Improving Your Improvement Program

By Stephen M. Dent

What CEO's eyes wouldn't light up at the prospect of improving productivity and product quality while also saving millions by reducing waste and defects? But if improvement programs are going to have an impact, they must be cross-functional in their approach.

Improvement programs affect every core business process and cut across organizational boundaries such as marketing, engineering, finance, manufacturing, and sales. It's up to leadership to make sure employees embrace change and don't resist it.

The most common mistake leaders make is rushing things. In our task-focused business culture, it's understandable that leaders fail to see how profound an impact an improvement program can have on employees. If you focus only on the balance sheet, you'll miss the human effect that improvement programs have on people's responsibilities and objectives.

The price leadership pays for haste is high. However, because the cost is invisible (usually reflected in delays in achieving improvements, internal conflicts, unproductive meetings, and time spent overcoming resistance), leaders rarely identify the root cause of the problem. Typically, they blame the improvement technology—"It's too complicated" or "We're different" or "Process management is just a bunch of hooey!"—rather than identifying the real reason for the failure.

The number one reason improvement programs fail is that leadership doesn't get cross-functional agreements (a "Program Partner Agreement") in place before implementing the improvement programs. Failure to do so leads to disappointing results and can cost your organization millions.

Even more damaging is the mistrust and cynicism that results when employees see that the company's executives do not universally support improvement programs. That's why they cynically label management's efforts as "flavor of the month." As a result, workers do not take these programs seriously and tend to put in a half-hearted effort.

How to Implement a Program Partner Agreement

As with most organizational efforts, you must start at the top and build a partnership with the stakeholders. As you discuss the implementation of the program, you'll want to develop a formal Program Partner Agreement. This agreement is made between executives and forms the backbone of implementing the improvement program.

Conduct a formal meeting that includes anyone who will be affected by the improvement program. Make sure you include stakeholders from the enabling processes (e.g., human resources, information technologies, and finance), as they will feel changes as well.

Review the reasons for initiating the improvement program. Make sure everyone understands why you are doing it and that they agree it's the strategy to use.

Develop a Strategic Framework specifically for the program. The framework will include:

- What is the vision of the program? (What will it look like when you've achieved your improvement objectives?)
- What is the program's mission? (The mission describes how you'll accomplish the vision.)
- Establish your strategic directions. (These are the broad areas you will focus on to accomplish your mission.)

For example, if you are planning to implement a Six Sigma program, you might develop a Strategic Framework that will look something like this:

- Vision: Reduce product defects making us the premier choice of customers while increasing overall productivity and profitability for the business.
- Mission: Successfully implement a Six Sigma Program that positions us to achieve our Vision while building our teamwork and collaboration skills.
- Strategic Directions: Establish a cross-functional culture where employees are trained and rewarded for implementing the principles of Six Sigma,, as follows:
  - o Link the program's measurement system to departmental, business unit, work group, and corporate scorecards.
  - o Prioritize functional objectives to support the goals of the Six Sigma program.

The benefits for building a Strategic Framework are numerous, but the single most important benefit is building your executive team's ownership for the improvement program. Without this sense of ownership and common vision, people tend to act independently, which diffuses the energy and support that improvement programs need to succeed.

It also provides an opportunity for the team to talk about how the program will affect the people and processes of the organization. It will provide time to address conflicts in priorities, objectives, budgets and other issues that erode support. A Strategic Framework is an excellent tool for making your team stronger and more effective as it faces the unique challenges of the improvement program. Remember that you're trying to take away as many distractions as you can from the real work of making sweeping organizational change.

After you have the Strategic Framework in place, you now have the structure to begin to build your implementation plan. This is where you identify the tactics that will make your strategies become real.

For example, if we examine the first strategic direction described above (establish a cross-functional culture where employees are trained and rewarded for implementing the principles of Six Sigma), you can identify several tactics. For example:

- Train employees on using effective team and interpersonal skills
- Train employees on Six Sigma technologies
- Revise the compensation program to reward teamwork
- Establish work priorities to enable team participation
- Align Performance Management Reviews to include Six Sigma activities

Associate tactics with each of your strategic directions. The outcome of the exercise will be an action plan that every member of the executive team can support and own. On the surface, this may seem like a simple solution to a complex and expensive problem. However, creating true accountability takes time and energy. It's also well worth it.

Keep in mind that working through these issues can often result in conflict. It can often be emotional as old unresolved issues and feelings surface. You might consider bringing in a neutral, outside facilitator to help your team through this process. An unbiased party can help your team work through these issues more objectively and more quickly.

For more information, contact Stephen Dent at sdent@partneringintelligence.com or 612-375-0323 (or 1-888-292-0323 toll free in the United States).