How to Transfer Internal Best Practices

By Lauren Trees

APQC defines a best practice as a practice linked to measurably better outcomes. In other words, best practices enable you to do something better, faster, or cheaper. For most organizations, the ability to pinpoint and replicate superior practices is a vital competitive advantage. No matter the industry, reusing successfully demonstrated practices can lead to shorter cycle times, faster ramp-ups, higher customer satisfaction, better decisions, and lower costs—all of which can mean the difference between success and failure in an increasingly competitive global economy.

Best practices are a particularly powerful form of institutional knowledge in that they take information and data and put it in the context of real people and experiences. By learning what works best in other parts of the organization, employees get theory, evidence, and expertise all wrapped into one. Best practices also help cut through employees’ natural resistance to change—it’s harder to ignore or dispute a new idea when it already is being used elsewhere to achieve superior results.

But despite these advantages, many organizations fail to recognize and duplicate the processes and methods that consistently get the best results. Why? As you might imagine, the internal transfer of best practices is not as simple as picking up a wiring diagram or process flow chart and faxing it to another location. It takes a formal strategy, a clear business focus, and an understanding of the variables that encourage and impede transfer.

Establishing a Transfer Process

The reasons why organizations formalize the transfer of best practices vary, but common drivers include the need to standardize after a merger or acquisition, efforts to minimize year-over-year costs while maintaining quality, and initiatives to upgrade IT and reporting systems. Business models that emphasize cost control or that require a standardized approach in multiple markets are particularly good candidates for transfer programs.

An effective transfer process must include steps to:

1. identify or create outstanding practices;
2. capture or document knowledge related to the practices and what makes them effective;
3. review, evaluate, or validate the practices;
4. communicate and share the practices, possibly by enabling exchanges between sources and potential recipients; and
5. support recipients over time as they adopt and adapt the practices.
THREE TRANSFER MODELS

While there is no one-size-fits-all solution for best practices transfer, APQC has observed three distinct models. The first involves the direct transfer of a centrally identified practice to multiple recipient locations. Often implemented as part of a Six Sigma or process improvement project, this model begins when a process improvement team identifies or creates a new best practice. Once experts review and validate the practice, it is pushed to relevant teams and locations, which usually are required to adopt it.

In the second model, transfer is facilitated through discipline-based networks or communities of practice. Unlike in the first model, no centrally identified group is responsible for the creation of practices. Instead, teams identify their own candidate practices and bring them to the relevant communities, where they are evaluated and shared. The communities advocate the use of best practices and provide support, but adoption tends to be voluntary.

The third model involves a self-assessment process in which teams invite assessors to evaluate their current opportunities against pre-established criteria. The teams then design improvement plans to address the gaps revealed by the assessments and, once implementation is complete, document and share their new leading practices. While the assessments are voluntary, management pressure for continuous improvement creates a pull to participate.

Regardless of the model used, teams implementing best practices are often tempted to start by adapting practices to their own operations. However, according to APQC’s research, firms experience the best results when they require that best practices be adopted “as is,” at least as much as possible. Then, once a team sees the practice in action, it can tweak it to suit the particular situation. If a team adapts a practice before implementing it, it may unwittingly eliminate the very elements that make the practice “best,” thus defeating the purpose of the transfer.

CHANGE MANAGEMENT

In addition to designing an effective process, organizations must address the logistical, structural, and cultural hurdles that impede transfer. For example, the organizational structure may promote silo thinking in which locations or divisions focus on maximizing their own accomplishments and rewards, instead of supporting the success of the overall organization. Similarly, managers may not allocate time for employees to learn from and help one another—or they may not sufficiently reward them for doing so. Other barriers are even harder to break down, such as employees’ reluctance to change the way they work based on advice from colleagues they don’t know and may never meet.

The most important factor in overcoming these barriers is the support and involvement of senior leaders. Securing employee buy-in is easier when management is committed and enthusiastic. Other factors that support change include:

- the allocation of full-time resources to support the transfer process;
clear, accessible documentation to explain transfer and what is expected of participants;
- extensive “face time” and workshops to help participants assimilate the need for change and the alternative practices they might adopt;
- robust communications and visible success stories;
- compliance scorecards and visible reporting of adoption; and
- the inclusion of best practice transfer in employee performance expectations.

Below is a description of aluminum refiner Alcoa World Alumina (AWA)’s transfer program, which is a version of the community-based model. In addition to creating an effective transfer process, AWA has taken significant steps to transform its culture and encourage employee participation.

**How Alcoa World Alumina Transfers Best Practices**

With more than 17 locations in six countries, AWA views standardization and improvement as vital concerns. Over the years, refining locations had introduced variation into their activities, with both positive and negative effects. The organization wanted a way to eliminate the ineffective or negative variations while allowing improvements to be disseminated and implemented across locations.

In 2004, AWA established a network of virtual, discipline-based communities to discover, refine, and implement improvements to the mining and refining processes and then distribute these best practices to other locations across the organization. The communities have identified more than 150 best practices to date and have been instrumental in bringing all the refining and mining processes to a standard level of high performance.

In addition to communities, two other initiatives also support the goal of best practice transfer: focus plant initiatives and global virtual teams. Focus plant initiatives are events where experts gather in one location to plan large-scale improvements and identify collections of best practices that can be used to address systemic problems. Global virtual teams are similar in that they develop best practices in response to specific challenges, but they work virtually instead of face-to-face. AWA refers to communities, focus plant initiatives, and global virtual teams collectively as “three strategies, one goal” because all three support the organization’s pursuit of standardized, global best practices.

AWA tries to ensure that participation in its transfer program is inherently valuable for employees. For example, community members can leverage the information, best practices, and expertise in their communities to help solve issues that arise at their locations. To further promote participation, the organization incorporates goals for best practice transfer in employees’ performance objectives. It has also updated certain job descriptions to explicitly outline activities such as best practice transfer and community membership.
Conclusion

There are many different ways to transfer best practices between teams or locations. This is true even inside a single organization, as evidenced by AWA’s “three strategies, one goal” approach. The most important thing is to keep your strategic drivers and objectives in mind and design a process that fits your organization’s existing structure and culture. A program that supports the objectives of senior leadership and allows employees to exchange best practices in the course of their normal work is most likely to achieve widespread adoption and popularity.

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