



Benchmarking Performance Culture

Ian Hedding explains the benefits of quantifying and benchmarking behavioral performance.

A typical Monday staff meeting; the coffee is cold and someone is droning on about how important it is to improve operations. Productivity is drooping and the charts on the wall look terrible. A benchmarking study is suggested and all agree that knowing where you stand relative to your competition is a great idea. You get assigned the task of pulling the numbers together for the comparative study. The meeting adjourns; you trek back to your office wondering where you will get the required data.

A month later the study is completed. In the same Monday morning staff meeting, the senior managers of the plant are looking at the results wondering where they go from here. The data confirms that about half of your competition is beating you in all of the major indicators. You have the numbers, but numbers cannot tell you what to do about improving your position. You can see that a lot of your peers are ranked higher than you, and some are ranked lower, but what does that really do for your organization? You went into the benchmarking study with intentions to improve the day-to-day functioning of your facility, but you've been left with more questions than answers.

A typical benchmarking initiative is a study of lagging metrics, month or year-end results generally found in end-of-period reports and summarized annually. The standard study isn't designed to help operations improve; its focus is simply to provide data points and rankings. The focus isn't on creating sustainable change.

One of the most common outcomes of benchmarking is a renewed focus on metrics. These likely include various maintenance and production measures such as Safety, Availability, Productivity, Quality, OEE, Schedule Compliance, Overtime, and many others. The reinvigorated focus often results in short

term improvements of those particular metrics, but more times than not, those gains prove to be less than sustainable.

Why are the improvements short-lived? There are two parts to the equation for success; performance of equipment and performance of people. It is easier to fix and adjust machinery for optimum performance than it is to get people to modify their behaviors, to change the way they think about work. Anyone who has been involved in an improvement initiative knows this to be true. Change doesn't fail because of lack of trying, or lack of desire of the people. It fails because of a lack of focus on behaviors. The fundamental mistake of modern industry is a reluctance or inability to monitor desirable behaviors in the same manner that we monitor equipment and process metrics.

Organizations looking to fully understand their current levels of performance and improvement potential need a different approach, methods that will guide the organization toward sustainable improvement. They must realize that the only path to sustainable change is by focusing on the levers and causes that drive performance: behaviors, practices, and processes, which lead to equipment, production, and employee reliability.

SAMI has been helping operations around the globe achieve sustainable change by focusing on these levers and causes. With its combination of technical background and



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experience with improvement initiatives, SAMI has delivered value in terms of direct financials as well as Performance Culture™. When value is created, it needs to be monitored and tracked. There is a need for a method that quantifies not only technical and operational performance, but behavioral and cultural performance as well. SAMI has developed such a method; at its heart is a behavioral benchmarking methodology utilizing SAMI's new Cultural Performance Tracking Tool: APEX™.

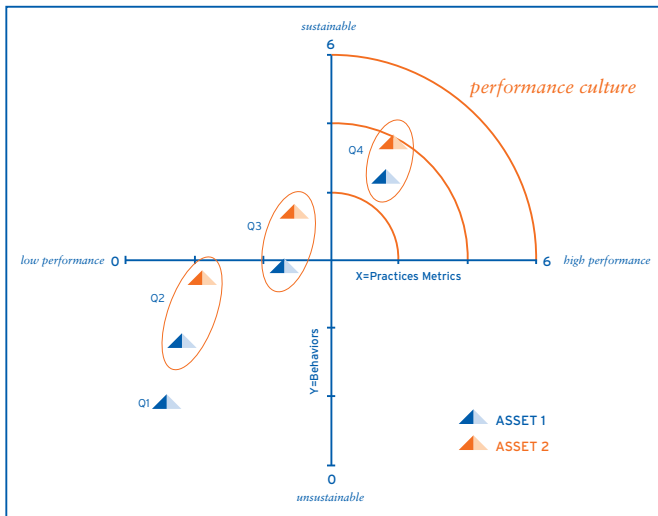
APEX is an innovative web based program that was developed by SAMI, which measures both an operation's metrics and behaviors. The net result of these measurements provides an indication of the level of an organization's Performance Culture. This new concept puts

Measuring Behaviors

MEASURING SUCCESS

organizations in touch with their business like never before. SAMI has used *APEX* in its client initiatives around the world with unmatched success. We have measured and tracked changes in both desired behaviors and metrics during the implementation of change initiatives and the results have been amazing. We have found that as behaviors are actively tracked, they improve more quickly than previously assumed. These improved behaviors are the primary drivers for sustainable change.

SAMI is using its *APEX* tool to spearhead a new behavioral benchmarking study. We will facilitate the study throughout a number of industries, to enable operations



around the world to be benchmarked against their peers. In an evaluation that takes just 4-5 days, the tool compiles data from an operational site and applies a proprietary algorithm to determine high level scores of the overall behavior and metrics of the organization. The behavioral portion of the evaluation is comprised of over 200 inquiries, which are categorized into a variety of elements and sub-elements. The categorization of elements in our *APEX* data set allows us to quickly determine “big picture” levels of performance, and to drill down into functional areas to highlight

specific areas of excellence or deficiency. Examples of behavioral sub-elements include: communication, leadership, work management processes, meeting effectiveness, proactive environment, and silo mentality, just to name a few. Each of these elements receives a score based on the inquiries in their respective data set.

While on site, we gather data in a variety of ways: evaluation workshops, meeting observations, informal discussions with management and ground floor personnel, and raw data capture. After amassing this information, we assign scores for each inquiry in the data set. The scoring system is based on a strict zero to six scale, with zero representing the lowest score possible, and 6 representing performance of best-in-world. Initial baseline results are generally in the lower-left hand quadrant as shown in the chart. As the initiative progresses, scores generally track from the initial reading to the upper right quadrant over a period of time.

The Performance Culture chart shows four quadrants representing various levels of performance and sustainability. The X-axis relates to the metrics scores, and the Y-axis shows behavioral data. The input for the chart is nothing new: the metrics are similar to the ones any modern facility tracks and the behaviors are the same ones performed in any industry on a day-to-day basis. The difference is that *APEX* helps us to quantify the behaviors in the same manner that we quantify metrics, and enables us to track both as a function of time.

Because *APEX* is a web based program, it can be accessed from any computer at any site. This allows users to quickly obtain a real-time look at how the sites in the program are performing. The current state results are depicted in a variety of graphical and raw data formats. In addition to viewing multiple sites’ performance relative to each other, the program will also show graphics that illustrate overall improvements over time, typically measured on a quarterly basis. By clicking into a newly revamped reporting section, the user can drill down into elements and sub-elements to see charts that reflect improvement for each area.

By taking part in the *APEX* Performance Culture Benchmark Study, participants obtain a current state snapshot of their practices metrics and their behaviors: a detailed look into their Performance Culture. The scoring and ranking of operations will be based on SAMI knowledge, and on the proprietary *APEX* algorithm and scoring system. Reports will be provided that detail the overall levels of performance for both metrics and behaviors, and will include detailed breakdowns of the elements that are high-performing, as well as those that require a greater focus of time and investment. At the conclusion of the study, each site will receive additional documentation revealing the results of the initiative, complete with overall rankings and details by element.

By gaining an understanding of the current level of behaviors by element, participants will be better able to understand the drivers of low performance. Conversely, participants will be better equipped to apply best practices and lessons learned across their operation.



To schedule a no-cost *APEX* demo, contact:

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