

EXPERT ANSWERS

Leveraging lean

Q: I am looking for case studies on successful lean programs that give details on how to undertake a lean program at an IT products and services company, and how organizations faced and overcame typical challenges. For example, how do you measure, in dollars or cost of sales, a bad senior management decision?

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A: The best example I can provide in which an IT services company is leveraging lean Six Sigma (LSS) process improvement principles is at my own organization, Cbeyond Communications. We are a \$500 million IT and communications service organization providing voice, data and applications for small and mid-size businesses. We are fairly young (12 years old), fast-moving, have a highly entrepreneurial culture and are customer-centric.

Our LSS journey started in 2010 with our key thought leaders from customer experience, operations, IT and process excellence getting in a room and asking some difficult questions:

- What is standing in our way of enhancing the customer experience?

- Can we do this while driving scale into the business?
- Where do we put our best resources to drive the most impact for our customers?

We laid out a value stream map of the business and identified some high-profile pain points the organization could rally around. Out of those discussions, some high-profile initiatives emerged that were closely aligned with our strategic goals, objectives and key metrics:

- Becoming proactive in service management to monitor and troubleshoot circuits.
- Redesigning the interactive voice recognition platform to make it more customer-friendly and reduce transfer calls.
- Introducing computer telephony integration in the call center to provide immediate screen pops for agents to identify and validate the caller, and save 30 seconds in the process on 750,000 calls.

In essence, we were “pulling” for the creation of meaningful initiatives—not “pushing” projects through the organization. We set up teams, created business cases with key metrics (financial, operational and

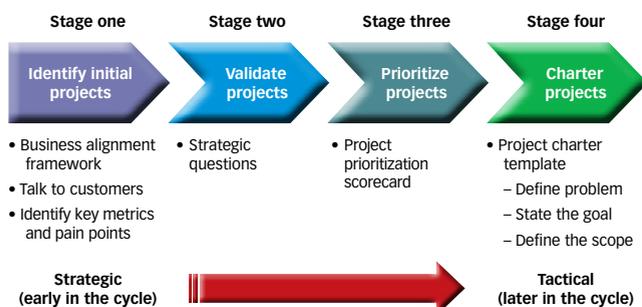
customer satisfaction), were deliberate about identifying root cause issues, and figured out the smartest way to solve them with our front line.

We conducted pilots and carefully measured the results before full deployment. The best control plan we devised was to get the front line engaged in the process up front. After they bought into it, they would enforce it—minimizing the need for formal documentation and audits.

Beyond employees took notice. We were generating excitement. The projects demonstrated that achieving scale and customer satisfaction were not mutually exclusive. Following a process improvement method made sense and could be successful. We didn’t even call it LSS. The method was becoming part of the culture. Employees first started speaking it; then they started practicing it—taking deliberate action.

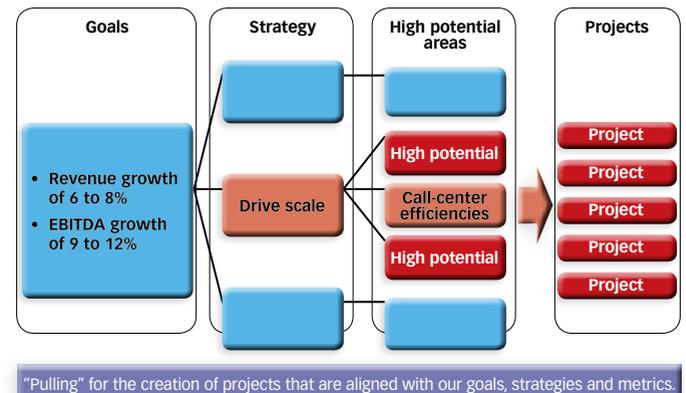
The larger initiatives started a wave of smaller initiatives. We quit talking about issues in terms of: “What is the trouble ticket rate?” or “Why isn’t IT automating this for

Project portfolio process / FIGURE 1



Source: Peter Sherman, “Pick Your Spots,” *Quality Progress*, September 2012, pp. 36-42.

Business alignment framework / FIGURE 2



EBITDA = earnings before interest, taxes, depreciation and amortization

Source: Peter Sherman, “Pick Your Spots,” *Quality Progress*, September 2012, pp. 36-42.

us?” Now, we were asking: “What’s the problem? Are we in control? How capable is the process?” That was the tipping point.

Overcoming challenges

In 2011, we got serious about deploying the program. We put together the infrastructure using the LSS framework: We formalized our Champion, developed a portfolio process (Figure 1) that uses a business alignment framework (Figure 2) to identify the right projects, and a portfolio tracking system to measure results.

We customized the training around Cbeyond’s business, tailored tools that would fit our needs, and provided ongoing coaching and mentoring. Because our process excellence department is very lean (only two Six Sigma Black Belts), we had to scale ourselves. We do this by formally screening candidates who want to enroll in Cbeyond’s lean Six Sigma Green Belt certification program. One key criterion is to submit a project charter signed off on by the candidate’s project sponsor. Projects must be completed within one year of training. This process ensures the right candidates and projects are “pulled” into the program. Employees are seeing things through a new set of eyes, asking different questions, learning to challenge conventional wisdom through data and seizing opportunities.

One of the most difficult challenges is getting employees to adopt a business mindset. Let’s face it, a pile of numbers is just that—a pile. Without context—the surrounding information—and analysis, they mean nothing. Putting things in context means asking questions such as: “What’s the problem we’re trying to solve? What’s the impact? How long has this been occurring? Where is it happening—internally or externally with our customers? What is the cost of doing nothing?”

Making the case for change (the business case) is one of the most difficult things for people to get comfortable with. To help employees, I conduct mini project charting workshops. We cover the elements of preparing a basic business case: identifying key assumptions and drivers, quantifying costs of poor quality, and projecting savings or revenue based on improvements. We learn how to prepare some basic metrics, such as return on investment, payback period and break-even analysis.

The other program we started is a “decision-making boot camp” to help front-line managers and directors make better decisions. We educate participants on the three basic decision-making styles; problem-solving skills; decision-making tools (risk vs. uncertainty, calculating risk levels and linking cause and effect) and conduct team exercises based on actual Cbeyond issues.

The other main challenge we face is maintaining our levels of energy, focus and commitment, particularly in the midst of significant change. Cbeyond is going through a major transformation with its products and services. Employees want to know where we’re going as an organization. They need to feel there’s a real commitment to the destination and that the aspiration isn’t just the “flavor of the month.”

Perhaps most importantly, they need leaders to help them “connect the dots” so they know how their work supports the goal. We’ve found that employees will bring more energy, focus and commitment to leaders who can tell a compelling story about our challenging journey from where we are to where we want to be. There are lots of shiny objects—new directives, different policies and technology. We can’t afford to chase these shiny objects because we’ll waste time and resources.

It’s a process

The portfolio process and business alignment frameworks help us tremendously to focus. We combine these frameworks with a formal process of documenting our yearly commitments with measurable goals and timeframes. Managers review these commitments with their employees twice a year.

At the beginning of the year, department heads facilitate workout sessions with employee groups. One activity is called “start-stop-continue.” We ask ourselves: “What should we—as an organization—be starting, stopping and continuing?” There are always new ideas. Identifying the things we should stop doing is the most challenging part.

Throughout the year, senior leaders routinely conduct walkabouts—informal meetings with small groups of employees. They ask: “What are the top three things you’re working on?” Recognizing the need to keep momentum, our department heads are starting to conduct weekly team reviews with their teams, asking questions such as:

- What progress did we make this week?
- What supported us and our work this week?
- What setbacks did we have this week? How can we learn from them?
- Did we affect our partners or customers positively this week? How will we do so next week?

We’re not perfect by any means. It takes a lot of energy, focus and commitment. We’re in the third inning of a nine-inning game. Like Brad Pitt said in the movie “Moneyball”: “It’s a process; it’s a process; it’s a process.”

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