Culture Shift

The shift in thinking required for organizations to become Lean or continuous improvement focused will probably take longer than you wish. Improvement efforts can lose momentum and sometimes aren't sustained. The patience and resilience of an organization's leadership can have a huge influence on the performance results or gap. The gap, real or perceived, that exists between short term gains to real long term ongoing improvement is often attributed to an organization's culture; the way of thinking, behaving, or working that exists in an organiza-

# Maintain a constancy of <u>burbose</u>

Lean leaders understand the importance of involving their people in developing solutions. It's critical to developing new

and innovative ways of thinking and new or improved products, services, and processes. That involvement is important, but it must be purposeful. How do you know that your people are doing the right things?

# Outcomes are a result of Actions

One of the more critical, yet often misunderstood, elements of developing and maintaining a strong process improvement culture is measurement. It is normal for business leaders to measure the organization's success in big picture terms like profitability, customer satisfaction, and shareholder value. Continuous improvement leaders also focus on the performance results of the business processes and the actions of their people that influence the business processes. Dr. W.

Edwards Deming introduced the Plan-Do-Check-Act cycle in the 1950's. The PDCA cycle is about having an idea, trying something, seeing what happens, and adjusting your thinking depending on the outcome of the trial and trying again, if necessary.

#### Measure the culture

The proper measures will allow your people to understand what's happening and proactively adjust their actions allowing the business to stay on target. These metrics should also allow your people to hold themselves accountable for the business performance, and challenge themselves to continually improve. When the business performance improves, so does the culture. Everyone loves a winner and it's very important to take time to celebrate the team's successes and have some fun.

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## Developing a "Positive Safety Culture"

The CSB (U.S. CHEMICAL SAFETY BOARD) is an independent federal agency investigating chemical accidents to protect workers, the public and the environment.

On April 13th. 2016 the CSB sent an e-mail to all subscribers with the following title: The U.S. Chemical Safety Board's investigation into the Macondo (Deepwater Horizon Oil Rig Explosion in the Gulf Of Mexico that left 11 of the 126 workers dead and critically injured at least 17 others) Disaster Finds Offshore Risk Man-

agement and Regulatory Oversight Still Inadequate in the Gulf of Mexico.

The CSB's draft report found, "A culture of minimal regulatory compliance continues to exist in the Gulf of Mexico and risk reduction continues to be elusive ---"

"In the aftermath of a catastrophe, the individuals immediately involved in the activities that precipitated the event receive much of the focus and subsequent blame," the draft report said, but the problem really rests with the companies' entire safety culture.

It is interesting and somewhat disturbing that after a multimillion dollar, 6 year investigation by the CSB that one of the major factors in the Deepwater Horizon (\$48 billion+) Disaster was the company's safety culture

Organizations that make an effort to develop a "Positive Safety Culture" are pro-active in a culture of prevention, a culture of ownership and re-



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# Measurement will help drive the Continuous Improvement Culture Shift (cont'd from Page 1)

#### Measure the culture

Creating a continuous improvement culture requires that you cultivate a positive attitude about improving business performance.

#### Highway 101

Similar to monitoring your cars dashboard for speed and fuel consumption while driving down the highway, developing process metrics that monitor the performance of the process in real time (or near real time) will allow the process to be adjusted on the fly, improve quality, and organizational flexibility. Lean leaders create an operational dashboard to measure the key business processes. The dashboard allows them to monitor the pulse of the business on a daily and ongoing basis.

#### The payoff

The old adage, "what gets measured, gets managed" has proven true. Lean leaders know if you measure the right stuff you can influence the right behaviours. Understanding and sharing the business results will help to build ownership and accountability and start to impact the culture.



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## The Importance of Vendor Reconciliations

Reconciliation is a practice that should be completed on a regular schedule to ensure that business records are kept up to date and as accurate as possible. Although this sounds like a very common sense approach, it is not always that common.

For example, if your vendor sends a monthly statement (as most do), you should reconcile the balance on the vendor statement against the balance your accounting system is showing for the vendor. Check that you have all of the invoices listed on the vendor statement entered into your system (either paid or unpaid) and investigate any discrepancies by contacting the vendor and requesting a copy of any missing invoices.

Ensuring your vendor account balances are accurate is vital in the validation and accuracy of your financial statements. A

missing invoice means a missing expense and thus an inaccurate Income Statement or Balance Sheet. This process will also keep you in good standing with your vendor and ensure a favourable credit history.

As a further note, Vendor Account Reconciliations may be included on your accountant's Year End Audit Items list and it is a bonus to be able to strike that off the list as "completed".

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## Is Increased Lead Time Really the Issue?

The Global Sourcing debate... a strategy that requires careful consideration and a weighing of the pros and cons. Global Sourcing is a strategic decision that should be closely tied to overall corporate strategy. But how does the accompanying increase in lead time fit into the overall decision making process?

An increase in lead time is really not that big a deal from a customer service standpoint. Why? Because it is a known factor, and as such, is something we can plan for. The real

issue around increased lead time is increased cost (due to increased inventory requirements), which is included in our total cost of ownership calculations. So as long as the increase in costs is more than offset with an increase in benefits, our decision making remains sound.

The real issue related to lead time is one of consistency, as opposed to the actual length of the lead time. Vendors who are not able to consistently meet agreed upon lead times make our ability to plan extremely

difficult, which in turn increases our risk of stock-outs and our risk of failure to deliver on time to our customers.

So providing our vendors are able to consistently meet agreed upon lead times, and our planning process is robust and not based on overly optimistic levels of execution, increased vendor lead times are not an issue, and our global sourcing strategies remain an opportunity to provide significant competitive advantage for our organization.



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## **Productivity Improvement**

The idea that workers are skilled on every activity, focused all day, highly motivated for results, and directed by sensational leaders is a bit of myth. Recognizing that in order to rise to a greater standard, leaders must initiate well thought out processes and countless "tweaks" on whatever causes less desirable results to be produced.

Have you the Manager/Owner taken the lead to audit your

work environment? Are you asking key questions, recording what works well and what works poorly?

This inventory of information should trigger priorities and strategies that shift patterns and show improvement in the present, medium or long term. Many solutions will involve low cost while more significant changes require a return on investment analysis and budgeting.

Can your business afford the luxury of ignoring or delaying this process?

This is the challenge for a management team that wants to stay competitive.



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## **Employee Morale**

Many managers evaluate the morale of their teams and wonder why they are struggling to improve the overall team environment.

What are you doing currently? Is it working? If not, what needs to be done differently. It doesn't always mean big changes are required. Do you even know what motivates your team members? Have you asked? Communication is often at the heart of this problem. How often do you take time

out of your busy schedule to ask an employee how they are doing or what is new in their personal life? Do you regularly walk amongst your staff just to say "Good morning". Small gestures go a long way to helping an employee feel they are part of something bigger than themselves and that their manager actually cares. It is those small gestures that support an employee in going the "extra mile" for you and the company because the work is providing more than a financial need.

They now have a relationship with their manager which fosters loyalty.

Is there someone in the team who is always negative? Why? One bad apple can really spoil the rest. Have a chat with the individual to see what is driving this behavior. Demonstrate the appropriate behaviours and lead by example. You can make a difference by showing interest in your employees and taking time to find out what matters to them.



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SSI Mission/Values

### **SSI's Mission**

Facilitating customer success through the development of internal capacity leading to operational excellence.

#### **SSI's Values**

- ⇒ Passion for Customer Success
- ⇒ Culture of Mutual Benefit
- $\Rightarrow$  High Integrity at all levels
- $\Rightarrow$  Long Term Focus
- ⇒ Learning Organization
- ⇒ Ensure corporate sustainability through sound financial management

**SSI's area of focus**: Lean, Occupational Health and Safety, Finance, Six Sigma, Marketing, Leadership, Human Resources, Business Strategy, Change Management, Management Coaching, Supply Chain Management

## **SSI Consulting Solutions**

SSI Consulting Solutions is a Canadian company that specializes in helping its clients gain competitive advantage through implementation of world class business practices. It is through these practices that our clients not only compete, but gain significant advantage over their competitors, thereby allowing them to gain market share and enhance shareholder profitability.

The global nature of today's business environment has resulted in increased competition, razor thin margins, and an enhanced focus on servicing the customer. Price and Quality no longer win orders, but are "a given" in the market-place....it is those who can deliver consistently and with the shortest lead times that win and retain new customers.



Keith Carruthers
President and CEO, SSI
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Our consulting philosophy is formed around the concepts of teamwork, partnership, service, and quality, both in the coordination of our efforts within our firm and in our interactions with our clients. The core project team will be led by a member of our senior consulting team. The strength and qualifications of our firm enables us to provide analysis that is both prompt and thorough.

We strive to form partnerships with our clients. Our best recommendations can be delivered only through recognition of each client's unique situation. Effective communication of our work is a top priority as we believe that timeliness and stakeholder alignment are essential to project success. We deliver quality, timely service as promised.

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Success is not final, failure is not fatal; it is the courage to continue that counts.

Winston Churchill

