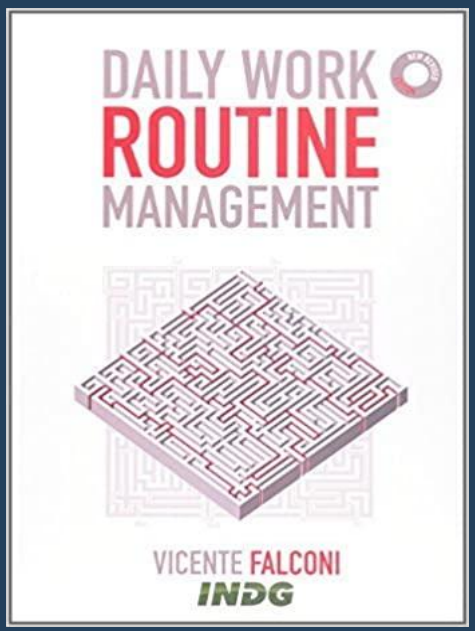
Daily Work Routine Management



Year of publication: 2013
Author: Vicente Falconi
272 pages

If your area in the company lives in the middle of chaos, where there is no routine and where you only solve problems, it is time for you to check out what Vicente Falconi, in his book "Daily Work Routine Management", has to teach you.

According to him, your company can operate in two situations. One of them is the abnormal one, in which no value is generated for the client, but costs for the company. The other is the normal operation, in which value is generated through the stability of processes.

You may also have had the feeling that when you leave the "normal" routine, you can't deliver as much result as before, right? Then read on to find out how to create a successful routine in your company!

Main ideas of the book

- *"Your goal is to be the best in the world at what you do. There are no alternatives."*
- Abnormal operations only generate costs and until they are eliminated the company will work to put out fires;
- To manage you have to measure everything, because it is measurement that allows us to identify deviations and problems in the company;
- As a manager you must always have problems to solve. Whether it's eliminating abnormalities or achieving a new improvement goal;
- Manage the motivation of your team, establishing indicators and goals;
- In a globalized and competitive world, no matter how brilliant your company's results may have been in the past, they will not sustain you in the future.

To whom is this book indicated?

Managers, directors, and people in any leadership position who want to learn how to create a successful routine for their work and the work of their subordinates.

Overview of the book

What do I work for?

Have you ever wondered how good companies manage to generate constant results over many years, even if all their original staff have left and given way to completely new employees?
The answer is simple: these companies have solid routine management in place.
But what is it anyway? According to Vicente Falconi, in his book "Daily Work Routine Management", before we want to understand what routine management is all about, we have to understand what a company is.
A company is an organization that works to satisfy the needs of other people, or rather, to add value to them. Thus, its product is bought and it gets financial returns.
In order for the work to be performed, there are functions and there are positions in companies. Job is the name of your position, function is what you actually do. Among roles there are four types:

1. Direction: sets strategic goals for the survival of the company;
2. Management: achieves goals and trains the supervisory function;
3. Supervision: trains the operation function and checks that it is meeting the standard;
4. Operation: meets the standards for the company's routine to work.

The first two are managerial and the last two are operational. According to Falconi, in a company, 90% of the activities are operational! It is clear then that if the company's operation is not good, it will not move forward, right?
Such functions operate in two ways: when everything is running normally, and when abnormalities (problems) occur. The normal operation generates value for the company, while the abnormal operation only generates costs.
The focus of the company, therefore, must be to eliminate the abnormalities and achieve this "normal operation", which generates value. Next we will look at how to do this.

Tidying up the house

According to Falconi:

"*Managing is the act of seeking the causes (means) of the impossibility of achieving a goal (end), establishing countermeasures, putting together a plan of action, executing and standardizing in case of success.*"

Understanding Routine Management

Routine management is the means of ensuring that a company's operational functions run smoothly, or rather, function in a "normal" way, adding value. Its pillars are:

1. Clear definition of each person's responsibility and authority;
2. Standardization of operations, processes and products;
3. Follow up of the results;
4. Corrective actions according to the monitoring of results;
5. Use of people's potential and an excellent work environment (5S);
6. Search for continuous improvement.

Falconi observes that the best way to start routine management is by implementing the 5S, because it guarantees an excellent work environment: organized, clean, disciplined, economical - essential factors for productivity.

Once the 5S is implemented, it is possible to attack the other fronts of routine management:

1. Standardize;
2. Eliminate abnormalities;
3. Monitor and maintain results;
4. Improve results.

Let's take a look at each of these steps below.

1) Standardize

"You only standardize what is necessary to ensure certain desired end result."

To manage any routine, standards are needed that indicate the procedures and goals for executing each job, allowing workers to take responsibility for their deliverables.
Such standards should be defined according to the actual experience that occurs in the workplace, and once defined, they should be disseminated through training to employees.
Two basic standardization tools are:

1. Flowchart: is a visual scheme that presents the sequence of activities that must occur in a given activity or process;
2. Standard Operating Procedures (SOPs): it is the simplest and most intuitive listing possible of the sequence of the most important tasks that must be done within an operation.

2) Eliminate abnormalities

After having your procedures standardized and disseminated to employees through training, it is easier to identify and eliminate abnormalities, which are simply deviations that occur from normal operation.
Each function in the company has its role in the elimination of abnormalities:

- Operators: report the abnormalities;
- Supervisors: register the reported abnormalities, communicate them to the managers and solve their immediate causes;
- Managers: perform a daily check up on the abnormalities site, detect and eliminate the chronic ones and make a semi-annual report to management;
- Directors: analyze the semi-annual report and define correction goals.

Remember that every company has too many abnormalities, and that it is not possible to correct them all, and that a criterion is needed to prioritize them.

3) Monitor and maintain results

There is no management without measurement, agree? How will you identify deviations and problems in the company without monitoring?
To monitor the result of the processes you need to define control items, which are values that measure something quantitatively. There are control items to be maintained and others to be improved.
Remember to make a visual management of these control items, using standardized representations: very large charts, in a very visible place, can help with this.
The idea is that everyone can see, and that at a glance, they understand the information!

4) Improve results

After ensuring that results remain stable, your main role as a manager is to improve results, or in other words, to beat goals. To do this, you must:

1. Clearly establish where you want to go, defining for each goal an objective, a value, and a deadline, as in the following example:
    - Goal: reduce percentage of late deliveries;
    - Value: from 4% to 1%;
    - Deadline: until March 2022.
2. Research and analyze the impediments to achieving this goal;
3. Propose action plans to address each relevant impediment.

Don't forget to include in the discussion all the people who can help, because with collaboration you take advantage of everyone's knowledge, and get better results.

Adjusting the machine

Now that you have "cleaned house", it is time to lubricate one or another part that is making noise.
According to Vicente Falconi, in his book "Daily Work Routine Management", this phase consists of:

1. Improve monitoring;
2. Practicing the PDCA method of improvement;
3. Aligning goals with the board of directors;
4. Take advantage of the human potential.

1) Improve monitoring

To improve monitoring you must clearly define, within your area, the mission, the customers, your customers' needs, and from there the control items. This will avoid monitoring items that do not add value.

Benchmarking

"*Your company will only be competitive if your managements are competitive.*"

Another way to improve monitoring is by looking to see if someone else achieves better results than yours (within your company or outside of it).
Based on the benchmarking of your control items, set goals - remember that goals must be challenging to have the best solutions. Weak goals generate weak results.
Falconi notes that data from other companies is often accessible and you only have to look for it to find it.

2) Practice the PDCA method of improvement

According to Falconi, in order to improve you need to solve problems, that is, you need to beat goals.
To create a solid problem solving method in your company, it is necessary to master the PDCA method of improvement. This method consists of 4 steps:

1. Plan;
2. Do;
3. Check;
4. Analyse.

To train your team in the method, choose the smallest problems in your area, and ask your teams (3 to 4 people) to apply the PDCA method to solve them.
Initially you won't know what problems your area has. So start by doing a shake-down with your whole team, that is, a survey of the problems in your area.
It is not possible to break down the method here, but some practical steps to run PDCA are:

- Establish a suggestion system: at first it can be quite simple, aiming at the quantity of suggestions, and over time its focus shifts to the quality of the suggestions;
- Create quality control circles (QCC): groups of operators that start solving small problems in their area.

3) Align the goals with the board

We have already said that without a goal there is no management. But where do these goals come from? They come from the market, or rather, from the clients' demands.
When you define goals, remember to always align them with the board's goals, because they are the ones necessary for the company's survival.

4) Take advantage of human potencial

Human potential is the greatest asset of any company, do you agree? So to make the most of it you need to make your team think, and there is no better way to do this than by teaching them to run the PDCA cycle
Another way to take advantage of the human potential is to manage the motivation of your team: set indicators and goals for this. An unmotivated team cannot deliver results.
Promote group activities, recognize the efforts of your team, fight for the company to reward them for this, giving higher salaries, for example, and be a friend to your employees, including in the family sphere!
Finally, never stop raising your employees' skills through lifelong training.

Management in the future

Falconi notes that extraordinary results of the past are no good for the future, and in order to achieve new extraordinary results, he asks for attention to the following points.

Manage towards a zero-based goal

Always seek to achieve the absolute targets: zero rework, zero delays, zero inventory... eliminating the three sources of losses:

1. Waste: everything that does not add value to the client - making reports that nobody reads, measuring unnecessary information...
2. Insufficiency: opposite to waste, it would be the lack of a report that would be important, not measuring essential information...
3. Inconsistency: any variation in the indicators - variations hide waste and insufficiencies, so any variation is a problem!

Remember, even the smallest problems must be tackled at some point, because the sum of them results in a big problem!

Manage continuous and disruptive improvements

To implement disruptive improvements, constantly question whether they have arisen:
- New customer needs;
- New competitors in the market;
- New materials;
- New technologies.

In parallel to managing disruptive improvements, never stop managing continuous improvements.

What do other authors say about it?

In "**Great by Choice**", Jim Collins and Morten T. Hansen show that the companies that survive in the marketplace are those with discipline, not necessarily those that are creative and visionary. The most successful companies are those that have remained more constant, with solid routine management!

Andrew Grove, in his book "**High Output Management**", teaches how to unite your employees into a highly productive team. To do this, he advocates that control items are a key tool, and must be well defined so that the team's efforts are oriented in the right direction.

Finally, in "**Built to Last**", Jim Collins and Jerry I. Porras, through their studies, came to the conclusion that durable companies are those that seek continuous improvement and have a solid ideology. Their focus is always on surpassing themselves, and not necessarily on beating the competition.

Okay, but how can I apply this in my life?

Routine management is what will guarantee the constancy of your company's results. To apply it you must keep in mind the four pillars to "clean the house":

- Standardize;
- Eliminate abnormalities;
- Monitor and maintain results;
- Improve results.

After putting your house in order, improve your company's routine management through the internalization of the PDCA method by all your employees. This is an essential factor for your company's success!

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