



Secrets to Implementing Best Practices

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1. Introduction
2. Why Change?
3. The Current Situation
4. The Human Condition
5. What is Holding you Back?
6. Questions

**Implemented Strategy DRAMATICALLY &
MEASURABLY Improves Results**

TODAY'S DISCUSSION

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INTRODUCTION



- MRSI is a Process Benchmarking firm committed to delivering lasting valuable change to businesses.
- We take leaders from where they are now to where they want to be so they can achieve their goals.
- We are headquartered in Toronto and have been working with companies in the area since the 1990's.

TODAY'S DISCUSSION



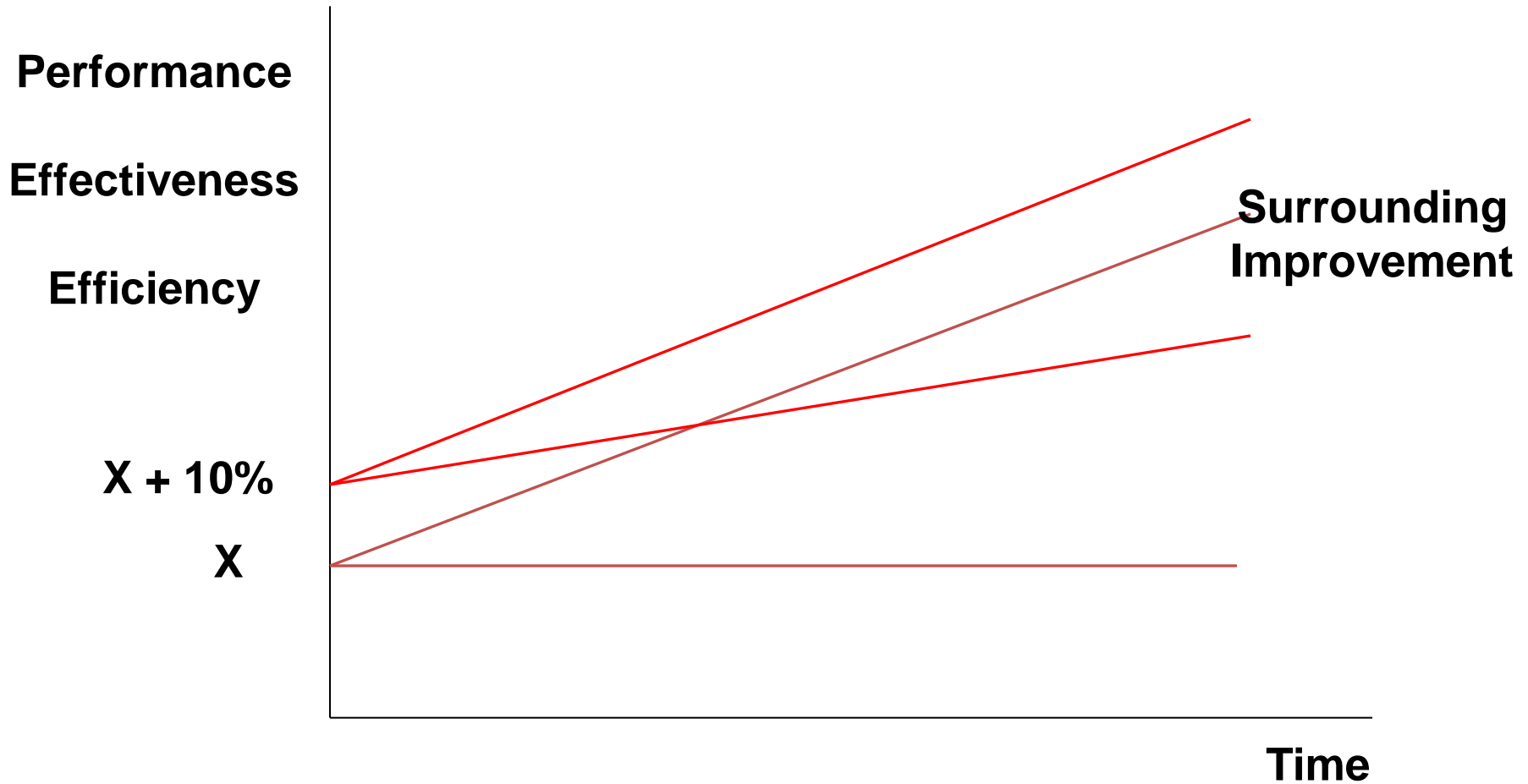
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Why Change?

1. Advances in research
2. Technological advances
3. Impact of current economic conditions
4. Process Benchmarking and 'Best Practices'
5. Imposed need

Why Change?



- Build a common vocabulary
- Stimulate creativity
- Tool for addressing complexity

Carpenter's Adage:
Measure twice: Cut once.

- Comparing against standards to uncover “Performance Gaps”
- Often, comparing “Results”
 - Profitability rates
 - Revenues per employee
 - Overhead, growth rates, etc.
- “Competitive Benchmarking”

Competitive Benchmarking



- Sourced from Gov't statistics, Trade Groups, etc.
- “Apples to apples”
 - Industry, sub-industry and often size specific
- Limitations
 - Reliable information is tough to get
 - Information is discounted (sub-industry, economy, finance, etc.)
- When information reliable and valuable questions remain:
 - Is it a real gap? (Accounting Method?)
 - *WHY* is my performance better or worse?

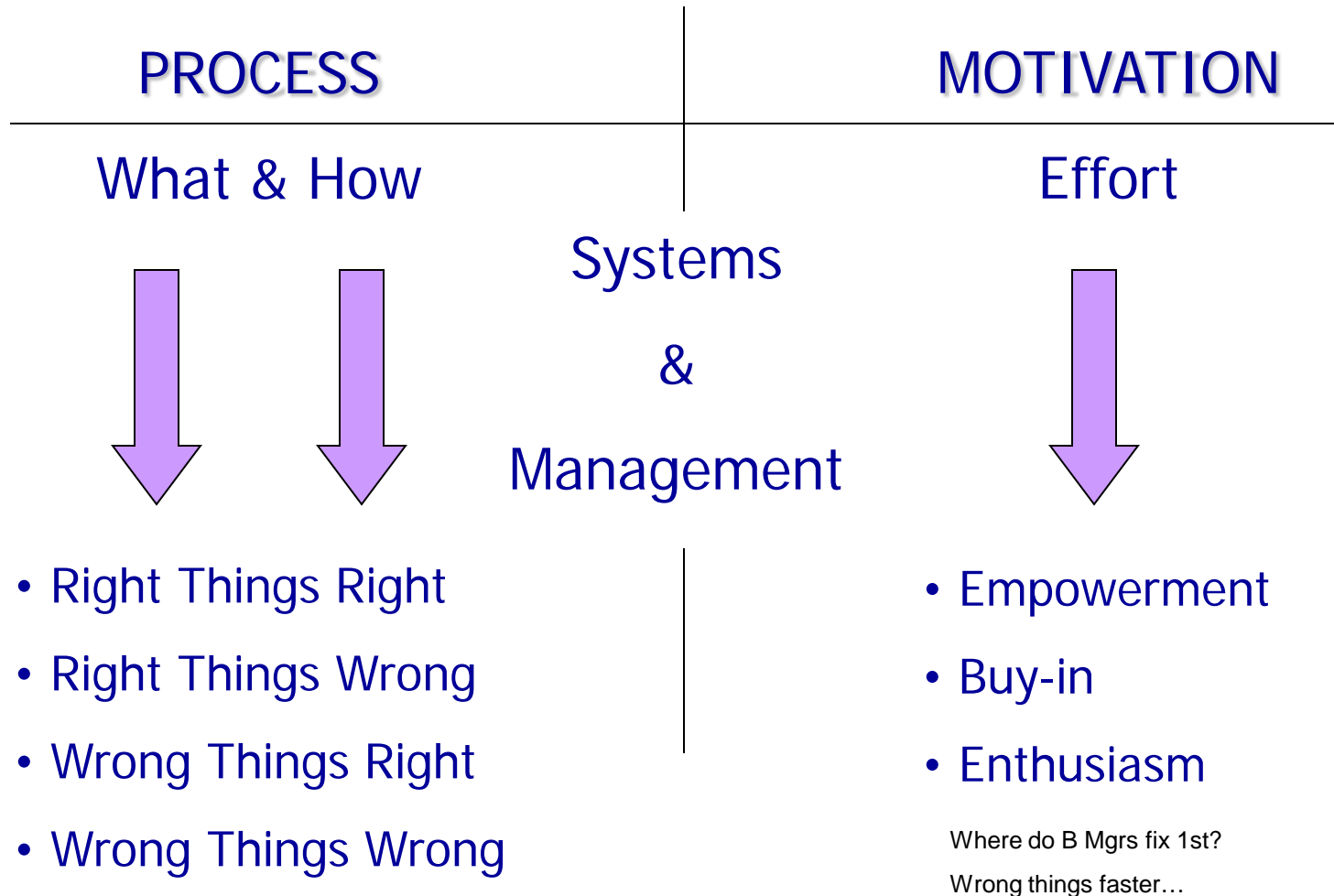
Process Benchmarking

- Methods and activities; **how** a result is obtained
- “Best Practice” methods are statistically linked to:
 - Best results,
 - Consistently
- About potential; not about the past
- Not limited by industry

Process Benchmarking

- Methods carry a predictive value
 - Methods suggest a result
 - Better methods? Increased likelihood of better results
 - Prediction is a probability, not a certainty

Process vs. Motivation



“Here”

- Not an accident!!
- Created using best thinking and under the circumstances ***at the time it was created***
- Reflects thinking, values, habits of the leadership and employees
- Existing forces (thinking, values, habits of most everyone) support and maintain this state



“Here” to “There”



Learning about Best Practices



- Why don't the Best Practices for educating about Best Practices start with discussing the relevant Best Practices?
- Knowing what the Best Practices are hasn't helped; it's had very little impact on successfully implementing them

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Consider: Weight Loss

- Each year, about 95 M people report that they try to lose weight
- 42% of dieters “drop out” of their programs within 3 months
- 18% of dieters achieve initial weight loss targets
- Less than one third (5% overall) of these “successes” maintain their weight loss for 2 years



Consider: Weight Loss

- Why is the performance so poor?
- Dieters, population as a whole, are generally informed as to Better Dieting Practices
 - Don't eat after 7 pm
 - Exercise
 - Eat fiber, fruits, vegetables, whole grains
 - Control Portions , etc., etc.

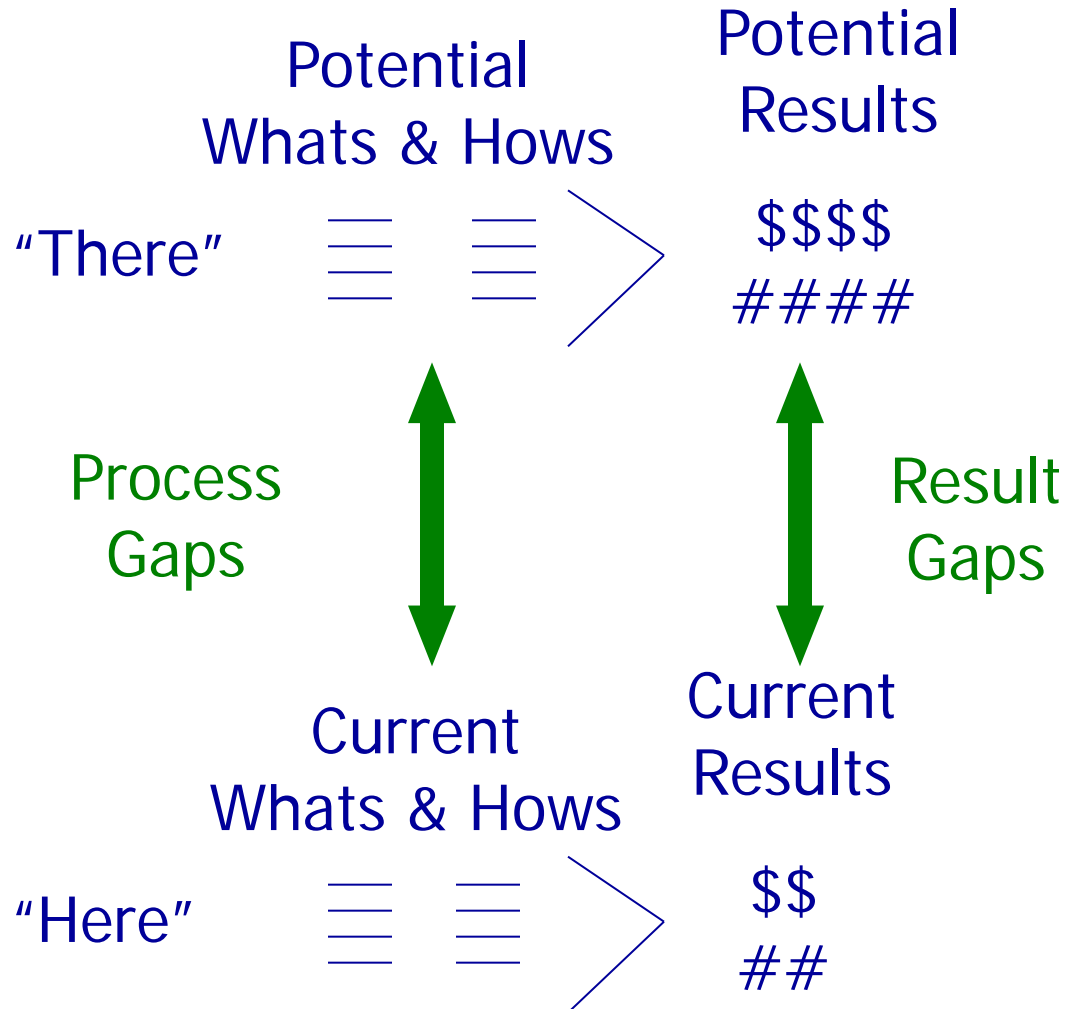
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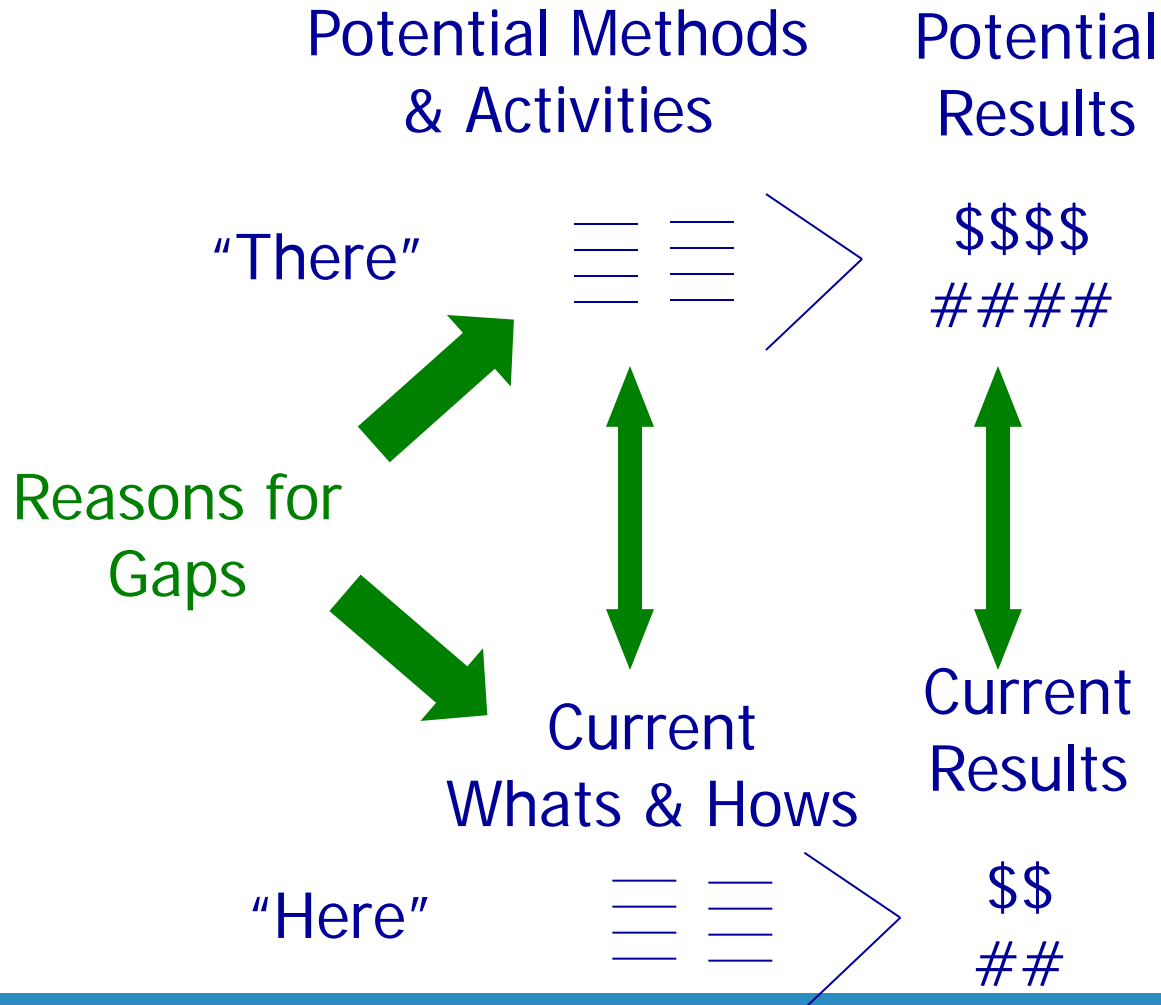
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“Here” to “There”



Reasons for Gaps



Reasons for Gaps

- 120 types of gaps and counting...
 1. Intellectual
 - Not knowing/wrong thinking about Best Practices
 - Not knowing/wrong thinking about Current Practices
 2. Emotional
 - Especially negative emotions such as fear
 - Fear of change; fear of not changing, etc.

Reasons for Gaps

3. Habits

- Employees: Daily, weekly routines
- Customer habits
- Vendor habits

4. Conditions

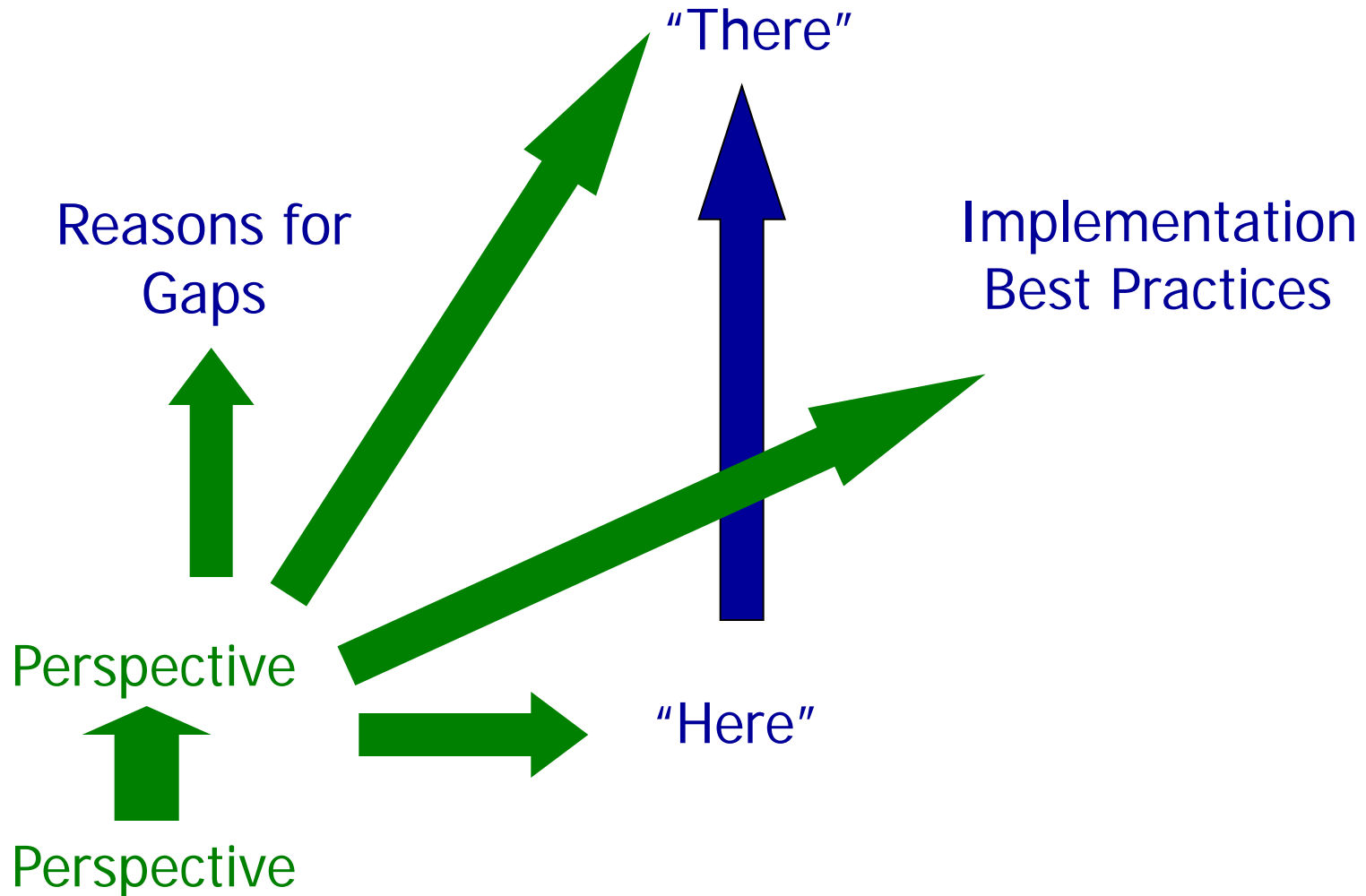
- Combination of other areas

Catch 22 Nature of Gaps:

Thing that causes the problem, gets in the way of the solution:

- Limited time? Access?
- Process vs people orientation? (greatest strength)
- Trouble making decisions?
- Babe Ruth

Role of Perspective



Barriers to Successful Organizational

- Why is success (15%) so rare?
 - Incrementalism vs ‘End in Mind’
 - Poor Planning
 - Too much emphasis on Whats, too little on Hows
 - Lack of awareness of Reasons for Gaps and recurring patterns
 - Poor leadership skills
 - Many Best Practices are counter-intuitive
 - Velocity issues

TODAY'S DISCUSSION



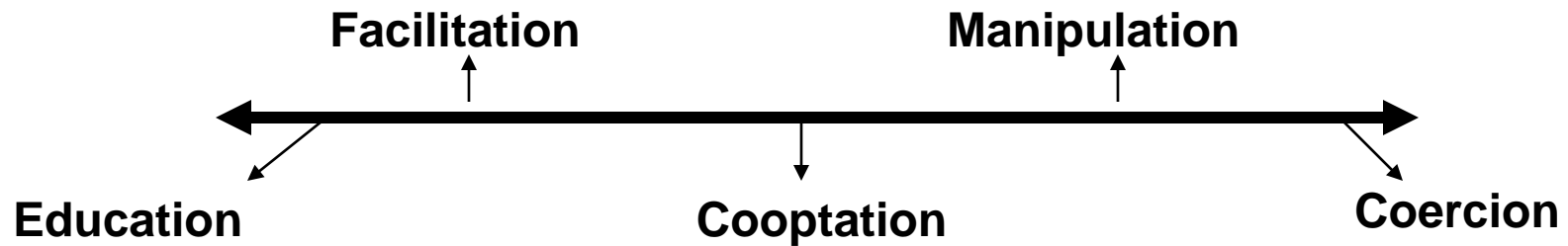
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- What can help leaders identify the Right Things?
- Where to start?
- Insatiable curiosity
- Today's abundance of Information leads to a poverty of attention



What's your style?



1 Velocity and Buy-in Tradeoffs

2 Design vs. Execution Consideration

3 Different Styles for Different Positions



Requirements of a Plan

Step 1:

Objectives

Goals

“Begin with
the End in
mind...”

Step 2:

Strategies

Activities,
Processes
&
Procedures

Step 3:

Accountability

Delegation &
Ownership of
Processes &
Procedures

Step 4:

Monitoring

Projecting
&
Measuring
Inputs &
Outputs

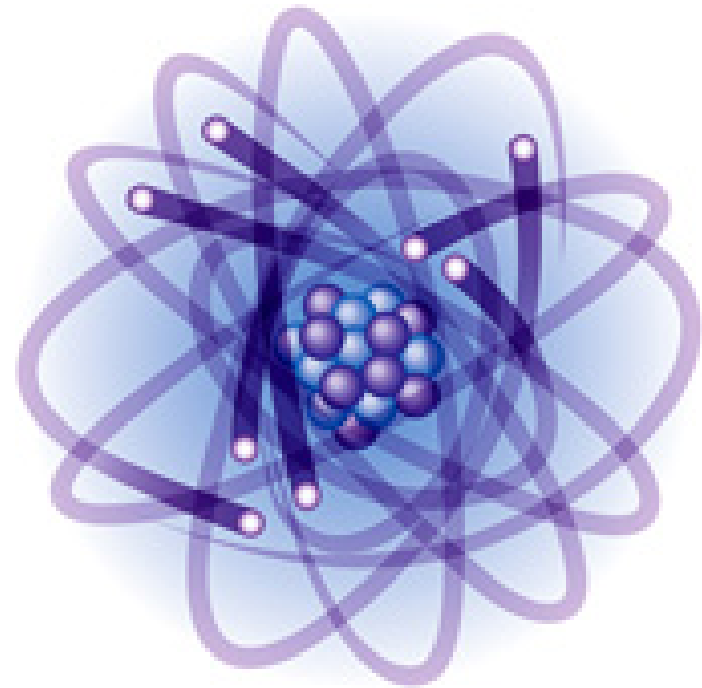
Step 5:

Consequences

Evaluating
Assumptions,
Structure &
Results

OXYGEN

1. Room for Improvement
2. Means Predict Ends
3. Reasons for Gaps
4. Value Equation
5. Important Things are Treated Importantly



What's your plan?

- Document a Plan
 - Describe the “There” state (where you are going)
 - Best Practices to be implemented
 - Identify organizational practices needed to support system
 - Identify benchmarks and measures
 - Identify barriers (“Reasons for Gaps”)
 - Identify role of leadership and change agents
- Utilize your resources
 - Internal
 - External



Who's your team?

- Internal Implementation team
 - Do it yourself (lead by CEO/President)
 - Delegated implementation
 - Recruited implementor
- Implement using a 3rd party
 - Leveraged Implementation
 - Structured Planning
 - Armchair Implementation



Key Take-Away

- Chance to do more?
- Know more?
- Role to play?

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What's Holding *You* Back?

To Learn More

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