

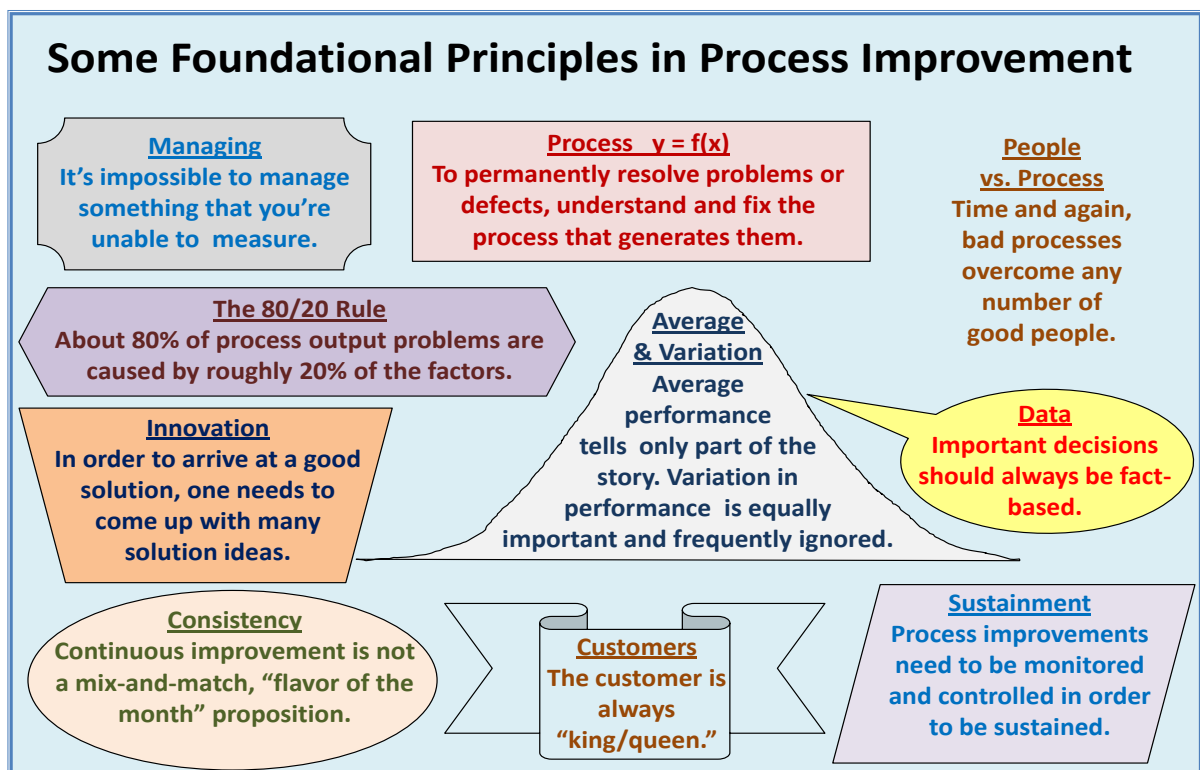


10 Important Principles in Process Improvement

By MICHAEL REAMES AND GABRIEL KEMENY

If your organization is currently engaged in a continuous improvement, process excellence, or Lean Six Sigma initiative, keep in mind the following foundational principles:

1. **Base all of your important decisions on the facts** – Good intuition and crisis management are desirable qualities of a manager. However, in order to validate root causes for poor performance of a critical business process, intuition will never be enough. You need the facts, and they can only be understood through real data.
2. **To permanently resolve problems or eliminate defects, understand and fix the process that generates them** – Output performance problems occur because of factors upstream in the process. A thorough understanding of the process assists in identifying cause-and-effect relationships between (vital few) critical factors and output performance, and leads you in finding permanent solutions to your problems.



3. **Time and again, bad processes overcome any number of good people** – It is simply misguided to blame the people for bad process performance. It is true that “to err is human,” but statistical evidence reveals that faulty processes and/or ineffective management account for more than 80% of performance issues. So, let your initial reaction to a performance problem be “Something must be wrong with the process” rather than “Who needs to be punished?”
4. **The customer is always “king/queen”** – Identify precisely who are your customers. Listen to them. Ensure that you understand, measure, and frequently revalidate the customers’ critical requirements. Always compare your process outputs against these requirements.
5. **It is impossible to manage something you are unable to measure** – If you claim that your process (or your job) cannot be measured, you are confessing that it cannot be managed. Additionally, It is critical to measure the right things. Discontinue those measurements that add no value to the management of your process.
6. **Average performance tells only part of the story. Variation in performance is equally important and is frequently ignored** – Management commonly reports performance results as averages. However, wide variation around an average may hide an unacceptable number of defects. Because variation is so widely ignored, it is regarded as “the #1 enemy of process performance.” Always remember: Customers don’t see averages – they only see how you perform for them. Averages never tell the whole story.
7. **Approximately 80% of process output problems are caused by roughly 20% of the factors** – Although many people claim to be familiar with the well-known Pareto Principle, the concept is often forgotten in day-to-day practice. Concentrate your attention on the “**vital few**” factors, not the “**trivial many**.” If you currently find too many people concerned with solving the “trivial many” issues, have the courage to reallocate resources to address the “vital few,” which cause 80% of the impact. You’ll certainly get the most value from a fixed amount of resources.
8. **In order to arrive at a good solution, generate many solution ideas** – Usually there are many valid and effective ways to reduce or eliminate a root cause. Avoid the temptation to implement the first solution idea that comes to mind; with a little perseverance, you may discover another, better solution (better = more impactful, less resource-intensive, easier to implement, etc.). Considering many ideas helps to optimize the impact, cost and time required to implement your solutions. Encourage teams to generate many creative solutions (including the innovative, impossible and wacky), and then establish an effective filtering process to select and refine the best ones.
9. **To sustain hard-won process improvements, monitor and control them** – Many worthwhile process improvement efforts are short-lived because they lack effective control plans specifically designed to sustain the performance gains achieved. In order to maintain a new performance plateau, transition improved processes to a “Process Owner,” who manages the process with a detailed control plan (Process Control System) to monitor output performance regularly. The control plan identifies “vital few” factors that have a large effect on performance.
10. **Continuous Improvement is not a mix-‘n-match, “flavor-of-the-month” proposition** – Accept that it may take substantial time and effort to change the organizational culture to adopt these

principles in day-to-day practice. Organization leaders must understand and apply these principles as a way of setting an example for all to follow. Think of Process Improvement as a journey rather than a destination; in that spirit, as long as the organization is continually improving processes linked to strategic objectives, overall success is much more likely.



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