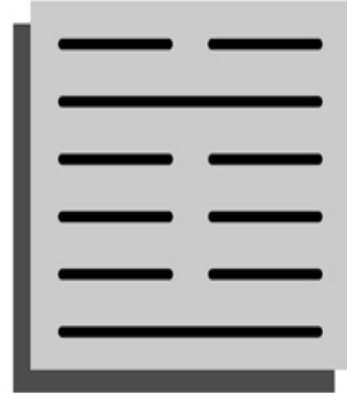# Change Management Associates

There is Always a Process

Dear Drew,

During recent interactions with organizations and individuals within them, I have encountered a recurring theme from several managers. "Everything we do is different, there is no process." I have heard similar statements from people over the years, usually when they are expressing why 'lean' or some lean concept cannot be applied. It was covered briefly in our April 2016 newsletter about 'knowledge work'. Nonetheless, I wish to explore the subject more deeply.

Getting people to see 'process' is very important to the objective of developing a culture of Continuous Improvement. Without a process focus, and all that it entails, individuals will have great difficulty practicing CI. Every problem will be anecdotal, 'one-off', non-recurring. No need to improve processes to prevent

possible recurrence in the future, because "every problem is different". Without a process, there is no need for process improvement. And maybe that is the point that they are trying to make.

A Little Background

First, who is making such statements? The most recent interactions were with people in 'project' oriented roles such as Information Technologies (IT), Engineering, and Marketing. I have seen folks in project environments really struggle with identifying their process or processes. During one interaction, I asked an IT manager what happens when a user requests a software change. The response was a thoughtful description of the steps that followed: identify the requirements by meeting with the requester(s); develop a specification with the programmers; develop a project plan; update the plan throughout the life of the project; complete the programming; test the program; release the software to production. "But there is no process", the manager insisted.

Another interaction involving a Marketing Manager went similarly. "Every marketing campaign is unique." I asked about the process of identifying, creating, and delivering a marketing campaign. Marketing typically involves data and information gathering and analysis. What information do we need? How do we get it? What do we do with it? How will we know we are effective in our marketing efforts? This can be applied to the process of identifying potential leads for new business, or developing marketing campaigns to spur sales. To add another 'dimension' to the discussion, the Marketing Manager pointed out that, "Marketing creates value - it results in increased sales. Lean is about reducing waste - shouldn't we be looking elsewhere for improvement?" To this point I responded, "Per that logic we shouldn't be looking at our production processes since they

too add value. Value adding processes can have much waste that needs to be addressed so that value can flow more effectively and efficiently, whether that be production or marketing processes."

So What's the Issue?

Process Thinking, and more generally System Thinking, is an important component of Continuous Improvement. People need to understand that there are processes, that take inputs from internal and external suppliers, and convert them to create outputs (product, service, information). The outputs are then consumed by internal and external customers. Dr. W. Edwards Deming created a system model for businesses back in the 1950s. Recognition of a process and its components is a fundamental first step to improving it.

Further, it is not just about improving processes once, but the ongoing management of those processes, while striving to continuously improve them over time. This is accomplished in part by putting in place elements of what Deming called a 'control plan' to manage the process, as well as establishing process metrics to monitor performance over time. The inability to recognize and define a process means that metrics need not be established. Without metrics, and goals for those metrics, there will be little motivation to improve, and no ability to objectively assess the impact of changes made. Little improvement and learning will occur.

Measuring for Improvement

In any process model there are outputs that can be measured. Product, Service or Information quality can be directly assessed. Performance of a process can also be

measured. On Time Delivery, Cost and other performance 'outputs' can be calculated for the Product, Service or Information that has been created. Output data is backward looking - how backward looking will vary (day, week, month) but can still provide important information. Patterns in the data can provide greater insight as to what issues exist (ex. cost increases at the end of each month, on time delivery decreases at the end of each week). They can also show trends, and can be used to determine the effectiveness of improvement efforts over time. However, the use of output metrics alone is insufficient. Process metrics are also needed.

Process metrics are characteristics of a process that can be monitored in real or near real time. Let's use an automobile example. Fuel economy (an outcome metric) is a calculated metric that can be determined at the end of a trip or a period of time (ex. when a full tank of gas has been consumed). A process metric is speed, which can be measured and monitored in real time. The hypothesis, based on actual experience in this case, is that if speed (the process metric) is adequately controlled, it can have a positive impact on fuel economy (the outcome metric). Manage the process metric or metrics, and the outcome metrics will take care of themselves. It doesn't always work out this way. For the fuel economy example, does it involve highway driving, or a lot of 'stop and start' driving as is typical when driving in a city? Understanding the full context of any data and metric is very important to make the proper assessment. Further, when experiments or changes to the process are made, it is usually the process metrics that can be used to assess the effect of changes in a timely manner. This allows for more rapid learning cycles.

Consider a Marketing example that I recently was involved in. The effectiveness of a marketing campaign is typically measured by the incremental increase in sales (an

outcome metric). Assessing this impact can vary from a few days up to many months. What process metrics can be put in place to assess the effectiveness of the marketing effort in more current ways? In this day and age, 'opens', 'views' and 'clicks' can be measured to determine sooner than later that an 'e-Campaign' (an email campaign for example - something we can all relate to, just look at your in-box) will or will not be successful. If people are not opening, viewing and clicking, then it is a very good assumption that the increase in sales will not be realized. No need to wait a month to gather sales information (the outcome metric) to determine this. Immediate action can be taken, the approach altered, or the campaign discarded altogether and replaced with a different one. Meaningful process and outcome metrics are needed to manage and continuously improve important business processes.

What About Standard Work?

As has often been stated, Standard Work is a foundation concept of Lean. However, if we do not recognize a process, we do not need standard work. How, then, are non-standard conditions recognized? The likelihood of 're-inventing' the wheel (a form of waste) increases significantly in the absence of standard work. After all, there will be no 'repository' for important learning that can and should be reused in the future. This is particularly true of 'knowledge work' (refer to April 2016 newsletter).

To use an example from IT, a manager described how he creates a project plan anew for each project since "each project is different". A closer examination revealed that the manager identified key project characteristics, recalled a similar project in the past, located the plan for that project, and used that as a basis for the new project, making

changes to it as necessary. This 'process' most definitely helped the manager save time, though it often led to some issues as unwanted 'remnants' of the old project carried over to the new project.

In place, several project plan templates were created for the very finite number of project types. Clear guidelines were identified to determine which template to use and when. The guidelines and templates became part of standard work for this process of creating a project plan providing both reduced process time and improved quality benefits as items were not overlooked or inadvertently carried over from a previous project.

It also provided a means to identify truly non-standard conditions when it came to project planning. Before, the belief was all projects were significantly different. The very finite number of templates (3 in this case) showed that projects are actually very similar. Therefore, when a project did come along that did not meet the criteria for one of the established templates, it triggered a more in depth discussion. Is this a project that we should even be doing? Should we look to outside resources to do this project since it is not in our usual 'wheelhouse'? In the past, these discussions did not always take place at the outset of a project instead occurring when the project was well underway and significant problems had already arisen.

Summary

Process and System Thinking is an important element of the mindset of anyone effectively practicing Continuous Improvement. Getting people to see and define a process is a fundamental first step to improving it. This can be difficult for some people for various reasons. Some people genuinely don't see what they do as a process that exhibits some amount of repetitiveness. Others use it as a reason to

resist Lean and Continuous Improvement. Regardless this hurdle must be overcome. Value Stream Mapping, Process Mapping or a simple walk through of what actually happens can help people begin to 'see'. Then the conversation can move on to the subject of process and outcome metrics, standard work, and process improvement. When in doubt, remember there is always a process.

Best Regards
Drew Locher
Managing Director, Change Management Associates

Announcing new Value Stream Mapping Tips & Tricks YouTube series!

In the first, of what is expected to be multiple series, the subject of Value Stream Mapping is tackled. A total of six episodes will be released over the coming months on this topic - each just ~15 minutes in length. Tips and Tricks will be provided to improve practice of the VSM methodology, from planning a VMS exercise to achieving the future state. Episode 1 is now available. So gather a group of folks from your organization, take a look, and compare and contrast it to your practice. Click here to see the first episode.

You can now follow us on Twitter @DrewLocher