Evaluate current practices against best practices
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UNIT STANDARD 252024

Title
Evaluate current practices against best practice

NQF Level
5

Credits
4

Purpose Of The Unit Standard
This Unit Standard is intended for managers in all economic sectors. These managers would typically be second level managers such as heads of department, section heads or divisional heads, who may have more than one team reporting to them.

The qualifying learner is capable of:
▪ Applying the concept of best practice to the unit.
▪ Analysing current practices in the unit in relation to identified best practices.
▪ Deciding on the best practices to be adopted in the unit.
▪ Formulating recommendations for implementing best practice.
▪ Drawing up a plan for implementing best practice.

Learning Assumed To Be In Place And Recognition Of Prior Learning
It is assumed that learners are competent in:
▪ Communication at NQF Level 4.
▪ Mathematical Literacy at NQF Level 4.
▪ Computer Literacy at NQF Level 4.

Unit Standard Range
▪ The learner is required to apply the learning in respect of his/her own area of responsibility.
▪ Unit refers to the division, department or business unit in which the learner is responsible for managing and leading staff.
▪ Entity includes, but is not limited to, a company, business unit, public institution, small business, Non-Profit Organisation or Non-Governmental Organisation.
- Resources include physical resources, people, time and money.
- Practices include policies, procedures, processes and activities.
- Best practices include those relating to quality in general, quality customer service, manufacturing practices, environmental practices, continuous improvement and eliminating waste.

**Specific Outcomes and Assessment Criteria:**

**Specific Outcome 1**
Apply the concept of best practice to a unit.

**Assessment Criteria**
- The concept of best practice is explained in terms of the practices in a unit.
- Best practices are identified that are relevant to a unit.
- The best practices identified define world-class practices for a specific context/unit.

**Specific Outcome 2**
Analyse current practices in a unit in relation to identified best practice.

**Assessment Criteria**
- Current practices in a unit are compared with best practice.
- Current product/service reliability is evaluated in terms of internal and external customer expectations.
- The best opportunity/s for maximum gain is identified for a unit.

**Specific Outcome 3**
Decide on the best practices to be adopted in a unit.

**Assessment Criteria**
- The performance outcomes to be achieved by replacing the current practice with best practice are described with examples.
- The current practices to be retained are described with motivations for the retention.
- The best practices to be introduced are described with motivations for the introduction.

**Specific Outcome 4**
Formulate recommendations for implementing best practices.

**Assessment Criteria**
- The recommendations described are appropriate for the current practices analysed.
- The recommendations presented are in line with best practices.
- Recommendations are communicated to stakeholders in order to obtain feedback.

**Specific Outcome 5**
Draw up a plan for implementing best practice.
Assessment Criteria

- The change processes required to support the implementation of best practice are described with practical examples.
- Resources required are identified in terms of the needs for implementing best practice.
- The plan includes tasks, responsibilities, time-scales and performance measures.
- The plan includes contingencies that are reasonable in relation to the proposed plan.
- The monitoring, recording and evaluation of the implementation are described in order to promote effective implementation.

Unit Standard Accreditation And Moderation Options

- Anyone assessing a candidate against this Unit Standard must be registered as an assessor with the relevant ETQA or an ETQA that has a Memorandum of Understanding with the relevant ETQA.
- Any institution offering learning that will enable achievement of this Unit Standard must be accredited as a provider through the relevant ETQA or an ETQA that has a Memorandum of Understanding with the relevant ETQA.
- Moderation of assessment will be overseen by the relevant ETQA according to the moderation guidelines and the agreed ETQA procedures.

Unit Standard Essential Embedded Knowledge

- The concept of best practice.
- The meaning of world-class competitiveness.
- Techniques for analysing policies, processes and practices against best practices.
- Strategies for overcoming resistance to change.

Critical Cross-field Outcomes (CCFO):

Unit Standard CCFO Identifying
Identify and solve problems relating to resource allocation and resistance to change.

Unit Standard CCFO Working
Work effectively with others when implementing best practice through the team.

Unit Standard CCFO Organising
Organise and manage oneself and one’s activities carrying out agreed activities in implementing best practices.

Unit Standard CCFO Collecting
Collect, evaluate, organise and critically evaluate information when identifying and analysing best practices.
Unit Standard CCFO Communicating
Communicate effectively with all stakeholders on the recommendations for implementing best practices.

Unit Standard CCFO Demonstrating
Demonstrate an understanding of the world as a set of related systems to show best practices will improve the overall effectiveness of the unit in relation to internal and external expectations.

Unit Standard CCFO Contributing
In order to contribute to the full personal development of each learner and the social and economic development of society at large, it must be the intention underlying any programme of learning to make an individual aware of the importance of: Participating as responsible citizens in the life of local, national and global communities when researching international best practice.
SECTION 1: THE CONCEPT OF BEST PRACTICE IN A UNIT

Specific Outcome 1:
Apply the concept of best practice to a unit.

Assessment Criteria:
1. The concept of best practice is explained in terms of the practices in a unit.
2. Best practices are identified that are relevant to a unit.
3. The best practices identified define world-class practices for a specific context/unit.

1.1 The concept of best practice (SO1, AC1)

Best Practice is a management idea which asserts that there is a technique, method, process, activity, incentive or reward that is more effective at delivering a particular outcome than any other technique, method or process. The idea is that with proper processes, checks, and testing, a project/product/service can be rolled out and completed with fewer problems and unforeseen complications.

Best Practice is the process of developing and following a standard way of doing things that is more effective at delivering a particular outcome than any other way and which multiple organisations can adopt and utilise.

We can say that Best Practices are established conditions representing excellence or a set of ideals sought after to help improve the effectiveness of the organisation in the marketplace.

However, the notion of ‘best practices’ does not commit people or companies to one inflexible, unchanging practice. Instead, Best Practices is a philosophical approach based around continuous learning and continual improvement.

We can say that Best Practices are established conditions representing excellence or a set of ideals sought after to help improve the effectiveness of the organisation in the marketplace.
✓ Background

The notion of a best practice is not new. Frederick Taylor (1919) said as much nearly 100 years ago: “among the various methods and implements used in each element of each trade there is always one method and one implement which is quicker and better than any of the rest” (Taylor, 1919). This viewpoint came to be known as the "one best way”.

History, however, is filled with examples of people who were unwilling to accept the industry standard as the best way to do anything. The enormous technological changes since the Industrial Revolutions in England and the United States bear witness to this fact. For example, at one time horses were considered the ‘best’ form of transportation, even after ‘horse-less carriages’ were invented. Today, most people drive a petrol, diesel, or bio-fuel vehicle—itself an improvement on the horse-less carriage.

A more recent example can be found in the 1968 Summer Olympics where a young man named Dick Fosbury revolutionised high-jumping technique. Using an approach that became known as the Fosbury Flop, he won the gold medal (in a new Olympic record height of 2.24 m), by going over the bar back-first instead of head-first. Had he relied on ‘best practice,’ as did all of his fellow competitors, he probably would not have won the event. Instead, by ignoring ‘Best Practice’, he raised the performance bar—literally—for everyone.

The purpose of any standard is to provide a kind of plumb line, and therefore that standard must be, "What is possible?” and not only, "What is somebody else doing?”

Best practices do not have one template or form for everyone to follow. However, we need to also bear in mind that the best way to learn is from the efforts and experience of others. It applies to all aspects of your business, although you may concentrate on improving only one or two areas at a time.

Following Best Practice ideals keeps you up to date with developments in your industry and competitors. By continuing to learn and develop, you are giving your business a competitive edge that will be hard to beat.

1.2 Identifying best practices that are relevant to a unit (SO1, AC2)

A Standard is a set of written guidelines and principles to enable predictable and consistent results to be met in an industry or trade. Standards describe the behaviour for which people are accountable, as well as stating specific levels of performance, quality of goods and services produced and the conditions and procedures used.

- They provide a model or example that clarifies for everyone exactly how the work is to be done to achieve acceptable results across the industry group. Standards also outline relevant safety procedures.
- In the real world, Standards provide enormous social and economic benefits. Safety, interchangeability, economic efficiency, quality, reliability - the list is endless. But their benefits are so accepted and so commonplace that they're often taken for granted.
- Standards allow clear communication between you and your employees, to allow quality products and processes to be created in safety. Following standard procedures reduces costs and simplifies training for employees.
- Importantly, consumers value products that are known to be made to certain standards. Consumers will have faith in the quality and consistency from businesses using relevant Standards.
**Business Metrics**

A business metric is any type of measurement used to gauge some quantifiable component of a company's performance, such as return on investment (ROI), employee and customer churn rates, revenues, and so on. Business metrics give us a standard on which to improve. For example, the performance metric of average sales for Joan's company increased from R722 000 to R745 000 over the last 2 months.

Business metrics are part of the broad area of business intelligence, which comprises a wide variety of applications and technologies for gathering, storing, analysing, and providing access to data to help enterprise users make better business decisions.

Systematic approaches, such as the balanced scorecard methodology, can be employed to transform an organisation's mission statement and business strategy into specific and quantifiable goals, and to monitor the organisation's performance in terms of achieving those goals.

**Keep track of your goals**

As a business unit manager, you can't underestimate the importance of tracking the progress of your business. It's very easy in the rush of hard work to forget to take time out for planning. In the long run you'll be more profitable and your business unit will run more smoothly if you take a couple of hours each month to assess how well you're doing and decide what you need to do next to stay on track.

In fact, one recent business survey showed that 89% of businesses that grew reliably for more than three years had in place well-developed methods of tracking their business goals related to growth, income, expenses, etc.

You need to build a framework of business metrics - measurable activities and achievements which will point the way forward. Business experts often call these KPIs: Key Performance Indicators.

**Why plan ahead?**

Developing business metrics and measuring results against them will offer you several benefits:

For one thing, they will help outline a clear business path for a company. In every business, circumstances change, and it's tempting to react impulsively or emotionally. With the numbers in black and white, you can make a more rational decision on how to proceed.

Here are some examples:

- **Short-term setback**: A competitor cuts its prices
- **Long-term development**: New technology changes the way you offer your service
- **Change in your strategy**: You decide to offer a new enhancement to your service
Moreover, a key trait of successful businesses is their sensitivity towards metrics and analytics that might indicate problems. Quite simply, companies which watch trends spot both problems and opportunities first. Metrics such as the “industry sector growth rate” offer you a perspective on your industry and will therefore inform decisions you make about your own growth. Monitoring and acting appropriately to changes in business metrics holds the key to the consistent growth and success of your business.

You can generate reports on plenty of KPIs yourself. You should already be keeping track of sales and expenses each month, but you should also consider other important metrics:

- Are customers spending more than they were a year ago?
- Are you getting business from your chosen target sectors?
- If you’re tendering for work, what percentage of tenders are successful?
- Are your profit margins increasing or decreasing?

Other industry data might have to come from outside your business unit, or even company.

✓ Create an analytical framework

Your framework starts with establishing goals. These goals may include sales targets, ideal profit margins, or success at signing up new customers.

One useful thing is to go through a budgeting exercise for your business unit. This exercise forces you to answer questions such as:

- How much can my business realistically grow based on current conditions?
- What aspects of my business have the most impact on my bottom line?
- What are the pain points that affect the bottom line?
- How can I reduce the cost of acquiring new customers?
- Where are the growth opportunities?
- Where can I cut costs?

A SWOT (Strength, Weaknesses, Opportunities and Threats) analysis will also help you honestly assess your business compared to its competitors.

This exercise can form the basis for setting measurable, actionable, results-oriented goals:

For example, let’s say a particular business, Pipeline Plumbers, performs a SWOT analysis which shows that plumbing inventory shrinkage (breakages, theft, loss, etc.) is too high. It resolves to cut these losses by 20%.

The business then decides to break down the goal into objectives, and comes up with a suitable strategy: they will implement a software-based inventory management system. They will track the progress of the new inventory system towards achieving the goal of reducing inventory shrinkage by 20%.

The key metrics to track the goal each month would be: current inventory shrinkage per month (without the inventory software in place), percentage of inventory managed by the new system and the shrinkage for inventory managed by the software system.

The business now has greater insight into what strategy is working and what isn’t. Pipeline Plumbers now also has a greater chance of fixing problems midway in the process.
- **Break down the goals into measurable metrics**
  A second step in developing your business metrics involves breaking down your goals into action items that can be easily tracked. Although an obvious step, this is where most managers falter. Even companies which set goals can forget to carry through the process with effective monitoring. You'll need to come up with the metrics that match your goals and show the way forward. These metrics may be derived from several data sources. Exporting data to Microsoft Excel and doing the analysis there is particularly effective - you can set up a workbook that tracks all your goals in one place, and present them in the same way each month.
  Investing time in critically figuring out what metrics are necessary, versus those that are nice to have, can improve the overall efficiency of the analytics framework.

- **Know when to measure, and when to change the yardstick**
  Metrics need to be classified according to how frequently they are monitored. Cash flow metrics, for instance, may require daily monitoring, while a collection rate may need to be monitored monthly. It is also helpful to spend time defining what values for certain metrics indicate a problem in the business model. This is how agile companies spot problems early on.

- **Return on investment**
  Although all this may sound a little overwhelming at first, the benefits will significantly outweigh the time you invest. You may also be fearful of finding out shortcomings in your unit, but be assured that it's far better to know and act on problems than to brush them under the carpet.
  In the long run, effective planning will make your day-to-day work easier as you establish clear rules for many aspects of running your business unit, such as controlling your cash flow. You'll actually have to make fewer hard decisions, not more; and you'll make them without the confusion of information overload.

- **Codes of Good Practice**
  Industry Codes of Practice are not Law, but are guidelines to help members of that industry achieve the standards required by regulation. They are developed through consultations with industry workers, employers, government bodies and relevant special interest groups. Unless there is an alternative that achieves equivalent or better results, Codes of Practice should be followed as if they were mandatory. Not only does it ensure that your business produces high quality work, it also reduces the risk of error and legal issues.
  Examples of general Codes of Good Practice would be those found for managing labour relations on a website such as that of the CCMA (www.ccma.org.za), or the following codes found at http://www.labour.gov.za:

  **Codes of Good Practices issued by the Minister**
  - **Arrangement of Working Time:** Information and guidelines on shift work and night work and their impact on workers' health and safety
  - **Disability in the workplace:** The Code is a guide for employers and workers on key aspects of promoting equal opportunities and fair treatment for people with disabilities.
- **Employment Equity Plans**: The objective of this code is to provide guidelines of good practice, in terms of the requirements of the Employment Equity Act.
- **Handling Sexual Harassment Cases**: Aims to assist in the elimination of sexual harassment in the workplace. It provides procedures to deal with the problem and prevent it from recurring.
- **Integration of Employment Equity into Human Resource Policies and Practices**: The guidelines in this code will enable employers to ensure that their human resource policies and practices are based on discrimination and reflect employment equity principles.
- **Integration of Employment Equity into Human Resources Policies**: This code identifies areas of human resources that are key to employment equity which can be used to advance equity objectives.
- **Key Aspects of HIV/AIDS and Employment**: The Code’s objective is to provide guidelines for employers, workers and trade unions on how to manage HIV/AIDS within the workplace.
- **Key Aspects on the Employment of People with Disabilities**: A guide for employers and workers on promoting equal opportunities and fair treatment for people with disabilities.
- **National Code of Practice for the Evaluation of Training Providers for Lifting Machine Operators**: This Code of Good Practice is to provide clarity and direction to all stakeholders directly or indirectly related to the accreditation and provision of training to lifting machine and equipment operators.
- **Pregnancy**: Provides for the protection of workers during pregnancy and after the birth of a child.

**Areas of Application**

Aspects of your business where Best Practice applies, include:

- How staff are recruited
- Making use of new technologies
- Marketing and public relations strategies
- Product development and production
- Sales procedures
- Reducing waste
- Adding innovations into your business
- Training staff
- Reducing overheads and running expenses
- Monitoring supplier choices
- Quality assurance procedures
- Product distribution

**1.3 World-Class best practices (SO1, AC3)**

In an age of increasing deregulation, technological change and new competitive attitudes, organisations must become nationally and internationally competitive. To do this, it is essential to pursue Best Practice – a comprehensive, integrated and co-operative approach to the
continuous improvement of all facets of an organisation’s operation. Leading edge companies achieve world class standards of performance in this way.

Global competitiveness greatly depends on an organisation’s ability to quickly bring to market new, high quality products/services at a reasonable price that the consumer will purchase anywhere in the world.

✓ **General Principles of Best Practice**

- **Develop a shared vision and strategic plan**
  Central to achieving Best Practice is a vision of world class performance, shared by everyone in the organisation, translated into action through a strategic plan.

- **Ensure that management is committed**
  Committed managers are essential to drive and support change processes. One of their key roles is not only to provide leadership but to recognise and encourage leadership at all levels of the organisation towards Best Practice.

- **Provide a flatter organisation structure**
  Competitive organisations respond to customers’ needs in a time frame acceptable to the customer. Flatter organisational structures are better able to deliver a quick response. They are usually characterised by devolution of authority—particularly via team-based activities, empowerment of workers and improved two-way communication strategies.

- **Work towards a co-operative industrial relations environment**
  Best Practice workplaces promote effective communication and consultation throughout their structures. Enterprise bargaining, for example, is an effective process for introducing and institutionalising Best Practice.

- **Create a learning environment**
  A company that performs badly is easily recognisable. Can you spot any of the following signs in your company?
  - Do your employees seem unmotivated or uninterested in their work?
  - Does your workforce lack the skill and knowledge to adjust to new jobs?
  - Do you seem to be the only one to come up with all the ideas?
  - Does your workforce simply follow orders?
  - Do your teams argue constantly and lack real productivity?
  - Do your teams lack communication between each other?
  - When the “guru”/manager/“expert” is off, do things get put on hold?
  - Are you always the last to hear about problems?
  - Or worst still the first to hear about customer complaints?
  - Do the same problems occur over and over?
If any of these points sound familiar, the answer could be found in becoming a Learning Organisation. A Learning Organisation is an organisation that learns and encourages learning among its people. It promotes exchange of information between employees, hence creating a more knowledgeable workforce. This produces a very flexible organisation where people will accept and adapt to new ideas and changes through a **shared vision**.

Two key qualities of a learning organisation are its commitment to continuous improvement and recognition of the contributions of everyone in the organisation.

- **Develop and implement innovative human resource policies**
  Occupational health and safety, equal employment opportunities, career-path planning, new remuneration systems, flexible working hours, part-time work, work-based child care and literacy training are just a few examples of innovative workplace initiatives.

- **Focus on your customers**
  Customers determine the success of any enterprise and organisations responsive to customers’ demands will profit in a variety of ways - increased market share, increased staff and customer satisfaction and a reduction in the need for marketing.

- **Develop closer relationships with your suppliers**
  Leading-edge organisations involve their suppliers as an integral part of their change processes. These links can cut inventories, create innovative opportunities and ensure a higher quality of the end product.

- **Pursue innovation in technology, products and processes**
  Market leaders have developed and employed integrated technology to ensure continuous improvement of production systems. Technology is not viewed in isolation, but as part of the whole system.

- **Use performance measurement systems and benchmarking**
  If you really want to compete, you will have to match and improve on the performance of the nation’s or worlds’ best. Benchmarking is an essential tool for organisations committed to achieving top standards of performance.

- **Think “green”**
  Increasingly, the integration of environmental management to all operations is becoming a component of competitive strategy.

- **Develop external relationships**
  Networks can enhance an organisation’s competitive capabilities through the sharing of information, by gaining access to services that individual organisations may not have been able to afford, in developing new technology or products, by exchanging staff to defray costs associated with entering new markets, etc. Networks are valuable in the pursuit of Best Practice programmes.
✓ **World-Class Behaviour**

Once you have identified the Best Practice guidelines, you need to define the world-class behaviour for the specific context/organisation by following the steps below:

1. Identify one business process or service to improve (e.g. product delivery)
2. Look for one metric to measure (e.g. Late Shipment %)
3. Find competitors and companies within your industry and outside your industry
4. Collect information on the successful, best practices of other companies
5. Modify the best practice for your situation
6. Implement the process; then measure the results

For example, in manufacturing, production excellence is measured against time, quality and cost benchmarks. In most line positions, quantitative excellence is usually both measurable and trackable.

**According to Dr. Adalat Khan a world class organisation can be defined as “an organisation which has acquired the position of Best of the Bests in the world in its given business and continuously strives to beat its own standards so as to retain that position”**.

✓ **Attributes of a world class organisation**

A world class organisation is like a world champion who has beaten all business champions throughout the world. Additionally such an organisation possesses a level of strategic and operational excellence, which is not matched by any other organisation in the world. Classic examples of Best of the Best organisations include Apple, Google, Coca Cola etc.

After interviews with our award-winning companies ten common attributes of world-class companies were identified:

1. **They set a clear future state - a shared goal**

A company vision needs to be believed in by both employees and customers. A vision needs to be ambitious, believable and achievable - only then will people engage in it and pursue it. World class companies have visions that are owned by employees and understood by customers - think Virgin and Apple. When setting a vision or mission it is worth considering your burning platform. If you don’t have one you need to find one. Organisations without a burning platform frequently find themselves sinking if not falling completely. Recent history with the likes of Nokia is a fantastic example of how companies that don’t have a burning vision can fail.

2. **They engage all employees in the shared goal - creating an empowering culture**

You must have employee engagement to become world class. Cultural values need to be relevant and not generic - a great culture will ensure your employees are both experts in, and advocates of, your business. Employee engagement requires people to actively change behaviours and this takes time and focused commitment. It is the foundation for any company striving for best practice. The important thing about culture is that it needs to mirror your values and be distinctive. It needs to be both understood and communicated both internally and externally. They most importantly need to be relevant and preferably not generic! A great culture will ensure your employees are both experts in your business and advocates of your
product. We live in a world of constant change and constant innovation which means that organisations must become more flexible to survive. Competition is only going to get tougher. We need to get products to market faster, at less cost. So we need to think differently and respond faster. Companies need to accommodate and respond to changing workforce dynamics and demands - harnessing talent and keeping it. Great employees will NOT be attracted by salaries alone.

3. They have a flexible organisational structure that meets their organisational needs

Organisational structures vary widely and there are many types that can be adopted - the key is to find that which fits with your current and future needs as a business. Toyota, Jaguar and many other large manufacturing companies have chosen to reverse the pyramid to drive Continuous Improvement (CI) and change from an operational level. Other organisations have taken inspiration from the agile practices of software companies, creating small and responsive teams.

4. They have a defined Continuous Improvement framework

Any company looking to become world class must have a CI framework as a point of reference to guide activity. There are a number you can use, the most popular is the Toyota Production System (TPS) House. It has been adopted by thousands as it is highly visual and incorporates many of the common CI tools. Other popular frameworks include the World Class Manufacturing (WCM) Framework developed by Fiat in 2006 and the Shingo framework for operational excellence. This type of organisation does not rest on its laurels but rather continuously indulges in a self-reinvention process. It is rightly said that “success is a journey and not a destination” and for successful companies improvement is a continuous journey. Those organisations, which practise continuous self-improvement, live longer, while those who become complacent and forget about it ultimately end up failing.

5. They have exceptional process standards and continually strive to improve them

Hundreds of organisations around the world, representing most industries, have pursued the development and registration of their quality management systems (QMS) to the ISO 9000 series of standards since their release in 1987. ISO - International Organisation for Standardisation. ISO 9001 sets out the criteria for a quality management system and is the only standard in the family that can be certified to (although this is not a requirement). It can be used by any organization, large or small, regardless of its field of activity. In fact, there are over one million companies and organizations in over 170 countries certified to ISO 9001.

This standard is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement. These principles are explained in more detail in ISO’s quality management principles. Using ISO 9001 helps ensure that customers get consistent, good-quality products and services, which in turn brings many business benefits.

6. They are innovative and challenge industry norm
Unless you are in a commodity market your customers will continue to demand something better, or more efficient. Innovation is not just about product design, and can be applied to any area of the business. Innovative companies think differently and act differently. The future is increasingly hard to see, but world class companies will survive as they will listen to their customers, be prepared to fail and ensure they have the controls and systems in place to harness ideas and implement them in a cost-effective way.

The innovation pipeline should have the same process and standardisation rules applied to it as production, a ‘Lean’ pipeline will add value and the checks and balances essential for success.

7. They are customer centric and have great communication

Frequently in manufacturing and due to complex supply chains, there is not a clear understanding of who the customer or end consumer is. Manufacturers need to look outside of their sector to the customer-focused tourism industry - see how a top hotel or attraction manages their customer journey and interactions, how they listen at every step to get feedback and improve the experience.

Effective communication is another attribute of world class companies. Communication is not just effective marketing it is also internal communication. People perform better and customers are happier when they possess knowledge to make decisions. Excellence in marketing and communications can not be underestimated. Apple and many other world-leading brands have taught us that you don’t necessarily need the best product in the market place to be regarded as world leaders you need great communication.

8. Supply chain excellence

Fast becoming the most critical aspect of a company’s operational strategy, supply chain management can make or break the growth of a business. Customer demands are more dynamic than ever, increasing channels and the demand for faster delivery times will affect an organisation both up and down stream in the manufacturing process. Studies on supply chains appear to focus on the effective use of metrics and data. World Class companies have an excellent understanding of their end-to-end value stream, they understand how their vendors and distributors are performing. They have invested in standardisation where possible. They work collaboratively both within their sector and their supply chain and they are highly flexible (agile).

9. They are sustainable & ethical & act with humility

Sustainable and ethical manufacturing is not an option or a luxury. To survive in the longer-term companies must invest in this. Product lifecycles, environmental impacts of production and distribution are all elements that need to be managed carefully by any business with long term goals or world class aspirations. It also impacts employee retention - people no longer work for salaries alone and they need to be proud of the company they work for.

10. They benchmark themselves against other world leaders

If you don’t understand how you are performing, you can’t possibly understand where you are headed. Informal benchmarking through visits are very powerful to review your performance against others and gain new insights. But importantly, when considering benchmarking - what you measure matters.
Ask the question - why am I measuring this, what impact is it having and is it helping us improve?

Formative Assessment 1: SO1
SECTION 2: ANALYSE CURRENT PRACTICE AGAINST BEST PRACTICE

Specific Outcome 2:
Analyse current practices in a unit in relation to identified best practice.

Assessment Criteria
1. Current practices in a unit are compared with best practice.
2. Current product/service reliability is evaluated in terms of internal and external customer expectations.
3. The best opportunity/s for maximum gain is identified for a unit.

2.1 Current practice compared with best practice (SO2, AC1)

Best Practice is an ongoing commitment to change and improve in order to deliver the best possible performance. It identifies activities, procedures and innovations that can create a positive impact on your business. Best Practice is based on the concept of learning from others' experience and keeping up to date with your industry.

Best Practice methods need to be applied to all aspects of your business. Strategies can apply to customer and supplier relationships, financial matters, employee and industrial relations, production processes and waste management.

✓ Link between Best Practice Guidelines and Company Policies and Procedures

From our definition of Best Practices, we found that:

Best Practices are established conditions representing excellence or a set of ideals sought after to help improve the effectiveness of the organisation in the marketplace.

We know that a Policy is a general statement designed to guide employees' actions in recurring situations. A policy can be described as a plan of action to guide decisions and actions. The policy process includes the identification of different alternatives, such as programmes or spending priorities, and choosing among them on the basis of the impact they will have. Policies can be understood as political, management, financial, and administrative mechanisms arranged to reach explicit goals.
A Procedure is a series of steps or instructions, describing a way of doing things. It is a specification of the series of actions, acts or operations which have to be executed in the same manner in order to obtain always the same result in the same circumstances (for example, emergency procedures). It can also indicate a sequence of activities, tasks, steps, decisions, calculations and processes, that when undertaken in the sequence laid down produces the described result, product or outcome. A procedure usually induces a change. Procedure may also refer to:

1. Instructions or recipes, a set of commands that show how to prepare or make something
2. Surgical procedure, in medicine, treating diseases through an operation
3. Legal procedure, in law, the body of law and rules used in the administration of justice in the court system
4. Parliamentary procedure, in government, the process used for decision making by a legislative assembly

In order to implement Best Practices in any organisation, we would have to ensure that the relevant policies and procedures used in the organisation support the Best Practices.

✓ Techniques for Analysing Policies, Processes and Practices against Best Practice

A Best Practice is simply a process or a methodology that represents the most effective way of achieving a specific objective. Some people prefer to use the term ‘good practice’, as in reality it is debateable whether there is a single ‘best’ approach - and of course approaches are constantly evolving and being updated. So another way of defining a Best Practice is one that has been proven to work well and produce good results, and is therefore recommended as a model.

Much of Best Practice knowledge is tacit - held in people’s heads and not always easy to document. Therefore most Best Practice programmes combine two key elements:

- Explicit knowledge such as a Best Practices database (connecting people with information)
- Methods for sharing tacit knowledge such as communities of practice (connecting people with people).

These two approaches are complementary. A database can provide enough information for a potential user of the Best Practice to find it and decide if it is worth pursuing further. However
the best way of sharing Best Practices is ‘on the job’ and consequently personal contact with others who have used the Best Practice is the key.

The essence of identifying and sharing Best Practices is to learn from others and to re-use knowledge. Effective sharing of Best Practices can help organisations to:

1. Identify and replace poor practices
2. Raise the performance of poor performers closer to that of the best
3. Avoid reinventing the wheel
4. Minimise re-work caused by use of poor methods
5. Save costs through better productivity and efficiency
6. Improve services to customers

Best Practice programmes are most appropriate in organisations where processes are quite well developed and where a certain amount of knowledge and experience has been accumulated. They are most useful where an organisation has several units or people performing similar tasks, but who are widely dispersed and so do not tend to learn from one another through day-to-day contact.

✓ Identify Best Practice Guidelines

There are three distinct stages in identifying Best Practice guidelines:

Stage 1: Understanding the Best Practice guidelines so that you can do a self-assessment in your organisation of how you do the specific practice.

Stage 2: Comparing the current way that you (organisation) is doing things with the Best Practice guidelines

Stage 3: Developing an improvement or implementation plan to change how the organisation is doing things, to a better / improved way of doing things.

✓ Six step approach to identifying and sharing best practices

David Skyrme recommends a 6-step approach to identifying and sharing Best Practices. The overall approach is aimed at documenting the essential features of a Best Practice, giving pointers to relevant experts in that practice, deducing general guidelines, diffusing basic knowledge, and using subject matter experts to apply and adapt the practices in a new context.
The key steps are as follows:

Step 1: Identify users’ requirements

This step may sound obvious, but it is not uncommon for someone given the task of capturing Best Practices to start by designing a database, when this is actually a case of putting the cart before the horse. Rather start by considering where you can really add value. Determine which areas of the organisation need attention because of poor performance or difficult challenges. Who can most benefit from better knowledge and understanding of Best Practices? How will they access and use them?

Step 2: Discover good practices

There are various methods of identifying Best Practices. One approach is to look at who is producing excellent results and is therefore likely to be using good practices. Having discovered these people, you will then need to discern which parts of the overall approach or methods being used are actually good practice. This is best done by people knowledgeable in the relevant practices, such as subject matter experts, internal auditors, consultants and peers.

A range of alternative approaches for identifying Best Practices can be found within various knowledge management tools. These include:

- **After action reviews (AAR)** - a discussion of a project or an activity that enables the individuals involved to learn for themselves what happened, why it happened, what went well, what needs improvement and what lessons can be learned from the experience. The spirit of an AAR is one of openness and learning - it is not about problem fixing or allocating blame. Lessons learned are not only tacitly shared on the spot by the individuals involved, but can be explicitly documented and shared with a wider audience.

- **Knowledge harvesting** - an approach that allows the tacit knowledge or know-how of experts and top performers in an organisation to be captured and documented. This know-how can then be made available to others in various ways such as through training programmes, manuals, Best Practices and knowledge management databases.

- **Exit interviews** - Traditionally, exit interviews are conducted with employees leaving an organisation. The purpose of the interview is to provide feedback on why employees are leaving, what they liked or didn’t like about their employment and what areas of the organisation they feel need improvement. Exit interviews are one of the most widely used methods of gathering employee feedback, along with employee satisfaction surveys.

- Don’t necessarily limit your search to only include practices within your organisation; much can be learned from the practices of other organisations in your field, or even organisations in other industries. Use **benchmarking** as a method of doing research outside of the organisation. (We will deal with benchmarking in more detail later)

- **Communities of Practice (CoP)** - a network of people who share a common interest in a specific area of knowledge or competence and are willing to work and learn together over a period of time to develop and share that knowledge. The concept of a community of practice refers to the process of social learning that occurs when people who have a common interest in some subject or problem collaborate over an extended period to share ideas, find solutions, and build innovations. Communities of Practice have become associated with knowledge management as people have begun to see them as ways of developing social capital, nurturing new knowledge, stimulating innovation, or sharing existing tacit knowledge within an organisation. It is now an accepted part of organisational development (OD). (See US 7876 for more detail on CoP)
Step 3: Document good practices

Best Practice descriptions are usually kept in a database in a standard format. A typical template might include the following sections:

▪ **Title** - short descriptive title; this can be accompanied by a short abstract.
▪ **Profile** - several short sections outlining processes, function, author, keywords, etc.
▪ **Context** - where is this applicable? What problems does it solve?
▪ **Resources** - what resources and skills are needed to carry out the Best Practice?
▪ **Description** - what are the processes and steps involved? Improvement measures - are there performance measures associated with this practice?
▪ **Lessons learned** - what proves difficult? What would the originators of the practice do differently if they were to do it again?
▪ **Links to resources** - experts contact details, workbooks, video clips, articles, transcripts of review meetings.
▪ **Tools and techniques** used.

The aim at this stage is not to describe the Best Practice in great detail, but to give enough information to allow users of the database to decide whether it matches their needs and where they can find further information. A key consideration is how you organise and classify the information in your database so that users can readily find what they need.

Step 4: Validate Best Practices

A practice is only ‘good’ or ‘best’ if there is a demonstrable link between what is practised and the end result. In most organisations and especially in areas where practices are constantly evolving, rigorous cause-and-effect analysis is impracticable. Hence a degree of subjective judgement is needed as to what constitutes ‘best’. A common approach is to have a panel of reviewers comprising internal and external subject experts and peers, who evaluate a potential Best Practice against their knowledge of existing practice. It is equally important to ensure that you seek input and feedback from customers, i.e. the ultimate beneficiaries of the Best Practices.

Step 5: Disseminate and apply

While a database of Best Practices is a useful starting point, most organisations find it essential to complement this with face-to-face knowledge sharing about those Best Practices. This is where the real value is added. Not only does it help the recipient dig beneath the explicit knowledge and gain more in-depth insights, but it can also provide a two-way benefit in that dialogue between the conveyor of Best Practice knowledge and the recipient can enrich the knowledge of both.

Common ways of sharing Best Practice knowledge include:

▪ **Communities of Practice**
▪ **Improvement groups or quality circles** in which teams within an organisation meet regularly to discuss ways of improving a process
▪ **Visits to other departments or organisations** with good performance
▪ **Organised learning events**, such as share fairs, that bring people together to share specific knowledge and experience
▪ **Job secondments or exchanges**, etc.
Step 6:   Develop a supporting infrastructure

To successfully implement a Best Practice programme, you need to ensure you have the required infrastructure in place. This infrastructure is often developed as part of a wider knowledge management strategy.

Typically, several generic aspects need attention:

- The people to facilitate and drive the process through its initial stages, until it becomes embedded in the organisation’s ways of working (e.g. a Best Practices team, or a network of Best Practices co-ordinators)
- The technical infrastructure for document sharing and databases
- The content management infrastructure to ensure that Best Practices are documented and classified electronically in a way that makes them easy to find

✓ Analyse current operating practices

Implementing Best Practice methods will help most businesses improve their operations. It isn’t always obvious where to introduce Best Practice improvements, so a benchmarking study can be extremely helpful.

Some areas that may require improvement are:

- Quality management
- Stock control
- Supply chain management
- Purchasing and ordering processes
- Information management
- Product distribution
- Customer service
- Human resources management
- Packaging design and processing
- Marketing and public relations
- Administration processes
- Staff training
- Technology use

Once you identify certain areas in your business that can be improved, assess which areas are the most important to your business success. For instance, is it more important to improve efficiency of distribution or to increase production levels?

Not everything will need to be improved. Some carefully selected changes will greatly impact on the overall performance of your business.

As you implement some changes, monitor the changes and the impact on your customers and business. Refine and adjust these changes as you notice more improvement possibilities.

Constant improvements allow for your business to stay competitive and gain the edge. However, waiting until you have problems may well be too late for implementing Best Practice methods and improvements.

To analyse current operating practices in your department or organisation, you need to:

- Benchmark current performance against Best Practice
- Describe current product or service reliability and compare it with internal and external customer expectations
- Identify the best opportunity for maximum gain for the organisation
- Present recommendations for implementation to stakeholders for their buy-in and authorisation

✓ **Benchmark Current Performance**

"Best practice benchmarking" or "process benchmarking" or simply "benchmarking" is a process used in strategic management, in which organisations evaluate various aspects of their processes in relation to best practice, usually within their own sector. This then allows organisations to develop plans on how to adopt such best practice, usually with the aim of increasing some aspect of performance. Benchmarking may be a one-off event, but is often treated as a continuous process in which organisations continually seek to challenge their practices.

Benchmarking is a powerful management tool because it overcomes "paradigm blindness." Paradigm Blindness can be summed up as the mode of thinking, "The way we do it is the best because this is the way we've always done it."

Benchmarking opens organisations to new methods, ideas and tools to improve their effectiveness. It helps crack through resistance to change by demonstrating other methods of solving problems than the one currently employed, and demonstrating that they work, because they are being used by others.

Benchmarking is the process of finding and adapting Best Practices to improve organisational performance. Benchmarking refers to comparing your organisation or services with others. Of course, you can blow your own trumpet and compare yourself with organisations which do worse. In fact, that might be helpful in identifying your strengths and subsequently building your service on these strong pillars. But to really improve your performance, you have to ask yourself:

- Why are others better?
- How are others better?
- What can we learn?
- How can we catch up?
- How can we become the best in our sector?

With whom can you compare your own organisation? Obviously, many government services have no competitors in their own country, or some private companies are the unique provider of a product. But even if competition exists, the question would be: which are the right organisations to use as a comparison?

Benchmarking can be conducted in different ways. The organisations to benchmark against could be:

- **Direct competitors** in the same country - companies or organisations offering the same product or service (i.e. a government catering institution could compare itself with the local branch of a big fast-food chain),
• **Similar companies** or organisations in other countries,

• **Indirect competitors** (i.e. companies or organisations offering a related product or service, being part of another sector. For example, a public provider of an agricultural extension could compare itself with an extension service of the chemical industry)

• **Other successful institutions** or companies (i.e. a ministerial department could compare itself with a chamber of commerce).

Comparing yourself with the same sector might be difficult in some situations, where a provider has a monopoly on its service or product, or the competitors’ standards might be worse. Although more difficult, the process of comparing yourself with other sectors is a creative one. You have to find patterns which can be compared. And you might get totally new ideas. For example, hospitals in many countries (including the US, the UK and Germany) now are forced to compete with each other and to attract their ‘clients’ (i.e., the patients). As a consequence, many hospitals start to market their services in a way that is similar to private service providers. For example, they start to implement the idea of customer orientation, they introduce new forms of team work, and they promote themselves on the Internet.

**Benchmarking is a process that takes time.** Depending on the subject and the information available, a benchmarking activity might run over three months up to one year. It should be repeated after a certain time period, and the impact needs to be monitored.

*If you want to be the best-of-the-best in your field, benchmarking can help.*

**Use the following steps to implement benchmarking:**

**Step 1:** Identify what you want to benchmark

Know your field of concern and the areas in need of improvement in your organisation.

**Step 2:** Identify the leaders in that field

The organisation identified as providing the benchmark need not be a competitor. In fact, it is possible that the organisation will be operating in a different field. You can identify leaders in your field of expertise through observation, word-of-mouth, reading or published surveys. For example, Xerox identified American Express as providing the benchmark for effective and professional telephone service.

**Step 3:** Set realistic targets

Being the “best” is not an absolute. You need to:

1. **Formulate criteria** that define the “best”
2. **Define measures** that can be used to compare companies to determine the “best”
3. Find companies that meet your criteria and that appear to be the best performers to defined measures

**Step 4:** Collect the information / data

Some organisations would be flattered to know that they have been selected as providing a benchmark and may invite you to send an individual or a small group on a fact-finding mission. Alternatively, the key people in the organisation identified may agree either to be interviewed or to respond to a simple survey or questionnaire.
Step 5: Plan the process to overcome the gap

The key is to learn and discover why some operations are better, why some are worse and how both got that way. Having gathered your information, develop plans and decide on schedules to enable you to implement the Best Practice throughout your organisation, by continuous improvement. Update the stakeholders on the progress of the implementation often.

Introducing Best Practice strategies into your business unit can have many benefits, such as:

1. Becoming more competitive
2. Increasing sales and developing new markets
3. Reducing costs and becoming more efficient
4. Improving the skills of your workforce
5. Using technology more effectively
6. Reducing waste and improving quality
7. Responding more quickly to innovations in your sector

2.2 Evaluate current product / service reliability (SO2, AC2)

You can measure your company’s performance against a wide range of criteria and industry sectors, giving you a comprehensive view of your company’s performance levels and what your priorities for action should be in the future.

a. Measure customer focus

Good customer service benefits your business in a number of ways:

- Reduced costs of running the business
- Reduced marketing costs
- Increased customer retention rates
- Increased staff and job satisfaction
- Increased profits
- Service becomes a competitive advantage

Good customer service relies upon:

- **Reliability** - providing consistently good service
- **Quality of performance** - making sure you do things as well as or better than your competitors
- **Worthwhile outcomes** - ensuring that what you do is of value to the customer and achieves what they want

Customer service is an important aspect of business, as it can bring customers back again and again, or send them and their friends away.
By combining customer service, marketing and quality, you can build good relationships with your customers that will last beyond a single sale.

Once you have customers, you need to understand what is important to them in terms of service and how you can meet those expectations. By measuring your customer service against those expectations, you can improve your service and increase the profitability of your business.

✓ **Key performance indicators**

KPIs are measurable factors that can significantly affect customer satisfaction. KPIs vary between organisations, but must reflect the organisation’s goals, be quantifiable (i.e. measurable) and be essential to the business’ success.

By tracking KPIs, you can quickly judge if you are satisfying customer needs and adjust things as required.

Some KPIs you may track for your business unit include:

- The number of queries received
- The number of complaints received
- Staff turnaround times
- How often customers are contacted each month
- Average time taken to complete orders
- Proportion of responses to marketing programs
- Percentage of phone calls answered within one minute
- Number of new clients during the year
- Proportion of income generated through return clients
- Sales figures on specific products
- Number of faulty goods returned
- Sales renewal rates

When choosing the KPIs to track, consult with customers and staff regarding important issues related to your business unit. Remember that you are measuring how well you are doing against customer expectations, not comparing results against time or existing standards.

Bear the following in mind when measuring customer service levels:

- KPIs, such as income generated and number of phone calls received, are easily measured in the normal course of business
- For other KPIs, measurement is less clear, e.g. determining how you are measuring up in certain specific areas, i.e. number of customer complaints resolved within a certain period, and may require responses from customers to assess how your business is meeting those expectations. This can be done through surveys, feedback forms, asking customers directly and staff surveys.
- Benchmarking is another tool in determining your customer service levels. This is simply comparing your service with that of your competitors and others in your industry.
Measuring KPIs should be an ongoing process, not something left as an annual activity - the sooner you fix any problems, the happier your customers will be and it may be that only a very small change is required.

Measuring various aspects of customer service in your business unit is only the first step. The results from the measurements need to be analysed to see how things can be improved.

- Good customer service programs include a process for improving customer service and business operations through information gathered about customer expectations and perceptions.
- Research carried out by Xerox showed that a customer satisfaction level of 70-80% would not guarantee a customer would return. These customers were five times more likely to use a competitor than a customer giving a 100% rating. A score of 100% is your ideal.
- Even where customers are satisfied, they may still have some constructive comments that can be used to improve your customer service. By continually measuring and improving your service, you will find that people will return as loyal customers.

**b. Measure quality**

Quality is essentially the test of what was provided against what was required and is judged from the eyes of the receiver rather than the producer. Quality isn't about perfection, measurement, standards or even procedures - it's about meeting a particular outcome.

Customer satisfaction is the only real measure of acceptable quality in a business. By satisfying customers, you have understood customer needs and wants and are also supplying goods or services of an acceptable standard.

The essence of managing quality is to first understand exactly what the client's perception of quality is. This requires you to dig deeper than just saying "high quality. Once you have that understanding, you can put a plan in place (consisting of quality control and quality assurance activities) to ensure that you meet the client's expectations.

- **What clients want in terms of product quality:**
  - Reliable (performs as expected)
  - Easy to use
  - Easy to maintain when completed
  - Available when needed
  - Flexible for future needs
  - Good value for dollars spent
  - Intuitive / easy to understand
  - Secure
  - Well documented
- Minimally defective
- Responsive
- A match to client needs

✓ **What clients want in terms of service quality:**
- Responsive (you get back to the client quickly)
- Competent
- Accessible
- Courteous
- Good communicators
- Credible
- Knowledgeable of the client business
- Reliable (you do what you say)

Effective quality management in your business will enable you to consistently satisfy your customers and increase the chances of your business succeeding.

**Quality management consists of quality control, quality improvement and quality assurance.**

In engineering and manufacturing, quality control and quality engineering are involved in developing systems to ensure products or services are designed and produced to meet or exceed customer requirements.

Quality Assurance covers all activities from design to development, production, installation, servicing and documentation.

QA introduced the rules: “fit for purpose” and “do it right the first time”. It includes the regulation of the quality of raw materials, assemblies, products and components; services related to production; and management, production, and inspection processes.

One of the most widely used paradigms for QA management is the PDCA (Plan-Do-Check-Act) approach, also known as the Shewhart cycle.

A valuable process to perform on a whole consumer product is failure testing, the operation of a product until it fails, often under stresses such as increasing vibration, temperature and humidity. This exposes many unanticipated weaknesses in a product, and the data is used to drive engineering and manufacturing process improvements.

Many organisations use statistical process control to bring the organisation to Six Sigma levels of quality, in other words, so that the likelihood of an unexpected failure is confined to six standard deviations on the normal distribution. This probability is less than four one-millionths. Items controlled often include clerical tasks such as order-entry as well as conventional manufacturing tasks.

Traditional statistical process controls in manufacturing operations usually proceed by randomly sampling and testing a fraction of the output. Variances of critical tolerances are continuously tracked, and manufacturing processes are corrected before bad parts can be produced.

During the 1980’s, the concept of “company quality” with the focus on management and people came to the fore. It was realised that, if all departments approached quality with an open mind, success was possible if management led the quality improvement process.

The company-wide quality approach places an emphasis on three aspects:
Elements such as controls, job management, adequate processes, performance and integrity criteria and identification of records

- Competence such as knowledge, skills, experience, qualifications
- Soft elements, such as personnel integrity, confidence, organisational culture, motivation, team spirit and quality relationships.

The approach to quality management given here is therefore not limited to manufacturing, but can be applied to any business activity:

- Design work
- Administrative services
- Consulting
- Banking
- Insurance
- Computer software
- Retailing
- Transportation

It comprises a quality improvement process, which is generic in the sense it can be applied to any of these activities and it establishes a behaviour pattern, which supports the achievement of quality.

This in turn is supported by quality management practices which can include a number of business systems and which are usually specific to the activities of the business unit concerned.

In manufacturing and construction activities, these business practices can be equated to the models for quality assurance defined by the International Standards contained in the ISO 9000 series and the specified Specifications for quality systems.

**Total Quality Control** is the most necessary inspection control of all in cases where, despite statistical quality control techniques or quality improvements implemented, sales decrease.

The major problem which led to a decrease in sales was that the specifications did not include the most important factor, “What the customer required”.

The major characteristics, ignored during the search to improve manufacture and overall business performance were:

- Reliability
- Maintainability
- Safety

As the most important factor had been ignored, a few refinements had to be introduced:

- Marketing had to carry out their work properly and define the customer’s specifications.
- Specifications had to be defined to conform to these requirements.
- Conformance to specifications i.e. drawings, standards and other relevant documents, were introduced during manufacturing, planning and control.
- Management had to confirm all operators are equal to the work imposed on them and holidays, celebrations and disputes did not affect any of the quality levels.
Inspections and tests were carried out, and all components and materials, bought in or otherwise, conformed to the specifications, and the measuring equipment was accurate, this is the responsibility of the QA/QC department.

Any complaints received from the customers were satisfactorily dealt with in a timely manner.

Feedback from the user/customer is used to review designs.

If the original specification does not reflect the correct quality requirements, quality cannot be inspected or manufactured into the product.

Implementing quality management into your business requires a series of steps and processes, each one carefully designed and controlled.

✓ **To implement quality management into your business, consider the following steps:**

- Determine customer needs and expectations
- Determine key areas of your business
- Develop and maintain a management system
- Design products and services with features that reflect customer needs
- Quality control products before distribution to customers
- Discover and eliminate undesirable features in products and services
- Find less expensive solutions to customer needs
- Make operations more efficient and effective
- Discover how to value add for customers
- Keep all promises and commitments, regardless of the cost to you
- Produce procedures and manuals to document the process
- Assign responsibility for quality management to specific people in your business
- Check the system regularly both informally and through audits
- Modify the system as required

Effective quality management is an important aspect of **reducing risks** to your business. For example:

- Effective processes will produce good quality items so there will be less risk of returns and repairs
- Customers will be happy and may return and recommend your business
- Increased efficiency will reduce overheads and reduce the risk of financial problems
- Excellent customer relations reduces the risk of complaints
- Safe processes prevent injuries and other disasters

Part of quality management is **auditing** the processes to ensure quality levels are maintained.

**Quality audit** means a systematic, independent examination of a quality system. Quality audits are typically performed at defined intervals and ensure that the institution has clearly-defined
internal quality monitoring procedures linked to effective action. The checking determines if the quality system complies with applicable regulations or standards.

The process involves assessing the standard operating procedures (SOP's) for compliance to the regulations, and also assessing the actual process and results against what is stated in the SOP.

Every organisation should define comprehensive procedures by which its products or services can be delivered consistently to the desired level of quality. Maximum quality is rarely the desired objective since it can cost too much and take too long. The average product or service provides a sensible compromise between quality and cost. There is also a legitimate market for products that are low cost and low quality.

Standards authorities do not seek to make that business judgement and enforce it upon businesses, except where certain minimum standards must be met (e.g. all cars must have seat belts that meet minimum safety standards, but there is no attempt to define how elegant or comfortable they should be).

The principle is that each organisation should create thorough, controlled procedures for each of its processes. Those procedures should deliver the quality that is sought. The Quality Audit, therefore, only needs to ensure that procedures have been defined, controlled, communicated and used. Processes will be put in place to deal with corrective actions when deviations occur. This principle can be applied to continuous business process operations or recurring project work.

- External auditors can be hired, but this may be too costly for a small business to do very often. Carefully selected internal auditors are highly effective at keeping the systems up to date and in running order.
- Selecting staff across the business is suggested to be more effective than having a distinct auditing section. Doing so allows an understanding of the quality management process throughout the business, provides opportunity for different sectors to audit one another and takes away the 'us and them' attitudes.
- Further, it is more effective if auditors are not part of the management. This makes it clear that evaluation is of the system rather than employees.

Well-trained auditors will foster the concept that internal audits are conducted to add value to the business, not to find fault with the person or function being audited.

### 2.3 The best opportunities for maximum gain (SO2, AC3)

Once you have completed the analysis of the current performance indicators in your organisation and done the benchmarking, you will be able to identify the gaps in performance in your organisation.

Once a gap in performance has been identified, you need to evaluate all the potential remedies to close the performance gap. You need to measure the possible remedies against the best opportunity for maximum gain for the organisation.

When identifying opportunities for maximum gain, it is important to understand the general business process management principles.
✓ **General Business Process Management Principles**

- Change only happens through the change of practices.
- Every business has unique characteristics embedded in its core processes that help it achieve its goals and create competitive advantage. If a competitor can easily replicate characteristics of a company's business processes, then the company cannot sustain its market differentiation and competitive advantage.
- People learn by seeing cause and effect. Processes with long cycle times seriously impede learning because of the time lag between cause and effect. Thus, short cycle times are critical for organisational improvement.
- An efficiently running process that produces little business benefit is as ineffective as a process that rarely works, even when applied to the right business problem. When organisations focus on improving the right business processes, they gain power over competitive forces.
- When you start to think about which processes to optimise first, understand which processes are central to the execution of your organisation’s business strategy. Select a core process that is most likely to help the company establish a source of market differentiation and create sustainable competitive advantage.

✓ **Impact Analysis**

When things change in an organisation, confusion and disruption often follow. Impact Analysis is a brainstorming technique that helps you think through the full impact of a proposed change. As such, it is an essential part of the evaluation process for major decisions.

More than this, it gives you the ability to spot problems before they arise, so that you can develop contingency plans to handle issues smoothly.

Impact Analysis is a technique designed to unearth the "unexpected" negative effects of a change on an organisation. It provides a structured approach for looking at a proposed change, so that you can identify as many of the negative impacts or consequences of the change as possible. Firstly, this makes it an important tool for evaluating whether you want to run a project. Secondly, and once the decision to go ahead has been made, it helps you prepare for and manage any serious issues that are may arise.

The challenge in conducting an Impact Analysis is firstly to capture and structure all the likely consequences of a decision; and then, importantly, to ensure that these are managed appropriately.

For smaller decisions, it can be conducted as a desk activity. For larger or more risky decisions, it is best conducted with an experienced team, ideally with people from different functional backgrounds within the organisation- you're much more likely to spot all of the consequences of a decision than if you conduct the analysis on your own.

To conduct an effective Impact Analysis, use the following steps:

**Step 1: Prepare for Impact Analysis:**

The first step is to gather a good team, with access to the right information sources. Make sure that the project or solution proposed is clearly defined, and that everyone involved in the assessment is clearly briefed as to what is proposed and the problems that it is intended to address.
Step 2: Brainstorm Major Areas Affected:

Now brainstorm the major areas affected by the decision or project, and think about whom or what it might affect.

You may want to use the following different approaches as starting points for identifying the areas that apply to you:

A. Organisational Approach
   - Impacts on different departments
   - Impacts on different business processes
   - Impacts on different customer groups
   - Impacts on different groups of people.

B. “McKinsey 7-S” Approach”

Use the “McKinsey 7-S” approach to think about the things that are important to an organisation:

![7-S Framework Diagram]

Diagnostic Model for Organisational Effectiveness

The model starts on the premise that an organisation is not just Structure, but consists of seven elements:
- **Strategy**: Actions a company plans in response to, or in anticipation of changes in its external environment
- **Structure**: Basis for specialisation and co-ordination influenced primarily by strategy and by organisation size and diversity
- **Systems**: Formal and informal procedures that support the strategy and structure
- **Shared Values**: Guiding concepts, fundamental ideas around which a business is built (must be simple, usually stated at abstract level, have great meaning inside the organisation, even though outsiders may not see or understand them)
- **Skills**: The distinctive competences: what the company does best, ways of expanding or shifting competences
- **Style**: The culture of the organisation, consisting of two components:
  - **Organisational Culture**: the dominant values and beliefs, and norms, which develop over time and become relatively enduring features of organisational life.
  - **Management Style**: more a matter of what managers do than what they say (How do a company’s managers spend their time? What are they focusing attention on?) Symbolism (the creation and maintenance, or sometimes deconstruction of meaning) is a fundamental responsibility of managers
- **Staff**: The people/human resource management: processes used to develop managers, socialisation processes, ways of shaping basic values of the management cadre, ways of introducing young recruits to the company, ways of helping to manage the careers of employees

These seven elements are differentiated into the so-called hard S’s and soft S’s. The hard elements (green circles) are easy to identify and define. They can be found in strategy statements, corporate plans, organisational charts and other documentations.

The four soft S’s however, are difficult to describe and define since capabilities, values and elements of corporate culture are continuously developing and changing. They are highly determined by the people at work in the organisation. Therefore it is much more difficult to plan or to influence the characteristics of the soft elements. Although the soft factors are below the surface, they can have a great impact on the hard Structures, Strategies and Systems of the organisation.

If one element changes, it will affect all the others. For example, a change in HR systems, like internal career plans and management training, will have an impact on organisational culture (management style) and thus will affect structures, processes, and finally characteristic competences of the organisation.

In change processes, many organisations focus their efforts on the hard S’s: Strategy, Structure and Systems. They care less about the soft S’s: Skills, Staff, Style and Shared Values. Tom Peters and Robert Waterman in “In Search of Excellence” commented, however, that most successful companies work hard at these soft S’s. The soft factors can make or break a successful change process, since new structures and strategies are difficult to build upon inappropriate cultures and values. These problems often come up in the dissatisfying results of spectacular mega-mergers. The lack of success and synergies in such mergers is often based in a clash of completely different cultures, values, and styles, which make it difficult to establish effective common systems and structures.

The 7-S Model is a valuable tool to initiate change processes and to give them direction. A helpful application is to determine the current state of each element and to compare this with the ideal state. Based on this, it is possible to develop action plans to achieve the intended state.
Step 3: Identify All Areas:

Now, for each of the major areas identified, brainstorm all of the different elements that could be affected. For example, if you're looking at departments, list all of the departments in your organisation. If you're looking at processes, map out the business processes you operate, starting with the process the customer experiences, then moving on to the business processes that support this.

The extent to which you're able to do this depends on the scale of the decision and the time available. Just make sure you go far enough, without getting bogged down in micro-detail.

Step 4: Evaluate Impacts:

Having listed all of the groups of people and everything that will be affected in an appropriate level of detail, the next step is to work through these lists identifying and listing the possible negative and positive impacts of the decision, and making an estimate of the size of the impact and the consequences of the decision.

Step 5: Manage the Consequences:

Turn this information into action. If you're using Impact Analysis as part of the decision-making process, you need to weigh whether you want to go ahead with the project or decision proposed. You'll need to ask yourself whether it's worth going ahead with the project given the negative consequences it will cause and given the cost of managing those negative consequences.

If you're managing a project which has already been given the go-ahead, you'll need to think about things like:

- The actions you'll need to take to manage or mitigate these consequences
- How you'll prepare the people affected so that they'll understand and (ideally) support change rather than fighting against it
- The contingency strategy needed to manage the situation should the negative consequences arise.

Formative Assessment 2: SO2
SECTION 3: ADOPTION OF BEST PRACTICES

Specific Outcome 3:
Decide on the best practices to be adopted in a unit.

Assessment Criteria:
1. *The performance outcomes to be achieved by replacing the current practice with best practice are described with examples.*
2. *The current practices to be retained are described with motivations for the retention.*
3. *The best practices to be introduced are described with motivations for the introduction.*

3.1 Performance outcomes to be achieved (SO3, AC1)

“Outcomes are *benefits* or *changes* for individuals or populations during or after participating in program activities. They are influenced by a program's outputs. Outcomes may relate to behaviour, skills, knowledge, attitudes, values, condition, or other attributes. They are what participants know, think, or can do; or how they behave; or what their condition is, that is different following the program”.

If we use the above quote as our point of departure, we can describe our performance expectations with the implementation of best practice in the business unit in terms of:

- Benefits to the team members, team and organisation
- Changes that will take place in terms of behaviour, knowledge, attitude, values and condition of members
- Upskilling of members

**Definition of a Performance Expectation:** A specific expectation that supports work unit outcomes written in terms of quality, quantity, cost, or timeliness and defined at the “Good” level.

Expectations also define how the division or workgroup outcomes will be achieved and measured. If employees meet all of the performance expectations at the good level it is reasonable to assume that the work unit outcomes will be met.

✓ **Checklist for Performance Expectations**

1. Each Performance Expectation must be *measurable*. Each statement contains a specific, identifiable measurement that includes a standard (quality), amount (quantity), cost, or within a specified time period.
2. Each Performance Expectation must be **concise**. To be concise, the Performance Expectation is written in plain language and in one sentence.

3. Each Performance Expectation must be **achievable**. To be achievable, the employee must have the ability to complete the expectation at the good level. S/he must also have the potential to exceed the good level.

4. Each Performance Expectation must be **realistic**. To be realistic, resources needed to perform at the good level are ALWAYS available for the employee to use.

When deciding on which best practices to be adopted, you may need consider the following questions:

- Are there certain recommendations that are based on higher levels of evidence than others?
- Are there specific recommendations in the Best Practice guidelines that address the needs in your organisation?
- Are there any recommendations that are already being implemented?
- Are there some that have only been implemented partially? Not at all?
- Are there some recommendations that must be implemented before other recommendations?
- Are there any recommendations that can be implemented at once?
- Will some recommendations take longer to fully implement?
- Are there barriers to implementation of some of the recommendations that will either take a long time to overcome or require many resources? (e.g. time, money, specific skills)

The decisions made at this stage will inform the scope of your Best Practice implementation, as well as the amount of resources required.

### 3.2 Current practices to be retained (SO3, AC2)

Obviously you are not aiming to reinvent the wheel or throw the baby out with the bath water to use a few well-worn clichés in your quest for best practice in your business unit.
Many of your current practices work, and they work well, and you may even be world leaders in certain areas. In such cases, you would want to retain them. You may even decide to retain certain practices due to constraints that may be beyond your control.

Either way you need to list the practices you want to retain and motivate why you need to retain them. This exercise should be conducted by a team of experts and preferably not by a single individual.

### 3.3 Best Practices to be Introduced (SO3, AC3)

You have identified best practices that you and your team have agreed to implement in your unit. You need to document these goals and motivate to your manager why you need extra resources.

Below is an example of a form that you could use for this purpose:

<table>
<thead>
<tr>
<th>Example</th>
<th>(Former Key Responsibility)</th>
<th>(New Outcome or Goal)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Modifies programs</td>
<td>1. Program modifications address customer specification and are completed within established timeframe.</td>
</tr>
<tr>
<td></td>
<td>2. Test Application</td>
<td>2. End user tests show less than 10% rework</td>
</tr>
</tbody>
</table>

**After identifying milestones:**

<table>
<thead>
<tr>
<th>Performance Criteria:</th>
<th>Definition and examples:</th>
<th>Draft performance expectations:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timeliness</strong></td>
<td><em>Within what time frame must expectation be completed?</em></td>
<td>1. Initial project client meeting is made w/in 5 business days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Project charter is developed and sent to client w/in 10 business days of initial meeting</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td><em>What standard/criteria/guidelines must be followed so that the expectation can be successfully completed?</em></td>
<td>1. Project charter follow DIRM protocol</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Project plans adhere to DIRM methodology.</td>
</tr>
<tr>
<td><strong>Quantity</strong></td>
<td>Is there a fixed amount of work that must be completed or does the quantity vary?</td>
<td>Completes at least 5 project audits</td>
</tr>
<tr>
<td></td>
<td>“Customer survey results average 4.0 (5.0 highest)”</td>
<td></td>
</tr>
<tr>
<td></td>
<td>“Completes project with less than 5% variance”</td>
<td></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Is there a budget allotted to this specific task?</td>
<td>New website projects are completed w/in budgeted cost</td>
</tr>
</tbody>
</table>
| Final Performance Expectation | “Within assigned budget”  
“With less than +/- 5% of budgeted cost” | Program enhancements to WIC without any additional programming cost to the division |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed project meets division standards within cost requirements and specified time frames.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Formative Assessment 3: SO3**
SECTION 4: RECOMMENDATIONS FOR IMPLEMENTING BEST PRACTICES

Specific Outcome 4:
Formulate recommendations for implementing best practices.

Assessment Criteria
1. The recommendations described are appropriate for the current practices analysed.
2. The recommendations presented are in line with best practices.
3. Recommendations are communicated to stakeholders in order to obtain feedback.

4.1 Best practice recommendations (SO4, AC1)

When presenting your recommendations for implementing the best practice changes to the various stakeholders, it is vitally important to be able to communicate your thoughts and ideas effectively, using a variety of tools and media. Your goal is to get buy in and authorisation and so you need to inform, persuade and convince your audience.

Your first priority is to analyse the audience(s) you will be presenting to and decide which format to use. What is the organisational policy and practice?

Usually you will need to do both oral and written presentations in the form of a PowerPoint presentation and a formal written report.

Make sure that you prepare your presentations thoroughly - there is a lot riding on a successful outcome - and you need to convince your audience of that!

✓ Describe the recommendations

You have, with your team, analysed your unit’s current practices and compared them with best practices to identify areas needing improvement. You have pinpointed activities that will be targeted and listed them with the relevant standards to be achieved. In each case you motivated why and how the changes would be made and how they would benefit the team and organisation.

Now you need to put your recommendations in writing in the appropriate format making sure that they are clear, specific and comprehensive enough to be understood by your target audience. You also need to ensure that the recommendations described are appropriate for the current practices analysed, that they are feasible and can be put into practice.
4.2 Present the recommendations (SO4, AC2)

Whether to a group of a thousand, a telephonic or virtual audience, or one person in the privacy of your office, much depends on your ability to come across in a credible and honest fashion. Good intentions are not enough.

Many an honest, open speaker has created an impression of shiftiness and dishonesty due to a lack of understanding about how to structure content, and how to use language and speaking style to come across in a credible manner. The tone used is also important i.e. beware of answering questions in a sarcastic or insincere manner.

You will be perceived as credible when you:

▪ appear relatively unbiased
▪ appear similar to the audience
▪ communicate in ways the audience understands
▪ demonstrate understanding of the audience's opinions
▪ do not sound defensive or aggressive
▪ do not over react to criticism

The following are specific tips that you can apply to individual interactions as well as group interactions:

▪ Don't oversell or ignore downsides from the audience's/person's points of view. Research suggests a mix of focusing on evidence to support your position and considering objections is most effective.

▪ Pre-empt attacks by bringing up audience/person's concerns yourself. For example: "I know some of you are probably thinking [fill in objection]. Let me address that." This is much better than ignoring these until an audience member attacks you with an objection.

▪ Whenever possible don't read a prepared speech. This reduces your power of influence, and credibility. Very few people are able to read a speech effectively. Most attempts at reading make you appear to be unconfident, stiff, and artificial. Reading occasional quotes, however, is OK.

▪ Use a well-organised structure for your presentation. Use the old saw: Tell them what you are going to tell them. Then tell them. Then tell them what you told them. This corresponds to the introduction, body, and conclusions/summary.

▪ When using the above structure, indicate in your opening that you imagine that some have concerns that you will be addressing. Then, in your body, present both sides. You may want to emphasise any positives you have identified.

▪ Speak with energy and intensity to show your commitment to your topic, but don't go "over the top", by sounding like a preacher or sales-person.

▪ Make extra effort to make eye-contact with people in the group. The listeners need to feel that your primary concern is each of them, not selling them on the ideas you have. So you want to appear as listener focused as possible.

▪ Don't try to accomplish too much, or present too much information. The more you present the less impact each point has. By trying to do too much you risk the possibility that the listeners will miss your main points, or simply get lost and frustrated.
✓ **Impact of non-verbal cues/body language and signals on an audience**

Studies have shown that up to 70% of communication is accomplished non-verbally. Non-verbal messages are being sent constantly—both with and without words. Consider your facial expressions and body language during any communication. Consider what messages your expressions and body language are sending, and make sure those messages are what you want to be sending.

This general set of body language is used predominantly for the business world, where transactions are made across global and cultural boundaries, and includes several basic elements such as:

- **Posture** - Stand and walk with your head erect and shoulders back, and keep your gait lively. Any other way, and you may look tired, dishevelled and down on your luck. It also portray a lack of self-esteem and confident, making it hard for people to be convinced to close a deal with you.

- **Hands** - Keep your hand gestures to a minimum, but don't feel you have to sit on your hands and do nothing with them. Some movement of hands while speaking is natural; just be sure that they are not flailing about wildly. People would probably assume that you are nervous or simply not calm - a very unprofessional behaviour. Also, be sure to keep your hands visible at all times, as not doing so can send a subliminal message that you are untrustworthy.

- **Facial expression** - A face that looks relaxed - no furrowed brow, tense jaw, nervous twitches or stern expression - gives the impression that you are not only a pleasant person to deal with, but a confident one too. Just avoid smiling excessively. You don't want to come across as someone fake.

- **Head movement** - A common problem for people who are anxious is to nod their heads excessively. Just keep it subtle and appropriate to the situation. Overdoing it makes you look like an eager-beaver.

- **Eye contact** - What is good eye contact? You have to balance looking other people in the eyes without staring them down. To do so, concentrate on making eye contact most of the time but breaking it up with an occasional glance away. Avoid looking down when glancing away or you may be seen as shifty and untrustworthy. Also, try shifting your gaze back and forth between the other person's two eyes. The subtle shift will keep the interviewer from feeling that you are staring.

- **Miscellaneous gestures** - Watch out for unnecessary and unprofessional gestures as tapping your foot, fiddling with a ring or other jewellery, twirling your hair, and drumming your fingers on the chair arm or desk. Not only are these movements distracting, but they imply that you are nervous, impatient and/or bored.

✓ **Written report**

Regardless of the medium you choose to deliver your presentation, it's up to you to assemble the information in a compelling way, and the best way to do this is to create an outline with a beginning, middle and end. Outlining your content should give you a feel for the flow of your presentation. But you also need to ask the tough questions:

- Where is the presentation strong and where is it weak?
- Are all relevant details included?
- Is the overall message conveyed effectively?
- Is there a major point that will stand well on its own?
- Does a shaky contention need to be supported by factual data in the form of charts and graphs?
**Format and Layout**

The form business letters, memos, reports and e-mails take can vary from the traditional to the more contemporary. Some companies have a policy for writing company documents with regards their form and layout.

Before you write, check your company’s policy. In general:

- Use single spaces between lines
- Use double spaces between paragraphs
- Place the beginning line of each paragraph flush left for a contemporary look.
- Leave white space around the typed copy for a pleasant “feel” to the document. White space makes a document more readable.
- Two-centimetre margins usually give a document enough white space to “feel” more readable.
- Headings should be bold
- No more than two fonts should be used in a document e.g. Arial Narrow for headings and Tahoma for the body of your document
- Colour should be limited especially in a formal document

Regardless of the layout you have chosen, documents should project a positive image of your organisation and meet basic formatting and layout requirements. In order to check the detail of your document, you may also want to consider the following:

- Do page numbers follow logically?
- Does the index (if any) and text headings match?
- Did you include any addenda as you said?
- Is your document dated correctly?
- Did you acknowledge any resources you used (if needed)?
- Is your information correct and accurate? Double-check any information tables and/or descriptions of data.
- Did you comply effectively with any organisational, industry and/or national standards and requirements?
- Have the (necessary) people approved your text?

If possible, let one or more people proofread your text for you. If you work often with a text, you tend to lose your sensitivity for its accuracy and correctness. A fresh pair of eyes can spot inaccuracies in incorrect information easier.

**4.3 Communicate the recommendations to stakeholders (SO4, AC3)**

Now that you have completed the assessment and the analysis and have identified the opportunities where a change will have the greatest impact and maximum gain for the organisation, you need to present your recommendations for implementation to stakeholders for their buy-in and authorisation.
In communicating new expectations, it is critical to demonstrate to those affected the urgency for making change and how new activities will personally benefit them.

✓ **Suggestions for effective communication with stakeholders:**

1. **Make sure all information regarding your recommendations are presented in a transparent way:** the more you share in an honest, factual and easy to comprehend format, the more likely it is that stakeholders will take the time to comprehend your recommendations, what their role is and how it may affect them.

2. **Communicate with stakeholders in the manner that works best for them:** recognize that each person or community is different and select the most suitable communication channel, email, online platforms, social media, phone, or in-person group meetings. People should be offered a variety of options to communicate with you and provide their input.

3. **Do not judge what your stakeholders value, instead seek to understand why:** keeping an open and curious attitude will help your team understand the history and concerns of your stakeholders. The open and curious attitude will help both sides reach creative solutions to overcome roadblocks, aligning values and interests in the process.

4. **Provide feedback to stakeholders on how their interests and issues are addressed and resolved:** track commitments made to them and ensure project team members coordinate consultation events, share information and assign tasks and follow up actions.

5. **Keep a careful record of all aspects communications that occur over time:** this includes meetings, phone calls, emails and commitments made. Misunderstandings and delays can be prevented if you can easily demonstrate the history of all aspects of communication with your stakeholders - especially with multi year projects where representatives change over time.

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**Formative Assessment 4: SO4**
SECTION 5: PLAN FOR IMPLEMENTING BEST PRACTICE

Specific Outcome 5:
Draw up a plan for implementing best practice.

Assessment Criteria
1. The change processes required to support the implementation of best practice are described with practical examples.
2. Resources required are identified in terms of the needs for implementing best practice.
3. The plan includes tasks, responsibilities, time-scales and performance measures.
4. The plan includes contingencies that are reasonable in relation to the proposed plan.
5. The monitoring, recording and evaluation of the implementation are described in order to promote effective implementation.

5.1 The change processes required to support implementation (SO5, AC1)

Many managers believe that identifying and communicating best practices are sufficient to drive change. For a minority of employees, this may be true. For most, however, setting new expectations and reinforcing new behaviours through regular coaching is also required as you will probably encounter resistance to change.

There are four distinct steps to implementing the changes envisioned by your best practice goals:

Step 1: "Set-the-Bar"
Create a clear "picture" of the end result that everyone understands.

Step 2: Motivate Change
Motivate each person individually to embrace the desired values, standards, norms and operating processes.

Step 3: Sustain the Change
Change each person's behaviour so completely that it becomes integrated into their daily job.

Step 4: Scale to the Enterprise
Create a sustaining environment, encouraging people to leverage the change across the entire enterprise quickly and efficiently.
• Strategies for overcoming resistance to change

In its usual description change resistance refers to change within organisations, although it is also found elsewhere in other forms.

In order to understand the concept of employee resistance, it is critical to define what is meant by the term resistance. Resistance to change can be described as "behaviour which is intended to protect an individual from the effects of real or imagined change". Resistance to change is the action taken by individuals and groups when they perceive a change that is occurring as a threat to themselves.

Key words here are 'perceive' and 'threat'. The threat need not be real or large for resistance to occur.

Resistance can also be defined as "any conduct that serves to maintain the status quo in the face of pressure to alter the status quo"

According to Dent and Goldberg (1999), individuals aren't really resisting the change, but rather they may be resisting the loss of status, loss of pay, or loss of comfort. They claim that, “it is time that we dispense with the phrase resistance to change and find a more useful and appropriate model for describing what the phrase has come to mean - employees are not wholeheartedly embracing a change that management wants to implement”.

Resistance is an inevitable response to any major change. Individuals naturally rush to defend the status quo if they feel their security or status is threatened.

“Organisational change can generate scepticism and resistance in employees, making it sometimes difficult or impossible to implement organisational improvements”.

Resistance may take many forms, including active or passive, overt or covert, individual or organised, aggressive or timid. Symptoms are the specific behaviours individuals exhibit when they are resistant to change.

In order to assist individuals to overcome resistance to change, you need to understand the transition process that people experience during change. The following is an illustration thereof:

Even though the illustrations show that the reactions to change seem to follow a process over time, it is natural for a person to go forward and backward as per the illustration below:
If management does not understand, accept and make an effort to work with resistance, it can undermine even the most well-intentioned and well-conceived change efforts. "Any management’s ability to achieve maximum benefits from change depends in part on how effectively they create and maintain a climate that minimises resistant behaviour and encourages acceptance and support".

In order to facilitate a smooth transition from the old to the new, organisations must be competent in effective change management. The process of change management consists of getting those involved and affected to accept the introduced changes as well as manage any resistance to them.

### 5.2 Resources required for implementation of change (SO5, AC2)

Create a task list by listing all the activities that need to be done. Place the tasks in some form of logical flow - from the beginning to the end of implementing the Best Practice guidelines.

Once a task list has been created, resources should be assigned to each task:
- Estimate the duration of the task
- Identify and assign the resources required to do the task

**✓ Identify Resources**

The resources that you would need to implement Best Practice would include:
- Physical resources (e.g. equipment and tools)
- People
- Time
- Money

You could use the following worksheet as a basis for identifying resources:
By identifying and assigning resources to specific tasks, you ensure that people:

- Are informed and consulted with to gain their buy-in
- Can plan and budget for the implementation
- Are made responsible and accountable for performing the tasks

✓ **Human resources**

The cliché about people being your most valuable asset is true. The most successful companies have realised this and have actively looked at how they can get the most from their employees.

Best Practice organisations enable employees to develop and fulfil their potential.

- "Some of the most effective consultants your organisation could ever hire are already working for you."
- "Employees themselves, more often than not, know what needs to be done to improve operations."

The above quotes are very true; however, it could also be said that in the past a company's employees were their most under-rated and under-used consultants.

The importance of this point cannot be over emphasised. The financial implications of learning from within are an obvious long-term bonus. It is estimated that only 20% of an employee’s skills are utilised. This inefficiency can easily be overcome by training and multi-skilling.

Employees are often in a position to see where improvements to working methods can be made or when market demands are changing. For example, production staff are most likely to be aware of inefficient production processes, while customer service staff are most likely to be aware of common sources of complaints.

Involving employees in reviews and developing open channels of communication can help ensure that you're not overlooking obvious improvements. It can also help you gain employee trust, commitment and buy-in when implementing changes, if employees have been involved in the process.

Good people management extends across all areas of your business. Recruitment, training and people development, working practices and working environment are all areas where Best Practice can benefit both the business and your employees.
Key issues include:

- Actively involving employees in the development of the company
- Communication with employees
- Adopting flexible working policies that encourage equality and diversity
- Employee development and training

Best Practices organisations do all or some of the following to boost employee morale and thus productivity:

- Conduct an annual anonymous employee opinion survey and involve employees in problem-solving on employee concerns after the survey results are scored by an outside consultant.
- Implement flexible working conditions, such as part-time work, job sharing and flexible hours
- One company, located in Hawaii, allows injured employees time to recuperate and helps them ease back into work by doing light-duty work at community non-profit organisations—while receiving their normal compensation.
- Give all employees equal opportunities in terms of all aspects of hiring, promotion, etc.
- One Best Practices company has an innovative approach to hiring: teams that include the position supervisor, another member of the department and someone from an outside department are responsible for all aspects of hiring new employees.
- Incorporate diverse cultures and styles into the workplace
- Offer training and development
- On-site Montessori child-care centres, staffed by master's-level teachers and consulting psychologists, keep employees who are parents satisfied and productive at one New York company.
- Staff facilities, such as a canteen, need to be welcoming and sufficiently large
- One Connecticut company values communication so much that the canteen was purposely placed between the administrative offices and the factory so all levels of employees would convene in one place.
- One Best practices law firm blurs the lines of corporate hierarchy. Non-attorney staffers design their own performance reviews and can evaluate the attorneys too.
- A particular firm in Vermont allows employees to choose the music played in the office, and work areas are painted in vibrant colours. Breaks are encouraged, and the company even lets employees bring pets to work (and offers pet insurance!)

✓ Allocating Responsibilities and Resources

As a manager, you cannot do all the tasks in the implementation plan alone. It is important that you consult with the relevant people before you allocate task responsibilities and resources to individuals / teams within the organisation, which you believe is best suited to perform the tasks.

Once you have agreement from the person that you require to do the task, this person’s line manager, and the physical resource owner that you may use the resources (tools and equipment), you can allocate specific responsibilities and time frames to the person to perform the task. Also provide the person doing the task with the performance measures that you expect to be achieved. This will allow you to measure the quality of the work delivered.
5.3 Create a plan to implement best practices (SO5, AC3)

To draw up a plan that can be used to implement Best Practices, you need to:

- Get input from as many stakeholders as possible
- Identify the required resources
- Develop an implementation plan with the stakeholders that shows:
  - Tasks
  - Responsibilities
  - Timeframes
  - Performance measures
  - Contingency plans

✓ Get Input from Stakeholders

Stakeholders are the individuals, groups, and/or organisations who may have a vested interest in your decision to implement Best Practice guidelines, and who may attempt to influence your decisions and actions as you develop your implementation plan.

- Internal stakeholders - Internal stakeholders are from within the organisation and can include the employees, the management team, specialists, etc.
- External stakeholders - External stakeholders operate outside the organisation and can include organisations from the same industry, accreditation bodies, and various interest groups including customer and consumer groups, etc.
- Interface stakeholders - Interface stakeholders operate across organisational, environmental boundaries. They include such persons as board members from your organisation, staff with cross appointments (consultants) and other similar persons.

Stakeholders can support, or oppose the implementation of the Best Practice guidelines, or even remain neutral throughout the implementation process therefore it is important to:

- Engage key stakeholders early in the process, e.g. to be part of the Best Practice guideline appraisal process.
- Get information from stakeholders that could be very important sources of information such as the extent of the problem, the unmet needs, and the motivation required to address the issue.
Working with the stakeholders would differ, depending on their influence and support, as can be seen in the following diagram:

<table>
<thead>
<tr>
<th>high — stakeholder influence — low</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Will positively affect dissemination and adoption</td>
</tr>
<tr>
<td>■ Need a great deal of attention and information to maintain their buy-in</td>
</tr>
</tbody>
</table>

Strategies
- Collaborate
- Involve and/or provide opportunities where they can be supportive
- Support and nurture
- Encourage feedback
- Prepare for change management
- Empower

<table>
<thead>
<tr>
<th>low — stakeholder support — high</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Can positively affect dissemination and adoption if given attention</td>
</tr>
<tr>
<td>■ Need attention to maintain buy-in and prevent development of neutrality</td>
</tr>
</tbody>
</table>

Strategies
- Collaborate
- Encourage feedback
- Empower with professional status
- Encourage participation
- Prepare for change management
- Involve at some level

A manager would create an implementation plan to control and manage the implementation of Best Practice.

**Managing Best Practice involves:**

- The communication of a clear mission and strategy
- Leadership by example
- The setting of demanding but realistic targets
- An open and communicative management style
- Clear and careful planning

When drawing up the implementation plan, you need to ensure that the plan shows:

- Tasks
- Timeframes
- Responsibilities
- Performance measures (key performance indicators)

This will allow you to confidently manage the implementation of the Best Practice guidelines.

5.4 Plan with reasonable contingencies (SO5, AC4)

The implementation plan that you create would need to provide for contingencies. Contingencies are action plans for rectifying or fixing things when they go wrong. Contingency plans try to eliminate or minimise risk when implementing Best Practice.

All businesses face risks every day. These risks can be managed and turned into opportunities, or they could be a real threat to your business’s success. Risk management is the practice of using processes, methods and tools for managing these risks.

Risk is defined as the probability of an event and its consequences. You can increase your business’ chances of success by having an effective risk management policy and program in place. Identifying risks before they occur allows you to be prepared and to find cost efficient solutions (contingencies), rather than finding solutions urgently when the problem arises.

A risk management process involves:

- Methodically identifying the risks surrounding your business activities
- Assessing the likelihood of an event occurring
- Identifying which events would cause the worst problems and deal with them first
- Understanding how to respond to these events
- Putting in place systems to deal with the consequences
- Monitoring the effectiveness of your risk management approaches and controls
You could use the following worksheet as a basis for identifying risks:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Source (How can the risk occur)</th>
<th>Impact (What is the impact of the risk occurring)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As a result, the process of risk management:

- Improves decision-making, planning and prioritisation
- Allows efficient allocation of capital and resources
- Allows you to anticipate what may go wrong, at best minimising the amount of fire-fighting you have to do or at worst preventing a disaster or serious financial loss
- Significantly improves the probability that you will deliver your business plan on time and to budget

Risk management becomes even more important if your business decides to try something new, such as launching a new product, entering new markets, or implementing Best Practices.

You could use the following worksheet as a basis for assessing risks:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Consequence</th>
<th>Likelihood</th>
<th>Risk Level</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tbody>
</table>

✓ Managing Risks

For each risk identified, you can choose to:
1. **Accept** it, as eliminating the risk would be too costly or the risk is minimal
2. **Transfer** it, usually to an insurance company
3. **Reduce** it through research, new procedures or financial means
4. **Eliminate** it

When you have evaluated and agreed on the actions and procedures to manage the risk, these measures need to be put in place.

Risk management must be an ongoing process to be successful. This allows changes and new factors to be included in the analysis, as well as including knowledge gained through the process.

A risk management policy sets out your business's approach to and appetite for risk and its approach to risk management. Risk management can be assigned to particular employees, rather than left to chance.

Good risk management is an important part of managing and improving your business.

**✓ Preventative Measures**

By managing the potential risks to your business, you will have procedures and tools in place to deal with them if they arise.

Procedures can be complicated contingency plans or be as simple as having money in reserve for later cash flow problems. Preventative measures such as backing up computer data and installing fire sprinklers are also useful.

Business contingency or continuity plans set out what to do if a certain event happens. These plans don't prevent the event occurring, but they help to minimise disruption to your business afterwards. A plan listing alternative premises or suppliers, for instance, will save time after a fire affects your business.

As your business changes and grows, the potential risks will also change - some will become more significant and others will become irrelevant. Regular review of your management practices will identify any areas that need improvement or that are no longer required.

**5.5 Monitor, record and evaluate the implementation (SO5, AC5)**

As you progress through the plan for Best Practice implementation, you need to keep a close eye on the progress of your plan.

- Set specific dates for progress meetings with all the resources involved in the implementation of the plan.
- Get feedback about the progress of the tasks and any issues that the resources might have in completing the tasks.
- Implement any contingency plans when tasks start falling behind schedule.

**✓ Taking action on issues from feedback**

Planning is a continuous process when you implementing a plan. The following diagram illustrates it:
Formative Assessment 5: SO5