

2009 ASQ Lean & Six Sigma Conference

Sustaining the Culture of Continuous Improvement

PROCESSARC

Corporate Overview

- ❑ **ProcessArc, Inc. provides business process improvement consulting and training. The firm leverages Six Sigma and Lean methodologies to deliver cost and process-risk reduction while increasing revenue.**

- ❑ **Differentiators:**
 - ◆ Industry depth
 - ◆ GE Six Sigma and Lean trained staff – Master Black Belt level
 - ◆ Proprietary Six Sigma platform for transactional-based sector/processes
 - ◆ Successfully competed over 500 Six Sigma projects - \$450MM in savings

For every \$1 invested in our propriety platform clients have realized \$700 in financial benefits

High Level Perspective

Sustainability of a Quality Culture



Building a Continuous Improvement Culture



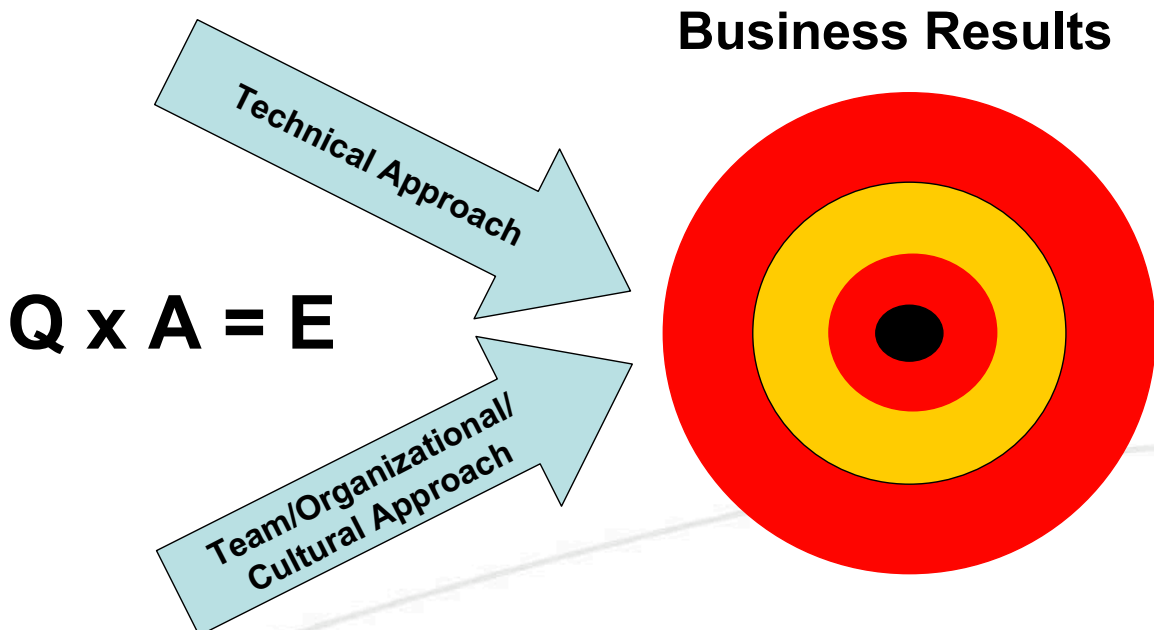
Culture Accepting of Constant Change for the Better

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Formula for Success



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Formula for Success

The Balance Between Strategy & Change Management

$$Q \times A = E$$

Quality Strategy x Cultural Acceptance = Effectiveness Level

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Examples of How Frequency “Change” Fails

Change Quiz

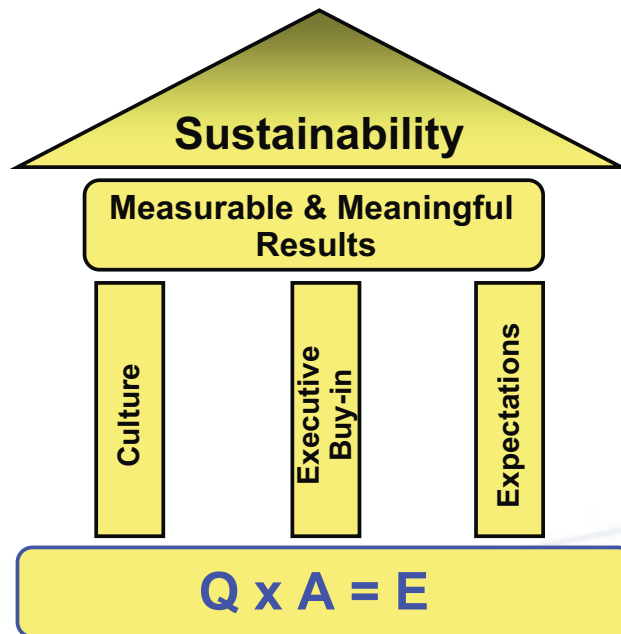
1. What percentage of people reach their target weight? _____
2. What percentage of people maintain their target weight? _____
3. What percentage of the people quit smoking and never start again? _____
4. What percentage of people quit smoking after a physical crisis? _____
5. What percentage of re-engineering efforts are successful? _____
6. What percentage of companies on the 1955 Fortune 100 are still around today? _____
7. What percentage of Fortune 500 companies on the 1970 list had vanished by 1985? _____
8. What percentage of executives in Fortune 500 companies that had financial losses in 1993-1994 attributed it to poor management? _____

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Pillars of Success – Long & Short Term

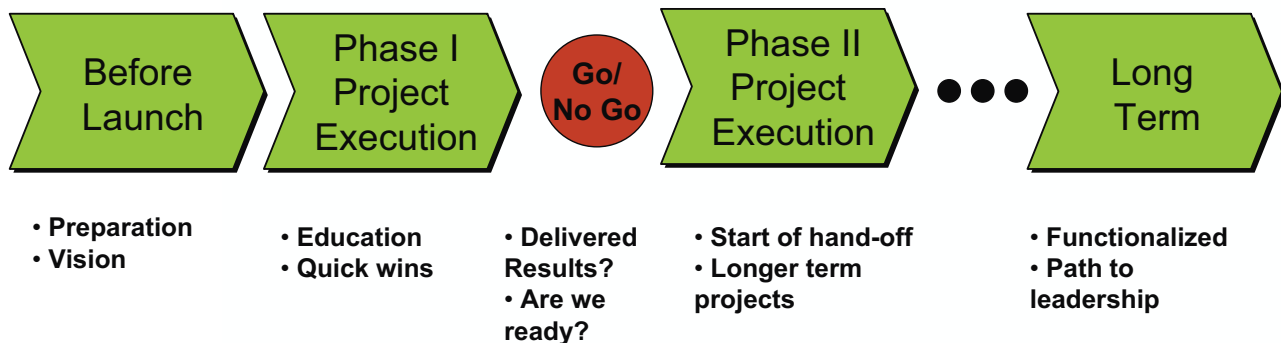


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Critical Phases



- Every milestone has CTQs impacting success
- Ensuring that these are understood by champions, key stakeholders and BBs becomes critical

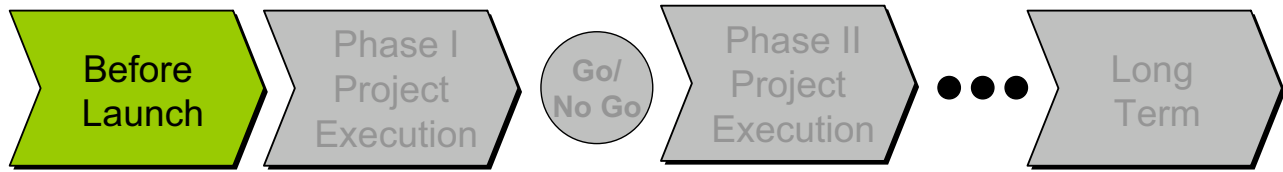
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Critical Phases

The CTQs for Long-Term Success



- Preparation
- Vision

- Education
- Quick wins

- Delivered Results?
- Are we ready?

- Start of hand-off
- Longer term projects

- Functionalized
- Path to leadership

- **Quality Strategy Vision**
 - Why do it?
 - Goals/Success metrics
 - Elevator speech – everyone on the same page
- **Champions**
 - Executive support/leadership
- **Identify Sources of Resistance**

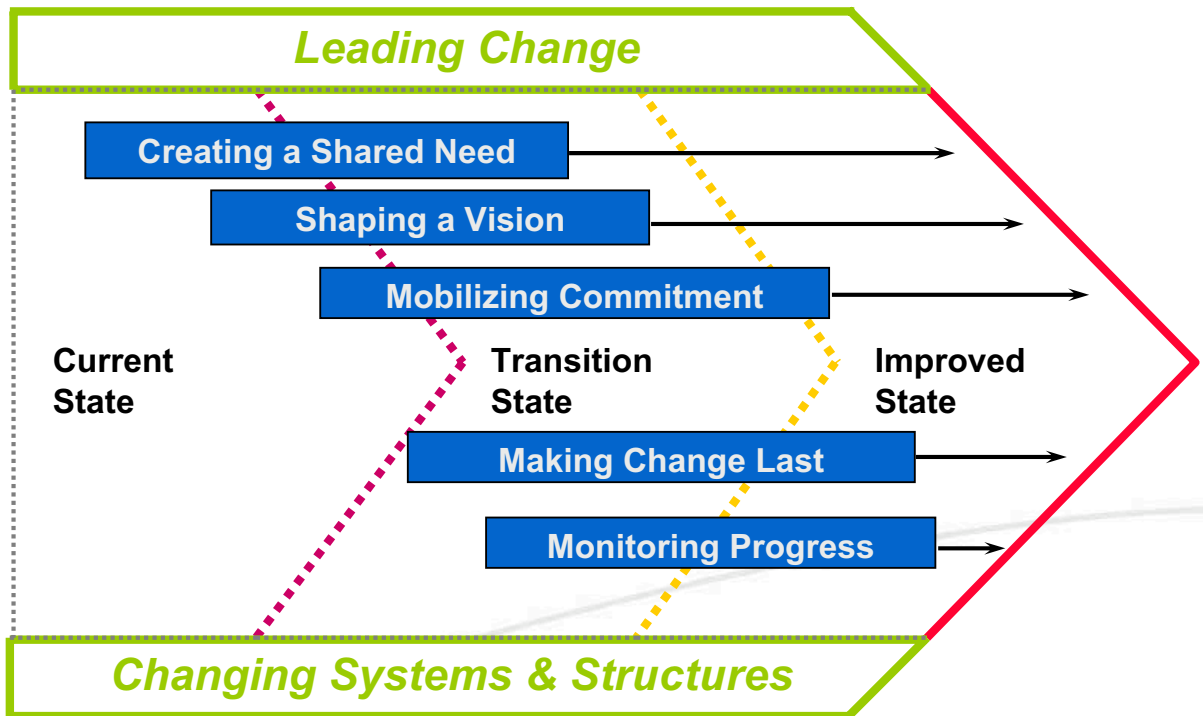
- **Dedicated Team**
 - High talent
 - X-functional
- **Expectations**
 - Risk/Reward
 - Timing
- **Funding**
 - External Expertise Help

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Ensuring Long Term Success

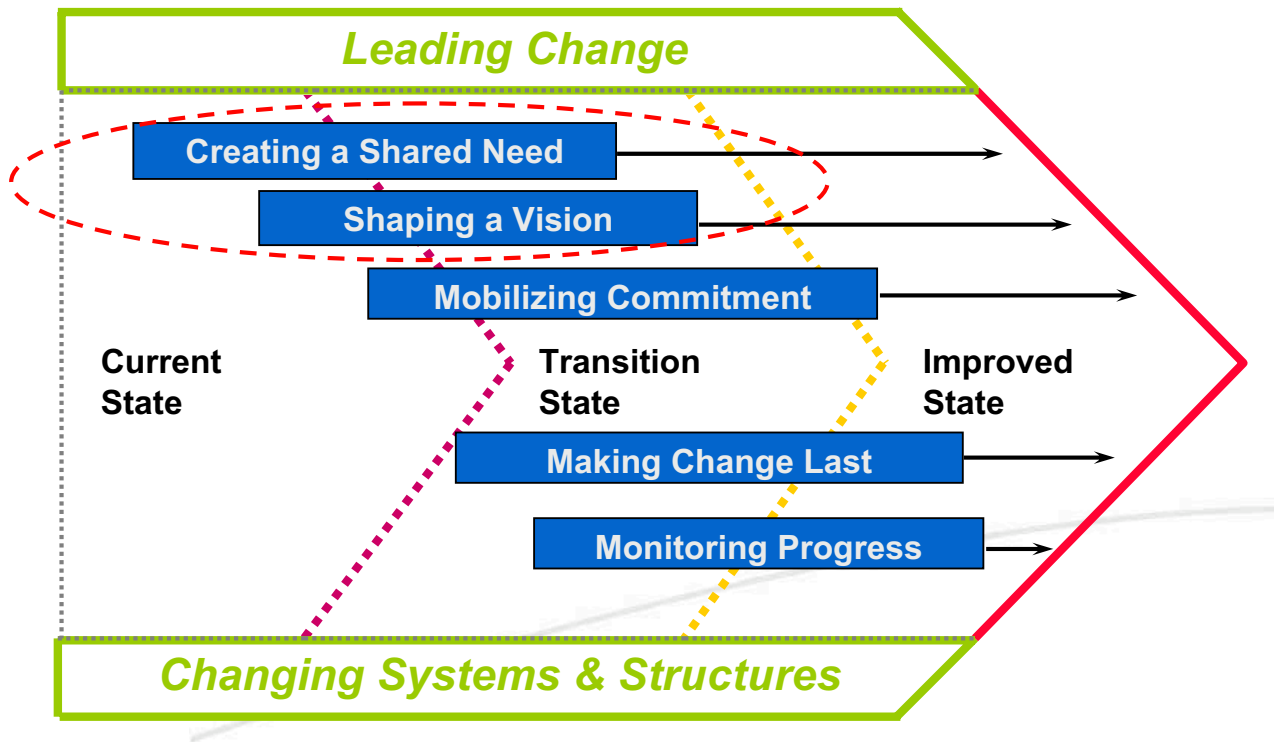


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Ensuring Long Term Success



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Ensuring Long Term Success

1) Leading Change

- All implementation projects require a Champion who sponsors the change if they are to be successful.

2) Creating A Shared Need

- The reason to change, whether driven by threat or opportunity, is instilled within the organization and widely shared through data, demonstration, or demand. Leverage the Business Case.

3) Shaping A Vision

- The desired outcome of change is clear, legitimate, widely understood, and shared.

4) Mobilizing Commitment

- There is a strong commitment from key constituents to invest in change. Make it work - demand and receive management attention.

5) Institutionalize Change

- Once change is started, it endures and flourishes, and learnings are transferred throughout the organization.

6) Monitoring Progress

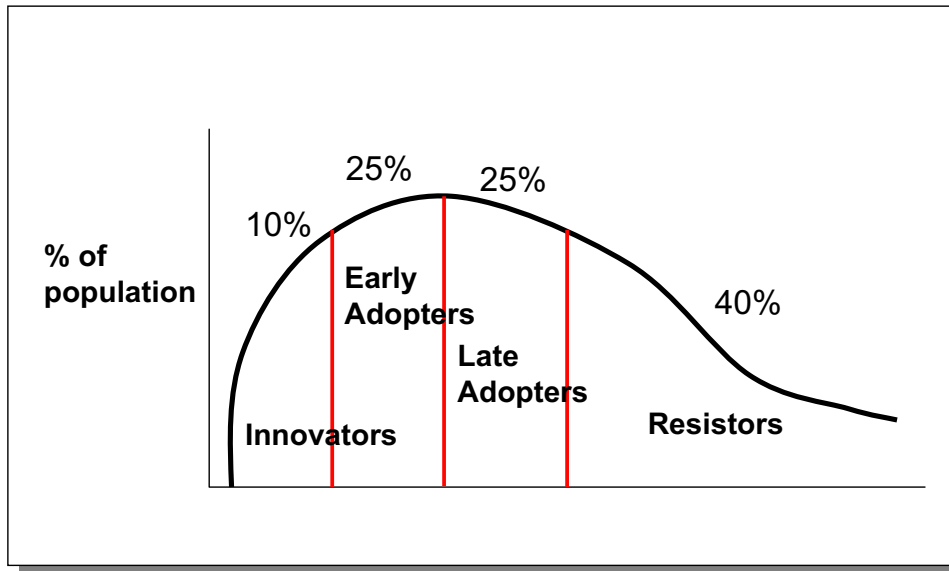
- Progress is real; benchmarks are set and realized; indicators are established to guarantee accountability.

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Understand the “Profile” of Resistance



Need to Identify Critical Stakeholders and their current level of “Acceptance”

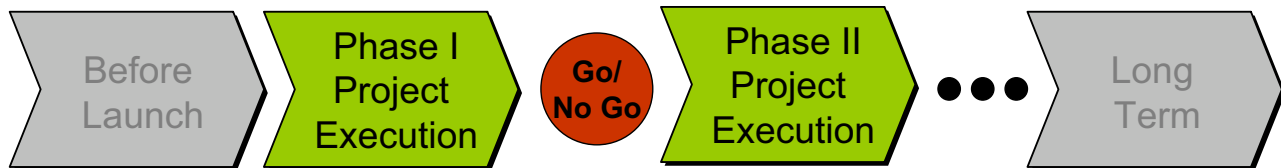
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• **Differentiation btw Tactical & Strategic projects**

- Use the appropriate tools
- Set up early milestones

• **Quick Meaningful Wins**

- Projects tied to pain points
- Results measurable
- Solutions technically sound

14 • **Education & Awareness**

- Executive & Employee training

• **Solutions Embraced & Adopted**

- There is “pull” from team to do more improvement projects

• **Develop Plan to Reduce Resistance**

• **Communication Plan**

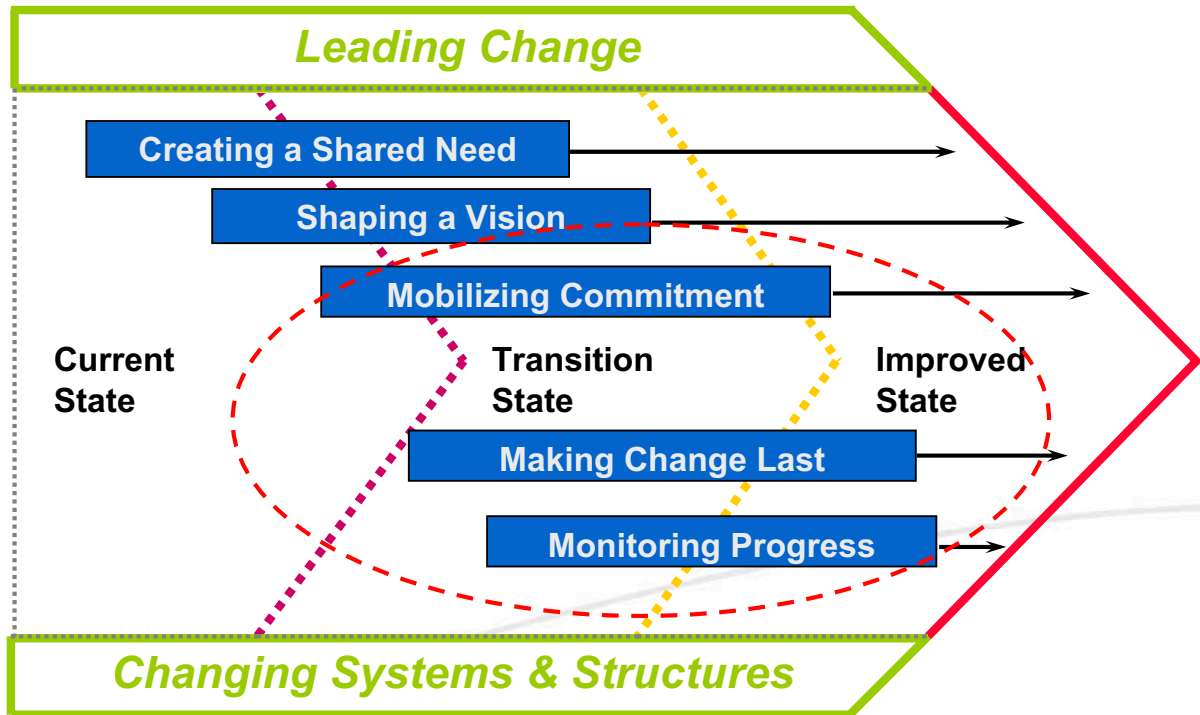
• **Energy, Energy, Energy**

- Maintain sense of urgency

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Ensuring Long Term Success



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Overcoming Resistance to Change

Source of Resistance

Some strategies for overcoming

<i>Technical</i>	<ul style="list-style-type: none"> ➤ Do an alignment test for systems and structures. ➤ Provide training and education ➤ Provide coaches, green belts, tools/job aides. ➤ Run pilots or customer site-visits to demonstrate.
<i>Political</i>	<ul style="list-style-type: none"> ➤ Do a political map to understand influence patterns. ➤ Provide “safe exits” and/or alternate job designs. ➤ New measures and rewards - customer driven. ➤ Clarify roles and responsibilities - accountabilities.
<i>Cultural</i>	<ul style="list-style-type: none"> ➤ Do a culture audit: What beliefs drive us? ➤ Articulate desired mindset and gaps. ➤ Redefine measures and rewards. ➤ Make known important core values that remain constant.

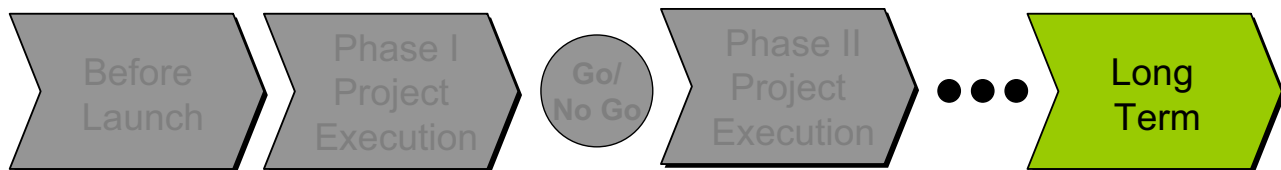
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• Integration with HR

- Reward & career plan
- Compensation
- Orientation for new employees

• Executive level metrics for Quality

- % employees trained
- Financial benefits delivered
- # of active projects

• Integration with IT

- Quality team involved in infrastructure & IT spending
- Robust process design prior to purchase
- Improved data integrity

• Centralization of Change Requests

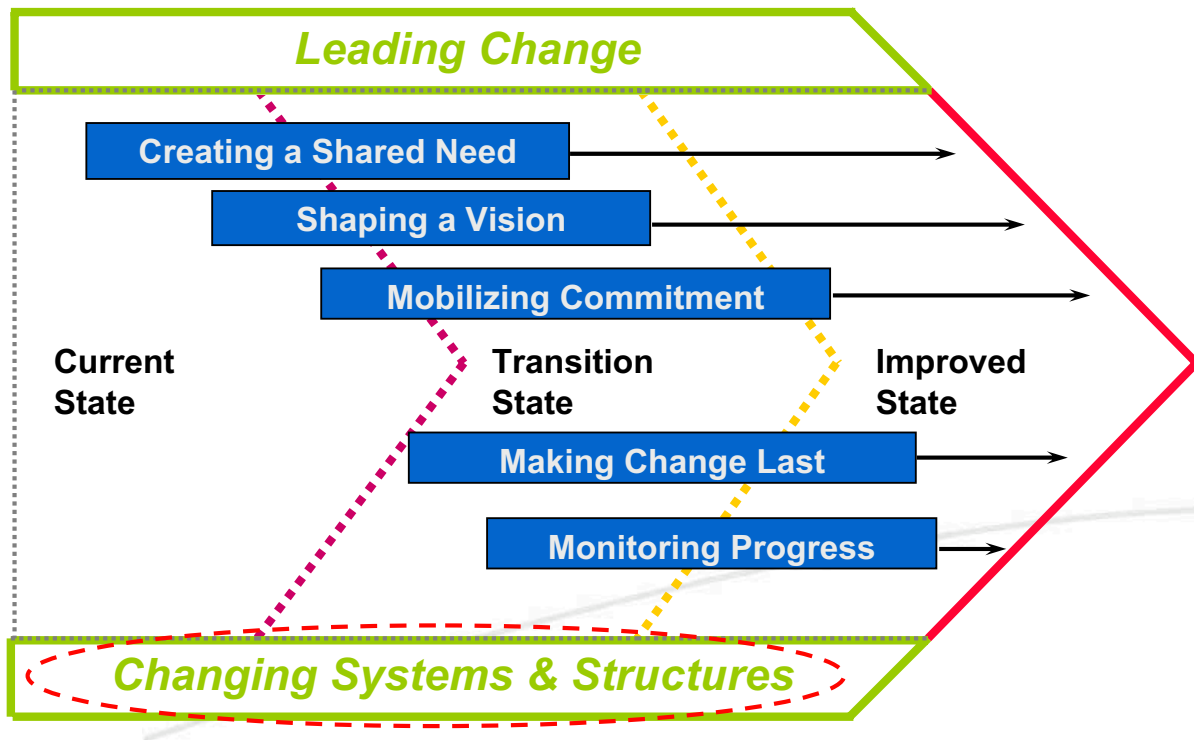
- Formal process for accepting and allocating resources for projects
- Controlled change

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Ensuring Long Term Success

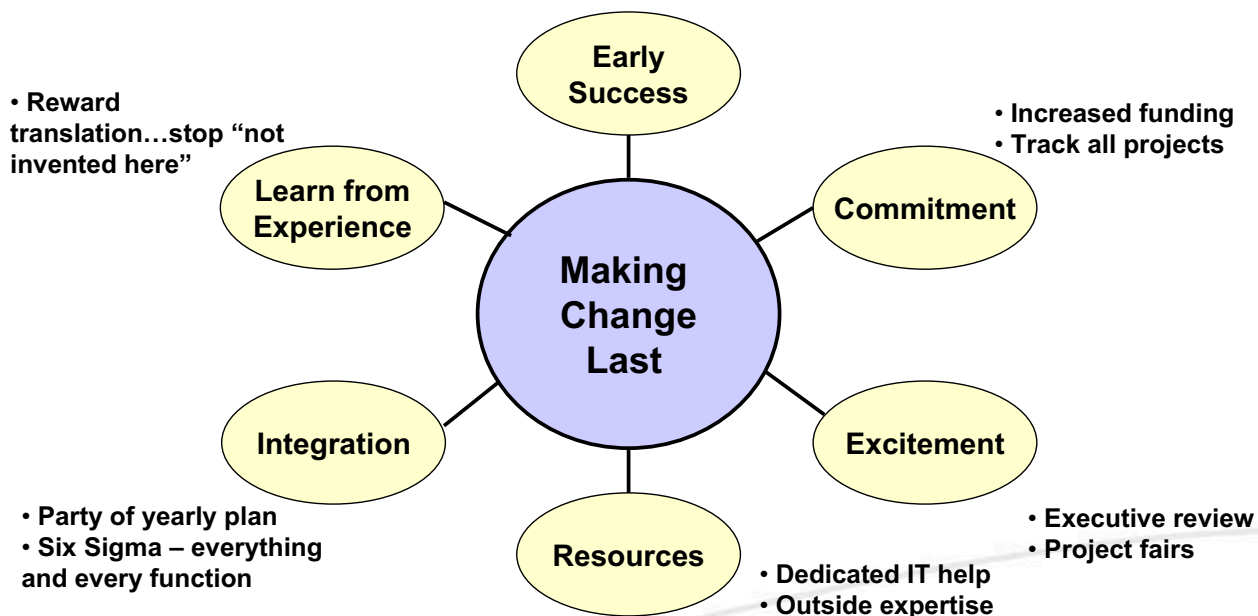


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Making Change Last



And Always Align Measurements!

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Making Change Last

Six Sigma teams can potentially derail because of ten classic implementation pitfalls:

- Underestimating the time commitment
- Unexpected problems
- Poorly coordinated activities
- Competing distractions
- Inadequate capabilities/skills of employees
- Lack of support for the initiative
- Unclear goals and objectives
- Lack of involvement of Change Targets
- Dismissing complaints outright
- Uncontrollable externalities (Life Happens)

To avoid pitfalls, change initiatives must be a series of commitments instead of “assignments.”

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Making Change Last

Q & A

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