
Why Continuous Improvement Is Not Enough

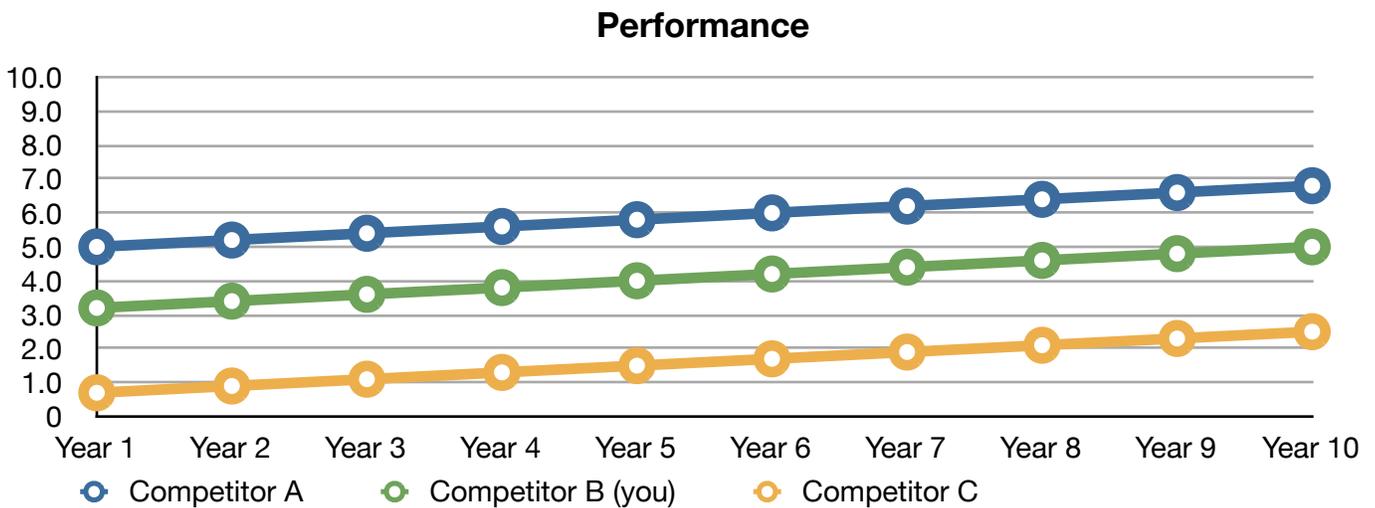
Winning in business is about beating the competition. Its about being so good at serving your market that experienced people in your industry scratch their heads and ask, “How do they do that?”. Some competitors may even accuse you of cheating! That’s great, so long as you’re not, because as long as they think that they are not doing what they need to do to catch up.

So you have been making a concerted and sustained effort to improve your operation, maybe for years. Yet, despite your persistence, you never quite get good enough to surpass your closest competitors, much less those that dominate your industry.

Or maybe your efforts at continuous improvement have been hit or miss over the years. ‘Life’ or ‘business’ has a habit of getting in the way of your focus on getting better and before you know it ten years have gone by. Have you ever looked around and thought, “How did we get here? This isn’t where I hoped we’d be by now.”

If either of these two scenarios seem familiar you have company... lots of company! Most business leaders understand the need to continually work at improving their operation. Most understand the long-term benefits of creating a culture that is always on the lookout for better ways to do things. The issue that most of those same leaders have is that they are too busy working ‘in’ the business and spend far too little time working ‘on’ the business. Working ‘on’ the business means taking a critical look at every function within the company and asking “Are we the best?”. If the answer is ‘No’... and trust me, after thirty years of working with companies in a multitude of industries, the answer is ALWAYS no... then just trying to ‘tweak’ things here and there won’t get you to the top of the heap. After all, your competitors have been busy tweaking things in their own operations all along too. So a comparison might look something like this:





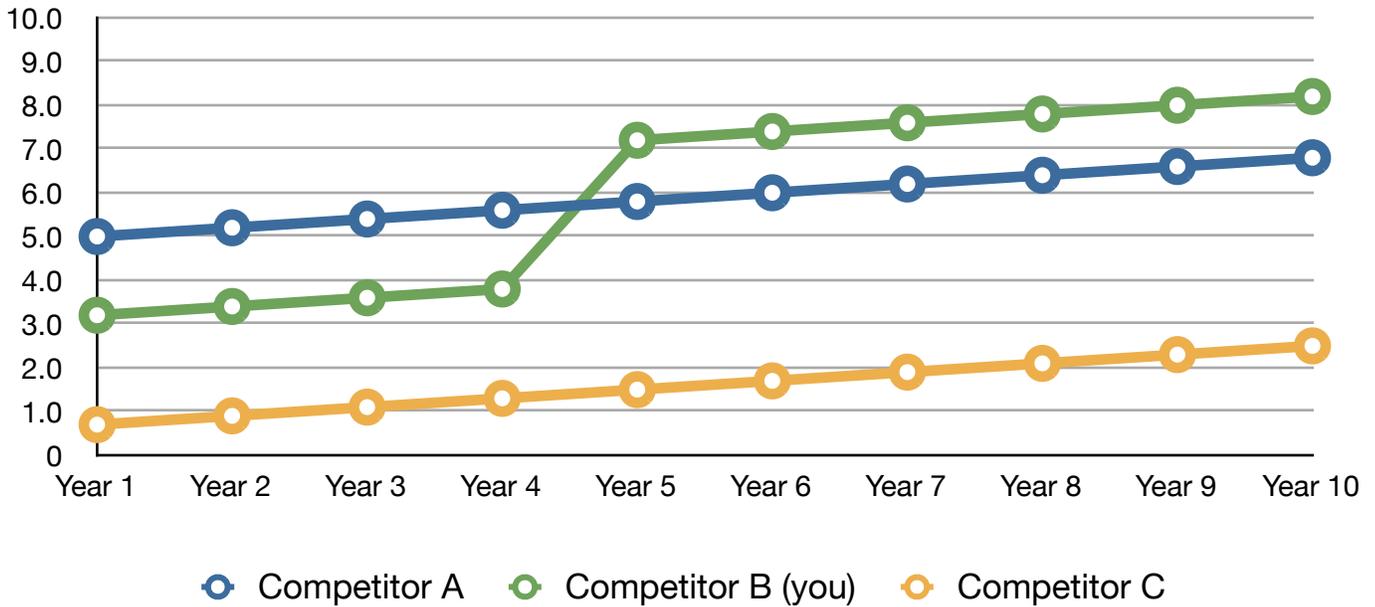
Given this history, what are the chances you will catch or surpass Competitor A if you keep doing what you have been doing?

As long as you and your competitors maintain a solely 'continuous improvement' mindset, this scenario could go on forever. Of course there may well be glitches here and there, for both you and your competitors, that skew the curve occasionally. Still, time has a way of leveling that playing field, and never giving anyone a clear advantage.

I should stop here to clarify that I am not putting down the idea of continuous improvement, I am after all the founder of the Center for Continuous Improvement for crying out loud! Continuous improvement is a must in any organization. The premise of this article is that C.I. alone is not enough to catapult you beyond the competition and keep you there. To achieve that you need to take action that creates massive improvements over a short period of time. We call it a 'step-change' strategy, the result of which looks like this:



Performance



The beauty (and profit) of this approach is that once you make the step-change it gives you a permanent advantage over your competition. Why? Unless they also decide to go through the step-change process themselves they can never overtake you. And, even if they do, you already have the experience and ability to do it again... faster and easier than the first time!

What's the key to winning using the step-change strategy? He who does it first wins! That's right, speed is a huge competitive advantage. The company that gets there first will always have the upper hand.

So I hope you can see that while continuous improvement is a viable and necessary strategy, it isn't enough to put you out in front of the pack. What you need is a step-change in performance. We'll discuss the steps to get you there in next month's issue of 'On-Purpose'.

