



enlighten 

The Unified Strategy for Performance Improvement

Achieving operational excellence by focusing on what truly matters: capability, capacity, culture and customer.

Note to industry

The key to business success is through constant and consistent process optimisation as this ensures a steady rate of improvement, leading to better results. Many business leaders are already aware of the positive effects that operational excellence (OPEX) can bring and have endeavoured to develop frameworks and strategies to boost their performance.

Today, having these improvement strategies in place has never been more important against the backdrop of rapid workplace transformation, changing geopolitical landscapes and fluctuating markets. The pursuit of OPEX has therefore become paramount to enable growth regardless of the current business climate.

Businesses now actively cultivate OPEX to raise productivity, improve efficiencies, reduce waste and more – in short, to maximise the value they can obtain from what they have.

They must also train for what they do not have in preparation for changing workplace demands. For instance, the rising push for decarbonisation is transforming how we work, leading to a growing demand for new skills and knowledge in sustainability that do not yet exist. These unpredictable factors require businesses to maximise their workforce while remaining as adaptable as possible. This can be done by focusing on what we call the 4Cs: Customer, Capability, Capacity and Culture.

So how can Australia build capabilities in business and create capacity, to enable businesses to do more with what we have? Businesses need to look internally to become more sustainable and profitable; focus on their people and processes – and that's where the 4Cs come in.



Jeff Smith

Chief Global Delivery Officer
at Enlighten



According to the 2022 Global Culture Research Report by The Society for Human Resource Management, Australian workers are experiencing higher rates of work dissatisfaction compared to the global average. Around 28% of Australian employees believe that their organisations do not care about them as people compared to the global average of 22%.

Key takeaways

The 4Cs are essential in developing a high-performing organisation so that it can achieve enduring success even in trying times. However, an underlying foundation of a Single Source of Truth is necessary and vital for business leaders to effectively focus on these four important aspects.

Start with a customer focus.

This is the purpose of the business; the reason we turn up every day for work. By ensuring that workers are aligned with a customer-centric purpose, business leaders will be able to bring them on the journey of enhancing the customer experience. Without the focus on customer outcomes, work just revolves around being busy with processes without producing meaningful results for the business or customer.

Analyse business capability and understand how to improve it.

The war for talent has become more intense in recent years. With constant technological and process evolution, people will need to develop the relevant skills and capabilities to keep up. By providing opportunities for people to upskill and reskill, businesses can enable a boost in not just current capability, but also potential capability over time. This positive environment where diversity, inclusivity and development are encouraged will lead to an increase in business capacity.

This will then help to create capacity...

By understanding and developing our capability we then create capacity. Increased capacity allows us to focus on the customer and deliver a superior customer experience through higher service quality and efficiency. These enhancements enable businesses to achieve growth while keeping expenses low, delivering a balanced scorecard of operational performance.

...Which will lead to a high-performing culture.

Through the development of a resilient, profitable business, people in the team have a sense of security in the workplace. Employees and the organisation as a whole benefit from a high-performing culture built on continuous improvement; which involves celebrating successes, removing barriers from getting work done, and fostering a diverse, equitable and inclusive work environment that enables greater engagement and productivity.

Key themes

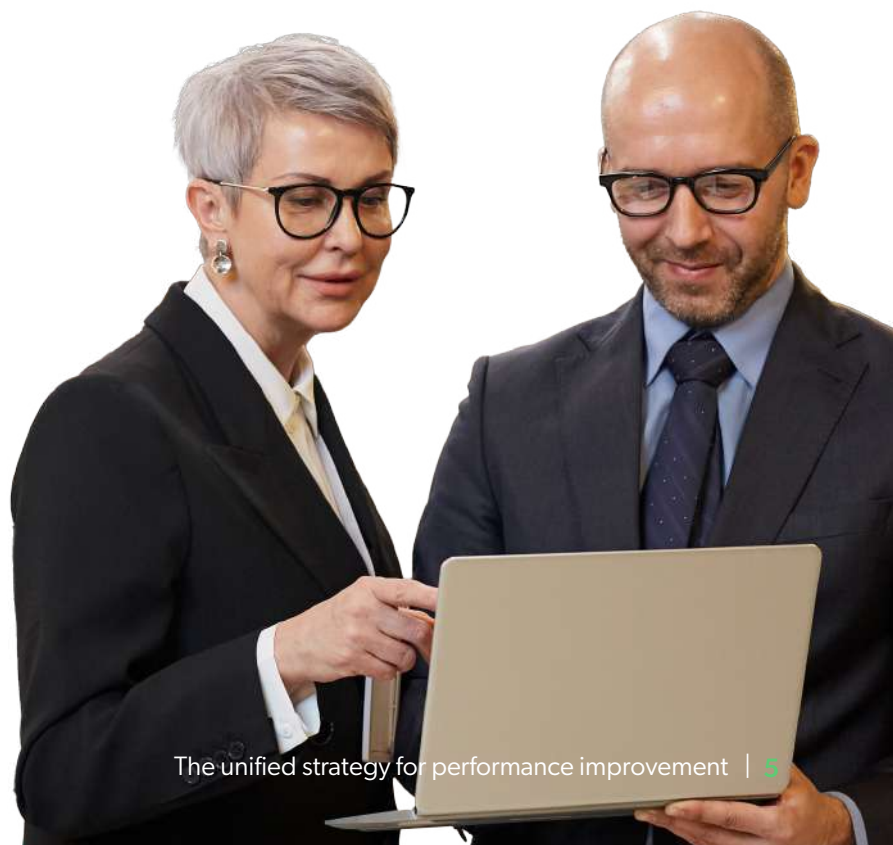
Customer: ensuring an exceptional experience

Shifting expectations and needs of customers have created a tougher environment for employees, as they now expect seamless customer service experiences. This is further exacerbated by the ease of finding alternative options, thus making customer loyalty even harder to achieve. To top it off, many businesses are blind to this fact and aren't aware that there is a misalignment in perceived customer satisfaction.

An alarming 94% of marketers believe that their companies are doing a good or excellent job when it comes to delivering a positive customer experience – a stark difference when compared to the only 26% of consumers who feel the same way. While this gulf is gradually narrowing as more companies identify the gaps they need to fill, more must be done by many businesses to ensure customer-centricity remains a priority.

By putting the customer at the centre of the business strategy, business leaders can foster greater alignment across the organisation and bring people, both employees and customers, along with them as the business grows and develops over time. This focus also provides the dual advantage of giving employee engagement a boost while avoiding potentially significant financial losses – over \$100 billion annually in Australia – due to a poor customer service experience.

So, how can this be achieved more efficiently and easily? As digital transformation maintains its frenetic pace throughout the world, the answer could lie in new tools such as automation, enhanced personalisation and generative artificial intelligence (AI) leading the charge in this digital-first customer experience strategy. A recent survey found that 72% of consumers worldwide have positive sentiments regarding generative AI, believing that it will improve customer experiences. Furthermore, thanks to advancements in AI like ChatGPT, conventional chatbots of today will evolve and become more natural-sounding and personalised, able to resolve complex customer issues more quickly and delivering a hassle-free customer service experience.





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Capability: preparing for the present and future

True customer-centricity requires a change in mindset towards becoming more capability-based. By doing so, business leaders can identify and understand what their current capabilities and limitations are, and where they can improve.

In an increasingly digitalised world, developing the right capabilities means gaining the appropriate digital literacy to deliver better business results. Unfortunately, despite Australia being a highly digitalised country with citizens who are largely digital natives, only 26% of Australian citizens consider themselves very prepared for today's modern working landscape according to the Salesforce Global Digital Skills Index, highlighting the urgent need to build up the essential digital capabilities of the workforce. As such, training and development opportunities are crucial for growing the skills of the workforce.

This cannot be more evident than within government agencies. The lack of substantial training has played a part in impeding the potential growth of staff capabilities, resulting in vacancies that are left unfilled. On average, it has been found that these vacancies can only be filled after one to four months, resulting in a lack of workforce optimisation and efficiency.

As the limited pool of talent and skilled labour becomes even smaller, increased competitiveness between businesses across industries, sectors and geographies is expected as they vie for the people with the skills and knowledge they need. Thus, existing talent and resources should be considered prized assets that are worth investing in to fortify and elevate their capabilities.

One way to do this is reskilling and upskilling. Investing in strong learning and development frameworks and systems will help build a talent pipeline internally to keep the workforce strong and resilient by supporting staff to grow and hone new skills.

Without these growth opportunities, employees may feel dissatisfied and disengaged, leading to lower retention rates. In fact, as much as 93% of CEOs have experienced greater workforce resilience, increased productivity and better acquisition and retention rates after providing upskilling opportunities for their employees. Moreover, more than nine in 10 workers have indicated that they would stay longer in companies if reskilling and internal mobility opportunities were provided.

But more than that, strong learning and development structures in an organisation contribute to a culture of continuous improvement and growth, which in turn fuels OPEX.

Additionally, business leaders also need to determine how to remove barriers that are in the way of employees accomplishing their objectives and goals, which involves active listening and gaining an understanding of what these obstacles are, then assessing how to overcome them.

Cultivating a diverse, equitable and inclusive workplace is also key to building capability in the organisation, as a diverse workforce often has a broader range of skills and knowledge, making the workforce stronger.



Gallup finds that organisations who have made a strategic investment in employee development report 11% greater profitability and are twice as likely to retain their employees.

Capacity: finding the Goldilocks zone

Once business leaders address how they can improve their current and future capabilities, they will find that they have increased capacity. In other words, the business can do more with its existing resources.

While it is tempting to tap additional resources to maximise output, it can be to the detriment of your workers' well-being, leading to poorer productivity and performance. Similarly, an abundance of resources that are not used effectively can lead to inefficiencies and poorer outcomes. This is why a business capacity balance must be found for truly optimal outcomes.

In general, businesses need to avoid both understaffing – which could tip over into a capacity crisis and hence lead to unhappiness, disengagement and fatigue – and overstaffing, which leads to increased costs without much increase in productivity or efficiency.

The dangers of both are clear to see; with many companies downsizing, more workers have taken on more tasks than they can handle, leading to increased burnout, reduced service quality and a greater inclination to quit due to the added stress. One study found that around 63% of workers were prepared to leave their jobs due to higher stress levels. On the other hand, having too many workers can lead to a drop in morale, lower productivity, higher turnover and more, with some studies suggesting that having too little work results in demotivation and reduced performance.

To combat these scenarios, business leaders should focus on building the capability of the existing workforce and increase capacity through internal channels so that the workforce becomes stronger and more able to cope with more – and often more complex – situations more easily and effectively. In addition, expanding capacity through other means like adopting new digital solutions to narrow the capacity gap can lower costs while maintaining or increasing customer service quality, with around 89% of business leaders getting positive customer experience results from digital engagements.

With a customer-centric approach, businesses can apply metrics to determine where they stand, and develop plans and roadmaps to get them get where they want to be. This usually involves improving quality, efficiency, productivity and more, working to build a balanced scorecard of operational performance – all of which lead to enhanced profitability and better business outcomes.

Ultimately, finding the right balance and developing your workforce so that it has both the capacity to react and adapt to unforeseen circumstances while also providing sufficient engagement and motivation to workers is a top priority.

Culture: fostering growth and engagement

A positive workplace environment that is open to change and welcomes continuous improvement is one that celebrates successes while encouraging people to look at what can be improved, then moving forward together to grow and become better. Through building capability and increasing capacity, businesses can achieve this improvement, becoming high-performing, sustainable, profitable and resilient organisations. This provides people in the organisation with a sense of stability and security, and cultivates an environment that facilitates better engagement and alignment.

The effect of having a positive workplace culture on performance and productivity therefore cannot be understated. The question is, how can business leaders lead the way in effectively this culture?

Some organisations build a positive workplace culture by taking a consultative approach with their employees. This leads to greater autonomy and engagement, thus promoting employee involvement in decision-making. In fact, a study by the University of Birmingham Business School found that workers experienced higher job satisfaction and better well-being when given greater autonomy in their work.

Greater autonomy, in turn, encourages employees to be more actively part of the organisation's growth and development. This fosters greater employee engagement and motivates the employee to care, to grow along with the business. Such an approach also tends to breed a culture of bottom-up innovation. This is in contrast to employees being passive and only taking instructions.

While these are clear signs that positive workplace culture is essential for better employee engagement, productivity and performance, not all companies have this on their radar. In Australia, there is still a significant gap between what employers are doing to address their employee's needs and how employees feel they are being treated.

According to the 2022 Global Culture Research Report by SHRM, Australian workers are experiencing higher rates of work dissatisfaction compared to the global average. Around 28% of Australian employees believe that their organisations do not care about them as people compared to the global average of 22%, while 35% of Australian employees dread going to work – higher than the global average of 32%.

It's clear that Australian companies need to do more and enhance their organisational culture to provide a good working environment, to foster greater employee engagement and productivity, for better business outcomes.



Unfortunately, despite Australia being a highly digitalised country with citizens who are largely digital natives, only 26% of Australian citizens consider themselves very prepared for today's modern working landscape according to the Salesforce Global Digital Skills Index, highlighting the urgent need to build up the essential digital capabilities of the workforce.

How to integrate the 4Cs into your operations

How can businesses maximise the benefits of the 4Cs to enable more effective and successful OPEX, to prime the enterprise for future success?

Much like having a piece of hardware that requires the correct tools for building, maintenance and repairs, businesses will need the right tool in their 'recession toolkit' to ride out economic turbulence and help take it to new heights.

Effective and successful OPEX helps ensure that your business is future-proof. However, to enable continuous improvement and ongoing OPEX, and to build truly future-ready organisations that can thrive even in the midst of uncertainty, businesses must integrate and implement the 4Cs in a holistic and unified manner.

Take a customer-centric approach by building capability in the workforce to increase capacity, and a high-performing culture that encourages continuous improvement and greater profitability will develop.

To that end, here are three ways to keep the 4Cs within easy reach in your 'recession toolkit' for when times get tough:

Put the customer at the core of the business

Place an emphasis on serving your audience well by providing great customer experiences and building stronger relationships with them. By doing so, businesses will be able to develop customer loyalty so performance can be maintained or improved even in challenging times. This objective should be aligned across the organisation to ensure that processes and strategies are focused and adhered to.

Enable continuous improvement

Cultivating an environment that encourages individuals and teams across the organisation to continuously evaluate business processes must be a top priority in any business. This ensures that constant and consistent progress is made every step of the way, mitigating business process stagnation and inspiring innovation. Moreover, business leaders and top leadership also need to consider what changes can be made to remove obstacles that stand in the way of people getting things done.

Develop robust learning and development frameworks and systems

A workforce that seeks to update and upgrade itself is a workforce that will thrive regardless of market conditions. Proactive companies who support employees with the right systems and platforms that boost their capabilities will cultivate the skills your business needs to stay not just competitive, but also profitable. Additionally, businesses that invest in employee learning and development are largely perceived to be better places to work. In general, investing in learning and development also fosters a more positive workplace environment, which comes with a variety of benefits including improved productivity and employee well-being.



In fact, as much as 93% of CEOs have experienced greater workforce resilience, increased productivity and better acquisition and retention rates after providing upskilling opportunities for their employees.

Enlighten: your OPEX partner

How can businesses use Enlighten and the new Software 3.3.0 to address the above challenges and increase the chances of success?

At Enlighten, we aim to empower businesses of any size, giving them access to the right tools, training solutions and strategic advice to help them build OPEX into their systems and processes across the entire organisation.

Together with our team of experienced consultants – many known to be Lean experts – business leaders can look forward to analysing and planning new ways to enhance OPEX and integrate continuous improvement into their businesses. This endeavour is aided

by our own Enlighten platform, which is constantly optimised and enhanced to address the changing needs of business leaders and managers across industries, sectors and geographies.

Enlighten's latest 3.3.0 software release builds on this by enabling you to measure, monitor and improve your operational performance, to build a balanced scorecard that puts your employees and customers at the heart of the business.



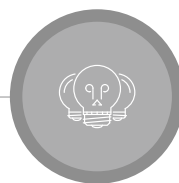
Observe

With the new Implementation module, users can easily observe Valued Added Assessments for new or existing team activities. These help pinpoint waste, opportunities and improvements across the business.



Review

By providing users with the capability to drive performance uplifts through reviewing activity standards and outputs, Enlighten's Implementation module helps keep teams on track towards key goals.



Create

Users can now easily ensure team members are aware of the right workflow and procedures across Activities, Processes and Teams. Enlighten's Business Process Library empowers Administrators to create diagrams and models that capture each moving part within their organisation.



Improve

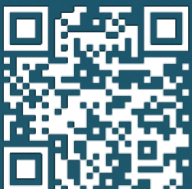
Identifying improvement opportunities is a critical step to increase performance and remove waste. Enlighten's Continuous Improvement framework is derived from Lean and Six Sigma methods and will enable users to manage and track projects from start to finish.

ABOUT US

To meet our vision of being the partner that business leaders want to work with, we understand that a strong, experienced, effective and visionary team is needed, with the energy, commitment and drive to succeed. We deliver on our promise through our leading propriety methodology that combines business experience, technology and data analytics.

For more information on how to use value-added standards to identify waste and accelerate performance, contact your nearest Enlighten office.

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