

# World Class Scorecard

**GPM**

INTERNATIONAL

## World Class Score-Card

This scorecard is a “mini audit” of where your organization is now on **12 key benchmark factors of world class practice**. These 12 factors are :

- Aligning Management Objectives
- Customer Focus
- Organizing The Workplace
- Visible Measurement Systems
- Managing For Quality
- Eliminating Waste
- Best Operating Practices
- Teamwork
- Staff Empowerment
- Rewards and Recognition
- Purposeful Communications
- Continuous Learning

### Step One

You will find it easiest if you print out this document and work from a hard copy.

### Step Two

You will see each factor is divided into five levels, ranging from statements at Level 1, representing ordinary performance, up to Level 5 representing ‘world class’.

Using the [Scorecard](#) on the last page, indicate with a ✓ in the “**Where We Are Now**” section at what level you think your organisation is now on the particular Ladder concerned. If you are undecided between one level and the next (e.g. between level 1 and level 2) choose the level which most applies.

### Step Three

You can’t tackle everything at once, so the next step is to prioritize the Ladders on their **importance** for your organisation at the present time. Allocate each of the Ladders to one of three categories using the definitions below, putting a maximum of four into each category.

Category 1 : Requires urgent attention in the short to medium term.

(Remember, no more than 4 ladders in Category 1)

Category 2 : Should do, requires attention in the medium to long term.

(No more than 4 ladders in Category 2)

Category 3 : Can wait, requires attention once we have dealt with Category 1 and Category 2 Ladders.

### Note

World class standard is not easy to achieve – it’s like being in the finals of the Olympics. That takes application and effort over a period of time.

So expect quite a few Level 1s and 2s when you do your first audit. That’s normal. But don’t think that those companies already at world class level are somehow filled with exceptional people. They aren’t. They simply used the best operating practices they could find, put them into practice, and launched themselves on a steady programme of continuous improvement.

You can do exactly the same, and enjoy the exhilarating journey all along the way. Wherever you are now, don’t rush, just try to reach the next level on the ladders which you feel are most important to your company. Take it all step by step. But keep at it!

### ALIGNING MANAGEMENT OBJECTIVES

The extent to which staff understand the Strategic and Operational Goals of the organisation, and, in their natural work teams, have actively participated in agreeing and committing to improvement objectives.

My Rating	MEASURES
1	Managers give orders, workers only do as much as they have to. Some people don't know who their boss is. Objectives are not written; the goalposts seem to keep moving. Managers say: We don't need objectives, we know what to do.
2	Each person's responsibilities are clearly defined. There is a well-defined organisation chart. Management have defined their goals but junior management are not sure what they can do about them. Objectives are written, but not seriously followed up.
3	Top management decide on their annual objectives as a team. These are turned into more specific team objectives at each lower level of management. Regular follow-up reviews measure progress to date. At least 80% of objectives are achieved by year end.
4	The company's goals are clear and actionable by all. Employees all understand exactly how they can contribute. The company is at Level 3 on the majority of the Ladders. Management co-ordinates their efforts across departments. At least 90 % of objectives have been achieved by year end.
5	Measurable objectives are agreed annually in every department. Teamwork and co-operation are expected at every level. People work to achieve the goals even under changing conditions. 100% of objectives are achieved, or exceeded, by year end.

### ORGANIZING THE WORKPLACE

The extent to which the organisation has a culture of cleanliness and tidiness. Factory floors, outside areas and offices tend to look like new. Organisation is apparent everywhere; in reception, data collection and storage, customer liaison, inventory management, communication, etc.

My Rating	MEASURES
1	Scrap items, litter and tools are left scattered around. Walls, windows, floors and machines are dirty. The yard, car park and outside areas are untidy. Employees are sloppily dressed, desks and workstations are untidy.
2	The floors and windows are clean. No un-needed items present in the workplace. Needed items are easy to find and easy to put back. The yard, car park and storage areas are tidy. Employees are neatly dressed. Desks and workstations are tidy : you can find whatever you want in ten seconds.
3	Equipment is cleaned up - it looks like new. Pathways are clear and without obstruction. The workplace is bright (painted). Tools and materials in well marked, easily accessible places.
4	Daily operator inspections keep equipment clean and maintained in good condition. Storage areas and materials are so clearly labelled even new employees can find them. Employees can retrieve what they need within three seconds. Any filed item can be retrieved in one minute.
5	The workplace is <u>habitually</u> clean and well organised. Work areas and the flow of operations is easy to see. Storage sites and quantities are clearly marked. Staff know automatically when to re-order. Teams earn top scores even during surprise inspections.

### CUSTOMER FOCUS

The extent to which everybody in the organisation understands how service is measured, to recognise the needs of both internal and external customers. The degree to which the organisation is truly customer-focussed.

My Rating	MEASURES
1	Employees think sales and marketing look after customers. Managers believe they are 'professionals' and already know what customers want. Many managers and staff don't think they have customers.
2	Everyone realises that the paying customer is the most important person in the business. In-company, people know their customer is the next process. Customer complaints are seen as a nuisance, and something to get rid of as soon as possible. At least 80% of orders delivered to customers on time.
3	The company uses real survey data to measure performance. Internal customers make contracts across departments. Written service standards established in every department. Complaints seen as an opportunity to create improvements. At least 90% of orders delivered in full and on time.
4	Customer data discussed regularly at Board Meetings. Service standards met and exceeded across the company. Cycle time, order to delivery, reduced by 50%. At least 95% of orders delivered in full and on time.
5	Regular surveys and focus groups keep company "in touch". Visible service improvements made year on year. Cycle time, order to delivery, reduced by 80%. Complaints under 0.5% and at an all-time low. 100% of orders delivered in full and on time.

### VISIBLE MEASUREMENT SYSTEMS

Whether on the factory floor or in the office, staff understand and participate in displaying (for all to see) the critical performance measures of the business. Also on display will be Best Operating Practices and Key People Measures.

My Rating	MEASURES
1	Only general company-wide measures used. Departments tend to keep performance measures to themselves. Lack of hard data means much has to be done on 'gut feel'. Some departments think their work is not measurable.
2	Key performance measures decided on and publicly displayed. Measures show performance meeting the standards set. Budgets agreed by department and monthly data fed back. Plenty of data but often in different formats and places.
3	Performance measures publicly displayed in every department, and simple enough to be understood by all. Data shows performance continuously improving. Standards clear for every machine and every job holder.
4	Team members themselves produce the charts and graphs and update the displayed data. Visible management systems instantly make clear deviations from normal performance in production areas. One-page management in operation i.e. data on key measures fed back monthly / weekly to each individual manager.
5	Company realises that measurement is the only way to sustain continuous improvement. Senior management or visitors are able to tell from displayed data how any department is performing at any time.

## MANAGING FOR QUALITY

The extent to which everybody in the organisation understands their personal contribution to product and service quality. In-process defect prevention measures are designed into processes and quality standards exist everywhere.

My Rating	MEASURES
1	People think that production is everything. They think it is the operator's job to make products and someone else's job (the inspector's) to catch mistakes. Pay systems emphasise quantity rather than quality. The primary drive is to "get stuff out of the door".
2	The company has made the key mind-shift from quality defect detection to active prevention. Staff are now responsible for inspecting their own work and know exactly the standards they have to meet. Customer service measures actively measure fulfilment of service standards.
3	Corrective action taken immediately on discovered defects. Staff use the '5 Why's' technique to solve problems. The defect rate has been reduced by at least half. Customer service measures show distinct improvements.
4	Mistake-proofing devices are being implemented. Two-point inspection is now established. The defect rate is less than 0.5%. Customer service quality is measured at an all-time high.
5	The abnormality rate is tracked i.e. deviations from normal rather than the defect rate. The entire company has installed mistake-proofing devices. The abnormality rate is down to 0.1%. Customer complaints are down to zero.

## BEST OPERATING PRACTICES (B.O.P.'s) AND CONTINUOUS IMPROVEMENT

Regardless of the nature of the activity, there is always a best way of doing it. This (best practice) is benchmarked, either internally or externally, written up and implemented as the only way "we do things around here".

My Rating	MEASURES
1	Staff don't want to get involved in improvement activities. They say things like: "Why should we?", "What's in it for us?", or "That's management's job". Suggestion boxes are little used or ignored.
2	Company realises there is a 'best practitioner' for any job, and that they must capture this and make it standard practice. Company starts writing Best Operating Practices (B.O.P.'s). Employees contribute at least 6 improvement ideas a year. At least 50% of the ideas submitted are implemented. Teams are trained in improvement techniques.
3	B.O.P.'s written for all routine jobs. Employees contribute at least one improvement idea a month. Two-thirds or more of employee ideas are implemented. Team problem-solving sessions take place regularly, and teams tackle at least two major projects a year.
4	B.O.P.'s now written for all jobs, and by job-holders. Employees contribute at least two improvement ideas a month. More than 75% of employee ideas are implemented. Teams tackle three major projects a year. Benchmarking visits used to seek out and use best practice.
5	Employees average more than four improvement ideas a month. More than 85% of employee ideas are implemented. Teams tackle more than four major projects a year. Benchmarking <u>visitors</u> show company among 'best in class'.

## ELIMINATING WASTE

The extent to which staff understand that activities that do not add value are waste. Scrap; re-work; unnecessary storage; inspection; delay and transport; are continually process-mapped as part of ongoing efforts to improve the work ratio.

My Rating	MEASURES
1	Managers think that being busy means they are being productive. Things are rushed, people turn up late at meetings, etc. When you talk to them about improving the systems they use, they say "We're too busy working for all that!"
2	People understand that all activities that do not add value to the product or service are waste. Managers realise that operators watching machines working is not work, it's waste. Teams start to use Business Process Improvement charts to identify waste. Managers use time management techniques to improve their time utilisation.
3	Process waste reduced by at least 20% e.g. scrap, rework, order cycle time, process steps, transport, etc. Process Mapping used everywhere. Operators look after two or more jobs or machines. Study groups meet to discuss how to reduce waste using the S.P.E.C.S. procedure.
4	Process waste reduced by at least 50%. The overall actual work ratio has reached 75% or higher. Operators manage whole groups of machines. Managers plan what specific value they will add every day. Equipment breakdowns are virtually eliminated.
5	The actual work ratio is at least 85%. The whole company is purposely organised to minimise waste. Stock-holding – of raw materials, in-process work, and finished goods - is the lowest in the industry. Even new employees can follow procedures easily. New processes are designed to maximise added-value activity.

## TEAMWORK

Teamworking is different from team-building. It measures the degree to which teams are the building block of the organisation, where teams have full responsibility for an entire product or service.

My Rating	MEASURES
1	People think of themselves as just doing a job, not in a team. Co-operation between work-groups is patchy; there is rivalry and points-scoring between teams. Workers don't act as a team with management - it's difficult to make changes without suspicion or opposition.
2	Staff generally co-operate with changes the company wants to make. Work-groups have specific measurable <u>team</u> objectives. Staff know who their customers are, external and internal. They look like a team, help each other to get the job done.
3	Work groups meet as a team daily, or at least monthly. Team members and team leaders all have clear roles. They make specific performance contracts with customers. They display performance data publicly in their team area. Staff are multi-skilled and can cover a variety of jobs.
4	Teams are organised around processes or products. Teams set their own objectives, manage their own budgets, resolve problems and make innovations. Cross-disciplined project teams used to tackle big issues.
5	Teams exist everywhere, and have become a way of life. Self-directed teams are set up and working effectively. The versatility in teams means they cope with change well. Teams celebrate achievements and expect success.

### STAFF EMPOWERMENT AND INVOLVEMENT

The extent to which every staff member has the authority to do whatever is necessary to do it "right at the time" for their customer (internal or external). The extent to which they are treated like adults, and work effectively without supervision.

My Rating	MEASURES
1	Employees don't want any responsibility; they want managers to be responsible for everything. Managers want employees just to do as they're told. Few, if any, team involvement meetings are held.
2	Employees are treated like adults, and expected to behave like adults i.e. to work effectively without supervision. Employees are given full responsibility for their own work. Teams are given all the tools and information they need to do the job. Team meeting sessions are held at least monthly.
3	Every team understands its own Unique Contributions. Individuals know the boundaries of their authority, and take initiatives to solve problems or please customers. Teams collect data on performance and use this with their manager to make continuous improvements.
4	Every job-holder knows his own Unique Contributions. Staff handle the whole job themselves, so managers can concentrate on improving the current systems. They meet their customers' requirements even in difficult circumstances.
5	Individuals agree self-set objectives and do self-appraisal. Teams set and meet their own improvement objectives. They both meet and beat their customers' expectations. Teams are involved in recruitment, equipment purchase, area layout, producing their own budgets, etc.

### REWARDS AND RECOGNITION

The extent to which reward and recognition systems are simple, open, clear, and fair. The extent to which they attract, retain and motivate managers and staff to deliver superior performance.

My Rating	MEASURES
1	The company pays only as much as it has to to get staff. Pay systems are complicated and unpublished. Overtime is frequent, often to cover ad hoc problems. Anomalies exist and complaints frequently arise.
2	Pay systems have been simplified, are understandable and published. Employees are paid about the average for the work they do. Regular hours cover the normal work. Overtime is minimal. Additional skills acquired lead to additional pay.
3	Employees are paid above the average for above average performance. Appraisal system rewards help motivate performance. Different sickness benefit and pension schemes are applied. Recognition system is in place and working.
4	Surveys are conducted to ensure pay remains above average. Appraisal systems apply throughout the company. Sickness benefit and pension schemes are the same for all. Profit-sharing means staff are keen to see the company profitable.
5	Staff have a 'no redundancy' undertaking. Above average pay attracts and retains the best staff. Appraisals encourage continuous improvement and continuous learning. Recognition system regularly encourages the behaviours the company wants to see.

### PURPOSEFUL COMMUNICATION

The extent to which company communications are regular, orderly and coherent, and support its stated goals and values. The extent to which information to do the job well is timely, accurate and accessible.

My Rating	MEASURES
1	Work team meetings are patchy or non-existent. The grapevine is strong; notice boards are poorly cared for. There are constant complaints about poor communications. People say: "Nobody tells us anything".
2	A channel of communications from top management to front-line staff has been established. Managers are trained in, and hold, regular team meetings. Notice boards are well sited, presented and maintained. Meeting rooms are available with good visual aids.
3	Top management meets with all staff at least once a year. Managers know their messages, and live them by example. Meetings are purposeful, and follow published guidelines. House journal is lively, interesting, and widely read.
4	Information cascades from top management meetings to front-line staff within 48 hours. Front-line teams hold start-of-day meetings, and have communication boards in their sections. Strong upward channel means front-line points are heard at senior management level.
5	Company uses a variety of communication channels well i.e. meetings, notice boards, paper, computer, and video. Matrix calendar of communications shows all communication channels, and who does what, when. Surveys show steadily improving communications scores.

### CONTINUOUS LEARNING

This Ladder examines the degree to which both the company and its employees realise that continuous improvement and continuous learning on everyone's part is absolutely essential to stay ahead and remain competitive.

My Rating	MEASURES
1	Employees are not enthusiastic about learning new skills. There is minimal induction training, little off-the-job training. Experts are generally opposed to sharing their skills with others, feeling their jobs would thereby be threatened.
2	Minimum of one day's off-the-job training for everyone every year. Staff are trained to handle multi-tasks in operations and office. Tradespeople are trained and operate across skill boundaries. Skill and training records maintained for every person. All inductees get initial training and are linked to a mentor.
3	Learning objectives are built into all appraisals every year. Complete cross-skilling operated within work groups. Using a points-based system, the average employee has doubled his or her skill points. Job rotation is happening in every area of the company.
4	Minimum of three days off-the-job training for everyone every year. Training facilities have become 'state-of-the-art'. Managers and Directors have become trained trainers. The whole workforce becomes more skilled/valuable every year.
5	The company realises that continuous skills training turns their people into a competitive (and their only) appreciating asset. Minimum of five days off-the-job training for everyone every year. Larger companies operate an in-house University. Continuous learning has become a way of life.

## Scorecard

Where We Are Now					THE LADDERS TO WORLD CLASS PERFORMANCE	Importance		
1	2	3	4	5		1	2	3
					Aligning Management Objectives			
					Customer Focus			
					Organizing the Workplace			
					Visible Measurement Systems			
					Managing for Quality			
					Eliminating Waste			
					Best Operating Practices			
					Teamwork			
					Staff Empowerment and Involvement			
					Rewards and Recognition			
					Purposeful Communication			
					Continuous Learning			

### Good People Management International Ltd

Bargate House, 34 High Street, Oakham, Rutland, England LE15 6AL

Website : [www.gpminternational.com](http://www.gpminternational.com)

Email : [office@gpminternational.com](mailto:office@gpminternational.com)

Tel : 44-(0)1572-757042