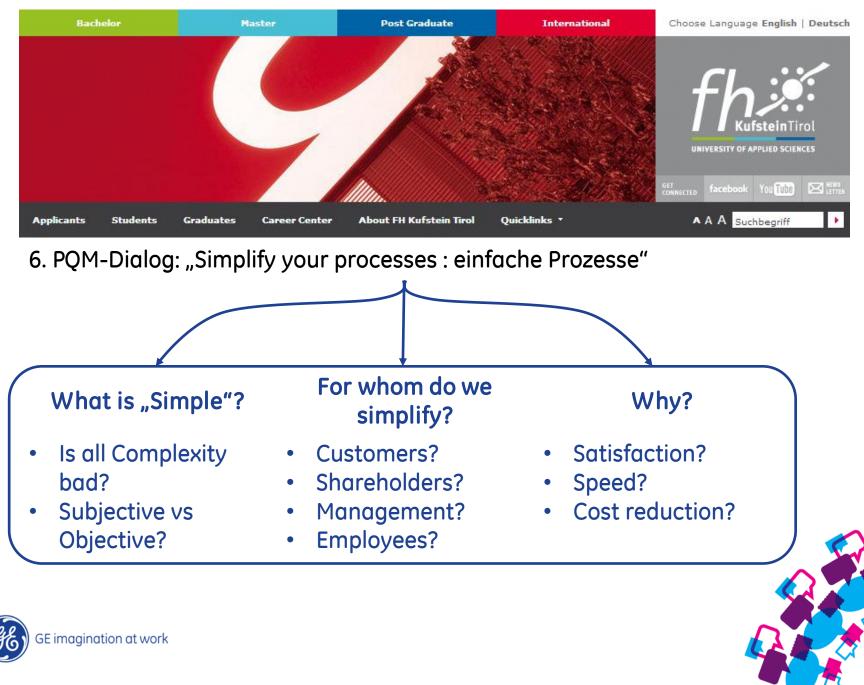


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Simplification: It's not that simple



GE imagination at work



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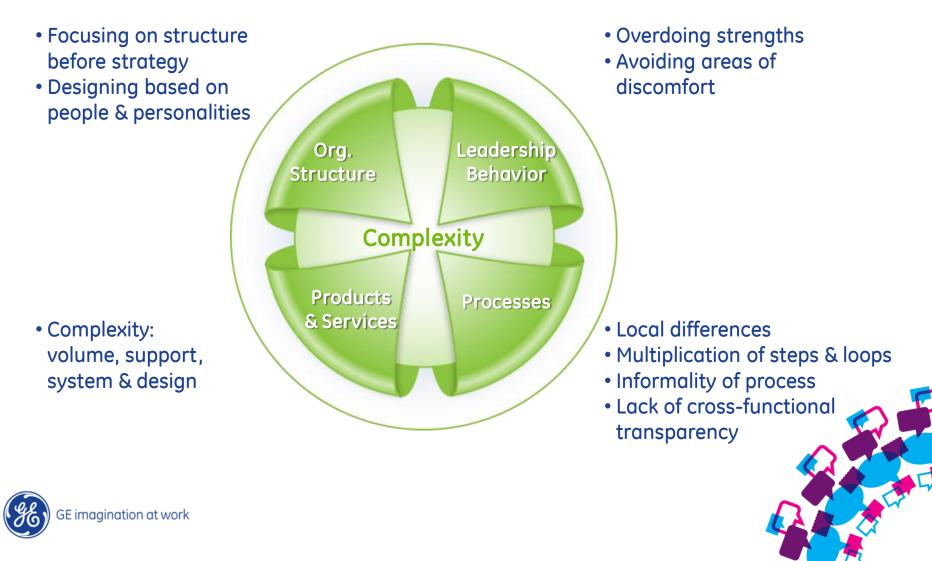


Based on interviews with 2000 business leaders of Global 200 companies by Simon Collinson – Professor of International Business at Warwick Business School & The Simplicity Partnership, March 2011



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Sources of complexity



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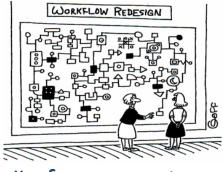
Metrics to measure Simplification



Lead time & cycle time



Number of different IT applications



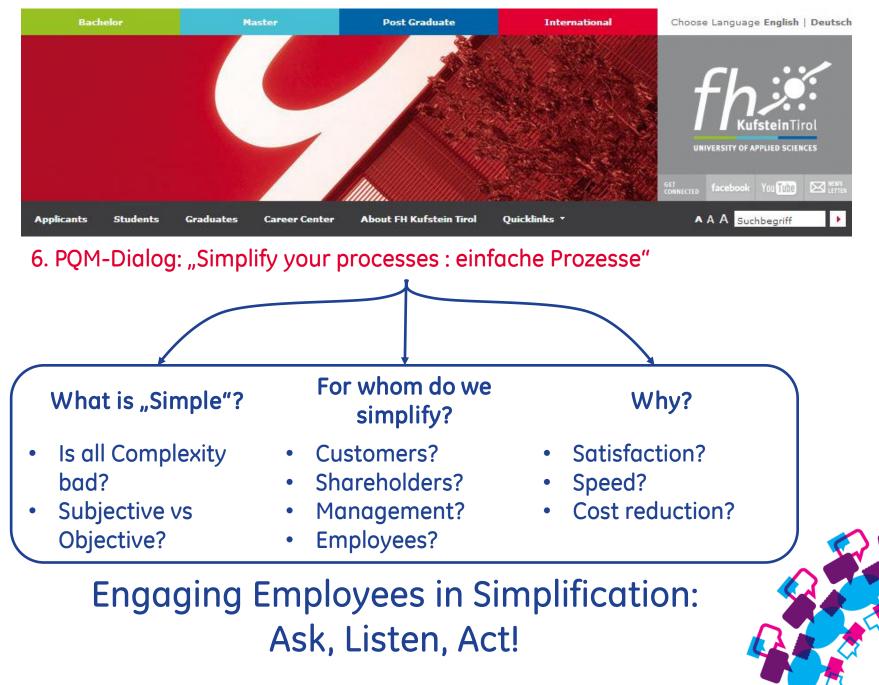
of process steps





Other potential metrics:

- number of data fields in checklists
- Number of touch points
- over-processing, redundant entries, data entries not used in downstream processes
- First Time Yield
- Distance travelled



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Opinion Survey Overview

- $\,\circ\,$ All GE employees are surveyed every 2 years
- $\,\circ\,$ Questions arranged into 12 categories
- 1 category is "Simplification"
- \circ Very high response rate
- **O Managers receive team results**

| Question | % Favorable | % Unfavorable | Trend |
|--|----------------|------------------|-------|
| Generally, work gets done around here in an efficient and effective manner. | % | % | +/- |
| In my team, we have begun to eliminate activities that are inconsistent with the business' goals and objectives. | % | % | +/- |
| The processes I use to do my work are as simple as possible. | % | % | +/- |
| My business does a good job minimizing or eliminating unnecessary processes and procedures. | % | % | +/- |
| Our ability to respond quickly gives us a big competitive advantage. | % | % | +/- |

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Opinion Survey Process

Other action

EOS Council





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The Results

| Category | % favorable | | |
|----------------|-------------|--|--|
| Category ABC | >85% | | |
| Category BCD | | | |
| Category CDE | ن ا | | |
| Category DEF | OLS | | |
| Category EFG | to worst | | |
| Category FGH | | | |
| Category GHI | best | | |
| Category HIJ | d d | | |
| Category IJK | Ranked | | |
| Category JKL | gan | | |
| Category KLM | | | |
| Category LMN | | | |
| Simplification | <50% | | |

| Questions | Favorable | Unfavorable |
|---|-----------|-------------|
| Generally, work gets done around here in an efficient and effective manner. | <25% | >40% |
| In my team, we have begun to eliminate activities that are inconsistent with the business' goals and objectives. | <30% | >30% |
| The processes I use to do my work are as simple as possible. | xx% | xx% |
| My business does a good job minimizing or eliminating unnecessary processes and procedures. | xx% | xx% |
| Our ability to respond quickly gives us a big competitive advantage. | xx% | xx% |

Perfect to identify focus areas... Insufficient to take action





Step 2: Listen

[]



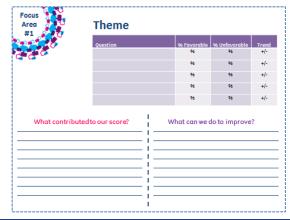
GE imagination at work-

Get Specific Feedback

Conduct Interviews

| Question | Answer |
|---|--------|
| Which activities that you are involved in are too complex? | |
| Which activities that you are involved in are efficient and simple? | |
| List 3 simplification ideas that would really impact you | |
| Etc. | |
| | |

Ask your team



Manager addresses the topic in face-toface team meeting

Reverse Webchat

Simplification team: A warm welcome to you! Today is your time to share your ideas to make our business simpler and more customer-friendly. The planned format is a reverse webchat – where we ask YOU to share your ideas and look forward to a fruitful, anonymous discussion!

Speaker: Let's get started with a first question. Which activities that you are involved in are too complex?

Guest #14: The first thing coming to my mind when I hear the word "complex" is our *XYZ* process. It is a 10-page document to fill out for any changes.

Speaker: Thank you - great input. We will add it to our list of ideas & I will talk with the process owner to see how we can simplify it.

Capture Feedback

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- Capture complexities & Simplification ideas
 - Prioritize along 3 axes: Number of employees impacted Business relevance Effort to implement

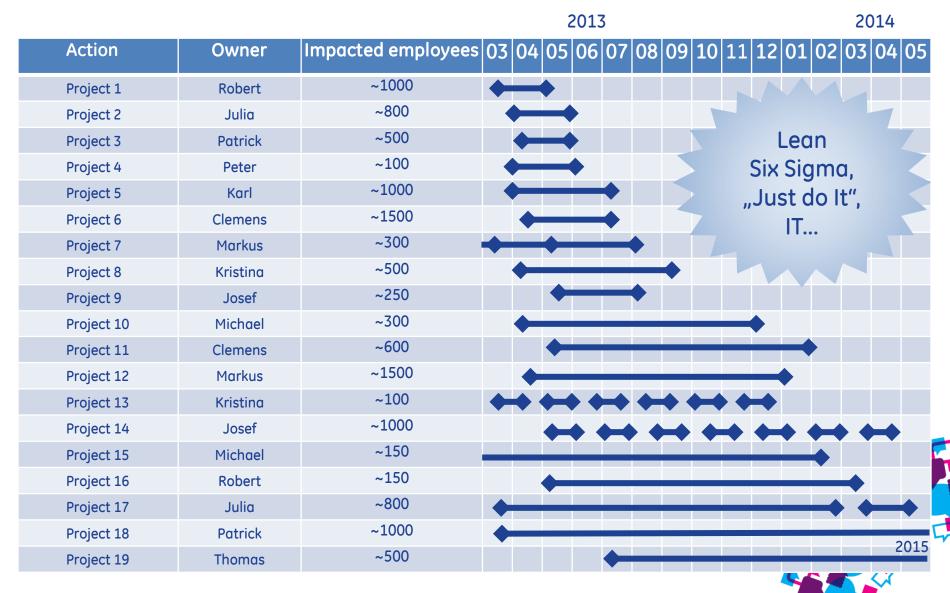
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Step 3: Act



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Develop Action Plan



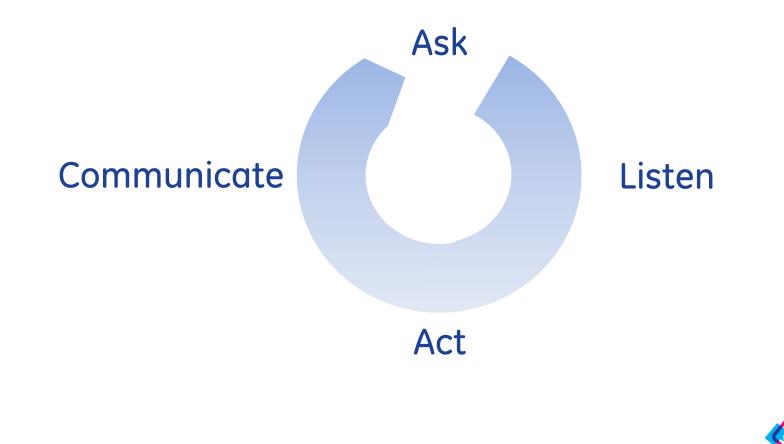
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Take-Aways



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It's a Cycle





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• Simply Effective, Ron Ashkenas

• From Complexity to Simplicity, Simon Collinson & Melvin Jay

