

## Dennis Groves

Born and raised in Ohio.

Majored in industrial engineering at The Ohio State University.

Did some summer engineering work with Procter & Gamble and joined P&G permanently after graduation.

Received a commission in the Navy and took a six year "all expenses paid cruise" to Vietnam.

Returned to P&G to complete a 35 year career before joining Oliver Wight in 2000.

Has also doubled as a professional musician (he plays the trumpet).



# Journey to excellence

***Dennis Groves, chairman of business improvement specialist Oliver Wight Americas, talks about the new focus on business excellence in the Sixth Edition Class A checklist***

**After a 35 year career** with Procter & Gamble, mostly in manufacturing, Dennis Groves retired in 2000 and promptly went back to work with the international business consultancy Oliver Wight. For the last five or six years of his career, he explains, he had been working in a team with some Oliver Wight consultants on a Class A MRPII process and implementing SAP software for Procter & Gamble.

He liked their commonsense approach and the way they looked at a business holistically to see how everything fitted together, so when he retired from P&G in 2000, he went to work with them. "The other thing was the quality and the professionalism of the Oliver Wight staff that worked with us," he says. "They had all been through a Class A implementation on the other side of the fence so they had lived the transformation of a company. You could count on them to give you straight information and keep you from going down blind alleyways."

The Oliver Wight approach is different, says Groves, "because we are primarily educators, mentors and coaches." Oliver Wight does not do the transformation work for its clients. Rather it educates the company's own people in best practices, so they can build business

excellence into the organization themselves. "We approach it with a very small team of consultants," he says, "usually about two to three people, except at very large companies. It's a do it yourself process." Teaching a man to fish comes to mind.

Some clients are pretty hungry to begin with, but that does not compromise the approach. The deck may be burning, and some companies find it difficult to allocate the right resources to the transformation project. But that is a crucial first step. "We want our client to select the people that will make a difference in the company," says Groves. "We tell them that if it's easy to free up the people to work on this effort, then they probably have the wrong people. We want people who are experts on their business processes and whom others will listen to."

Identifying the starting point lays the right foundation for turning a business around. "We find that when companies come to us they usually have an issue they're dealing with," says Groves. "We help them through a diagnostic assessment of their business. We often do what we call facilitated assessments." It's important, too, he says, not to jump in too quickly

with advanced improvement tools. People are aware of six sigma or total productive maintenance or whatever the latest buzzword might be, and expect something of the sort to be applied immediately. "Those techniques should usually be applied to companies that are already stable," says Groves. "But in reality the company might be down at a fire-fighting level where every day is a new adventure. Until we get some basic foundation elements in place, we can't use those advanced tools. We can't apply just in time manufacturing techniques to a company that has very poor ability to execute a schedule; or a company that has unreliable forecasting techniques."

The Oliver Wight Class A Checklist is now in its 6th edition, and it's much broader in scope than previous versions. "When company founder Oliver Wight created the first check list in 1977," Groves observes, "it was 20 questions." Whereas in the past the checklist was focused on operational excellence in manufacturing, it now embraces service industries and goes beyond operations to the whole enterprise, hence the change of nomenclature to "business excellence". A global project team spent four years working

on it, before its publication a year ago. “With the sixth edition approach we refer to business excellence as a journey,” says Groves, “and it takes many years to get there. We work with companies to define what their business challenges are, and then we create milestones that pull from all parts of our checklist to address their specific problems. As a company solves a business problem, they begin to broaden their view and address the next problem, and we create another milestone that builds on the one we just completed and move along the journey to Class A.”

Another change for the sixth edition is the introduction of the concept of integrated business management to replace sales and operations planning. It’s designed to link strategy to execution, Groves explains, so that a company’s strategy can actually be achieved. Creating a strategy is a huge responsibility, because, as he observes, “a company can only be as good as its strategy.” But being as good as your strategy is not as easy as it sounds. US companies are pretty good at creating strategies, he says, “but where they fall down is in executing them. Too often we find very nice strategy documents and then we look for signs that the strategy of a few years ago has been implemented, and we don’t see the results.”

Communication is one of the most common failings. “We often find companies that don’t communicate the strategy, so you have very talented people at all levels of the organization making decisions, but not in the context of the strategy. If they knew the strategy they would make much more effective decisions.” Strategy out of alignment with functional objectives is quite common, too, he says, and some have functional objectives in different parts of their organization that conflict with

one another. Sales and marketing, for instance, may find itself working to a different agenda than finance or logistics or production. “The alignment process needs to be very robust,” says Groves. “We also look to see that those functional objectives are driven down into individuals’ personal objectives. When they are aligned it’s very powerful. But that alignment is often weak.”

Integrated business management is at the heart of delivering strategy. Companies will often claim to be doing it, says Groves, (although they probably still refer to it as S&OP), but show weaknesses in execution. “When integrated business management is working well, the senior management team can tell very quickly whether individual product families or segments of the business

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are on strategy or not, and can take corrective action.”

Groves quotes an outstanding example of this, when a Class A client the company had been working with lost its biggest customer. Without integrated business management, it would surely have known it had a problem, but would not have known the exact implications. The president of the organization told Groves that with integrated business management in place, she knew immediately what the implications were, knew what the gap was, and they were able to exceed their revenue and profit objectives for the year even after the loss of their major customer. “Without having that process in place,” she told him, “I wouldn’t be here today.”

I had previously thought of sales and operations planning as primarily a software solution, but

although there is software involved in collecting and analyzing data, Groves points out, in the Oliver Wight model integrated business management is a five step process, beginning with a product review. Information from this review goes to the demand organization, which looks at their unconstrained demand, ie, if there were no resource limitations, what could they be selling in the marketplace? This is then taken to the supply level, to determine whether it can meet that demand, or if not, offer alternative approaches. The fourth step is an integrated reconciliation process, from which come the recommendations to senior management in the management business review, the fifth step of the model. The crucial thing here, says Groves, is that this team never takes

a problem to senior management. “They bring the issue along with a recommended solution. What comes out of that is a single set of operational plans for the business that everyone commits to and everyone is accountable to deliver.”

It’s certainly a successful model, and Groves believes this is because it focuses on the bottom line. “The savings our clients realize are dramatic,” he says. “Sometimes you wonder how you were able to do that, but it’s the concept of everyone working to the same plan, focused on delivering the strategic objectives and recognizing that the competition is outside the company, not inside, so that we don’t compete and disrupt internal operations going after the same resources. The alignment is the most rewarding part of the business for me.” ■