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Mission Statement

To help business professionals improve their organization's execution by providing practical information for any stage of Six Sigma and Lean – from learning the methodologies, to initiating a deployment, to increasing the effectiveness of a mature program. We explore the tools and techniques and offer inspiration for breakthrough process improvements, cultural transformation and outstanding leadership.

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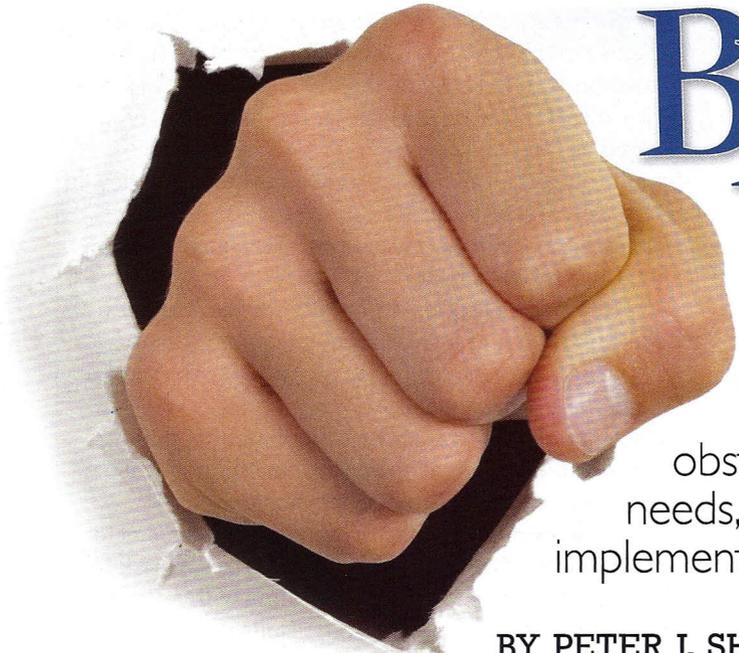
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BREAKING THROUGH

Belts can overcome deployment obstacles by understanding customer needs, mapping current processes and implementing their ideal future state.

BY PETER J. SHERMAN AND KENNETH C. LEVINE

What do a large city, a start-up cell phone accessories firm, a growing outbound call center and a mid-size IT services firm all have in common?

They all have hit the proverbial “wall” in business – the point at which progress is halted for financial, operational or cultural reasons. Every organization (start-up or mature, private or public, service or manufacturing, profit or non-profit) hits this wall at some point in its corporate life cycle.

The wall comes in many forms and shapes. One of the most common walls that businesses and government organizations are experiencing today is declining revenues; for instance, when payroll doubles, but revenues do not. Sometimes the wall is having your cash flow tied up in inventory or receivables, even though your company is profitable. Other times, it is a case of fatigue, when a company struggles to maintain the same level of customer service as when it was launched. The wall also takes the form of chronic “workarounds” and overtime needed to get orders fulfilled. One of the most insidious walls involves scaling – how does an organization maintain its strong corporate

culture now that it has tripled in size?

While there is no Holy Grail for preventing these walls from popping up, there are some fundamental business principles to help manage through and around them. Here are some key steps that an organization can start implementing today.

1. Listen to the Customer

The first part is simple: Talk to your customers. Hold a customer-focus session. Send out customer surveys.

Nothing cuts through the noise and clutter better than talking directly to customers (both external and internal) to understand their needs.

Listening to the voice of the customer (VOC) links what your customers need and what the business should be providing. More specifically, VOC aids your understanding of *who* your customers are – identifying the drivers for their needs and translating those drivers into critical-to-quality (CTQ) requirements. VOC goes from the general to the specific, from qualitative to quantitative data. CTQs are specific and measurable.

Here’s an example: Say one of your customer’s key needs is “great customer service.” One driver to

ensure that this need is met is to have knowledgeable customer representatives. A specific CTQ requirement to support this driver would be a requirement that all new customer reps go through 40 hours of training, spend one week shadowing a senior customer rep and pass an exam to demonstrate competency. Another CTQ requirement would be holding your reps accountable to answering customer inquiries at least 95 percent correctly the first time.

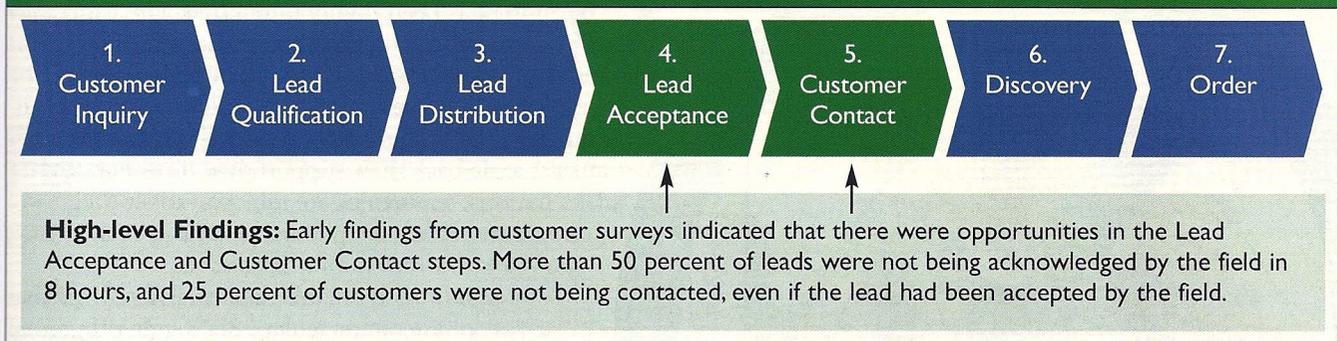
As renowned management consultant Peter Drucker once said, “You can only manage what you measure.”

2. Map Your Current State

The excesses of the past decade, combined with the slow-growth economy, are exposing the frailties of inadequate business processes. Improving end-to-end processes is one way to provide sufficient leverage for sustainable transformation, which can result in delivering products and services faster and more consistently, with less waste and better quality.

Focus on the large pieces of the value chain that span the major functional areas in your business. Some common end-to-end business process-

Figure 1: Process Flow Map for Sales Lead Management



es to consider include: 1) Concept-to-commercialization, 2) promotion-to-order, 3) demand-to-availability, 4) order-to-delivery and 5) order-to-cash.

Once you've identified your processes, map them out in their current state. Determine how well they are performing today, not how they are designed to perform.

A simple yet powerful tool for understanding processes is the process flow map, a graphical depiction of the sequence of activities from start to finish that identifies the key steps, deliverables, stakeholders, decision points, time intervals and other variables. These maps work best when you bring the key stakeholders together and lay the process out on butcher paper or a white board.

A process flow map helps to identify gaps, bottlenecks, redundancies and dependencies. Use this information to quantify the waste, savings or incremental revenue. Figure 1 is an example of a high-level map of a process to manage an organization's sales leads.

3. Design and Implement the Future State

Once you understand how the processes perform today, you can redesign them for how they *should* perform. Here are some guidelines for creating your ideal future state:

- **Plan at the system level** – Focus on end-to-end flow and go upstream in the process – even farther beyond the traditional starting gate – to eliminate the “big boulders” impacting customers the most.
- **Implement at the process-step level** – Eliminate major time traps such as non-value-added work, excessive rework, low-yield steps, inconsistencies and poorly designed policies.
- **Focus on controllable opportunities** – Don't over-reach. Trying to change regulatory policies may be too difficult.
- **Drill down to the root cause** – *Hint:* For every prob-

Figure 2: Sample PICK Chart

		Impact		
		Big	Medium	Small
Ease of Implementation	Simple	Implement		Possible
	Complex	Challenge		Kill

lem, ask “why?” Usually, by the fifth time the question is asked, you have arrived at your root cause.

- **Quantify the benefits of opportunities**
- **Prioritize improvement ideas** – A PICK chart can be used to categorize, evaluate and prioritize ideas by separating them into four categories: Possible, Implement, Challenge or Kill (Figure 2).

Breaking Down Walls

Albert Einstein once said, “We can't solve problems by using the same kind of thinking we used when we created them.” The same philosophy can be applied when business or government hits “the wall.” The key to breaking down walls is to focus on your customer, think big and engage cross-functionally at all levels.

When your organization hits a wall – and it *will* happen eventually – this is no time to look at small business processes inside a functional area. Instead, leaders should work fast and obtain measurable results in 30 days. Before you know it, those walls will start coming down. ●

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