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[www.instituteopex.org](http://www.instituteopex.org)
Executive Summary

Each year, the Institute for Operational Excellence surveys its members to gauge the adoption of Operational Excellence as a business strategy, identify common barriers to acceptance, and understand key elements central to implementation success. This year, an overwhelming number of respondents stressed the role of Operational Excellence as a business growth strategy, and outlined the essential factors to embed the principles in an organization.

Key results of the survey include:

- **89%** Agree that Operational Excellence is a business strategy that achieves top-line growth

- **92%** Say that having a clear definition of Operational Excellence is vital to a successful implementation

- **95%** Report that education and training are critical to achieving Operational Excellence
91% Cite that training and education are part of their continuous improvement efforts

41% Are investing more into their improvement strategy this year compared to last

67% Report that Operational Excellence is instilled or somewhat instilled in their corporate culture
The results in this report are based on email surveys conducted between February 21–March 6, 2018, among a global sample of 313 individuals.

Respondent Roles

- 70% Managers or Supervisors
- 20% Directors
- 10% Executives

Largest Industry Sectors Represented

- 13% Consulting
- 11% Consumer Products
- 9% Aerospace
- 9% Energy
- 9% Healthcare
- 8% Automotive
The Importance of Education

While 68 percent of respondents agree that there is a clear roadmap to achieve Operational Excellence, an overwhelming number – 95 percent – say that education about the plan is vital to ensuring employees understand the principles so they can design and implement self-healing value streams.

The first step in the education of employees is sharing the definition of Operational Excellence with them in a way that is practical and understandable. Of those surveyed, 93 percent say that having a clear definition of Operational Excellence is vital to a successful implementation.

Agree having a clear definition of what Operational Excellence is and how to achieve it is vital to a successful implementation
“Education is like the key to a map. It helps understanding and provides a common language.”

Sr. Manager, Business Process Improvement

“The more you know, the more you grow.”

Process Improvement Specialist

“Education provides the ‘why’ that helps get people on board.”

CI Engineer & Data Coordinator

“Without the ability of employees to understand the goal, there is no moving forward.”

Lean Agent

“People and their skill affect operations the most.”

Plant Manager
Once employees know the definition of Operational Excellence, the next step is to train them on the principles to achieve it. Almost all – 95 percent – of those surveyed say that education and training are critical to achieving Operational Excellence, with just over ninety percent citing that education and training are part of the continuous improvement efforts at their organizations.

**Agree that education and training are critical to achieving Operational Excellence**

**Say that education and training are part of the continuous improvement efforts at their organizations**

Respondents name several sources for educating employees, listing the top three as:

- Experienced internal team
- Low cost or free resources
- Consulting firm
Operational Excellence Drivers

Agree that Operational Excellence is a business strategy that achieves top-line growth

But respondents list many other drivers behind their efforts to achieve Operational Excellence, including the need to:

Stay competitive
Achieve high customer satisfaction
Reduce costs
Be flexible and adaptive

Improve time to market
Keep employees engaged
Be innovative

“Customer needs constantly change and evolve, market conditions become more difficult, the regulatory environment changes and brings new challenges, and the company demands ever better results to satisfy the shareholders.”

Lean Program Director
Despite a growing number of motivating factors, however, organizations continue to face challenges in achieving Operational Excellence. Respondents cite the primary three barriers as:

- **21%** Resistance to change
- **18%** Lack of clarity and direction
- **16%** Not sustaining change

**What are the challenges to achieving Operational Excellence at your company?**

- Resistance to change
- Lack of clarity and direction
- Not sustaining change
- Lack of resources
- Lack of buy-in from employees
- No support from upper mgmt.
- Keeping up with new technology
- Other

Overcoming these challenges is essential to success, which respondents measure through a variety of metrics, including financial cost savings, improved quality, and improved customer satisfaction as the top three.

- **16%** Financial cost savings
- **15%** Improved quality
- **14%** Improved customer service

“OpEx allows us to absorb the growth of the business without requiring more expensive alternatives such as new space or capital equipment.”

*Operations Leader*
Elements of an Enterprise-Wide Transformation

Among those surveyed, **72 percent** have been undertaking improvement efforts for more than three years, with **41 percent** investing more this year than last. And of those with programs in place, **62 percent** cite that the scope is enterprise-wide.

- **72%** Improvement efforts for more than three years
- **41%** Invested more this year than last
- **62%** Improvement program scope is enterprise-wide

Among the functional areas that have undergone improvement, respondents name operations/manufacturing, supply chain, customer service, and sales and marketing as the top four, in that order.

*What functional areas of your organization have undergone improvement efforts?*

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Operations/Manufacturing</td>
<td>Longest</td>
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<tr>
<td>Supply Chain</td>
<td>Medium</td>
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<tr>
<td>Customer Service</td>
<td>Medium</td>
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<tr>
<td>Sales/Marketing</td>
<td>Medium</td>
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<tr>
<td>Accounting/Finance</td>
<td>Medium</td>
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<td>Human Resources</td>
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<td>Information Tech.</td>
<td>Medium</td>
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<td>Research &amp; Development</td>
<td>Shortest</td>
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<tr>
<td>Other Areas</td>
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<td>Legal</td>
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To drive such widespread adoption throughout their organizations, respondents cite several contributing factors.

- **41%** Have a clear definition of Operational Excellence that is communicated to all employees
- **62%** Say senior management utilizes Operational Excellence efforts as part of a high-level business strategy
- **71%** Report that Operational Excellence is instilled in their corporate culture

Those surveyed cite several ways Operational Excellence is instilled in the culture, with half, 51 percent, listing the fact that key members have gone through training as the biggest influencer.

“*It is embedded in our DNA as part of our operational system.*”

*VP of Supply Chain and Production System*
The Institute for Operational Excellence is the leading educational center for organizations and individuals who want to design their enterprises to achieve Operational Excellence. Our renowned faculty has helped hundreds of global companies in all industries – from startups to Fortune 500 firms – with comprehensive offerings, including live and online training, monthly educational webinars, The OpEx Webinar, white paper, articles and innovative supplies to support OpEx.