



PROCESS IMPROVEMENT

Best Practices In Process Improvement

by **Tom Dolan**

Process improvement tools have been used to evaluate business processes ranging from employee satisfaction to customer help desk support.

A variety of quality tools and quality management standards, including benchmarking, process mapping, root cause analysis, Six Sigma and ISO 9001, are available to help manage these improvement projects. The focus of this article is the human side of managing and implementing an improvement project.

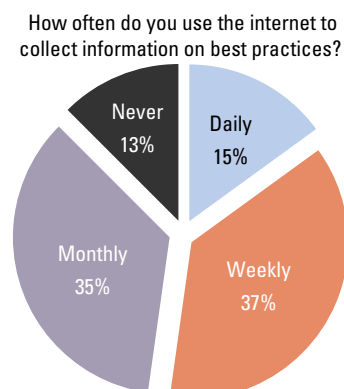
One of the most significant ways process improvement projects have changed in the last five years is through the use of the internet (see Figure 1). The internet makes it easy for people to contact others with similar challenges and identify common solutions. More importantly, it speeds up data collection and puts people who are regularly involved in implementing best practice projects in contact with their colleagues.

In a recent survey conducted online by the

In 50 Words Or Less

- The internet has revolutionized process improvement projects by facilitating benchmarking.
- Getting executive management commitment and communicating are the most important steps.
- Process improvement is continuous and can generate significant returns.

FIGURE 1 Benchmarking Using The Internet



Source: The Benchmarking Exchange survey

Benchmarking Exchange, we queried a group of people who are regularly involved in process improvement projects. Figure 2 shows the responders most frequent answers to a question asking them to identify their biggest problems when implementing process improvement projects.¹

The responders then made several recommendations to overcome the obstacles they identified.

Establish the Need for Change

Once a problem has been identified, take a look at the process causing the problem and identify how it impacts customer satisfaction, employee involvement and financial returns. Begin to identify potential risks—what are the risks in doing the project, and what are the risks if it is not completed?

“Identify an opportunity that provides not only financial and customer benefits, but reduces the pain and grief for those involved in running the process day to day,” wrote Ian J. May of Siemens in response to the survey.

Make sure process improvement projects are aligned across all areas in the company. You don’t want to improve the process in one area at the expense of another. Improving isolated processes leads to frustration and does not benefit customers, employees or shareholders.

Obtaining the commitment and visible involvement of top management was the most frequent recommendation of those surveyed. Management

needs to agree the problem exists, and the organization needs to see management stand behind the improvement effort.

“You must have full, visible support from upper management, and it should be widely known the process improvement project answers directly to the top management team,” recommended Donna Smith from GPC Electronics.

Choose the Team

The next step in the process improvement process is to put together a team that will collect data and oversee the implementation of the recommended changes. Select your best and brightest to lead the effort, choosing representatives from all stakeholder groups.

Depending on the project, these may include suppliers and customers, as well as employees from all levels of the organization. Be sure to include those with detailed or technical knowledge of the departments being targeted. Getting everybody in a room to talk with each other will improve most processes.

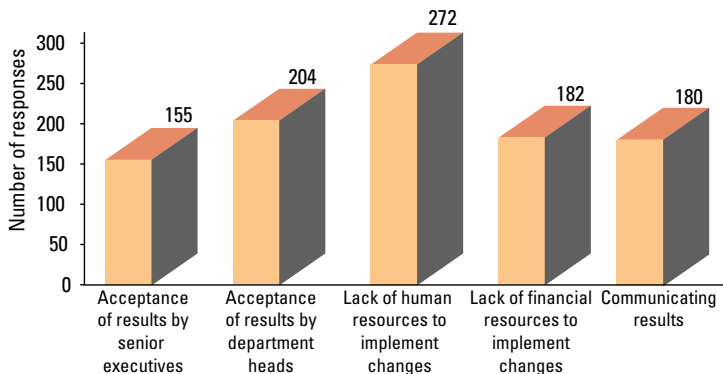
Cross functional teams are important. In addition to the stakeholders, if possible also include those who will not be affected if the process is changed. Employees from an unrelated department or branch or peers from another organization can provide important insight and credibility. Their unbiased, unfamiliar viewpoint will add a perspective

people close to the process don’t have. Even cynics, as long as they are not disruptive, prove to be good team members by helping identify objections before the new process is launched.

Employees who have been given the time and resources to manage the project should direct the improvement effort. Involvement should be seen as part of their job, with implementation metrics tied to performance reviews.

In general, process improvement is an inside job, but there are times when it may be appropriate to hire an outside consultant. For example, a facilitator can be used to help address and minimize political issues. An outside consulting group can provide expertise that doesn’t exist in-house. When implementing IT projects, in which technology

FIGURE 2 Biggest Process Improvement Problems



Source: The Benchmarking Exchange survey

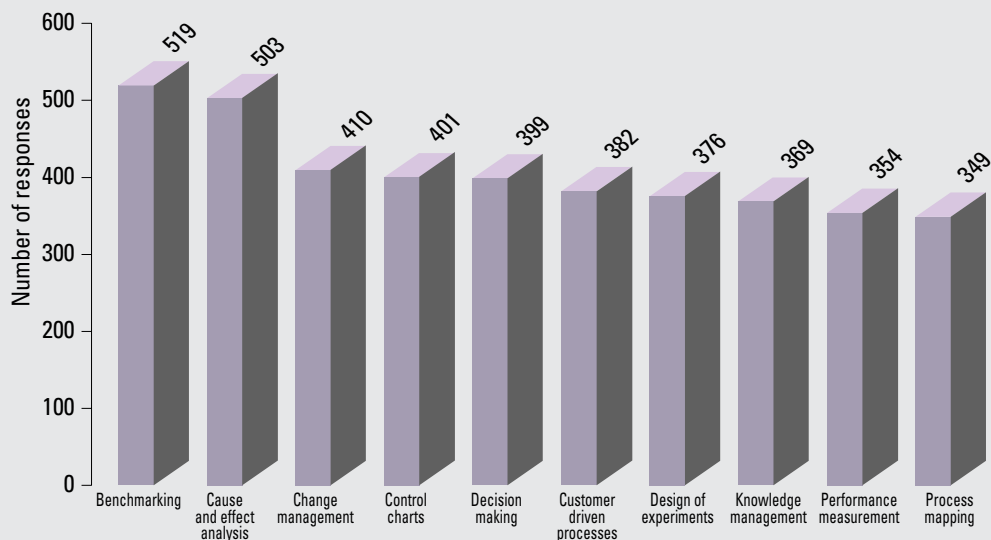
Top 10 Benchmarked Business Processes

The following list shows the most actively benchmarked business processes according to members of the Benchmarking Exchange (TBE). The data are collected from thousands of TBE members and ranked for the most recent 12 months.

1. IT.
2. Employee development and training.
3. Document control and records management.
4. HR.
5. Customer service and satisfaction.
6. Performance measurement and improvement.
7. Call centers and help desks.
8. Accounting.
9. Process improvement and management.
10. Employee benefits, compensation and incentive programs.

The purpose of this ranking is to show what business processes are being focused on most frequently and to provide a bit of insight as to what to expect in the near future. The top 10 business process improvement tools shown in Figure 3 are among hundreds of business processes and subprocesses tracked in TBE's Posting Board database for its members.

FIGURE 3 Top 10 Process Improvement Tools in Use



Source: The Benchmarking Exchange Six Sigma survey. For additional information, visit www.benchnet.com.

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changes rapidly, in-house personnel may not be able to evaluate, implement and fine-tune the process.

Define the Strategy and Vision

The team's first job is to clearly articulate the project's aim and expected improvements. Understand how the existing process works—not just how it is supposed to work—prior to trying to improve it. Define what is broken, why it should be improved and what monetary benefit to the business will result if it is improved.

Take time to really understand what people do. Try different approaches to give staff opportunities to open up about problems. "Make sure to include all stakeholders in the process, and don't stop investigating when the first idea pops up," suggested John Palmer of Saudi Aramco.

Process mapping is a powerful tool several respondents recommended using to define and visually display the overall process. Creating a map of the current process often uncovers previously unidentified gaps or redundant efforts. Identify suppliers, inputs, the process, outputs and customers of the process. Include everyone involved in the process, not just management.

During a recent process mapping exercise, each person was asked how long his or her part of the process took. The division's manager was shocked at some of the lag times uncovered.

Once a team gets started, it may uncover additional problems that expand the scope of the project. The project leader should guard against "scope creep" and ensure the team stays focused on the main problem. Don't try to change things beyond the scope of your process. It is better to have success in one or two areas than to use a shotgun approach that doesn't yield good results.

Remain focused, but set aggressive goals. This encourages the team to look past incremental improvements and evaluate creative solutions four or five times more significant.

Move fast. Don't skip steps, but aim for projects to last about 90 to 120 days. If the process takes too long, the project loses its focus, and management attention moves on to other issues.

Plan a reasonably aggressive timetable, and then stick to it at all costs. As a safeguard, you may want to identify milestones where the project could be terminated and still deliver benefits. It is far bet-

ter to implement 85% of your planned work on time than miss the target date by even a little. You can always go back and add the final 25% in a subsequent release.

"Don't let the project drift," advised Al Holloway of Longaberger Co. "It is better to reschedule or cancel the project than to let it coast."

Communicate, Communicate

Second only to the importance of securing executive management commitment is the need to communicate. At the start of the project, develop a communications plan and keep it updated. Communication should clearly articulate the vision, purpose and status of the project to everyone involved. Benefits of anticipated changes need to be pretold, told and retold to gain buy-in and support.

"Communicate up, down, around and throughout the organization. Be visible. Be open to suggestions, and keep moving forward," recommended Rosemary Gregory at NASA.

With the project team, communicate often, give clear guidelines and review results collectively. Maintain focus on the improvement project through regular update sessions, and keep the team informed about its progress against goals.

Whether through regular meetings or reports, find some mechanism to regularly communicate progress and benefits to executives. Use initial investigation results and "back of envelope" financial calculations to lock in management sponsorship and project a budget.

Acknowledge any setbacks you've faced. They will occur—but focus on how problems were addressed and resulting changes. Management will be more receptive to accepting change if you demonstrate a financial benefit for the company.

Employee support is critical for the successful implementation of the improvement. Publish results (successful and otherwise) on the corporate intranet or through another in-house communication tool so everyone learns about and can anticipate the project. Promote improved results early and often. Get stakeholders to talk about the proposed process improvement to generate enthusiasm from colleagues.

Share as much information as possible with all stakeholders, and incorporate their feedback into the plan. Don't segment data for different audi-



ences. Make sure all groups understand how their efforts fit into the overall process improvement projects and what other groups are contributing.

Empower Broad Based Action

Several quality management standards and tools are available to organizations embarking on a process improvement project (see Figure 3, p. 25). Choose an applicable tool and work within that framework. Select the right tools for the project, because not all tools are appropriate for all projects. If you plan to implement off-the-shelf packages as part of the process improvement, question other organizations about their experiences with the same programs (see "Top 10 Benchmarked Business Processes," p, 25).

Start with a defined improvement methodology applicable to the scope and nature of the process targeted for improvement. For example, if you have a process in which you cannot identify a definitive root cause, situational analysis might be a good tool to determine and define the potential root causes. A logical, data driven improvement methodology can help dispel corporate myths and ensure recommendations are based on the best solution rather than the strongest team member.

Site visits are another useful tool. "Go see other companies that have been down this path before. It gets people past the 'it's too hard' or 'it can't be done' phase," advised Gary Book from Candle Corp. "Baldrige winners are great sources for site visits."

Train at all levels, and then implement. The training curriculum should include the use of any new tools, proposed implementation, ongoing operation and evaluation. Depending on the organization's experience with process improvement projects, executive training should be provided on the improvement process.

Documentation ensures all changes are captured so subsequent teams will benefit. Documentation should be revisited within specified periods to keep it a living document.

Don't underestimate the time required to implement a new process. A process with a cycle time of several years won't show instant improvement. Formulate a detailed implementation plan that includes best- and worst-case scenarios and agreed timescales to facilitate postimplementation evaluation.

One person should manage the implementation, although the entire team should be involved. When changes are far-reaching, you may want to have a senior manager, not necessarily the project manager, be the owner during launch.

Convince management of the need to resolve any potential problems before implementing the plan. Many process improvements fail because

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management just wants to get them done instead of making sure anything that could potentially go wrong has been anticipated.

Celebrate Milestones

Acknowledge the process is difficult, and offer rewards and recognition for team achievements. Celebrate quick wins to demonstrate success and build enthusiasm.

Keep the project team on target regarding deliverables and time schedule. Targets should be defined in increments so achievement can be tracked. Make sure your control plan has detailed action items with consequences for noncompliance. Regularly check status against progress.

"Plan for incremental celebrations when a checkpoint has been reached. Don't be hesitant to acknowledge or downplay setbacks if and when they occur (they always do). Focus instead on how the setback is being addressed and what changes were made as a result," suggested Stan Suring from the Brady Corp.

Build for the Future

Once you've implemented the changes, follow up regularly to ensure the improvement really occurred. Create and maintain cross functional

review processes to validate improvements and sustain continuous improvement.

Process flowcharting and process modeling techniques can be used to illustrate the improvement.

Ensure motivation for the new improvement is ongoing and the control plan has regularly scheduled follow-up activities.

Control is a huge issue when it comes to change. Many changes will stay in place for a couple of weeks while people are conscious of them. But everyone eventually goes back to the old way of doing things. It is important to ensure sufficient controls are in place to prevent the backslide.

People and organizations don't turn around overnight. Be patient, persistent and flexible. Change takes time. Ultimately, an organization committed to process improvement will foster a culture of change in which improvements become ingrained and long-term. It's a continuous process, and one that can generate significant returns.

REFERENCE

1. For full access to the surveys mentioned in this article, visit www.benchnet.com/QualityProgress.htm.

TOM DOLAN is president and CEO of the Benchmarking Exchange (TBE), an online subscription service supporting the benchmarking and process improvement communities. Prior to launching TBE in 1993, Dolan spent more than 15 years with Amdahl and IBM corporations. Dolan was chair of ASQ's Benchmarking Competency Center from 1994 through 1997 and editorial advisor for quality management publications including *The Benchmark*, *International Journal for Quality and Benchmarking*.

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