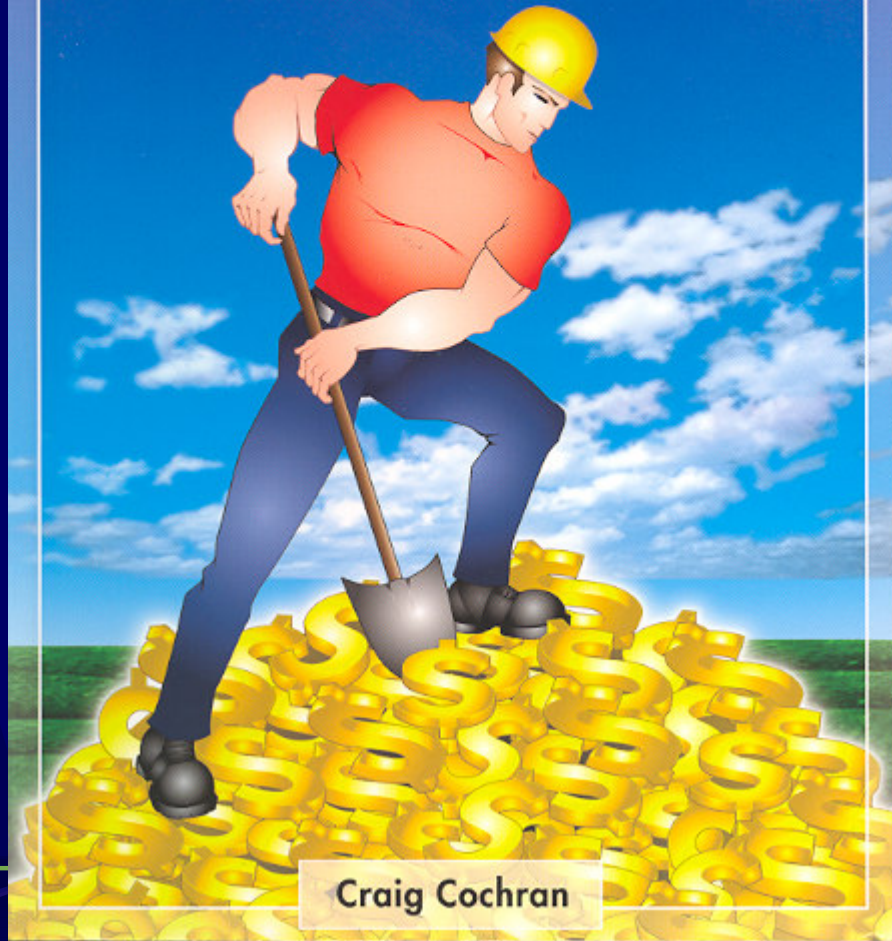


The Continual Improvement Process

From Strategy to the Bottom Line



Craig Cochran

The Continual Improvement Process

Continual process improvement is the incremental process of becoming a smarter, stronger, and more successful organization.

Steps for the Continual Improvement Process

1. Deciding what's important.
2. Communicating what's important
3. Analysis and action
4. Process orientation
5. Effective problem solving
6. High-impact auditing
7. Building the culture of continual improvement



Deciding What's Important

Mission

- Why do we exist?
- Whom do we serve?
- What needs/desires do we satisfy?
- What goods and/or services do we provide?
- Who are our interested parties?
- What beliefs and values do we hold true?
- Where are we moving as an organization?

Strategy

- Competitive angle
- The means of growth and/or survival
- Changes in the product offering
- Pricing policies
- Marketing techniques
- Partnership and alliances
- Relationships in the larger community
- Inventory quantities
- Production capabilities
- Human resource competencies

Key Measures Characteristic

- They're measurable
- They're the true indicators of success or failure
- They're used for strategic decision making
- They're different from one organization to the next
- They're few enough to achieve focus
- They're representative of a wide range of concerns.

Dos of selecting Key Measures

- Do sell top management
- Do benchmark other organizations
- Do clearly define key measures
- Do document
- Do convert the data to graphics
- Do get creative
- Do include customer perception metrics

Don'ts of selecting Key Measures

- Don't select too many
- Don't select measures without facilitation
- Don't focus too much on accounting measures
- Don't neglect important attribute measures



Communicating What's Important

Phases to Communication

1. Educate to Midlevel Managers
2. Identify local activities affecting key measures
3. Roll out to entire organization
4. Continuous communication



Analysis and Action

Dos of Analysis and Action

- Do document the process
- Do start at the top
- Do strive for diversity
- Do brainstorm improvements
- Do assign project managers

Don'ts of Analysis and Action

- Don't invent new review meetings
- Don't present raw data for analysis
- Don't arbitrarily set targets
- Don't neglect any part of the organization
- Don't separate ISP 9001 management reviews
- Don't neglect practical improvement ideas



Process Orientation

Dos of Process Orientation

- Do determine major business processes
- Do look for process interrupts
- Do depict process graphically
- Do give employees a degree of ownership

Don'ts of Process Orientation

- Don't create a process revolution
- Don't be afraid of challenging entrenched practices
- Don't make victims



Effective Problem Solving

Problem Solving Fundamentals

1. Use a structured Problem-Solving Method
2. Assign ownership for the problem
3. Involve people familiar with the problem
4. Apply project Management Techniques
5. Aggressively pursue root cause
6. Communicate and Congratulate

Dos of Effective Problem Solving

- Do adapt a structured problem-solving method
- Do get people involved
- Do develop a user-friendly corrective action and preventive action system
- Do put someone in charge of your corrective and preventive action system.
- Do assign a project manager to every problem
- Do document your problem-solving process
- Do use simple tools to drive problem solving

Don'ts of Effective Problem-Solving

- Don't assume and understanding of the root cause
- Don't accept weak or invalid root causes
- Don't rush the process
- Don't include negativity
- Don't neglect vigorous communication



High-Impact Auditing

Dos of High-Impact Auditing

- Do insist that auditors use requirements/findings format
- Do recruit a wide variety of personnel as internal auditors
- Do assign a competent person to lead internal audits
- Do schedule audits based on strategic importance
- Do keep the audit process professional and positive

Don'ts of High-Impact Auditing

- Don't allow invented requirements
- Don't propose actions or fixes to auditees
- Don't neglect auditor training and experience
- Don't allow an audit to assign blame

Building a Culture of Continual Improvement



Dos of Building the Culture

- Do seek out and eliminate safety hazards
- Do provide teams with direction and facilitation
- Do recognize employees in a simple public, and dignified manner
- Do plan meetings
- Do clean up and organize

Don'ts of Continual Improvement

- Don't expect an organization's culture to change overnight
- Don't start a suggestion system unless you're willing to make it a success
- Don't use cash or prizes as part of your recognition system
- Don't get too fancy with company newsletters
- Don't go overboard with orderliness

Conclusion

- Involve top management
- Appoint a champion
- Communicate vigorously
- Cultivate the culture



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