Process Invigoration:
A Strategy for Your Business

VPE CTO Community of Practice

Jan. 21, 2010

Shelley Sweet

I4 Process

Add Your Stickies to the Easel Chart

1. Put a red dot on the continuum to show your experience with process improvement:

| Some reading | Some learning on the job here or elsewhere | Participated in process improvement project | Completed 2 or more process improvement projects and implemented | Taught process improvement |

2. What process that you work on might benefit from process improvement? Write your name and the process on a yellow sticky and attach here.
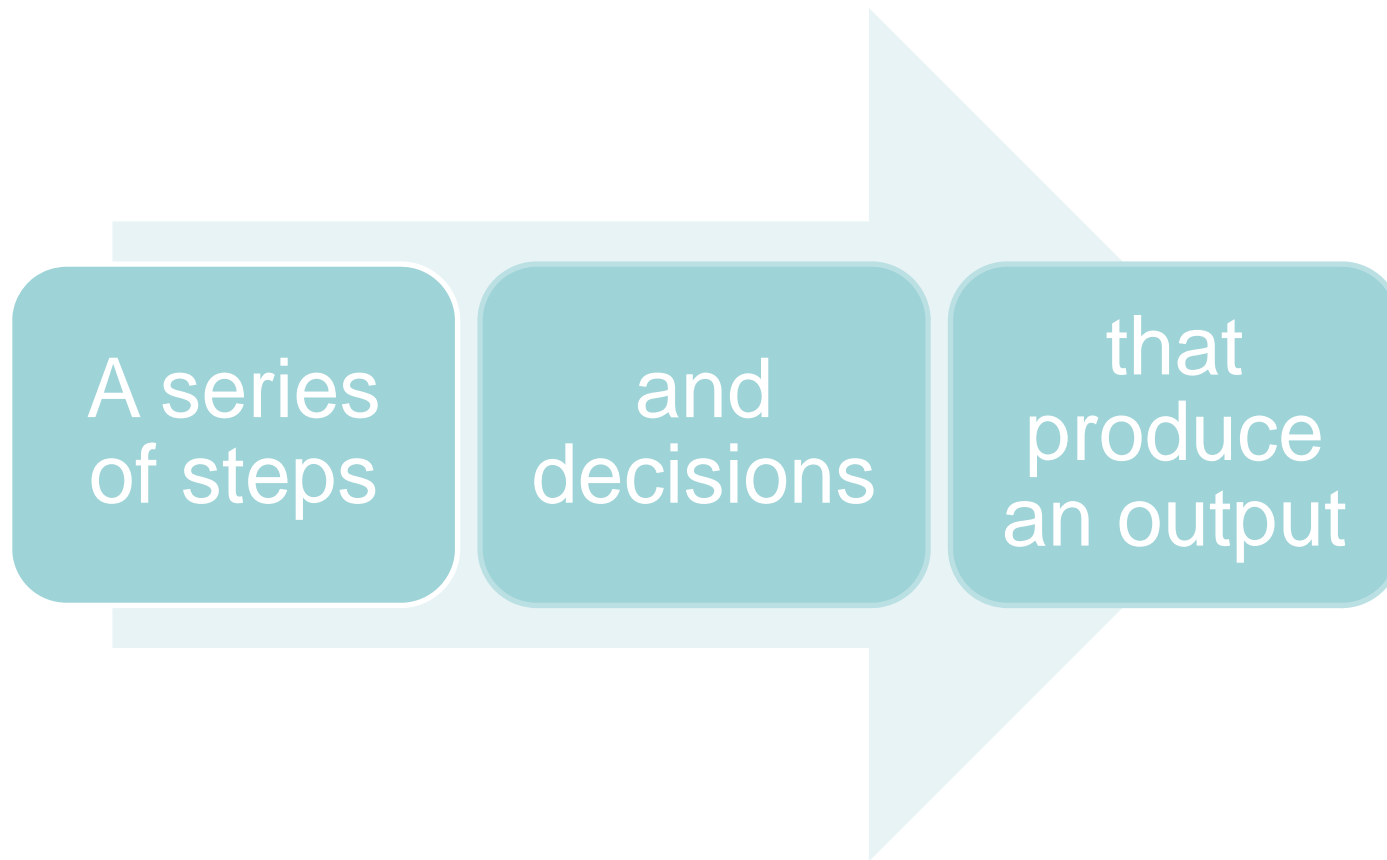
I4 Process 2

Premise

- CTO's and VP of Engineering need to know when to use process improvement and then how to approach it in their organizations.

Agenda

- When and why is process important
- Where to start evaluating process
- Doing process improvement and making it successful

I4 Process

3

Process Definition

A series of steps **and** decisions **that produce an output**

Processes are also a group of activities that create and deliver value to the client

I4 Process

Process Improvement

- A structured methodology to model, analyze and redesign work processes to increase efficiency and effectiveness

I4 Process

5

Process Improvement

Is Not

- Quality control
- Audit
- ISO 9000
- Problem solving
- Project management
- Product Development methodology
- Software automation

I4 Process

6

Process Improvement : A Key Strategy

- Process improvement is a key strategy for running your business

As a strategy it is different from thinking about

- Job families, and how to build skills and individuals in them
- Department focus and how you contribute to the company

It is thinking about workflow – in its sequence, often across functions.

I4 Process

Agenda

- When and why is process important
- **Where to start evaluating process**
- Doing process improvement and making it successful

I4 Process

8

What processes are you responsible for?

- Make a list of 5 key processes in your function.

They will fall into 3 areas:

(1) They are the main focus of your function

(2) You contribute to larger company processes

(3) You contribute to processes owned by other areas

1. My Core Work Processes	2. Company Management Processes	Other Processes we are part of
>Designing Products >Producing Products >Product Launch	>Strategic Planning >Budgeting >Investor Relations	>Customer Service >Supply Chain Management

I4 Process

Evaluate Your Processes - Importance

- Choose 3-4 criteria to evaluate the importance of your processes for the organization.

- For each of your processes, rate the importance L, M, H

Sample criteria to measure importance could be:

- Profit, Sales volume
- Market share
- Brand advantage
- Control significant risk
- Critical new product
- Support critical goal or initiative
- Develop capacity of workforce
- Provide reliable information and analytics
- Other?

I4 Process

Evaluate Your Processes - Performance

- Choose 1-2 criteria to evaluate the current performance of each processes.

- For each of your processes, rate the performance L, M, H

Sample criteria to measure performance could be:

- Time to complete
- Changes in specifications
- Acceptance of prototypes
- Meeting quality expectations
- Amount of variability
- Complexity
- # of touch points, hand offs
- Throughput
- Backlog of transactions/issues
- Other?

I4 Process

Combine ratings on this 3 X 3 matrix

Current Performance

H

M

L

Importance   L   M   H

I4 Process

Discuss the 3 X 3 Matrix
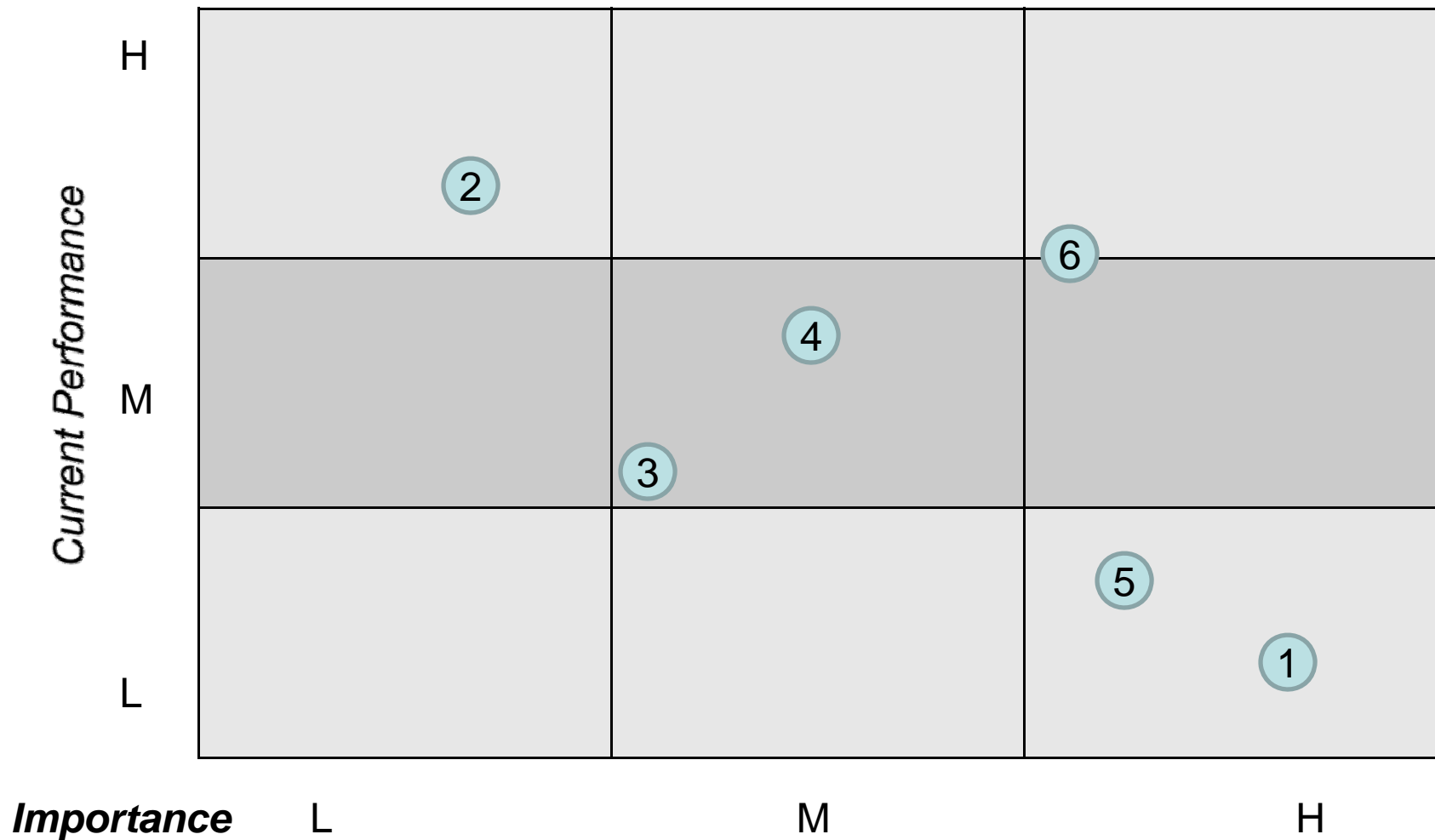
Consider

- Which processes should you be paying attention to?
  - To gain real efficiencies
  - To add value to the customer

- How would you move forward on processes that are outside your area of authority but key to your success or company success?

- Are there any process you could postpone or eliminate?

I4 Process

Agenda

- When and why is process important
- Where to start evaluating process
- **Doing process improvement and making it successful**

I4 Process   15

Making the Process Visual

- Flowchart symbols for process map

A box is an activity
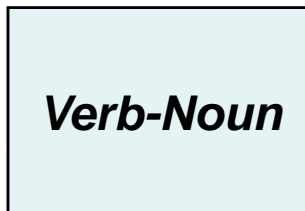
A diamond is a review, inspection, or decision point

Verb-Noun

Question

A connecting arrow shows the direction of the flow, and transport

© 2007, 2010 Shelley Sweet, I-4 Process

I4 Process 16

Hiring As Is Process - High Level Map

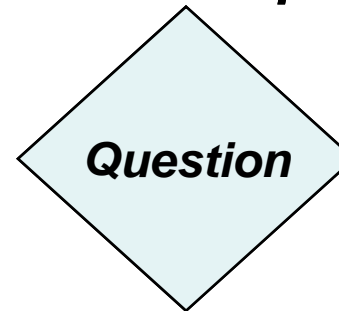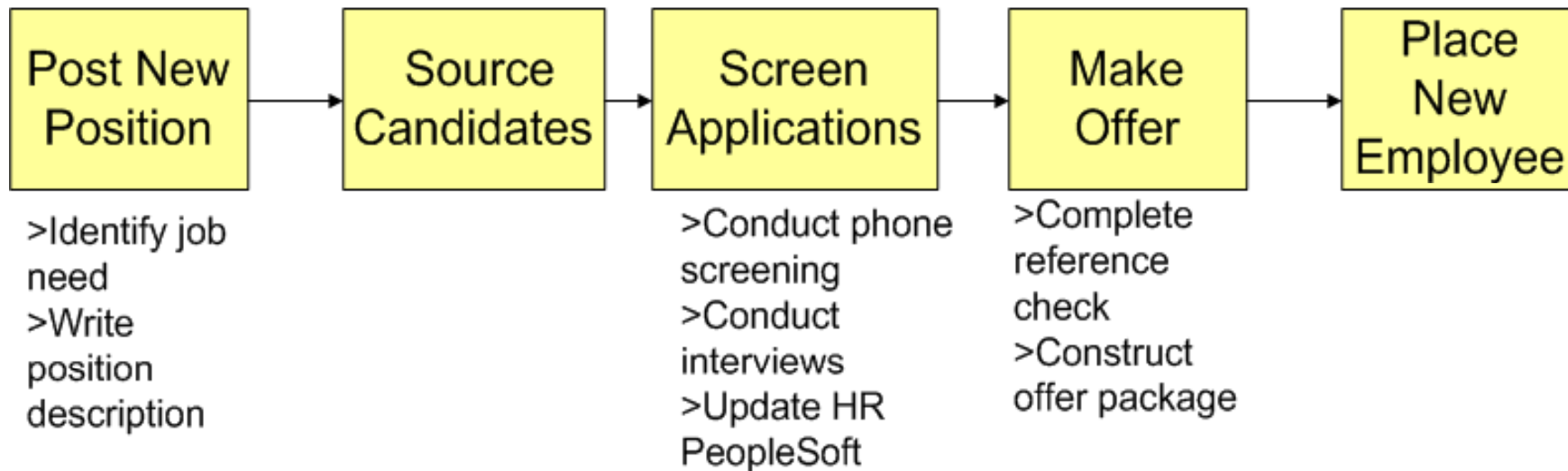| Post New Position	→	Source Candidates	→	Screen Applications	→	Make Offer	→	Place New Employee

>Identify job need
>Write position description

>Conduct phone screening
>Conduct interviews
>Update HR PeopleSoft

>Complete reference check
>Construct offer package

Sponsor – HR Vice President
Team Members
HR Director in one division – Project lead
Recruiter -Subject Matter Expert (SME)
Recruiter – SME, Data person
HR Administrator – SME
HR Generalist – SME
HR Systems admin – IT Maverick
Facilitator

Improvement Targets
-Standardization of this process across all 4 divisions
-Gain efficiencies in the process (50%less paper driven, 40% more timeliness)

17

Create a High Level Map

Create a high level map of 6-10 steps for one of the process you identified for your area:

1. Start with the first step and last step

2. Add the steps in between. Add more details if desired; put them as bullets points under a major step.

3. Use 1-2 decision diamonds if you need them.

4. Lastly, write 2 improvement targets that you think your sponsor would want for this process.

I4 Process

Process Results Continuum

Magnitude of savings (vertical axis)

Length of Time (to analyze and implement) (horizontal axis)

Quick Wins
1-3 months

Process
Improvement
3-12 months

Process
Innovation
> 1 year

I4 Process

19
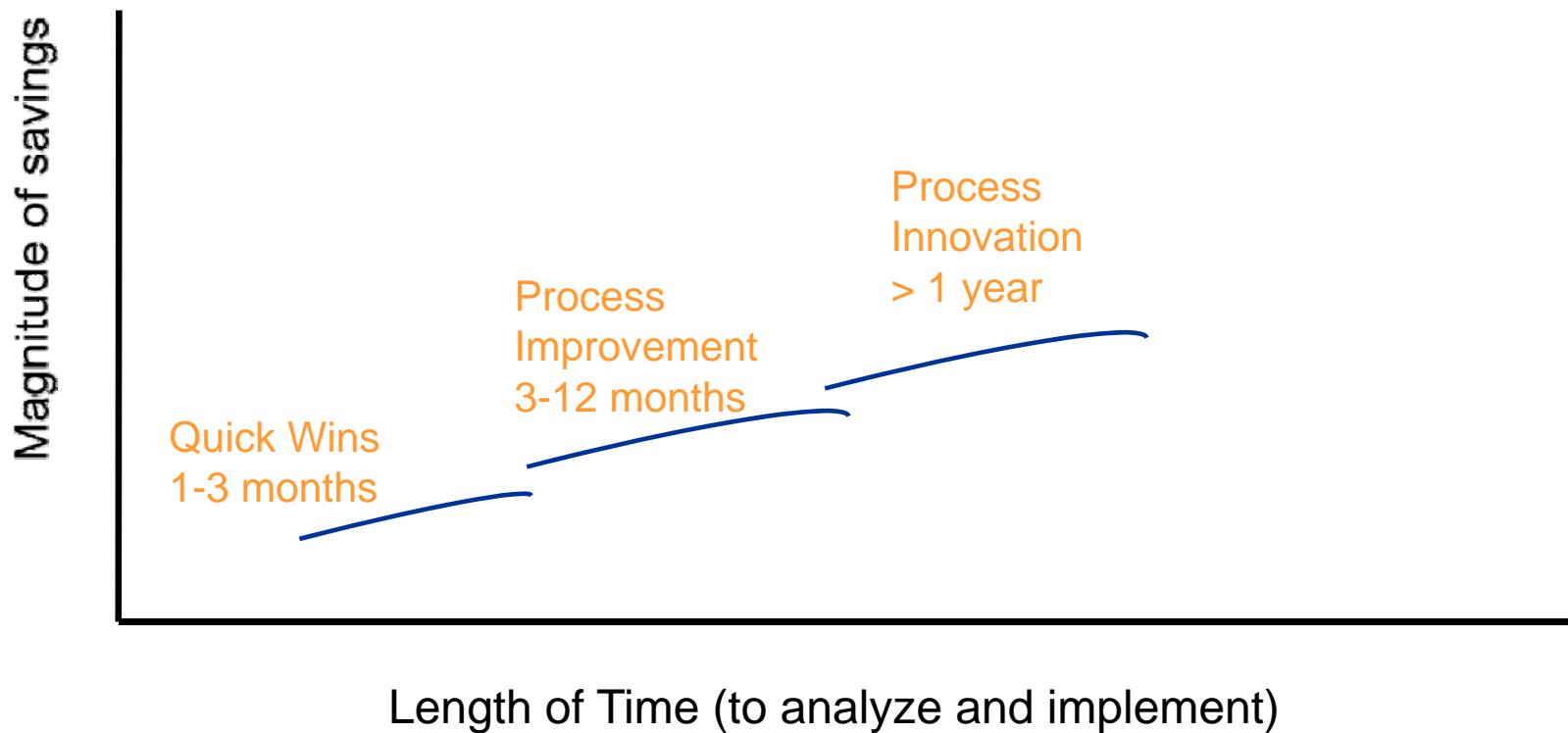
Process Results Continuum

Magnitude of savings (y-axis)

Quick Wins
1-3 months

When?
- This process is within your unit or sphere of influence
- You feel comfortable leading the effort yourself
- You only have time for this much effort right now
- You want to accomplish something before trying a bigger effort.

Examples
➢ Work instructions
➢ Modeling standards
➢ Software 'finds'
➢ Checklists
➢ Choosing 1 best method

Length of Time (to analyze and implement)

I4 Process

20

Process Results Continuum

When?
- This process is more complex
- The workflow involves stakeholders from yours and other units
- You need to reduce complexity
- You want to reduce variability and consolidates methods
- You need greater efficiencies (30-60%)

Process Improvement 3-12 months

Examples
➢Standardize processes
➢Consolidate databases
➢New value added steps for customer
➢Segmented processes
➢New roles and expanded responsibilities

gth of Time (to analyze and implement)

I4 Process

Process Results Continuum

Magnitude of savings

When?
- Major institutional imperative
- Want to change the game
- Change the way customers, suppliers, and employees interact
- Working with stakeholders outside the organization

Process Innovation > 1 year

Examples
➢ Enable customers, suppliers, and employees to see info real time for decisions
➢ Streamline DOE partnership
➢ Budgeting process that is process oriented instead of dept oriented
➢ Use business intelligence in new ways

Length of Time (to analyze and implement)

I4 Process

Four Key Elements

4. Build Organizational Capability

1. Get Off to the Best Start

2. Fix a Process

3. Ensure the Solution Sticks

Get Off to the Best Start

Get Off to
the Best Start:

| Pick the right processes to work on | **+** | Get the team started: high level map, vision, & improvement targets with sponsor & project leads | **+** | Identify team members; set schedule |

Key Roles for Process Improvement

- Sponsor
- Core Team
- Customers
- Internal or external facilitator

Sponsor

Team Members

Core Team
>Project Lead
>Subject matter experts in process work
>Maverick
>IT
>Data person

Internal Team Facilitator(s)

Others
>Customer, Supplier
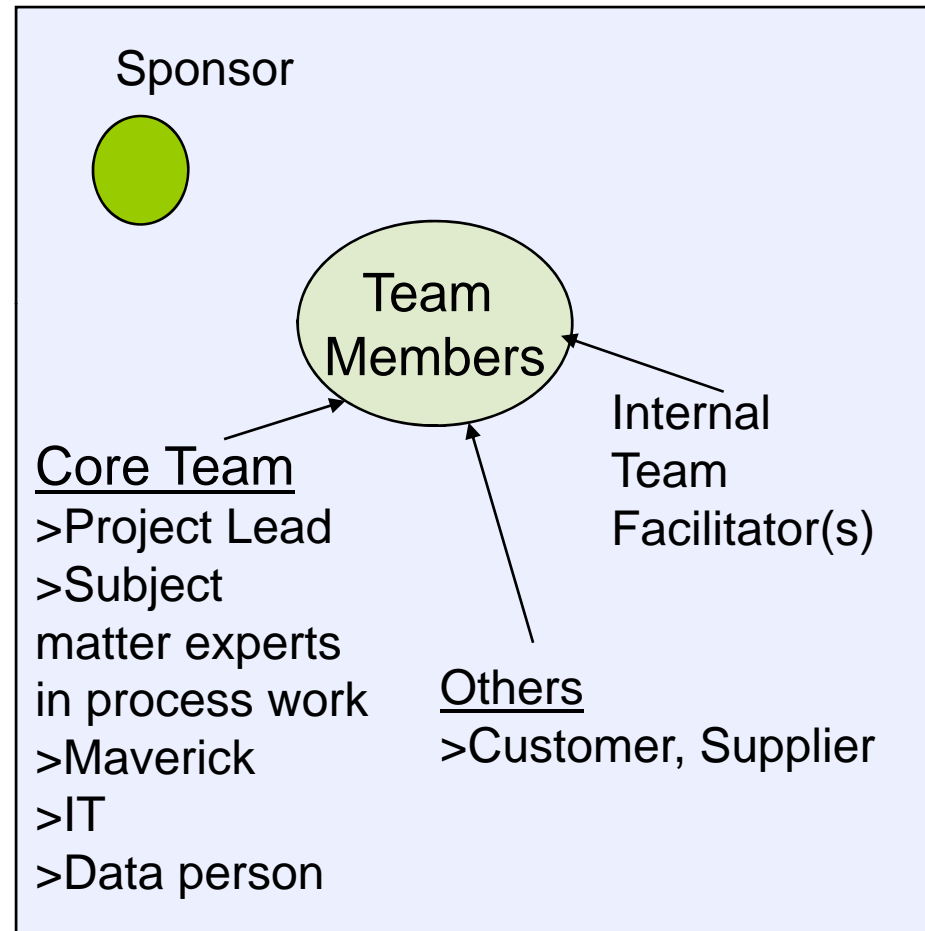
I4 Process

Fix a Process

Fix a Process

Quick Wins
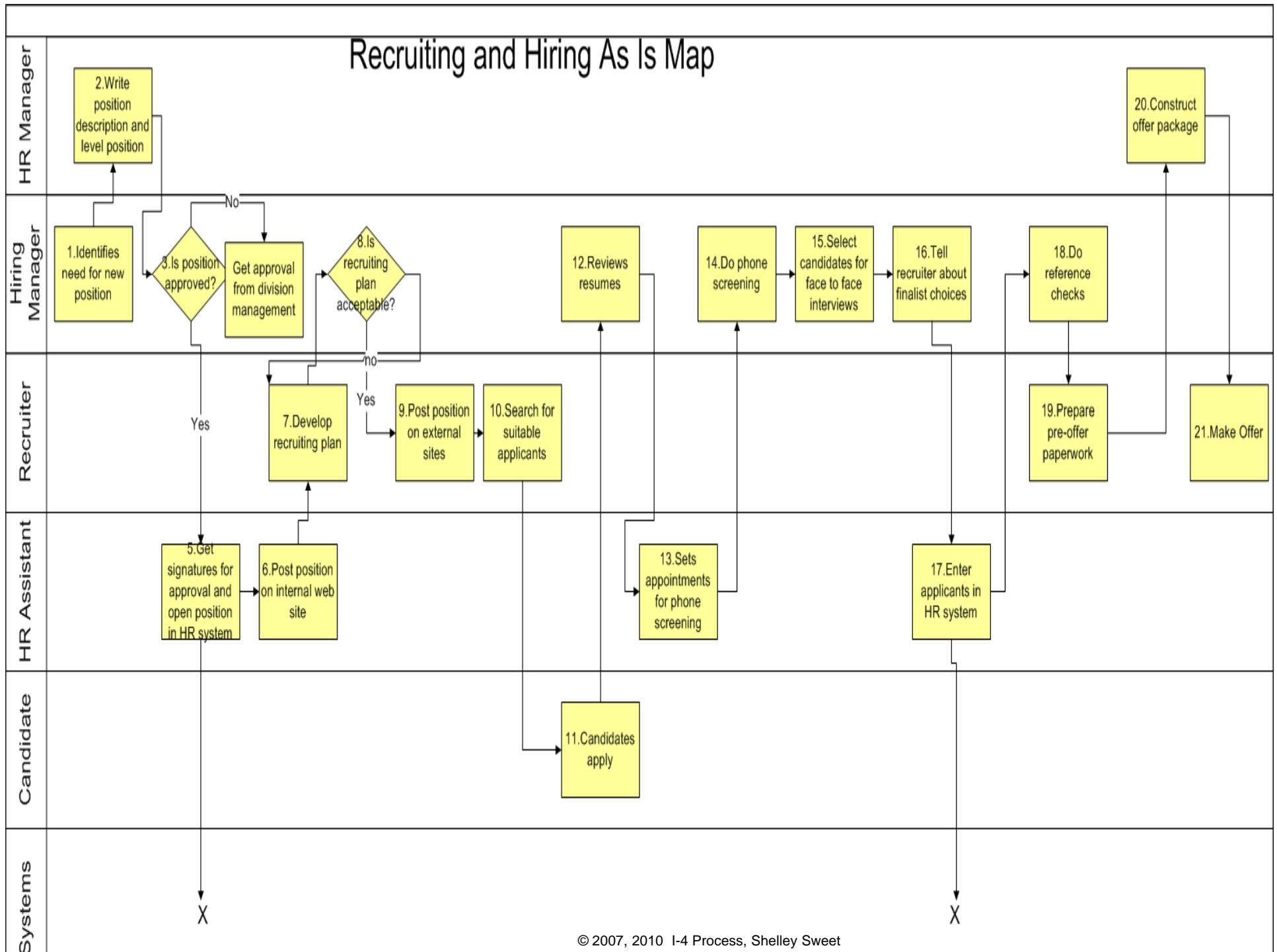
Use process improvement quick start

OR

Process Improvement:

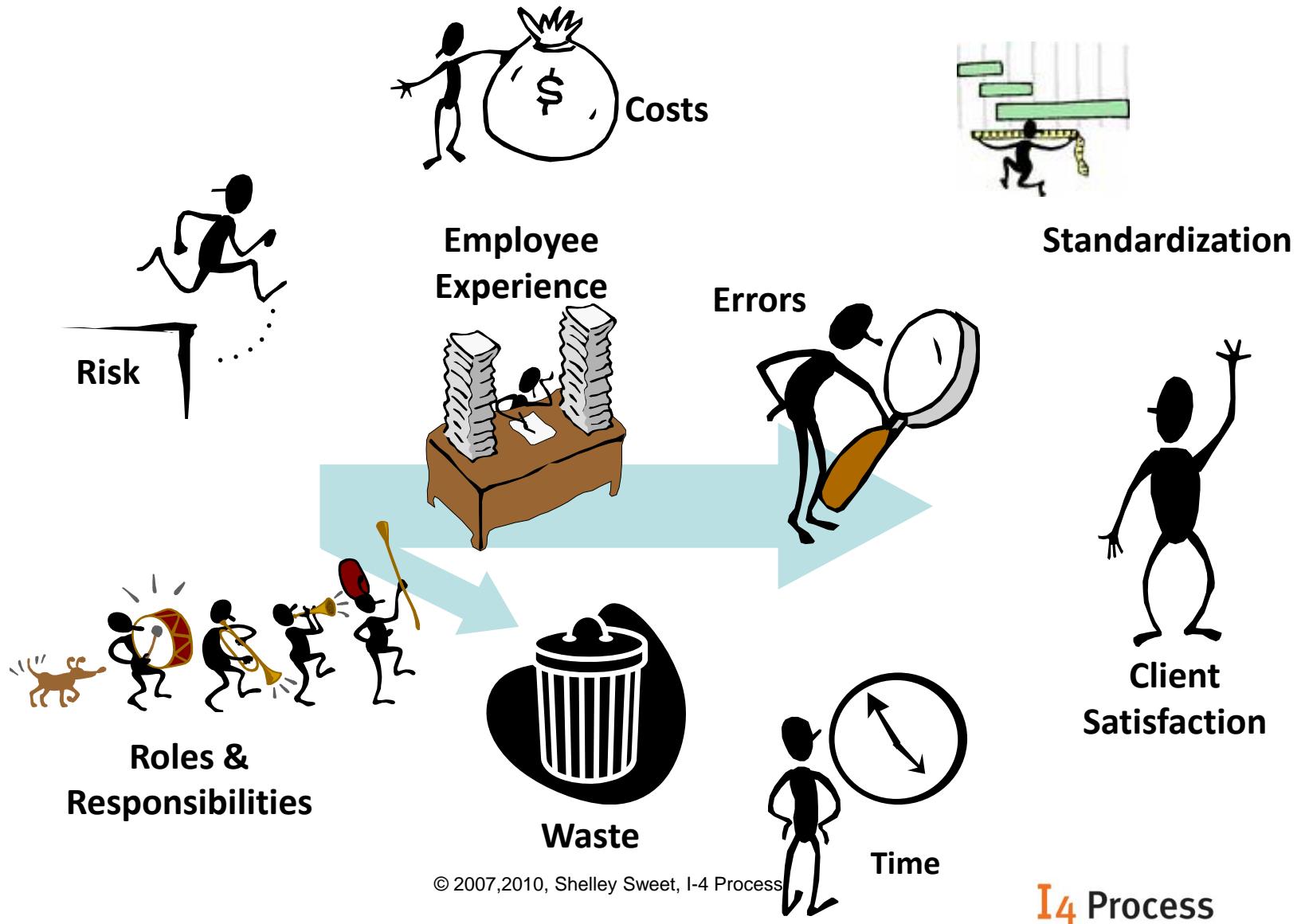Use specific modules to standardize, improve efficiency and effectiveness

OR

Process Innovation:

Use modules to document current state, analyze problems, find best practices, and redesign

I4 Process

Recruiting and Hiring As Is Map

HR Manager

2.Write position description and level position

20.Construct offer package

Hiring Manager

1.Identifies need for new position

3.Is position approved?

Get approval from division management

No

8.Is recruiting plan acceptable?

12.Reviews resumes

14.Do phone screening

15.Select candidates for face to face interviews

16.Tell recruiter about finalist choices

18.Do reference checks

Recruiter

Yes

7.Develop recruiting plan

no

Yes

9.Post position on external sites

10.Search for suitable applicants

19.Prepare pre-offer paperwork

21.Make Offer

HR Assistant

5.Get signatures for approval and open position in HR system

6.Post position on internal web site

13.Sets appointments for phone screening

17.Enter applicants in HR system

Candidate

11.Candidates apply

Systems

X

X

Process Evaluation Modules

Costs

Standardization

Employee Experience

Errors

Risk

Client Satisfaction

Roles & Responsibilities

Waste

Time

I4 Process

Ensure the Solution Sticks

Ensure the Solution Sticks

| Maximize sponsor role | **+** | Use an engagement plan | **+** | Select and implement Quick Wins | **+** | Build implementation plan and anticipate challenges |
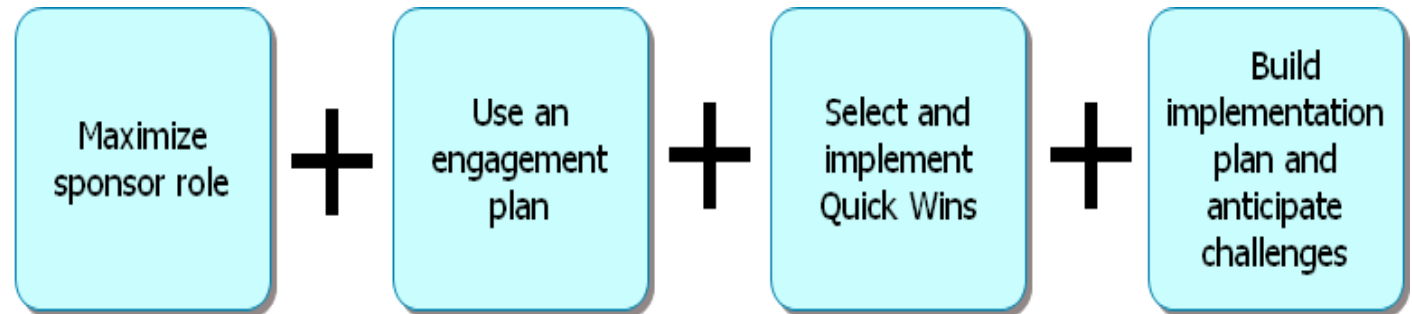
I4 Process

Build Organizational Capability

Build Organizational Capability

| Sharing process success and learnings with sponsors and organization | , | Use visible metrics for continuous improvement action | , | Nurture an internal facilitator network | , | Build leader and employee capacity |

I4 Process

Question and Application

1. Look back at the processes you identified for you area. (core processes, company processes, ones you participate it)
2. Which ones would process improvement help?
3. What approach would you take for those?

Take a few minutes to consider these questions yourself. Then turn to a partner and discuss one or two.

I4 Process

If you want

Me to send you a Jan. 2010 McKinsey article
   entitled "The Path to Successful New Products"
   just leave me your card.

Answer additional questions about your processes,
   just leave me your card.

I4 Process   32

Shelley Sweet is President of I$_4$ Process (*Ideas, Involvement, Implementation, Impact*) in Palo Alto, California. She facilitates process improvement using lean, six sigma, reengineering, and continuous improvement techniques. Her track record includes over 20 complex projects redesigning processes to eliminate wastes, minimize wait and cycle time, and create customer delight. Shelley teaches in the executive education programs at the University of Santa Clara, University of Tulsa, and Case Western.

www.i4process.com
shelleysweet@sbcglobal.net
650-493-1300