



How to Apply the VCC Improvement Framework

Value Chain Competitiveness

Version: 2

February 2020

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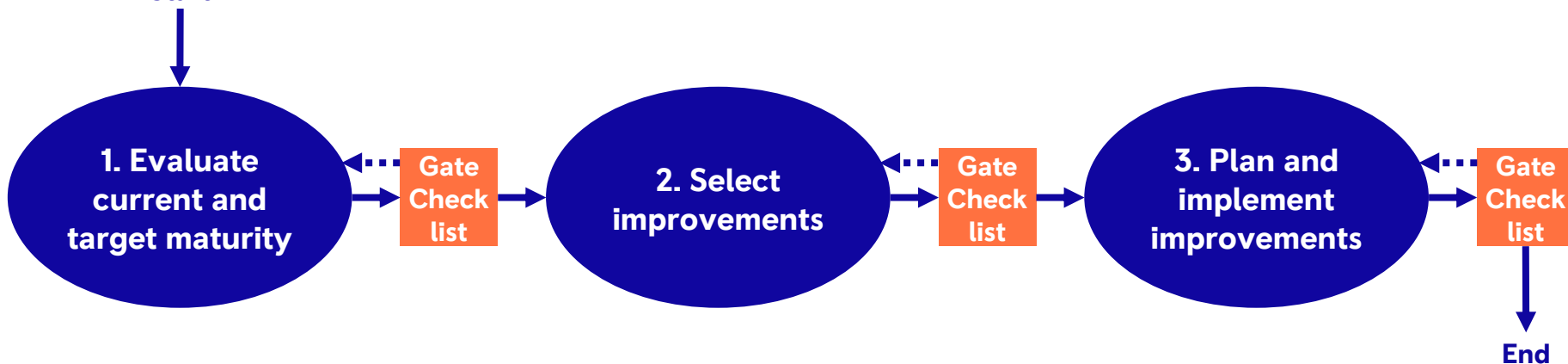
How to Apply the VCC Improvement Framework



Scope

Objectives & Principles

Start





This 'How To' will enable you to:

- Understand the structure Improvement Framework
- Understand how to evaluate maturity using assessment
- Understand how to use maturity gaps to select improvement 'how-tos'
- Understand how to plan and implement improvement activity

Objective and Principles



The Value Chain Competitiveness (VCC) Improvement Framework provides a 'self-help' approach to improving the competitiveness of UK Supply Chain organisations.

VCC Improvement Framework provides:

A **self-assessment tool** to highlight gaps in maturity across the value chain



A means to develop **shared learning** and **good practice** application

A suite of improvement **'How-To' guides** in 6 modules, founded on a lean approach

A methodology to **select 'How-tos'** prioritised for maturity gap closure

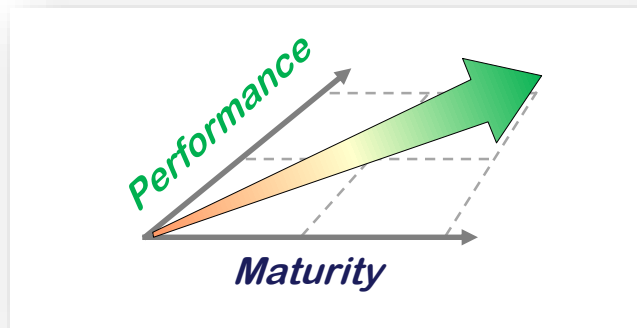
A structured approach to **planning** improvement activity and **manage implementation**

Objective and Principles



The VCC Improvement Framework is offered to UK Supply Chain organisations to provide a comprehensive and standard approach to improvement.

- Improving lean Maturity enables better Performance

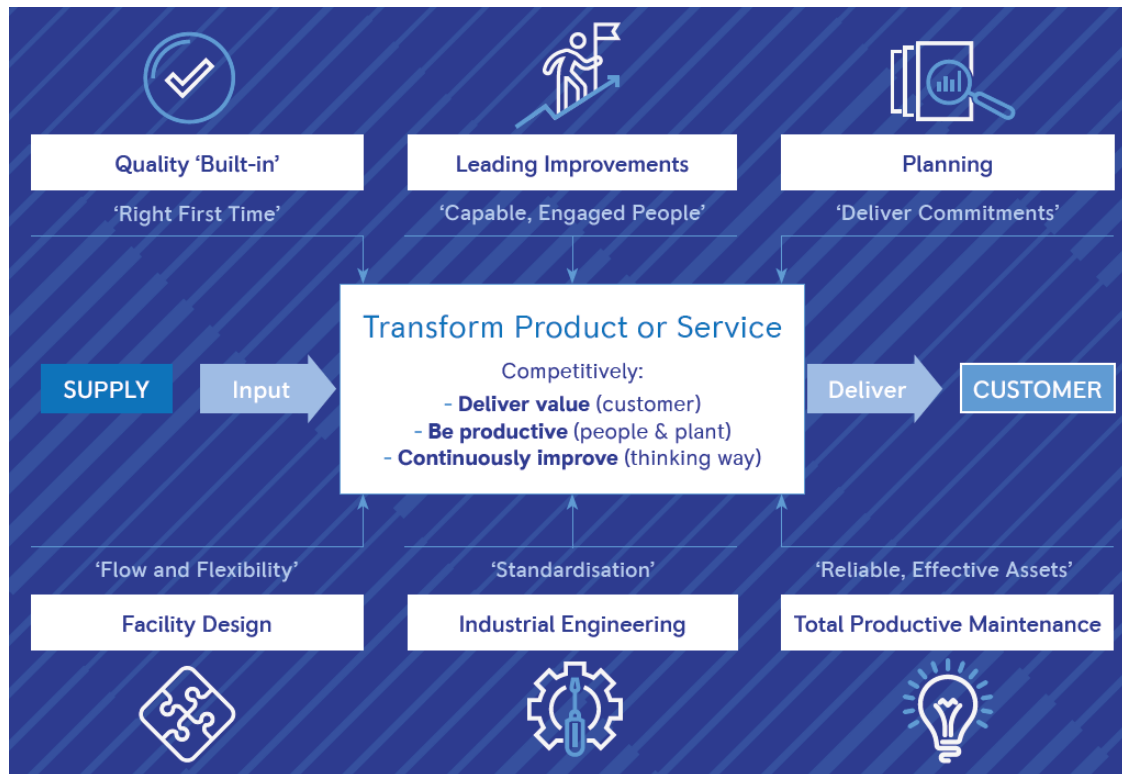


- Providing a Foundation for continuous improvement:
 - Improved responsiveness
 - Focus on customer
 - Cost competitiveness
 - Develop new solutions
 - Improved quality
 - Standardisation
 - Continuous improvement
 - Share good practice

Objective and Principles



The Improvement Framework is structured in 6 Modules:



Objective and Principles



There is a simple 3 step approach to apply the Improvement Framework:

1. Evaluate maturity



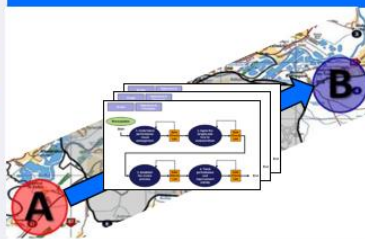
To define where we are and where we want to be

Using a standard approach for assessment

Scoring maturity levels across the 20 themes

- 0 (none) – little or no application
- 1 (low) – tools in operation
- 2 (medium) – systems in place driving application
- 3 (high) – principles & behaviour focus embedding system/culture

2. Select improvements



How do we get there? - using a connected suite of principles, methodologies and good practices

'How-tos' linked to the 20 themes for gap closure

A structured approach to gaining and applying knowledge

- Scope
- Objectives
- Action steps of content
- Gate Checklists

3. Plan and implement



Plan activities using selected improvements and knowledge to reach the identified target

Implement activity and review using plan status and maturity assessment reporting tool

Plan-Do-Check-Act for the next agreed target condition

1. Evaluate current and target maturity



1. Evaluate maturity



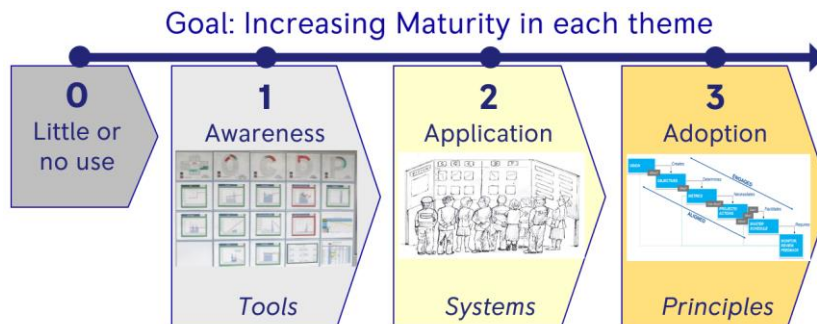
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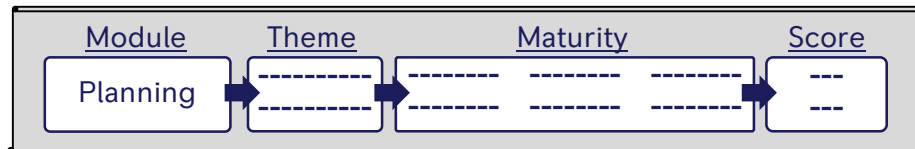
- Apply a maturity assessment as a standard approach to define both the current and target situation
- Understand where the ‘opportunities’ to improve are – linked to the maturity gaps
- Apply an easy-to-use self-assessment founded on a lean approach - Tools-Systems-Principles
- Use the assessment to prioritise action and track improvement over time - Plan-Do-Check-Act



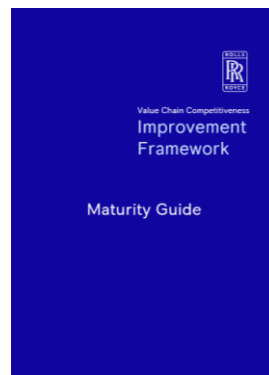
1. Evaluate current and target maturity



- Evaluate using a standard Maturity Assessment through 'self assessment'



- Structured in 20 **themes** across the 6 **modules**
- Each theme has a **maturity** definition section and a scoring section
- Maturity statements enable selection of the maturity **score**
- Use the **Maturity Guide** to assist in the assessment process



Module: Leading Improvements

To ensure that we behave and lead in the right way to empower and engage people to focus on the continuous improvement of processes, products and services to the customer.

Theme: Goal Deployment

- Give a **common direction** and drive responsibilities
- System to enable **coaching** of principles, processes and tools
- Leadership actions** enabling a continuous improve culture

Theme: Performance Management

- Connect** business and local goals
- Visually manage** performance
- Measures that engage** and drive improvement thinking and problem solving

'Capable, Engaged People'



Theme: Continuous Improvement

- What is **value-added** and waste?
- See and eliminate **waste**
- How to **continuously improve**
- Supportive leadership** approach necessary to help teams

Theme: Financial Awareness

- Basic understanding of traditional **accounting** statements
- How **Business Improvement** activities affect financial results and **impact** traditional accounting

Goal: Increasing Maturity in each theme

0

Little or no use

1

Awareness



Tools

2

Application



Systems

3

Adoption



Principles



1. Evaluate current and target maturity



Use the Maturity Assessment tool to capture the information and maturity scores.

- Fill in the Title Sheet - company name and assessment area, date and assessors names
- Fill in the Maturity Assessment is used to document the assessment outcome (maturity scores and actions)
- Use the Report sheet to visualise the maturity scores

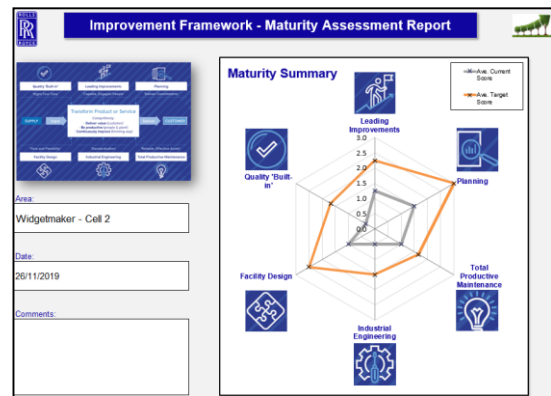
Value Chain Competitiveness Improvement Framework - Maturity Assessment

Area: Widgetmaker - Cell 2

Date: 26/11/2019

Assessors: J Bloggs, Name 2, Name 3, Name 4, Name 5

Module & Theme		Maturity				Current Score	Target Score
		0	1 (low)	2 (med)	3 (high)		
Leading Improvements	Goal Deployment	Little or no application	Business Plan Deployment (BPD) defined (vision, metrics, plans) and visually established. Lean management tools in use (eg. standard roles / diary / agendas).	BPD process aligning teams and activity. Escalation and support system in place, responsive to issue resolution.	Lean thinking demonstrated through leadership actions (go-look-see, question and challenge, coaching), with effective BPD and team support.	0	1
	Performance Management	Little or no application	Performance visual management (boards) and measures exist. Performance review process is defined and operating.	Performance management process is well established as a key system enabler for performance status and action tracking.	Full team engagement in Performance Management with understanding to make problems visible, solving them and continuously improving.	2	3
	Continuous Improvement	Little or no application	Continuous Improvement (CI) events and activity instructed, not obviously tied to strategic direction.	Systematic identification and elimination of waste linked to company direction (eg. value-stream), leadership led.	CI thinking embedded in everyday work demonstrated through projects, events, or just-do-it activities sponsored, by leadership.	2	2



1. Evaluate current and target maturity



Considerations for completing the Maturity assessment:

- Assessment approach - understanding and buy-in
- Scope - area for assessment / no. of assessments
- Team members - with required knowledge
- Preparation - assessment familiarisation
- Method for current state - Go-Look-See to confirm the actual condition with a current maturity score
- Method for target state - how to position the target condition, both timing and target score agreement
- Management - ownership of the assessment and update process





Gate checklist 1: Evaluate current and target maturity

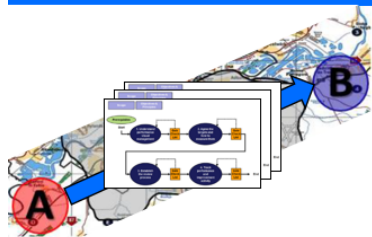


- ☒ Thinking way of improving Lean maturity enabling better performance is understood
- ☒ The Maturity assessment tool, both structure and content is understood
- ☒ A Maturity assessment has taken place covering all consideration points

2. Select improvements



2. Select improvements



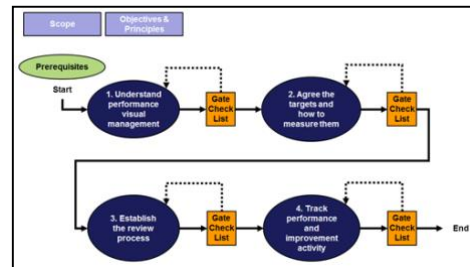
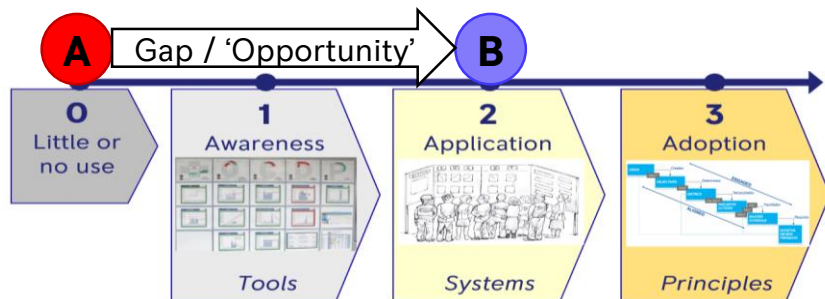
How do we get there? - using a connected suite of principles, methodologies and good practices

'How-tos' linked to the 20 themes for gap closure

A structured approach to gaining and applying knowledge

- Scope
- Objectives
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- Identify the gaps / 'opportunities' for improvement
- Use the ready source of good practice guidance contained in the 'How-to' guidance
- Agree on activities using the manageable 'How-to' action steps
- Check activity effectiveness using gate checklists
- Select further 'How-tos' for the next target condition – Plan-Do-Check-Act



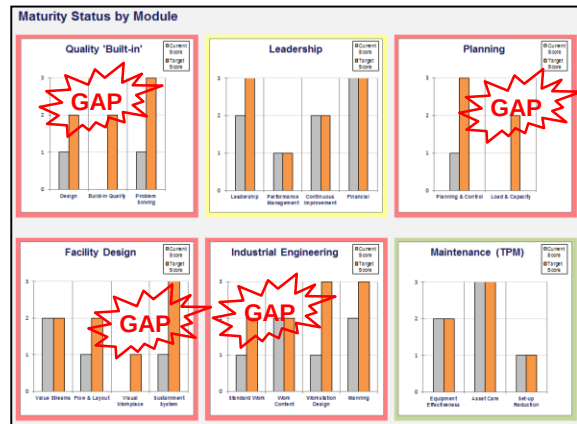
'How-to' Guide

2. Select improvements



The Maturity assessment tool enables improvements to be selected using the framework 'How-tos' provided

- The 'assessment' theme status and 'report' charts visually indicate gaps in maturity
- Where gaps exist, use the How-tos to develop an understanding and activity required to close the gaps
- Record the improvement activity required in the 'Actions / Comments' section
- Red / Amber / Green assists in identifying gaps



ores		Select 'How-tos'	
Module	Theme Status	Improvement 'How-tos'	Action / Comment
 Leadership	 Leadership	How to Develop Leadership	Apply 'How-To'
	Performance Management	How to Manage Performance	
	Continuous Improvement	How to Understand Value and Waste	
	Financial	How to Understand the Impact of Business Improvement on Financial Measures	
 Planning	 Planning & Control	How to Production Plan and Control	Apply 'How-To'
	Load & Capacity	How to Understand and Manage Load and Capacity	Apply 'How-To'



Gate checklist 2: Select improvements



- ☒ Structure and suite of 'How-tos' are understood
- ☒ Theme gap status is understood and improvement How-tos have been selected for maturity gap closure
- ☒ Commitment to the framework approach in applying gap closure knowledge

3. Plan and implement improvements



3. Plan and implement



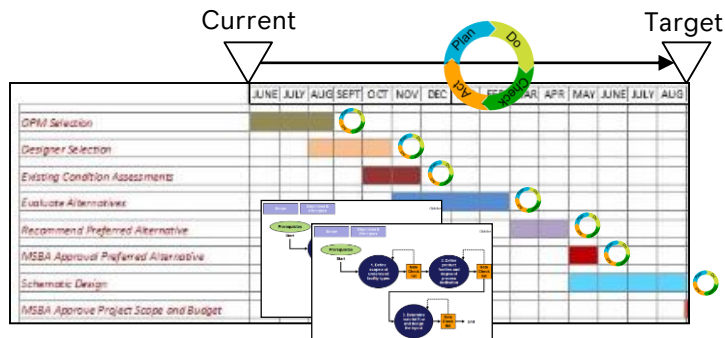
Plan activities using selected improvements and knowledge to reach the identified target

Implement activity and review using plan status and maturity assessment reporting tool

Plan-Do-Check-Act for the next agreed target condition

Use the completed maturity assessment to develop the plan

- Define improvement activities using the selected how-tos - mindful of timing, cost and resource
- Ensure the plan has commitment
- Ensure the activities incorporate Plan-Do-Check-Act to sustain improvements through frequent progress reviews
- Implement the plan - celebrate wins and successes
- Track progress through maturity and performance update and
- Repeat towards the next agreed target condition



Gate checklist 3: Plan and implement improvements



- ☒ Plan created and agreed
- ☒ Plan deployed and reviewed
- ☒ Improvement tracked through assessment update
- ☒ Continuous improvement - repeat to next target condition