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Implementing A Customer Driven Continuous Improvement System Sustaining Edge Solutions American Society for Quality Presentation

For many years, conventional wisdom told us “if it ain’t broken, don’t fix it!” The reality of today’s business environment is that if you’re not improving your business processes and delighting your customers, your business will not survive.

Many organizations create change either by vision or by crisis. The latter seems to be the most prevalent. A major crisis takes place that forces a company to make an improvement. When a crisis hits, it’s often because the vision, change efforts, or customer attention were not sufficient to avoid it. Quick fixes are then applied, and teams are formed to root out the problems. A champion may correct the problem, we think we fixed it, and it resurfaces later. We rarely take the time to step back, identify, and analyze what the real issues are, and the type of method to use.

Let us take a look at the fundamentals of what could create a need for change.

Dissatisfaction

Dissatisfaction often surfaces unfocused. There is a sense things should be working better. Customers complain that costs are too high for the services provided; employees feel little attention is paid to their ideas. For dissatisfaction to initiate a change it must be:

- ✚ Acknowledged
- ✚ Put into perspective
- ✚ Prioritized
- ✚ Related to a process

Acknowledgement of dissatisfaction occurs when someone chooses to understand it. **Data** is the key to ensure that dissatisfaction is acknowledged. Without data gathered, analyzed, and reported on a timely basis - the acknowledgement of dissatisfaction is unsubstantiated. Dissatisfaction is put into perspective when there is **data to quantify** it, and when the interrelationship of stakeholders and conflicting satisfaction factors is understood.

Prioritization of dissatisfaction is done by understanding the **impact and risk**, and selecting what is critical to act upon. This is the result of an analysis of the perspective gained by understanding various stakeholder interests and the underlying messages contained in data.

The results we get are a direct result of the processes we use. Understanding the relationship of what we do and what we get, **cause and affect** will enable us to relate dissatisfaction to specific

processes. We reduce dissatisfaction by changing the processes that produce it. When dissatisfaction is acknowledged, put into perspective, prioritized and related to process it becomes focused. At this point we can work to improve it scientifically (Plan-Do-Check-Act).

Who Cares About This?

In order to put an acknowledged dissatisfaction into perspective and prioritize it, the question of who cares should be addressed. Those who care are customers, stakeholders, and suppliers to the process. Let's clarify the difference:

Customers – Those individuals, companies we directly serve.

Stakeholders- Those that can be affected by our success or failure, or doing something to serve the customer.

Suppliers- Those who supply what we need, “stuff” to do what we do to serve the customer.

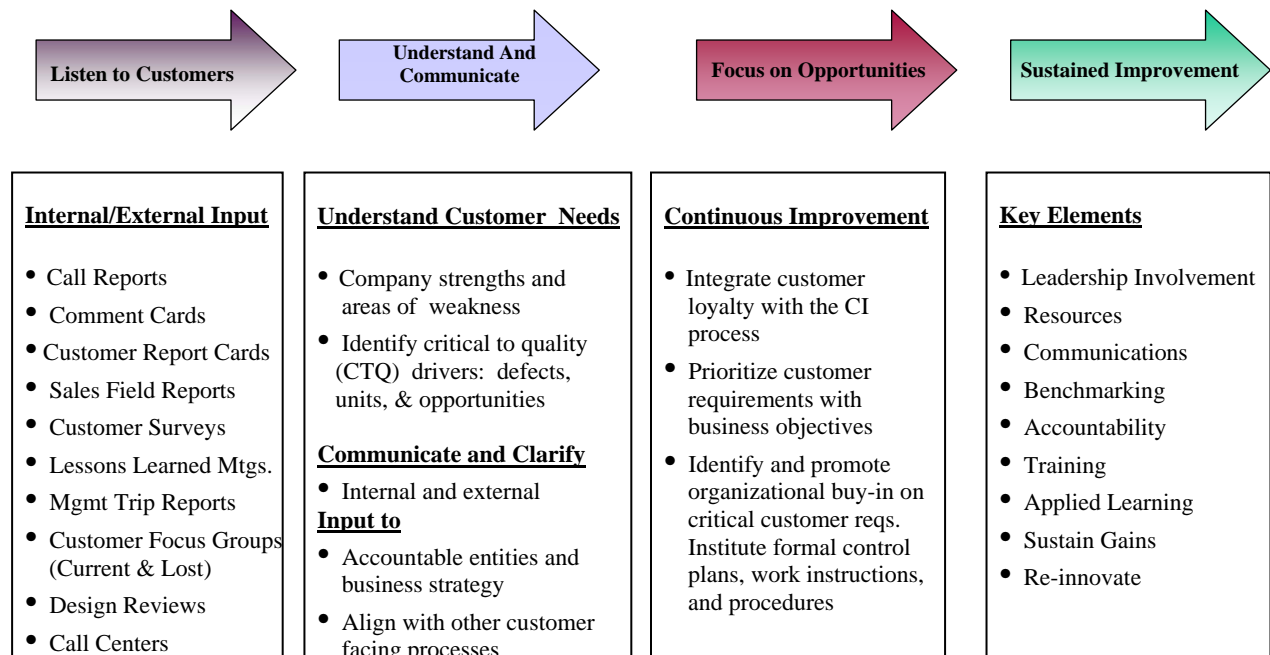
Take a moment and answer these questions:

- ✚ How does your company define a customer?
- ✚ What is your definition of voice of the customer?
- ✚ Why is the voice of the customer important?
- ✚ How do you currently capture the voice of the customer today?

What Do They Care About?

In order to focus improvements on what matters, we have to clearly understand the interests of the people involved. Effective voice collection systems help us to identify and understand customers, stakeholders, suppliers, management, and employee quality characteristics.

Leveraging Voice Collection Systems



It is the “gap” between these interests and the expected results that triggers the dissatisfaction that drives the need for improvement. Understanding the gap and the interests is vital to the development of measures. Measures will quantify and qualify the current results and provide a means of analysis and creative improvement.

Measures will most likely fall into three distinctive categories. Examples are:

- ✦ Service Quality Characteristics – Communication, Reliability, Responsiveness, Access, Competence
- ✦ Product Quality Characteristics – Performance, Features, Timeliness, Reliability, Serviceability, Durability.
- ✦ Process Performance Issues – Cost, Quality, Cycle Time, Quantity, Customer Satisfaction.

The data and the underlying issues of all concerned are not always clear. Effective analysis and understanding who cares and what they care about will lead to the development of measures providing a Balanced Scorecard of what matters.

How Do We Measure This Stuff?

The next question is “Now that I know what to measure, how do I measure it?” It is important to differentiate between two measures, in-process measures and end result measures.

In-process measures are available during the given process; they are “real time measures.” They can be used to measure processes, and improve the end result. Understanding the in-process results/measures will help you to fix potential problems before they become an end result. An end result measure relates to the results after a product has been finished and delivered. For example, two questions that may be asked at an end result would be (1) Was it done on time? and (2) Was it finished within budget?

When you know who cares about this, what they care about, and what to measure, then you can answer the question “How will I know success?” It’s also important to identify your current level of performance “baseline”. If any improvement does occur, you will know by identifying later results in comparison to your baseline.

Developing an effective voice collection system that drives continuous process improvement requires a comprehensive approach. The system drivers discussed here are critical to the success of any effort in identifying, collecting, analyzing, and measuring current business performance and future direction of needs. Whatever choice of methodology you chose for improvement, remember the basics. The choice of improvement you chose should be made based on Your business current and future needs, process capabilities, and customer expectations.

Below is Sustaining Edge Solutions Customer Driven Continuous Improvement Roadmap. If you would like more information about how we can help improve your business results, please contact us.

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Customer Driven Continuous Improvement

Phase 1: Project Set Up



- Project/Team Charter
- Timeline/Milestones
- Resource Evaluation
- Individual/Team Communication
- Process Owner/Client Ownership

Phase 2: System Analysis



- Identify Core Processes and Key Customers
- Requirements Collection
- Requirements Definition
- "As-Is" Process Mapping
- Measure Key Processes
- Gap Summary

Phase 3: System Design



- Voice Integration
- Mapping and Linkage
- Scorecard Metrics
- Sub-Process Maps
- Scorecard Development and Process Review
- Organizational Alignment
- Implementation Plan
- Team Development and Process Training

Phase 4: Deployment and CPI Management



- Process Pilot Execution
- Process Implementation
- Process Audit
- Tracking Progress
- Continuous Process Improvement
- Systems Foundation

Sustaining Edge Solutions, Inc.
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Lombardo Robles, Chairperson ASQ Phoenix Chapter with Walter Tighe



March 2004: Walter Tighe delivered a 90 minute presentation to 55 people at the American Society for Quality Phoenix Chapter General Session. The response and the attendee comments were overwhelmingly positive. The presentation received an average rating for content 8.36, and presenter 8.12.

Presentation
available soon
on our Website

"Walter did an excellent job of demystifying the Six Sigma Process."
M. Wright International Certifications, Inc.

ASQ Announcement

"The DMAIC Six Sigma Improvement Cycle"

Walter Tighe, President, Sustaining Edge Solutions, Inc.

There have been many improvement and problem solving models applied to processes since the quality movement began. One method getting much attention is the Define, Measure, Analyze, Improve, and Control - or DMAIC (pronounced "deh-may-ihk"). This session will focus on this five phase improvement cycle which utilizes a data driven process improvement approach. Guidelines and emphasis will be on process definition and process tools to use, when to use, and why.