

EHS Insights

CEOs tell us that they know their organizations are capable of achieving greater heights and are frustrated with their inability to capture this potential. EHS' empirical data, gathered over the past decade of client work, suggests that most performance improvement programs are at best 60% effective. Focus on the wrong improvement levers and poor execution of planned initiatives are the primary reasons these programs do not deliver greater results.

Part of the challenge for organizations is finding an efficient and effective way to identify wasted spending, productivity inhibitors and lost revenues. Many companies have developed internal processes or used tools such as "Lean" or "Six Sigma" to help uncover improvement opportunities. These approaches can successfully help identify opportunities, yet often fall short in addressing important organizational or human behavioral obstacles to proper execution. Ensuring that the right actions are taken by the appropriate people within a specified time frame is critical to the success or optimization of an improvement initiative. This is, however, extremely difficult to accomplish. The "human element" is often not well understood or appreciated, resulting in suboptimal execution and lost earnings.

Client feedback suggests that while the EHS process is extraordinarily effective in identifying a wide range of improvement opportunities, what makes the

process truly unique is the thoroughness with which it addresses typical human behavior related challenges that exist in even the best-run organizations. The challenges are numerous, three of which are mentioned below.

Time constraints exist throughout all levels. Senior managers have limited time to see and act upon every good idea. In addition, line managers have limited time to develop ideas within their own area, let alone to cooperate with their cross functional colleagues.

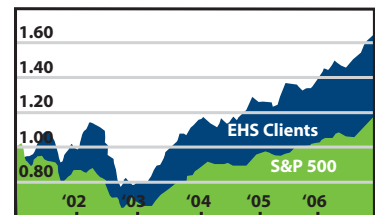
Organization structures are necessary but silos are often difficult to work across and management layers inhibit effective communications. Both reduce transparency up, down and across organizations.

Finally, organizational change is often inhibited by basic human behavior like the fear of speaking up or one of our favorites, the "not invented here" syndrome.

The good news is that most managers and employees have both the knowledge and desire to help their company operate more profitably. The challenge is to draw on this knowledge and motivate the organization to achieve greater results, while orchestrating the myriad of actions needed to execute all improvement initiatives. We at EHS would be delighted to talk further about low risk ways that your organization can address these challenges and thus realize significant new earnings.

About EHS Partners

EHS Partners helps companies generate dramatic operational improvements that deliver balanced results from revenue growth, cost reduction and improvement of other operating metrics. EHS Partners enables its clients to leverage their human capital to drive earnings growth and improve the quality of their organization. Combined, EHS clients have utilized our methodology to achieve over \$4.0 billion in incremental and sustainable earnings.



EHS Clients Outperform the S&P 500 by nearly 2 to 1.

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Related Topics...

Articles that reinforce the power of “internally driven” performance improvement.

Harvard Business Review

Why Employees are Afraid to Speak

By James R. Detert and Amy C. Edmondson

Self-preservation through self-censorship is a common practice of today’s workforce as recently reported in Harvard Business Review. Employees often keep suggestions and ideas from managers due to cultural myths and perceived risks resident in an organization. Finding the right managers and processes to encourage communication is not enough; company leaders must create an inclusive environment where creative ideas from employees are sought, promoted and rewarded.

<http://www.ehspartners.com/news/hbr1.html>

Harvard Business Review

Your Company’s Secret Agents

By Richard Tanner Pascale and Jerry Sternin

Standing out from the crowd is risky. Yet the authors of this article advocate an untraditional method of corporate change where managers find “positive deviants” within their organization and use their unorthodox successes to create internal improvements. Enabling adaptive learning and full “community” involvement can engender innovative improvements and provide solutions that may not have surfaced or have been implemented using traditional change management.

<http://www.ehspartners.com/news/hbr2.html>

The New York Times

Here’s an idea: Let Everyone Have Ideas

By William C. Taylor

This New York Times article offers insights into the tangible results of harvesting ideas from all levels within a business. By showcasing one organization, the article highlights the creative products and opportunities that were realized by leaders from the organization actively promoting such idea generation through acceptance and incentives. As senior managers recognize the value of the diverse experiences, opinions and ideas of their diverse workforce they are beginning to capitalize on the collective creativity for the corporate good.

<http://www.ehspartners.com/news/nyt1.html>

Recognitions...

EHS Clients continue to accomplish great things!

DTE Energy



DTE Energy Receives Excellence Award from the National Fuel Funds Network

DTE Energy and its subsidiaries have been selected by the National Fuel Funds Network to receive the 2007 Corporate Excellence Award. This prestigious award is given to a utility company that demonstrates support of low income customers in the area that they serve. “Energy assistance programs provide a vital safety net for low income families and individuals. Making sure these programs are available for customers who need them is critically important to us.”

– Tony Earley, CEO



Heinz Receives Highest Investment Analyst Score in Top 50 Most Environmentally and Socially Responsible U.S. Companies

H.J. Heinz received the highest score in The LOHAS Index, “a sustainability index measuring consumer and investment analyst perspectives of U.S. companies,” in regard to environmental and social responsibility. Heinz is committed to the development of nutritious and healthy food products while being environmentally conscientious. The company also dedicates time and resources to help eradicate micronutrient deficiencies in children living in developing countries.



Manpower®

Manpower Inc. and PNC are named Fortune Magazine’s “America’s Most Admired Companies”

Manpower Inc., is once again an industry leader on Fortune’s annual list of Most Admired Companies. The company has held a top spot in the temporary help category for four consecutive years.



PNC was also selected for distinction in 2007, based on its corporate performance in the financial services industry. Fortune bases rankings on excellence in reputation, innovation, employee talent, use of corporate assets, social responsibility, quality of management, and financial soundness with respect to operations.