



Kaizen Solutions Inc.

CREATING A GOAL-ORIENTED ATMOSPHERE

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EXECUTIVE SUMMARY

Goals are often proclaimed not only prematurely, but without the proper environment in place to promote their achievement. Goal setting is a useful and often necessary activity to practice and it can give a firm a greater sense of direction as well as a standing challenge to overcome. When a goal is accomplished, whether it be long or short term in nature, the firm gains in two ways. First, the accomplishment of a goal represents forward progress. This represents a corporate gain for the firm. The second significant way that a firm gains as a result of the accomplishment of a goal is through the improved sense of pride, momentum, confidence and in some cases teamwork, within the people involved. This represents a social or cultural gain for the firm. Both of these gains stem from the accomplishment of goals. The problem thus far has been that this is where analysis has generally ended. It is important to note that if these gains depend upon the achievement of goals, then the probability of capitalizing on these gains depends on the firm's ability to achieve the goals that they set. From this logic, we can further infer that the firm's ability to achieve their goals depends on their aptitude for setting up an environment that is conducive to the fulfilment of goals in general. Certainly there are many types of goals, and there is no way to guarantee their outcomes, however, by following a standardized method that is organized, direct, and creates accountability and ownership, the probability of the fruition of goals can be significantly increased.

Creating a goal oriented atmosphere is accomplished and sustained through five steps:

- Establish Weaknesses
- Identify Current Performance Levels
- Create Repeatable Measures & Establish Targets
- Assign Ownership to Proper Personnel
- Gather Performance Reports for Review

Accomplishing goals is important to the firm because it leads to two types of gains:

- Corporate Gain
- Social or Cultural Gain

METHOD

1) Establish Weaknesses

The first step in creating a goal-setting atmosphere is to acknowledge any weaknesses that exist. Within the firm, certain operational or managerial processes may be identified as “weak links” in the chain. Once weak processes have been identified, analysis can be done as to which activities within those processes are the cause of the perceived weakness. Some flags to look for may be:

- Large amounts of non-value-adding activity
- High cost
- Low throughput
- Other inefficiency or inferiority relative to competitors

2) Identify Current Performance Levels

Based upon the gaps that step one brings forward, further analysis both internally and externally should be performed in order to understand the current performance and generate performance statistics. Before realistic goals can be implemented, it is important to know the current state.

3) Create Repeatable Measures & Establish Targets

After current output levels have been identified, relevant statistics can be generated and should be clearly communicated. Once repeatable measures are in place, target quantities for each measure can be set.

4) Assign Ownership to Proper Personnel

Assignment of a process owner or a project leader works to establish a representative and an organizational leader for the group of people responsible for the accomplishment of the goal. This person is responsible for measuring output using the measures established in step three on a regular scheduled basis, and reporting their values along with any other relevant information to senior management on a standardized report form. The firm has now established measurable targets, as well as clearly defined ownership.

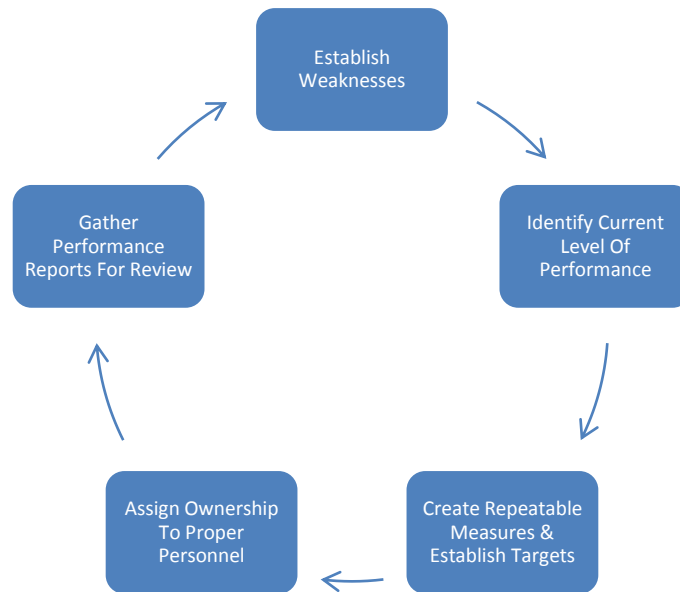
Measurable Targets + Clearly Defined Ownership = Accountability

5) Gather Performance Reports for Review

Process owners should report to senior management for review and re-assessment of goals or progress towards goals. Upon review, new targets and policy improvement ideas are communicated to all stakeholders in the business and to process owners or group leaders in particular. The completion of this final step leads back into step one, and the entire cycle begins again.

CONCLUSION

By following a standardized method such as this one, that is organized, direct, and creates accountability and ownership, the probability of the fruition of goals can be significantly increased. Through the process of these five steps, accountability is created, communication is enforced, and improvements are continually being measured and reviewed. Creating a goal-oriented atmosphere provides substantial support which increases the probability of the realization of goals. These steps are intended as a guideline and can be followed in a way that best fits the specific environment that they are being practiced in.



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ABOUT THE AUTHOR

Angelo Lyall is the leader for Kaizen's Strategy practice. His expertise covers a wide variety of areas, including business and market analysis, strategy development, formulation, planning and deployment, pricing, and Activity Based Management. He has advised clients on issues of competitive strategy and business development in the manufacturing, service, and agricultural industries. Angelo has a Bachelor's Degree in Economics, with an emphasis on business and management, from Trent University.