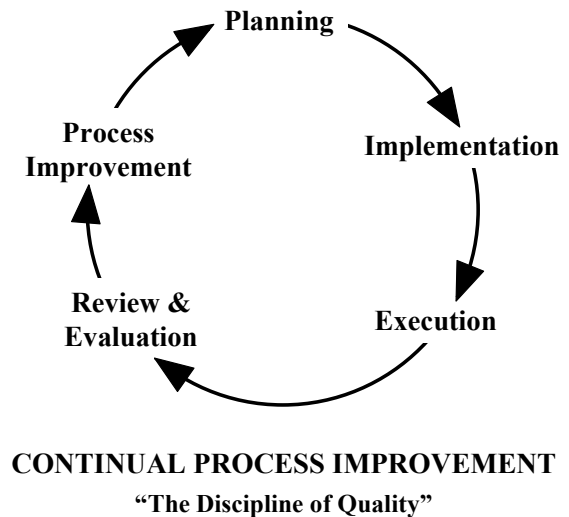


Continual Process Improvement

We do not live in a static world and our ability to continually evolve our business, products, and services to exceed the expectations of our customers/guests/members is critical to our success.

Introduction

Given the many details associated with managing a quality hospitality operation it is imperative that management commit to and promote a process of continual improvement in all areas of the operation. This requires a positive emphasis on problem discovery, a discipline of constant review, and an understanding that in quality service operations, the devil is in the details. As more and more areas of the operation become systematized and routine, management at all levels, with the commitment and assistance of their empowered employees, must continually “peel the onion” to deeper and deeper layers of detail. Further, no detail must be seen as too trivial to warrant management’s attention and the establishment of standards and procedures to ensure it is attended to by the staff.



Definition

Continual Process Improvement (CPI) is the discipline and methodology of constant review of all aspects of operations to include work processes, standards, policies, procedures, organizational systems, programming, training, and administration to ensure they attain a new level of performance that is superior to any previous level.

Purpose

The purpose of Continual Process Improvement is to constantly seek better ways of doing things – that is to improve the efficiency, effectiveness, and financial performance of the operation while providing a quality of service and level of satisfaction that encourages greater use and enjoyment by customers.

The Discipline

The discipline of Continual Process Improvement requires that all managers and supervisors be focused on and committed to improving the performance of their enterprise, department, or section at all times. It means that no manager or supervisor should be satisfied with the status quo, but should constantly be looking for ways to improve.

In order to ensure the development of such a discipline, the General Manager must constantly remind subordinate managers of the need to improve and make improving existing operations a key component of subordinates’ annual work plans. Further, the GM should continually enquire, “What are you doing today to improve your department?” When this level of interest is demonstrated by the GM, subordinate managers and supervisors will understand the importance of Continual Process Improvement.

Steps to Continual Process Improvement

Continual Process Improvement does not happen by accident. There are a number of mutually reinforcing and integrated steps necessary for Continual Process Improvement:

- The leader's **will to make it happen**.
- A **continual emphasis on improvement** – the “Focus.”
- The **habitual methodologies** to examine existing processes – the “Discipline.”
- **Well-defined current processes**, standards, policies, and procedures.
- **Benchmarks to measure performance**.
- The **willingness to formally review** existing operations and formulate improvements.
- The **follow through** to make changes.

Examples of Continual Process Improvement

- Review of Revenue Generation or Payroll Cost during monthly budget review. Formulation of initiatives to increase revenue such as promotions, specialty dining nights, additional golf programming, etc. Establishing a formal business forecasting system to improve staff scheduling.
- Post-costing buffets to determine profitability and customer food preferences. By determining how much food was consumed on a buffet, the Chef can compare food cost with revenues to ensure his pricing is appropriate. Also, by reviewing what quantities of various food items were consumed, he can improve the offerings at future buffets.
- Review of retail benchmarks by the Head Golf Professional can help him improve his future retail buys. By knowing what sold and what didn't sell, and what percentage of overall sales were soft goods versus hard goods he can make informed determinations about purchasing and merchandising.
- The HR Manager can review employee turnover rates and exit interviews by department to determine which department heads need further training in Disciplined Hiring or leadership development.
- All involved department heads conducting a post mortem or after-action review of the important events such as a large conference at a hotel or the Member-Guest Tournament at a club to determine what went well and what could be improved in future years.
- Annual review of operational standards, policies, and procedures by department to see what worked and what didn't. Brainstorming modifications of same to improve operations.
- Monthly review of major costs by department heads to see if there is a better or cheaper alternative to current expenditures. The Controller can do the same for Administrative and General expenses.
- Review of forecasted business levels and actual staffing by day of week and meal period to improve future F&B staff scheduling.
- Review of training material with new hires after their introductory period. Determine how well initial skills training met the actual needs of new employees.
- Examine and propose modifications to equipment placement or work flow in kitchen or food pantry areas to increase the efficiency of staff.

Methodologies

Methodologies for Continual Process Improvement include:

- Preparing in-depth subordinate managers' work plans and performance reviews. The time spent continually improving the work performance of your subordinates will allow you to focus on more strategic issues, delegate more day-to-day tasks to subordinates, and plot and follow the improvement of your operation – department by department.
- Reviewing major events, activities, and programs. Formal meetings after the conferences, corporate retreats, the Member-Guest Tournament, Mothers' Day Brunch, 4th of July Festivities, summer events, etc., will allow all department heads to review execution and performance from their individual perspectives. The best time to do this is the week following the event when all is fresh in everyone's mind. Have your Administrative Assistant sit in and take notes which are then distributed to all interested parties. Next year, as planning starts, pull out the notes from the previous year and make adjustments as necessary.
- Selecting one department per month and conducting an in-depth review. In the course of a year all departments would be reviewed. Take a half day for the review and include other department heads in the process. Start by having the selected department head give an overview briefing regarding the department's operation. The overview should be an honest "State of the Union" about where the department is and where it is going. Cover goals, both short and long-term, challenges and obstacles, key customer interfaces, special service touches, review of training process, and review of departmental financial performance and benchmarks. Give a tour of work spaces describing issues with work flow, storage, telecommunications, etc. After the briefing and tour, ask other department heads to help brainstorm ideas for improving departmental performance. To be most effective, the subject department head should set the agenda and guide the discussion. After the session, the department head should draw up an action plan to implement ideas with a timeline and milestones for completion. The effort put into a monthly departmental review should provide multiple benefits such as continually "confronting the brutal facts" of departmental operations, fostering a sense of teamwork among department heads, and, of course, Continual Process Improvement.
- Conducting individual event reviews using HRI Form 817 for each event and activity. This form should be filled out routinely after each event by resort and club Activity Leaders or the Activities Director and filed for future use.

Continual **General Manager interest** in improvement is the single most important driver of Continual Process Improvement. When the GM requires department heads to support a robust process of CPI, and their performance review depends upon it, it will happen. Without the GM's interest, it won't!

The Absolute Importance of Benchmarks in Continual Process Improvement

Without a means of measuring improvements, it is impossible to gauge the benefits of any changes to the operation. But before you can evaluate the impact of any changes, you must know what the operating standard is (i.e., the existing benchmark or "baseline" of any operation, event, or process). When you know your operating standard, you can then compare changes in the standard as a result of new initiatives or changes to the operation. For example:

The Food and Beverage Director determines that with improved product training servers will be better able to "upsell" wines to diners. Because she tracks her numbers of bottles of wine sold per day, week, and month, she knows that her staff typically sells 47 bottles of wine per month at an average sale of \$16.43. After several weeks of intensive wine training for her

employees, she begins to see the number of bottles sold creep up, along with the average sale. After four months, her new operating standard is an average of 71 bottles of wine sold per month with an average sale of \$19.12. Further, because she benchmarked which particular wines were selling well and coordinated her wine purchases with the chef's new menu offerings, she was able to offer a new selection of higher margin Chilean and Australian reds.

Summary

Continual Process Improvement is a discipline found in most successful enterprises. It is done with the understanding that in a competitive marketplace what you do successfully today, may not be successful tomorrow. In a world where rapid change and innovation have become the norm, we can only maintain our reputation for quality service by continually working to improve that service. In the words of our customers everywhere, "What have you done for me lately?"

Ed Rehkopf, Hospitality Resources International