ABSTRACT

In the previous KnowBoTs on CDVC, we discussed the importance of breaking the silos between organizational functions and helping the client to move upwards in the maturity matrix. The CDVC Model helps a great deal in assessing the current situation from the perspectives of process, people and technology. Based on this assessment, every organization will set a vision to achieve specific results in a defined time frame. The last thing one would want is a gap between the desired vision and the perceived results. The Shingo Model™ introduces us to the guiding principles that set a premise for any excellence initiative to achieve ideal results.

Typically, the dialogue within organizations about improvement initiatives focusses on making the best use of available systems and tools to achieve the desired results. Every business function across the value chain is dependent on different systems that help them to understand how a process can be made more efficient. This becomes a culture that provides certain results.

As such, every organization has its own culture and behaviors which achieves results through people. If the organization wishes to change those results, it will necessarily have to change the culture and behavior of their people; and only principles can inform the ideal behaviors required to achieve ideal results.

Read on to know more about The Shingo Model™, and why the guiding principles are essential to build behaviors that will eventually drive the excellence journey.
Introducing the Shingo Model™

What do organizations strive for? ...profits - like in the case of a multinational manufacturer? Or ...growth - in terms of volume for a hospital chain? Or ...followers - for a social media giant? Clearly, different industries will strive for different Results! The results are achieved through refined Tools enabled by selected Systems. For example: the hotel industry is widely using the visual management system in rooms/suites to enhance customer experience by using tools like 5S or Kanban; or visually appealing to save water, energy and even their laundry bills. Every company uses their own set of tools and systems that help create value for the customer by achieving the desired results. We see many organizations investing heavily in systems like TPM (Total Productive Maintenance), TQM (Total Quality Management), Lean, Six-Sigma, Business Process Re-engineering, etc. Yet, different organizations get different results that determine their position on the maturity levels within the CDVC framework.

Similarly, every company also has a set of Core Values that define the company Culture. The Behaviors of people working there are the tangible aspect of this culture. For instance, by creating a tool-oriented culture, often people are left without having the opportunity to innovate from within. These organizations can never sufficiently release the full potential of their people. To be competitive, organizations should understand the strength of their culture and behavior to know whether they will achieve the targeted results.
This concept has been studied in depth and formulated by the Shingo institute into the Shingo Model™. The model is based on the writings of Dr. Shigeo Shingo who invented with Taiichi Ohno the Toyota Production System. The Shingo Model™ introduces the key concept of Guiding Principles and their strength to drive affirmative results. It also provides a framework on which leaders are able to build a culture of sustainable excellence. For organizations to be successful over the long term, leaders must deeply and personally understand the principles that govern their success. Furthermore, they must ensure that the behaviors of every person who contributes to the business are in harmony with these principles. In short, the organizational culture they build must be grounded in the correct principles.

**Principle Centered Behavior**

One of the most common errors committed by organizations, is to allow a culture that promotes unrelenting reliance on specific tools and systems to drive their improvement initiatives. The problem with a tool-oriented approach is that it only focuses on the 'how' we do it without adequately answering the 'why' we do it. The Why to any improvement journey gives the clarity of vision and purpose; and only these principles can inform the ideal behaviors required to achieve ideal results.

Dr. Stephen Covey (*Source: The 7 Habits of Highly Effective People, 1989*) has described Principles as fundamental truths that are universally understood, timeless in their meaning and categorically undisputed, because they are self-evident. Over the past century, many thought leaders have penned down their own version of principles of excellence. Shingo Institute chose the 10 most appropriate, known as the Guiding Principles, and listed them under Four Dimensions. Each principle helps to define individual behavior that in turn creates a larger organizational culture inherent to achieve excellence.
Dimension One: Cultural Enablers

At the bottom of the pyramid are the cultural enablers of Respect and Humility; these form the foundation of any human behaviour. Respect must be deeply felt for and by every person in the organization. When people feel respected, they give far more than their hands - they give their minds and hearts. Therefore, when we always place safety first or when we empower people to act independently and keep all our key communications open, we follow the principle of Respect Every Individual. Humility is another enabling principle that precedes learning and improvement. A leader's willingness to seek input, listen carefully and continuously learn creates an environment where associates feel respected and energized and are able to contribute freely of their creative abilities. When we Lead with Humility, we accept responsibility, enable change and become open to good ideas and innovation from anyone in the organization. We seek, trust and follow the direction of those with a responsibility to lead.

To develop a culture of mutual respect and humility takes a consistent commitment over a sustained period of time.
Dimension Two: Continuous Improvement

The Shingo Model™ lists five very important principles to continuously improve. The first principle of this dimension, to Seek Perfection, is like an engine that keeps the improvement journey energized and progressively moving forward. It is critical to understand that continuous process improvement has no end; it is a journey to pursue perfection without really expecting to find it. Followers of this principle admit that no process is perfect. They acknowledge that the more a process is observed the more waste will be seen and hence provide ample opportunities for improvement.

Focus on Process recognizes that all outputs, whether product or service, are created by processes acting upon inputs. This simple truth is often overlooked: good processes will produce the intended output, if proper inputs are provided. This principle also supports the cultural enablers, creating an environment where learning from mistakes can become a powerful element of continuous improvement. When we focus on process, we forego the tendency to find fault in people for an undesirable output. Better that we pursue the real fallout – process, that allowed the mistake to be made.

The focus remains on problem solving efforts on the process rather than on people. This focus leads to Embrace Scientific Thinking, a natural method for learning and the most effective approach to improvement through problem solving. EFESO deploys a variety of tools and systems such as PDCA (Plan, Do, Check and Act), the QI (Quality Improvement) Story, DMAIC (Define, Measure, Analyze, Improve and Control) among others to help our clients in their continuous improvement journey. We improve processes by creating hypothesis, conducting experiments, creating standards and continuously evolving through new learning.

Flow & Pull Value is a combination of two principles – Flow and Pull. Flow thinking is the focus on shortening the lead-time in the entire value stream from start to finish by removing all barriers (waste) that impede the creation of value and its delivery to the customer. Pull is the concept of matching the rate of production to the level of demand. This principle can help us achieve consistent quality with fewer defects, attain on-time delivery and flexibility with lower costs. It also ensures that daily and weekly results become more consistent and predictable. The focus of the fifth principle in the continuous improvement dimension is to Assure Quality at Source. Organizations must commit to stop and fix the defect-creating processes instead of keeping products or services moving while planning to fix the issue later. Our behaviour to support this principle is to not let the defects move forward. We do error-proofing or Poke-Yoke whenever a quality issue is detected. The aim is to use the human element in the process for thinking, analysing, problem solving and the implementation of countermeasures to get work done right the first time.

*Continuous Improvement culture requires a system built on scientific thinking, with more emphasis on cycles of learning than on perfect plans.*
Dimension Three: Enterprise Alignment

The third dimension stresses the principles that will bring an enterprise-wide alignment to the vision of the organization. We **Think Systemically** when the focus is on the whole system, including the interactions and relationships within the system. Decisions or improvements are not restricted to silos, but rather spread across functions in the value chain. It creates a behaviour of 'looking into things' or Analysing by taking things apart to see what can be learned from the various components. It also assists to 'look out of things' or Synthesize by focussing on how things might work together. In this process, we can understand the relationships and interconnectedness within a system and thereby make better decisions and improvements.

We can **Create Constancy of Purpose**, when there exists a sense of the direction. When tactical decisions require a temporary detour, we understand why and contribute to getting back on track guided by principles that are universal, timeless and self-evident laws governing the consequences of our actions. Each individual behaviour and performance metric is aligned broadly and deeply with the goal and purpose of the organization.

*A clarity on why the organization exists, where it is going, and how it will get there enables people to align their actions, innovate, adapt and take risks with greater confidence.*

Dimension Four: Results

Does results necessarily mean undeterred focus on cost? If the customer is willing to pay a premium for high quality, does it make sense to compromise on that front with the pure intention of cost-saving? Any organization should strictly link its results to **Create Value for the Customer**, which can be a function of quality, cost, delivery, safety or morale. EFESO has successfully used the **CDVC model** and Value Stream Mapping to clearly define the True-North concept and understand value from the customer's perspective. We have successfully aligned behaviours with performance to constantly evaluate the correctness of our own values relative to customer expectations. Value can truly be created when we are able to identify cause and effect relationships to determine what linkages work and how goals can be achieved; a concept similar to root-cause-analysis but applied to creating value.

**Ideal Results Require Ideal Behaviours.**

*Purpose and Systems drive Behaviour.*

**Principles Inform Ideal Behaviours.**
EFESO is proud to have supported many organizations to have attained success through our progression excellence initiatives. Our in-depth knowledge and capability have been highly appreciated by our clients however, some of them have struggled to maintain pace and sustain the results. Even the best of systems can be bypassed and tools misused, in the absence of a strong culture. For organizations to be successful over the long term, leaders must deeply understand the principles that govern their success and ensure that the behaviour of every person is in harmony with them. Progression Excellence is possible when organizational culture is firmly grounded in the “guiding principles”.

That is why EFESO integrates the Shingo Model™ in our offerings. As a result, we have a very strong progression plan to convert these principles into behaviors and culture of an organization wishing to move to the next maturity level in the CDVC Model. This philosophy has allowed one of our clients to achieve the prestigious Shingo Silver Medallion.

**Shingo Silver Medallion – Visteon Electronics India (VEI)**

In the 3 years of consulting support given to Visteon’s Chennai plant (one of South Asia's largest Electronics groups) in their Shingo Excellence journey, EFESO has been able to anchor a cultural shift through positive engagement and introduce systems and tools that have created ideal behaviours. The Shingo Awards Committee acknowledged the high level of employee engagement and energy shown in identifying and implementing improvement ideas as a best practice that organizations around the world can benchmark. The current level of employee engagement in meeting continuous improvement expectations is a benchmark for other industries.
EFESO is a Licensed Affiliate of the Shingo Institute whose aim is to guide business leaders in shaping sustainable cultures of excellence based on timeless principles.

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KnowBoTs are ideas that will inspire and empower you to progress faster; by improving your results today, securing your results tomorrow.
“Improving results today, securing results for tomorrow” means achieving tangible business results and simultaneously developing the capabilities, leadership and culture to continue progressing faster than competition.

EFESO Consulting brings more than 35 years’ experience and thought leadership, supporting many of the leading global brands in both mature and emerging markets.

We are a group of over 400 experienced consultants representing 45 nationalities, operating from 26 offices around the world with a strong presence in Europe, USA, South America, Middle East, Africa and Asia.

Our people bring together hands-on experience and expertise spanning sectors and functional capabilities and, in an engaging and sustainable way, we partner with our Clients on their progression Journey.