



KEEPING YOU INFORMED

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How Mature is Your Organization?

Why Organizational Maturity is Important

It's a safe bet that most CEO's don't lose any sleep worrying about organizational maturity. However, those who lead organizations with sustained world class or industry best performance levels understand why it is fundamentally important to their success. These CEO's sleep much better than their peers because they know their entire organization is focused on common goals, operating at peak efficiency, and continuously improving, innovating, and preventing problems. They consistently achieve better results, and have fewer crises to contend with.

One secret to their success is a sustained focus on maturing processes, whether they are product and service design and delivery processes that produce value for their customers, or business and support processes. Most CEO's focus on what results are achieved, such as sales, profitability, or budget performance. CEO's of high performing organizations pay equal attention to how work gets done. By continuously improving and maturing processes that are critical to achieving their strategies and goals, they not only achieve better results, they also sustain them.

A Quick Assessment of Your Organization's Maturity Level

Generally speaking, the best performing organizations progress through four recognizable stages as they mature their processes. Where is your organization in this journey? Following is a very basic description of the four stages of organizational maturity. Take a few minutes to read the brief descriptions, jot down your initial thoughts or reactions, as well as any specific observations or examples that immediately come to mind. Then choose the one stage that best describes how your organization operates today, not how you would like it to operate. Be as objective as you can.

1. Reacting to Problems

Operations manage activities rather than processes, and are primarily responding to immediate needs or problems. People are busy reacting to day-to-day problems, fighting fires, and are engaged in crisis management. Strategic and operational goals are not well defined, and are not regularly measured, reviewed and communicated throughout the organization.

2. Early Systematic Approaches

The organization is in the beginning stages of managing operations by documenting and following defined, repeatable processes. People are starting to evaluate and improve their processes, and there are fewer crises. Individual work units are beginning to communicate and coordinate with each other more effectively. Also, strategic and operational goals are beginning to be more clearly defined, measured, and communicated throughout the organization.

3. Aligned Approaches

Operations are following repeatable processes, and regularly evaluating and improving them. Individual work units regularly share their learnings with each other, and have noticeably improved

the level of communication and coordination with other. Processes are clearly linked to, and support the measurable strategies and operational goals of the overall organization. There is open, honest feedback regarding progress toward goals at all levels of the organization.

4. Integrated Approaches

Most operations are managed by following well-defined, repeatable processes that are regularly evaluated in collaboration with other affected work units to achieve improvements. Efficiencies across work units are sought and achieved through analysis, innovation, and the sharing of information and knowledge. Processes and measures are regularly reviewed and tracked at all levels of the organization to ensure the consistent achievement of strategies and operational goals.

Stop and review your observations and examples. What one stage best describes how your organization operates today? What observations and examples support your choice?

If you selected stage one or two, you are where most organizations are. You may have achieved some good results, and may even be in a position to take your organization to the next level of performance. However, it is a struggle to maintain performance at these levels over time.

If you chose stage three, you should also have three or more years of measurable performance trend data that confirm that you are among the better performing organizations among your industry peer group. If you chose stage four, you should have five or more years of documented performance trends and comparisons that clearly demonstrate that your organization is among the best performing and most respected leaders in your industry.

Raising Your Organizational Maturity Level

There are three actions that you can take to begin raising your organizational maturity level.

First, conduct a more thorough organizational assessment. The Malcolm Baldrige National Quality Award Criteria for Performance Excellence provides a comprehensive framework for assessment and a roadmap to guide long term continuous improvement. There are also state award processes and a few industry-specific process maturity models available. The key is to adopt an appropriate model, and regularly conduct professional, objective assessments that paint an accurate picture of strengths and opportunities for improvement.

Second, make continuous process improvement a strategic priority. The ultimate goal is to implement continuous process improvement throughout the entire organization. This demands that the entire senior leadership team makes a long term commitment to an ongoing process.

Third, establish the infrastructure and culture needed to sustain your improvements. You'll need to choose an assessment and improvement process that you will consistently use, and make continuous improvement a cultural expectation at all levels of the organization.

Continuous process improvement is a time-tested best practice of high performing organizations. The payoffs of making a long-term commitment to raising your process maturity include breakthroughs in growth, productivity, quality, cycle time, profitability, and budget performance.

Our mission is facilitating organizational transformation and performance improvement. If you would like to explore practical ways to help you raise your level of organizational maturity, or discuss other aspects of improving organizational effectiveness, please contact us. © 2008 by Jeffrey H. Bracken, Bracken and Associates. All rights reserved.