

## **Daily Management to Breakthrough Management – a Competitiveness Panacea**

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### **Abstract:**

The survival of organizations in the present time depends upon the frequency, height and effectiveness of business breakthroughs (BT) and Innovation management. Innovation can't be successfully introduced and never be sustained in the absence of Good Daily Management System in organizations. Poor daily management systems consumes extensive resources and energies of the top management. Most organizations who see decline in TQM effectiveness try to amend this degradation by introducing more advance problem solving (TQM Tools) rather than improving the foundation of TQM, i.e. addressing the basics of TQM. It is just like buying and putting in a brand new engine for a racing car but lost the race just due to flat tires. Breakthrough Management is strongly advocated through latest TQM tools like Six Sigma or by concepts advocated by Shoji Shiba. However, it is important to be careful when deciding to embark on any of these breakthrough management tools. As the Breakthroughs are essential for competitiveness for survival in today's age, it is equally important to rule out that daily management systems have not failed in the past. The Daily Management Systems are the key ingredient to successful TQM program implementation in organization of any size and kind. Strong daily management practices inculcate discipline across the organization, standardize the local practices which in turn provide foundation for customer focused business breakthroughs and innovation.

This paper discusses the organizational competitiveness and survival through an integrated approach of daily and breakthrough management system (DBMS). Dr. KANO's questions on TQM, Prof. Ando's Daily management concept and Prof. Shoji Shiba's BT principles have been taken as the reference to introduce Daily & Breakthrough Management Systems (DBMS). DBMS, as an integrated concept is introduced by the author which may be more helpful and beneficial for companies in dealing effectively with radical improvements while maintaining a high level of standardization and daily management systems in tact.

**Key words:** Breakthrough Management, Daily Management, Daily & Breakthrough Management, TQM diagnosis, Competitiveness

### **1. Daily Management to Breakthrough Management (DMBT) an Introduction:**

In the present time, nation's especially developing one need to make radical change, or some change at least, to survive in this competitive, rapidly changing world. The most important challenge facing business leaders today is to define, devise, establish and implement system goals like where they want to take their organizations in the next three, five and ten years. Previously in the Asian region Malaysia, Korea, Taiwan had learnt and acquired a lot from Japan and western world's knowledge, research and technologies and now China and India are going successfully. If one carefully examine the transformation process in these countries, it will be observed, the first element they chosen to be

successful on the way was to create self discipline in all walks of life and later built heavy improvement infrastructure on the foundation or you can say institutionalizing the routine practices by identifying, analyzing, setting and improving upon Daily Management systems and creating their own DBMS approach (as perceived by the author combining the two schools of thought Figure-9). What Daily Management mean ;

*This is an organized way of functioning that makes operations scientific and systematic. This comprises on all the routine activities that must be carried out efficiently, here maintenance activities are the main concern, improvement activities become end result of daily management.*

Dr. Shoji Shiba has elaborated daily management and linked it to innovation as:

The daily operational systems include; the systems that produce the work, the activities designed to develop the people to better do the work, and the activities aimed at getting better at doing improvement work on a regular basis (figure-1).

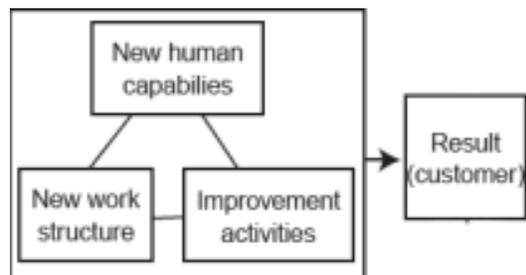


Figure -1

Many organizations and corporate leaders are found complaining about the failure of certain TQM tools in their arenas. The most common reason observed is, following the footsteps of highly advanced countries and big organizations they embark on the advanced management tools without localizing the same with their cultures and amending weaknesses in their routine day-to-day activities. Countries discussed have learnt to practice discipline across their way.

### **1.1 Daily Breakthrough Management Current Scenario In Pakistan:**

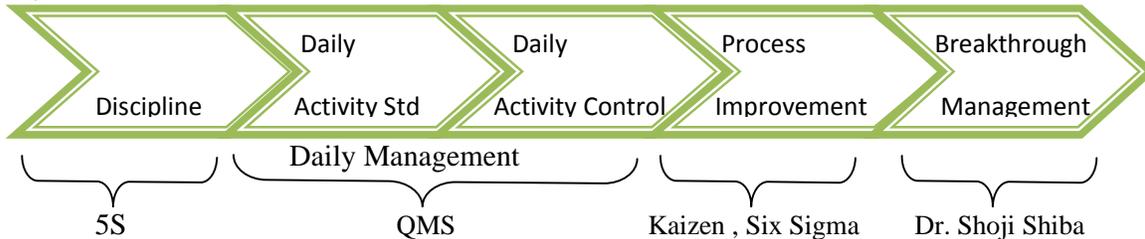
Contrary to these rapid development, currently as for as overall growth, innovation and prosperity of masses is concerned, Pakistan is passing through its most difficult time since ever. We are facing enormous changes in government, business, industry and societal values. Professionals here are extremely intelligent and are abreast /familiar with latest technologies and developments. But the real difficulty is that we had isolated ourselves from reality and rest of the world. We live and often quote our past performance and some performing good today immediately perceive themselves, their systems and methodologies of supreme nature that can never be altered. We are not working ahead to manage our knowledge and constantly search for even better methods to accomplish the stakeholders needs. Chances are rare when see top leadership actually rolling up his sleeves and get into real action of future planning with staff Professionals really need visionary direction from top to make more sincere effort (getting into the thick daily action] to make productive suggestions. They have the knowledge, but what they lack is wisdom in discipline and standardization of activities that paves the way for improvement and in turn a guided innovation.

### **1.2 Daily to Breakthrough Management Integrated proposal for Pakistan:**

It was concluded by the author (in discussion with few local experts) that in order to overcome the present scenario, Pakistani managers need new process of management, a Japanese one i.e., Shu Ha Ri fit to our culture to address local survival and competitiveness issues. The first word Shu is adherence where the professionals stick to what they have learnt from experts until they reach the stage to work independently without difficulty and begin to improve the work which is Ha ( to break ,

a point where professionals break what learnt and adds their own ingenuity to the system). After acquiring sufficient improvements professionals finally reaches to Ri level which means detachment. They devise new methods and systems detached from conventional principles. The professionals reached this stage are regarded as master of their fields. Based on the approach a daily to breakthrough management simple process flow for our just started or intermediate level process improvement achievers will look like in figure-2.

Figure-2:



## 2. Steps for Daily Management :

(Modified for Pak reference from Dr. KANO's Questions on Daily Management in Daily Management - The TQM way)

- P-1: What is the objective and roles of the job for a team?
- P-2: What are performance indicators to evaluate the status of P-1?
- P-3: Have the standards prepared for the job?
- P-4: Do a system exist to check the status in each function ?
- P-5: What is the communication/information pattern for each level?
- D-1: Is Job done according to the job standards in P3?
- D2: Is the job being monitored at appropriate frequency using visible control points?
- C-1: Is the current status of the job evaluated in comparison with Standard?
- C-2: Are abnormalities found in appropriate frequency?
- A-1: Are immediate actions on problems/Non-Conformities taken ?
- A-2: Are timely corrective and preventive actions being taken on abnormalities ? Are standards, Control Points and Control limits being revised?
- A-3: Are the communication/information pattern being revised ?

(Detail can be read at Dr. KANo's House of TQM)

## 3. Stages of Daily to Breakthrough Management:

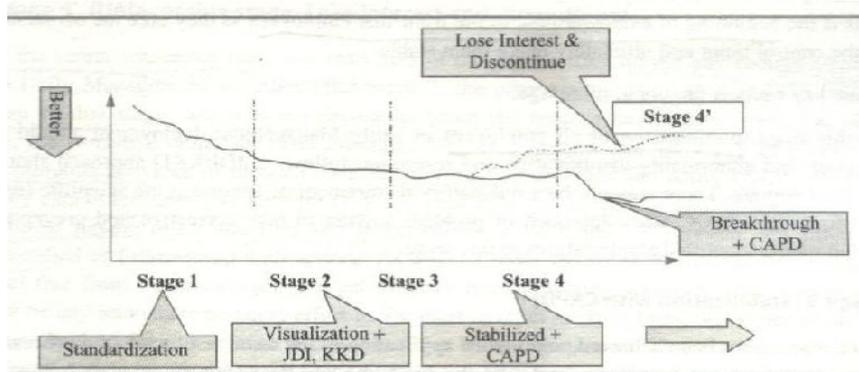


Figure-3:

**Stage-1: Standardization:**

To introduce systematic deployment of daily management, roles, objectives of the department & all employees should be specified and made clear to everyone engaged like SOPs, WIs, defect handling and reduction roles, basic education & training. Managers need to pay the attention to the jobs being done by front line management through MBWA periodic audits/visits, Effective communication standards between managers and frontline staff needs to be established. To acquire engagement of all, provision of sufficient training, visualizing the effects on DM, creating a pool of members who have benefitted are essential.

**Stage-2: Visualization and improvement through JDI:**

It is observed that when data analysis is done by operation staff on a board/report, self control by them starts working from here immediately by making correction on through identified abnormalities. This in simple words is the beginning of empowerment to frontline employees when they take ownership of the KPIs and make them stable. This stage does not require systematic applications like QC story problem solving approach.

**Stage-3: Stabilization with CAPD:**

When stage-2 realize same results , the processes become stabilized here the frontline staff start using CAPD (check, analyze, plan, do). In this way, problems / abnormalities are prevented and process become stabilized and improved. To sustain the improvement continuous attention and involvement of all managers is required at concerned areas. To sustain the stage , certain rewards and recognition programs need to be introduced in order to get engaged workforce. However, it should be gradually made part of jobs. Managers need to analyze the chronic and repetitive problems using QC story approach , To sustain these activities the overall improvement results need to be visualized and demonstrated across the organizations.

**Stage-4: Breakthrough improvement:**

When abnormalities have been studied and counter measures taken “big improvement” result in and Change management becomes easier with active involvement of all. This stage require introduction and application of Prof. Shoji Shiba’s BT principles. Although leadership abilities are considered as the God gifted features of a personality but recently, it has been experienced that these leadership traits can be successfully learned and mastered. So, senior managers are requested to make following BT principles as their core skill and diffuse the same to their lower ranks.

Principle 1: The visionary leader must do on-site observation leading to *personal perception* of changes in *societal values* from an *outsider’s point of view*.

Principle 2: Even though there is resistance, the visionary leader *never gives up*; the leader squeezes the resistance between *outside-in* pressure and top-down inside instruction.

Principle 3: Transformation is begun with *symbolic disruption* of old or traditional systems through *top-down* efforts to *create chaos* within the organization.

Principle 4: The direction of transformation is demonstrated by a symbolic *visible image* and by the visionary leader’s *symbolic behavior*.

Principle 5: The quick establishment of new *physical, organizational, and behavioral systems* is essential for successful transformation.

Principle 6: *Real change leaders* are necessary to enable transformation.

Principle 7: The leader creates an *innovative* system to provide *feedback from results*.

Principle 8: The leader creates a daily operation system that includes a new *work structure*, a new approach to *human capabilities*, and *improvement activities*.

(How above principles are linked with each other , see in figure-9 part I )

**4. Daily to Breakthrough Change management Cycle:** Companies pursuing daily to breakthrough in processes will continue to deliver demanded product or services to market. After each improvement/breakthrough, middle management has to spend time on the control process to make standard mature, stabilize the performance and then go for incremental improvement to ensure that the existing business is not killed by way immature innovation. Incremental improvements continue until top leaders assess the market need for next breakthrough innovation. In this way organizations will interchangeably use three concepts (figure 4.1). But leaders have to see their organizations/processes with three eyes (figure 4.2). The third eye is added when leaders start using above BT principles.

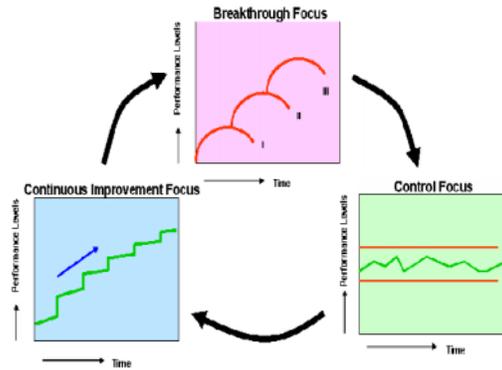


Figure-4.1

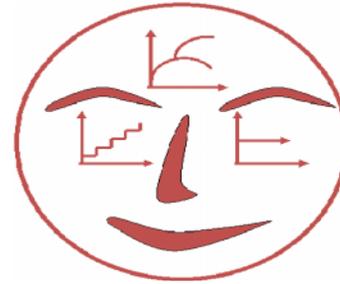


Figure-4.2

#### 5. Management System to Start Daily to Breakthrough Implementation:

As most of the organization here are certified to ISO 9001 QMS or have complied to QMS requirements. This will provide those (real implementers) a building block to work on advanced tools, renowned business excellence awards and prizes. The study has helped to optimize a Daily to Breakthrough management system for local industry where organizations had implemented QMS for years. The management system was devised from ISO 9001:2008 QMS.

Here for the convenience of the readers the references have been provided where under discussion initiatives link with ISO 9001.

- a. Identify the opportunity (8.2.1, 8.3)
- b. Create the Strategic Plan (5, 8.5)
- c. Resource management (6)
- d. Developing and deploying working solution (5.4, 7.3, 7.4)
- e. Deliver the solution to the internal / external customer (7.5, 7.2)
- f. Effectively using Feedback system (8.2)

The management system for daily to breakthrough has been shown in figures 6 & 7.

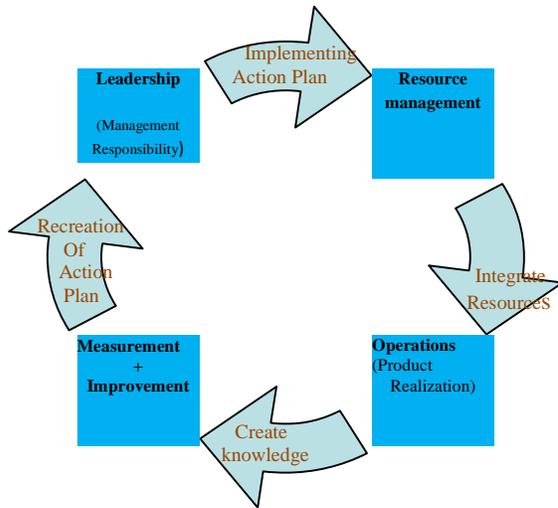


Figure-5A

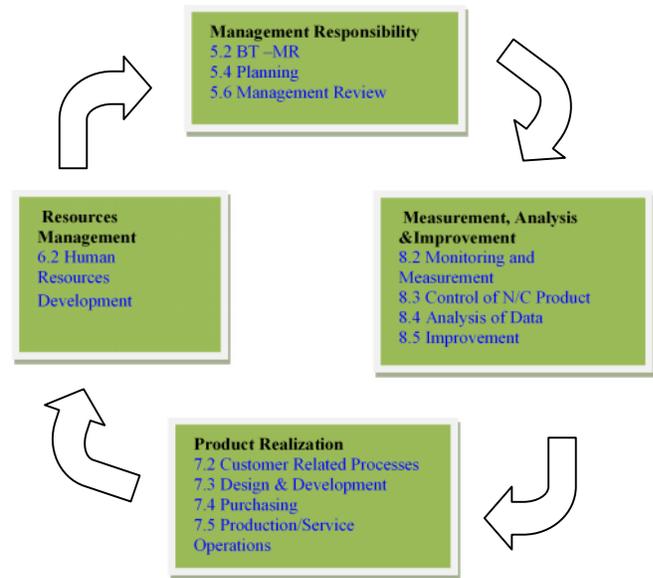


Figure 5-B

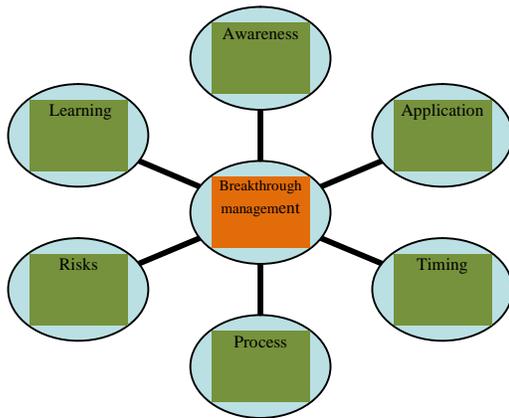


Figure -6

Figure 7 given above highlight the core cycle for DMBT. Its description is given here as under;

**5.1. Awareness:**

Changes to our organizations require innovation which depends on the maturity of standardization activities (DM) in order to meet the needs and expectations of attached stakeholders especially the customers. There will be a need that our organizations will ;

- a. identify the need for innovation
- b. establish and maintain an effective daily management process (elements 1,2, 3)
- c. develop awareness program and provide the training resources on setting standards, maintaining, improving and task achieving like QC Task Achieving Story.

**4.2. Application**

DMBT concepts can be applied to issues at all levels but for this purpose organizations require changes to their traditional systems as;

- processes (i.e. DMBT in the methods for product realization, or to improve process stability and reduce quality and productivity variance),
- the organization (i.e. DMBT in its constitution and organizational structures), and
- the organization's management system as described above. (i.e. to ensure that competitive advantage is maintained and new opportunities are utilized, when there are emerging changes in the organizations environment).

#### **4.3. Timing**

The timing for the introduction of an DMBT initiative is usually a balance between the urgency with which it is needed versus the resources that are made available for its development. Our organizations should use a process that is in alignment with its strategy to plan and prioritize Breakthrough Innovation.

#### **4.4. Process**

The establishment, maintenance and management of processes for BT Innovation within the organization or industry can be influenced by the;

- the urgency of the need for BT innovation,
- BT innovation objectives and their impact on products, processes and the organizational structures,
- the organization's commitment to BT,
- people's willingness to challenge and change the status quo, and
- the availability or emergence of new technologies.

#### **4.5. Risks**

The organization should adequately prepare for and assess the risks related to planned BT innovation activities, including giving consideration to the potential impact on the organization of changes, and prepare preventive actions to mitigate those risks, including development of contingency plans, where necessary.

#### **4.6. Learning**

Bt efforts can only be sustained if the organization couples improvement and innovation with continued learning.

To attain sustained BT success, it will be imperative for our organizations to adopt "learning as an organization" and "learning that integrates the capabilities of individuals with those of the organization challenges".

- a) This "Learning as an organization" involves consideration of
  - Collecting information from various internal and external events and sources, including success stories and failures, and
  - Gaining insights through in-depth analyses of the information that has been collected.
- b) "Learning that integrates the capabilities of individuals with those of the organization challenges" will be achieved by combining the knowledge (skills and capabilities), thinking and behavior

patterns (Transformational leadership styles) of people with the values of the organization and its Breakthrough patterns (figure 8). This involves consideration of

- The organization's values, based on its mission, vision and strategies,
- Supporting initiatives in learning, and demonstrating leadership through the behavior of top management,
- Stimulation of networking, connectivity, interactivity and sharing of knowledge both inside and outside the organization,
- Maintaining systems for learning and sharing of knowledge,
- Recognizing, supporting and rewarding the improvement of people's competence, through processes for learning and sharing of knowledge, and
- Appreciation of creativity, supporting diversity of the opinions of the different people in the organization.

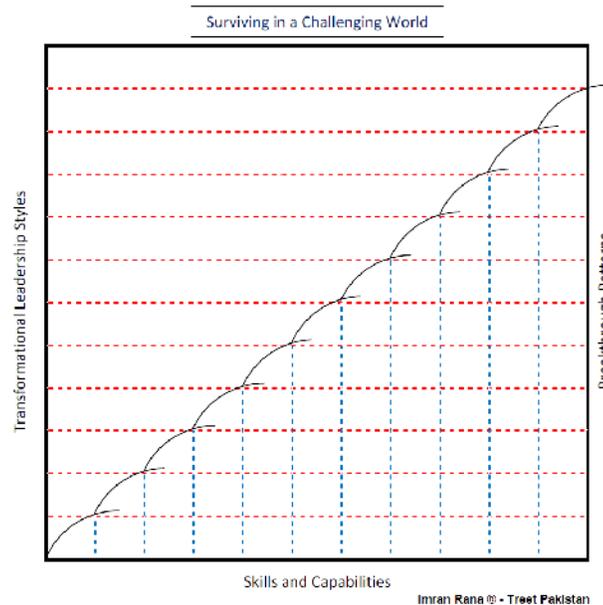


Figure -7

Rapid access to, and use of, latest knowledge after some breakthroughs can enhance the organization's ability to manage and maintain its sustained success in the business world (figure-7).

#### 4. Daily to Breakthrough management Vital few for Pakistan:

While reviewing the current scenario of daily to breakthrough innovation in our local organizations, the following elements require high consideration. These elements will inculcate the sense of sustainability by way of diversification. *World Competitiveness Yearbook* also considered that the "sustainability of a competitive position is linked to a certain level of diversification in industry sectors and markets. *The World Competitiveness Report* suggests eight major factors which influence the competitive innovation of companies.

**5.1. Domestic Economy:** There will be a need to encourage healthy competition through activating the industry clusters. The more competition there is in the local economy the more

productive and innovative the domestic firms are likely to be abroad. The economy boost will grow higher value added productivity and country prosperity.

**5.2. Internationalization:** Openness for international economic activities increases a country's economic performance. Export-led innovation and competitiveness is often associated with growth-orientation in the domestic economy. Higher integration with the international economy results in more productive resource allocation and higher living standards.

As an example of our region China is promoting the management trainings required for its internationalization —“ globalization management training”—on three fronts:

1. Joint ventures with foreign firms
2. Government Department of Labor qualifying examinations for managers
3. Diffusion of MBA programs

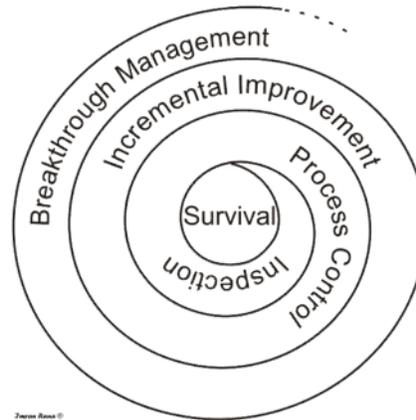
**5.3. Government.** Direct state intervention in business activities should be minimized rather government should encourage internationalization by providing advanced learning opportunities to local businesses. Government policies should concentrate on creating a competitive environment for enterprises and on providing macroeconomic and social conditions that are predictable and thus minimizing the external risks for economic activities. It is flexible in adapting its economic policies to a changing international environment.

**5.4. Finance.** A well-developed, internationally integrated financial sector in a country supports competitiveness in the international market. The efficiency of the financial sector is best measured by the narrowness of the "spread" between the rates of interest that borrowers pay, and the rate that depositors receive. A narrower "spread" means either that depositors receive higher interest rates, or that borrowers pay less.

**5.5. Infrastructure.** A well-developed infrastructure supports economy , providing resources and motivation for innovation. It includes the availability of natural resources and functional business systems, information technology, transport, communication and education, and an efficient protection of the environment.

**5.6. Management.** A competitive product and service reflects managerial ability, its long-term orientation, ability to adapt to changes in the competitive environment, a level of visionary skills possessed by management leadership. Moreover, a continued process of management trainings on advanced visionary leadership development tools that facilitate BT innovation. The tools learnt by management today will not be useful tomorrow so, to embrace tomorrow's challenges one should focus on changing management learning orbit after some breakthroughs. This will be more clear from figure 8.

Competitiveness related Problem solving with advanced learning Figure - 8



**5.7. Science and Technology.** Breakthrough structures in organizations can be built more easily on efficient and innovative application of existing technologies. Investment in research and innovative activities creating new knowledge is crucial for a country in a more mature stage of economic development.

**5.8. Quality of People.** A skilled work force with a positive attitude increases a country's Productivity and competitiveness. Relevant education, the technical ability of the employees , the quality of management and efficiency all contribute to create innovative environment. In our opinion to pursue a innovative strategy well coordinated changes in human resource development will be required.

It is worth mentioning here that openness to global markets and the internationalization of economies play an increasing role in productivity, innovation and competitiveness enhancement of a country like Pakistan. Providing learning opportunities to employees provides the basis for effective and efficient improvement and innovation. This learning can be extended to;

- products
- processes and their interfaces,
- organizational structures,
- management systems,
- human aspects and culture,
- infrastructure, work environment and technology, and
- relations with relevant interested parties

Fundamental to effective and efficient improvement, innovation and learning is the ability and enablement of the people in the organization to make informed judgments on the basis of data analyses and the incorporation of lessons learned.

Figure-9: Daily to Breakthrough Management System – An Integrated Approach

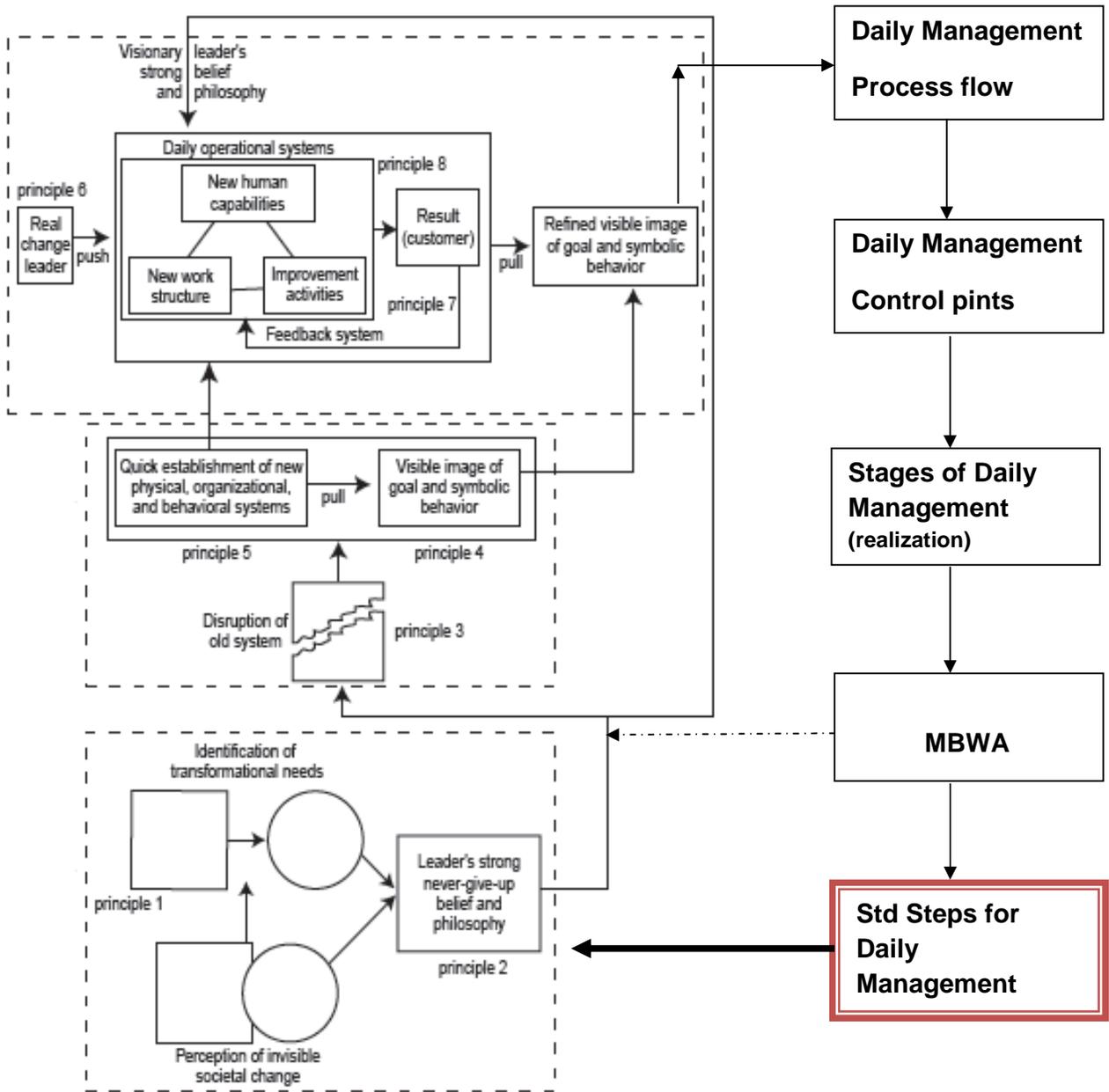


Figure-09: Daily to Breakthrough Management System – An Integrated Approach

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