



BLOCK & TACKLE

Leveraging Process *for* Results

APQC'S 2012 Process Conference & Training
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The Houstonian Hotel, Club & Spa - Houston, Texas

APQC®

More Critical Thinking – Can Change the Way You Improve



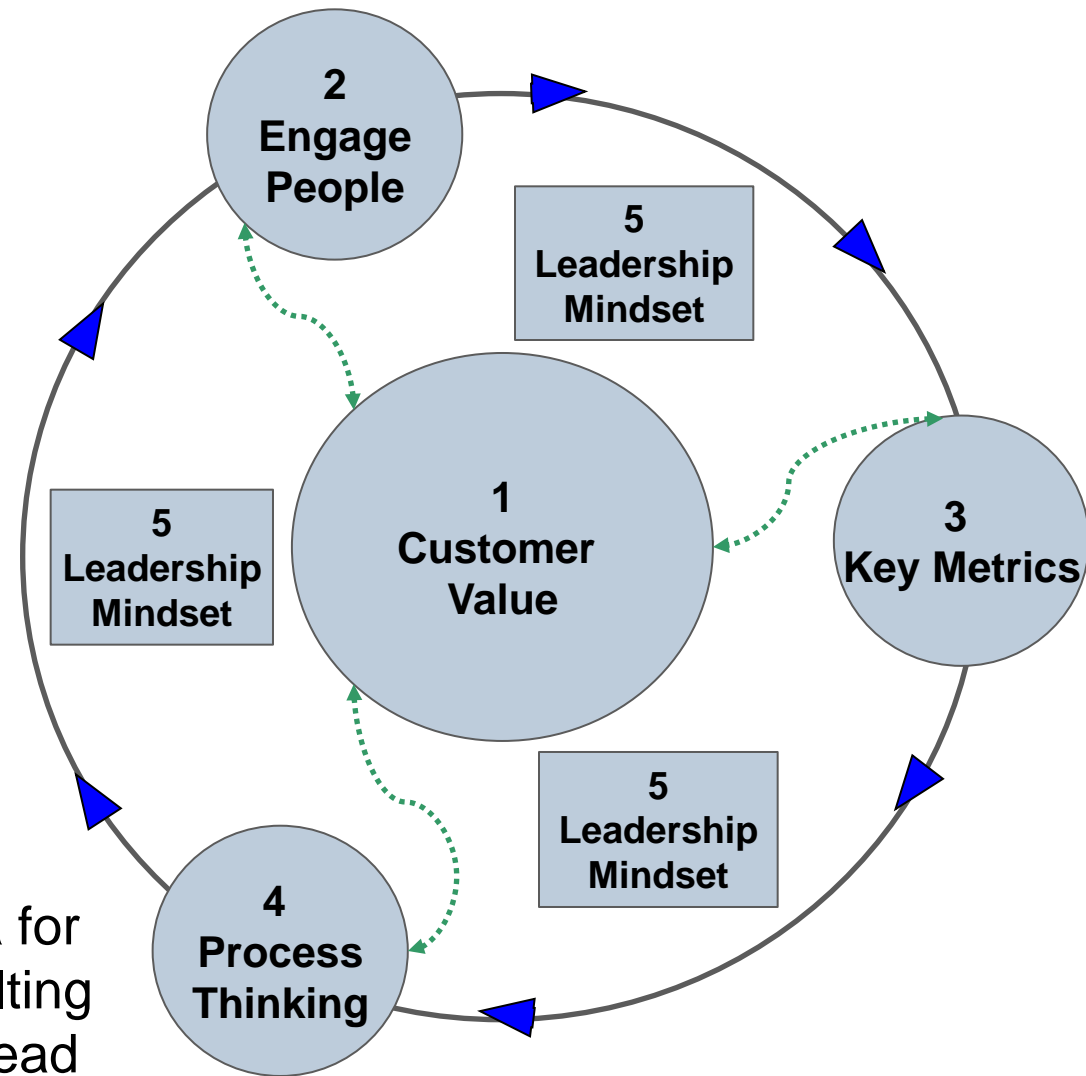
Michael Bremer

President of the Cumberland Group

Executive Director Chicagoland Lean Enterprise
Consortium

VP Manufacturing Excellence Awards - AME

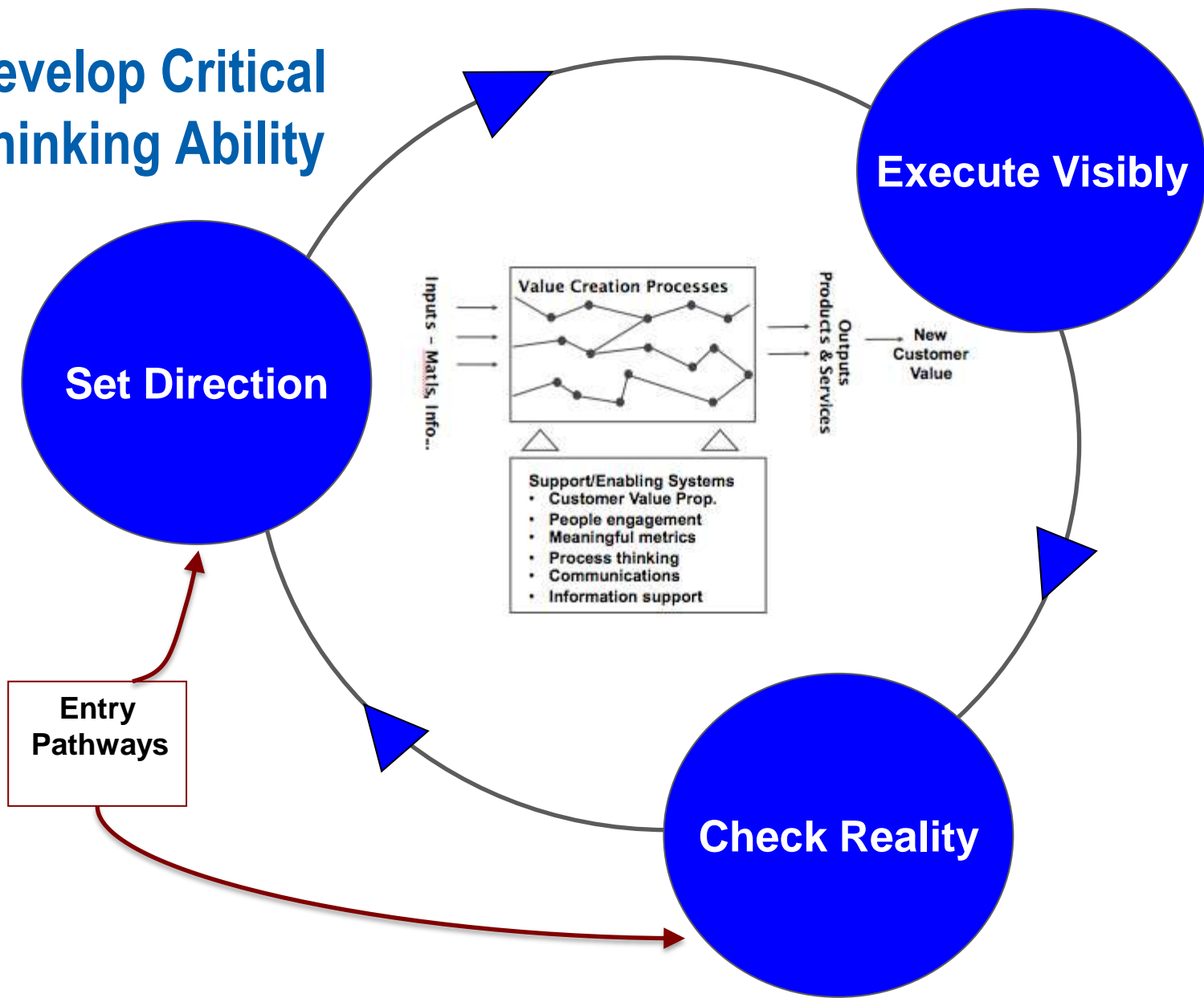
Elite Performers



“I have been working in this area for 30 years and done a lot of consulting as well as writing. As soon as I read on the cover of this book the 5 ingredients I thought wow--if you have to pick five this is the perfect list....”

Jeffrey Liker Author “The Toyota Way”

Develop Critical Thinking Ability



Improvement Maturity Pathway to Enterprise Excellence

Improvement Effectiveness Assessment

1. **Sustain and replicate** gains from improvement projects?
2. **Key business performance metrics** shown significant improvement – *profitability, margins, market share....not talking about savings?*
3. **Employee engagement** scores 2x above industry average – people actively engaged in improving the way the company operates?

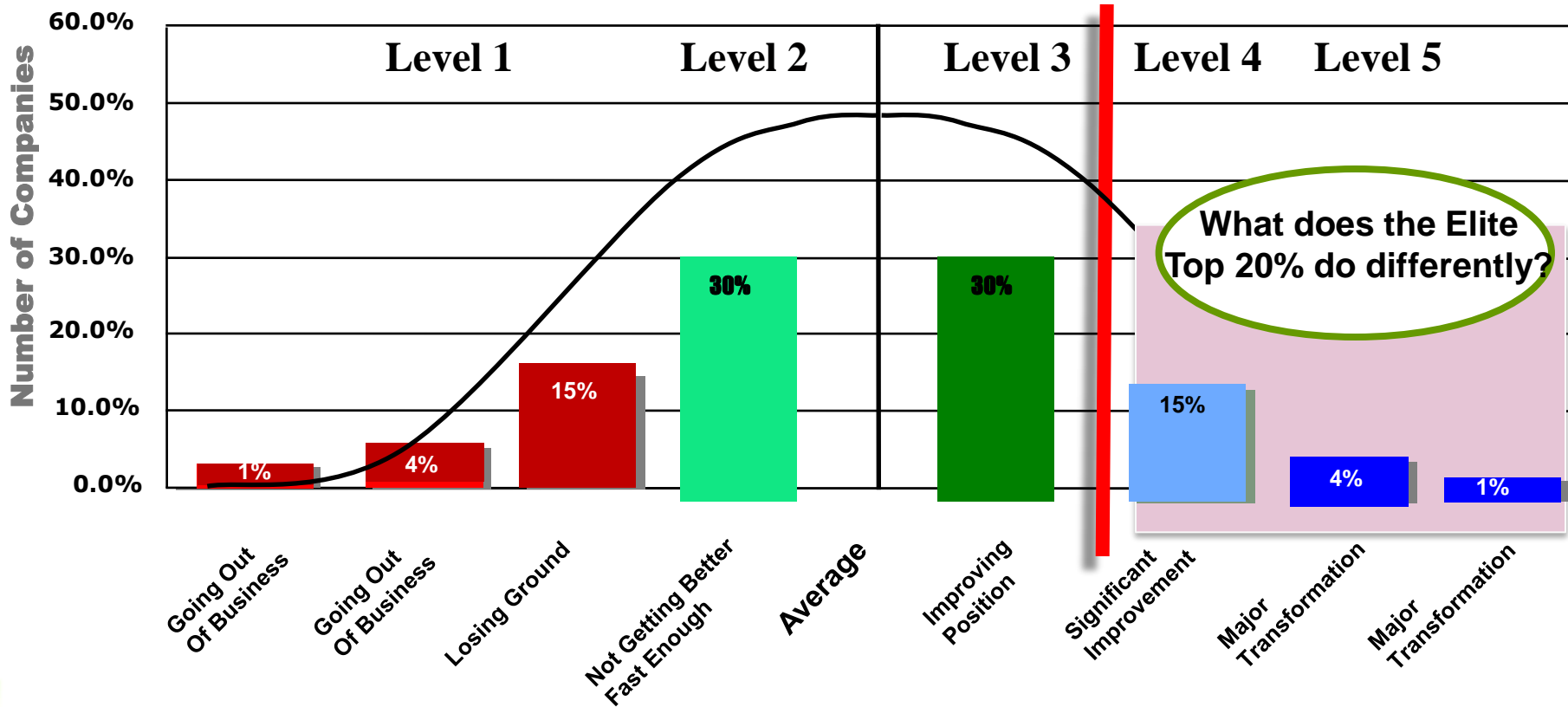
(-)
Nope

(+)
Inconsistent

(★)
Consistent

What is Different?

Improvement Maturity is *Relative* to Competitors in Your Industry



2 or more (-)

Combo of (-) (+) and up to 1(*)

2 or more

Amount of Improvement

The first step in transforming is having the humility to get in touch with 'reality' as it is....not as you wish it to be – Illusory superiority

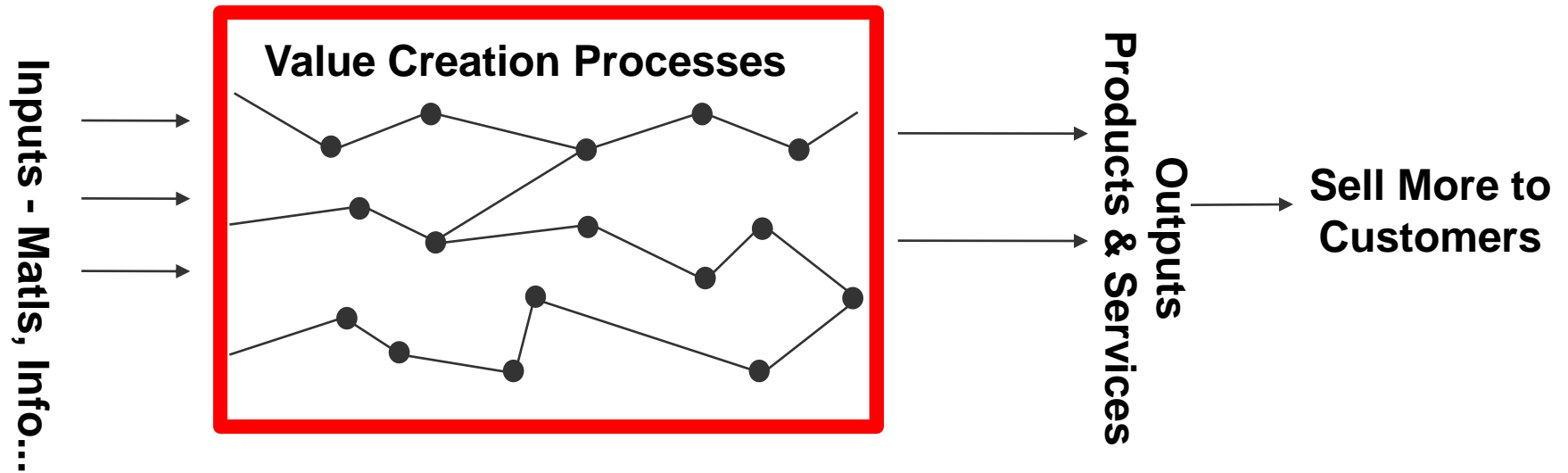
How many people would say.....

I would like for our managers to be more actively involved in our improvement activities!

1 Complaint



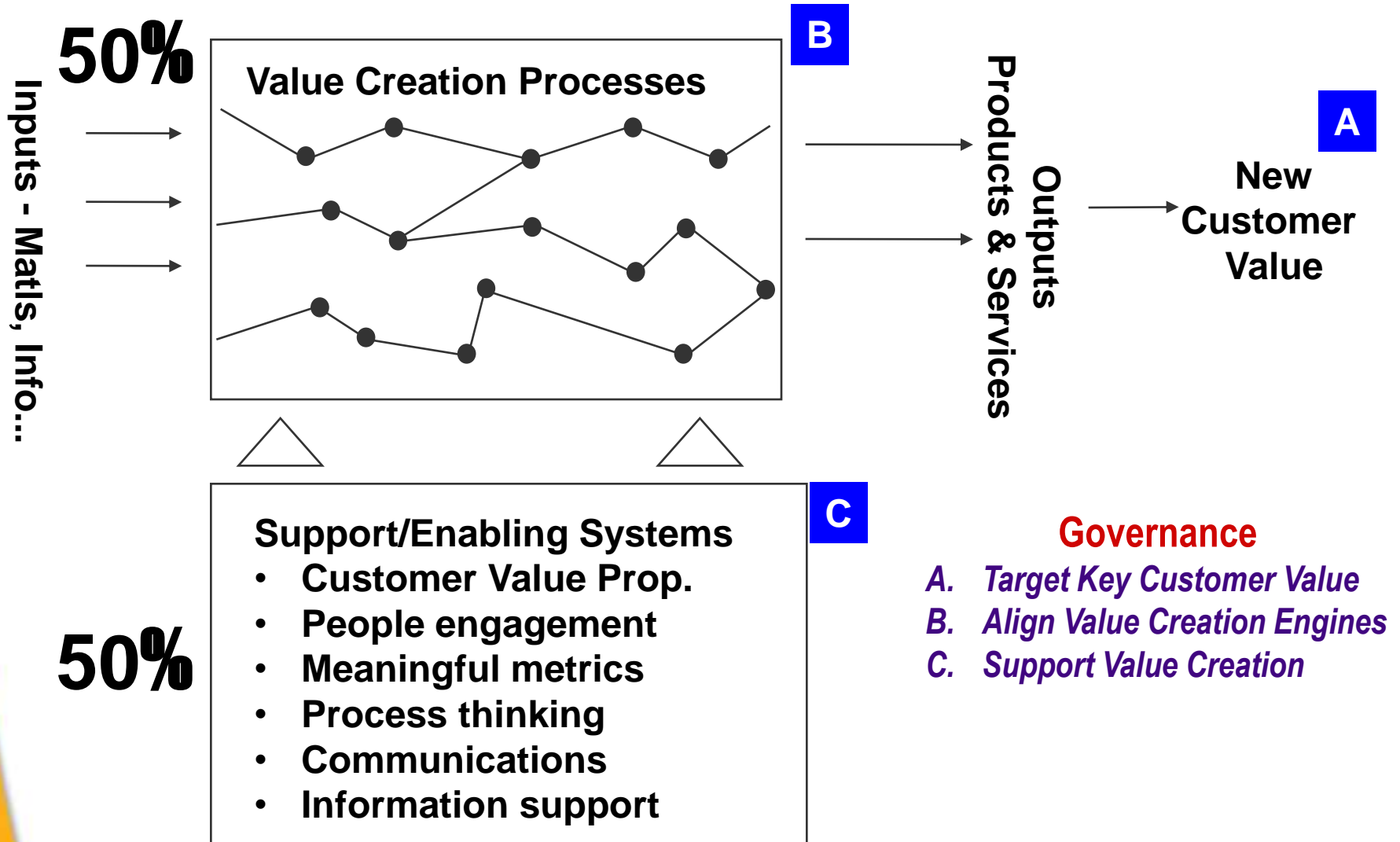
Business Process Model



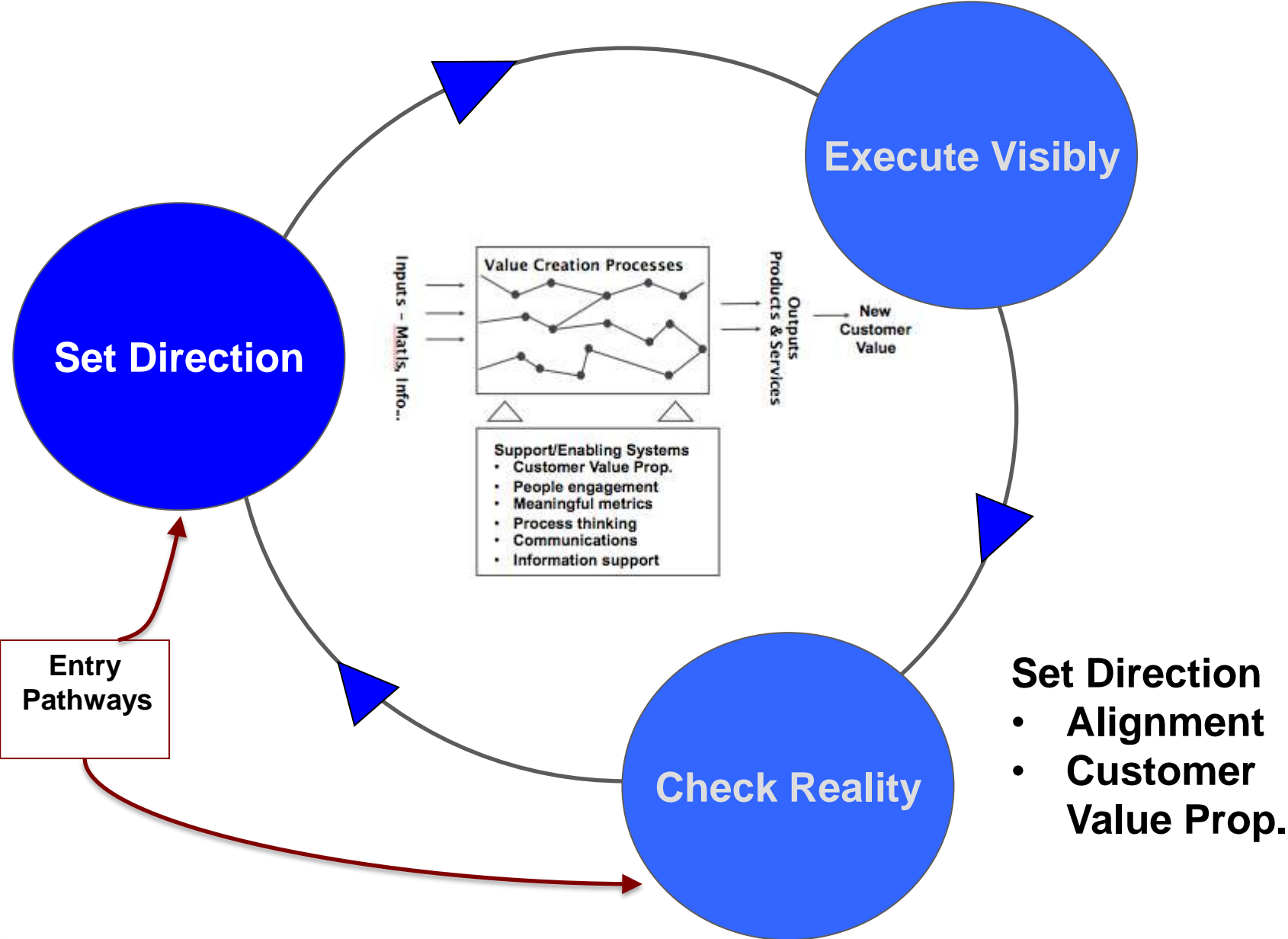
Level 2 & 3 Organizations

Governance
A. Eliminate Waste!

Business Process Model



Improvement Maturity Pathway to Enterprise Excellence



Toyota Strategies to Create Value

- Build a strong quality base (redefine market standard) 1960 to 1970s
- Learn how to build cars in U.S. – NUMMI 1984
- Redefine luxury car market (Lexus) 1989
 - *High margins*
 - *Created a brand new customer experience*
- Expand into large truck market 1993

Carlos Ghosn who led turnaround at Nissan once said “Great products overcome a lot of problems inside an organization.”



GM's Strategies to Create Value

- Abandon small cars to Japanese – 1970s
 - *Focus on high margin vehicles 1970 – 2000s*
- Catch up with the Japanese in small cars – Saturn 1990
 - *Low margins*
 - *Not redefining – looking to catch-up to Japanese*
- GM refused to learn from NUMMI or Saturn (*underminded Saturn – before fully launched*)
- Invest in automation \$\$\$\$



U.S. Dept. of Defense

- Value proposition might be:
 - *Protect (includes fighting)*
 - *Defend*
 - *Defer*
 - *Obtain new capabilities for new threats*
- If however the \$\$\$ were being invested in:
 - *Fact checkers (aka “inspection”)*
 - *More lengthily acquisition practices*

Using this for example purposes only

Set Direction - Value 'Creation or Destruction'

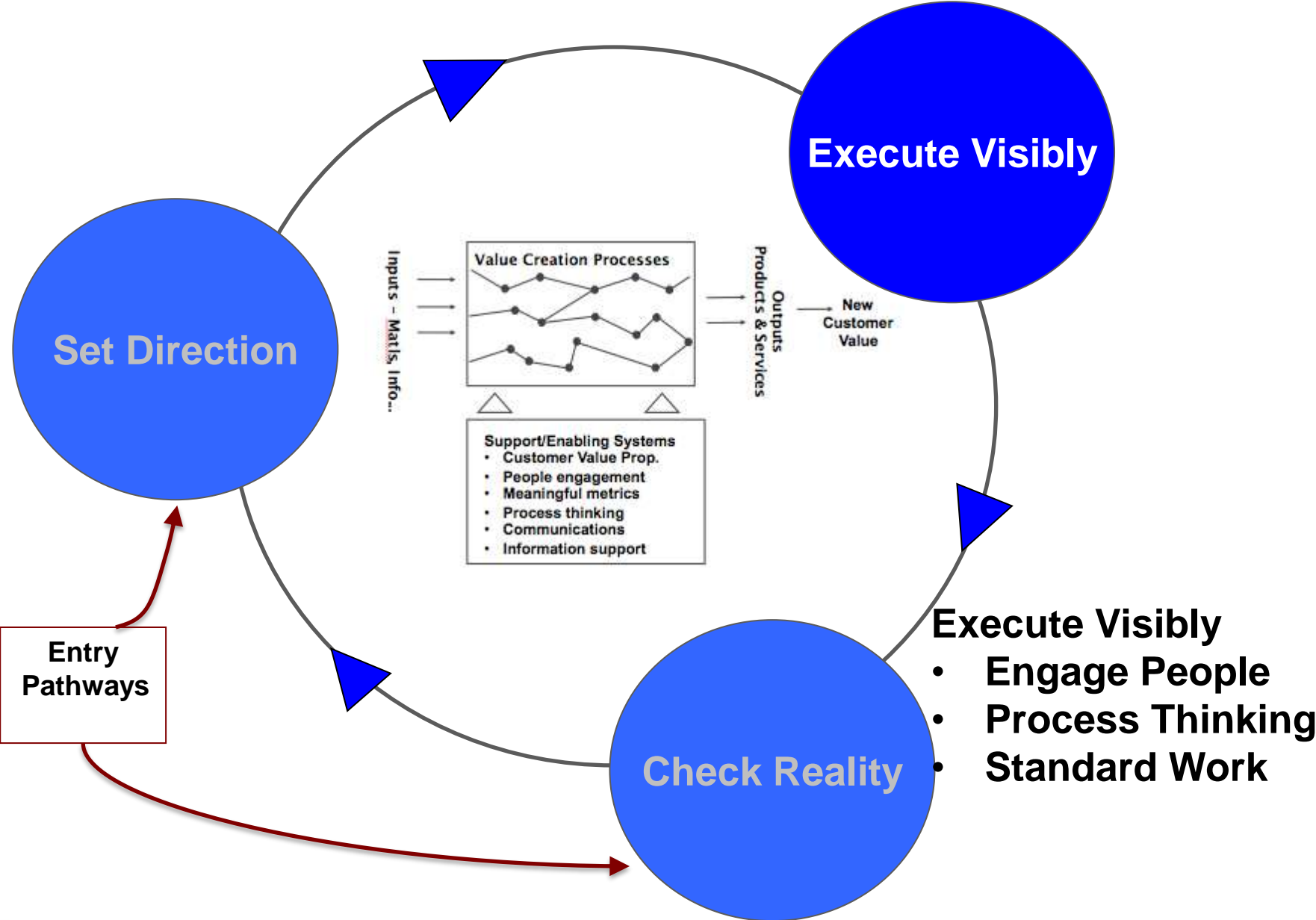
- Are your strategies more like Toyota or more like GM?

Challenge

- *Look at the last five strategic actions/investments taken by your organization and ask...*
- *“How well did your strategy work? Were employees Passionate or Blah about your strategies?”*
- **If Not**.....assess to learn what needs to change.

Your business strategy is your most important improvement hypothesis.....

Improvement Maturity Pathway to Enterprise Excellence



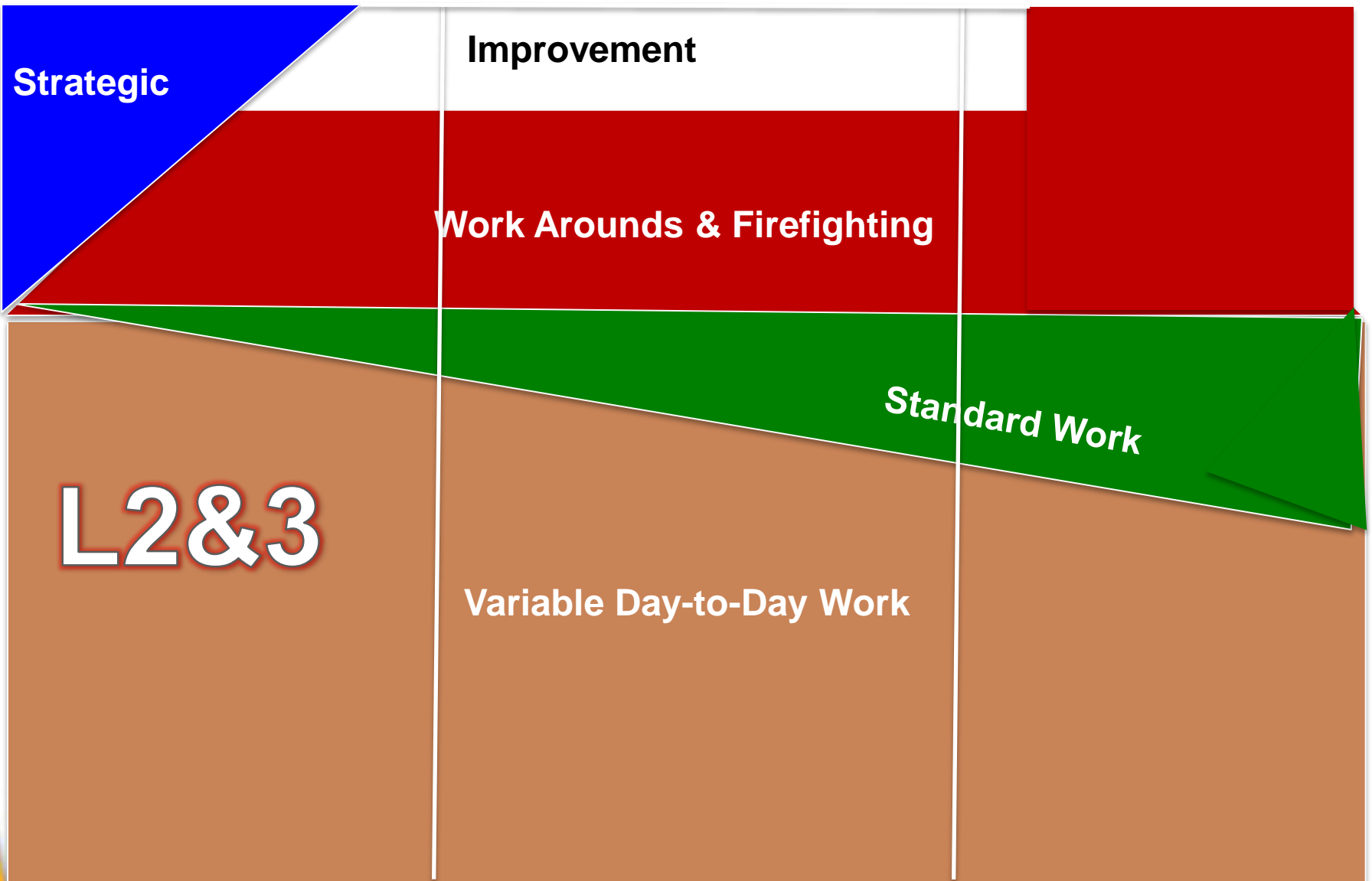
New Paradigm for Execution

Old – How well was the plan implemented?

New – test hypothesis, learn, iterate and try again
(as rapidly and inexpensively as practical)

“In preparing for battle I have always found that plans are useless, but planning is indispensable.” Dwight David Eisenhower, President

TIME MAP



Strategic

Improvement

Work Arounds & Firefighting

Standard Work

L2&3

Variable Day-to-Day Work

Executives

Middle Managers

Operators/Line/Staff

Strategic

Critical Thinking / Improved Problem Solving

TIME MAP

L4&5

Standard Work!!!

Fire Fighting

Variable Day-to-Day Work

Executives

Middle Managers

Operators/Line/Staff



Process Thinking

85% -

90%

**Do you really believe
this is true?**

**Or....do you do a workaround when problems
happen? What message does that send?**

Much of what is important is not seen

L2&3

Functional Dep't Performance

Technology

Monthly Financials

Visible

Tools

Problems

Above the Water

Invisible

Below the Water

Strategic Alignment

Process Performance

Standard Work Practices

Critical Thinking Skills

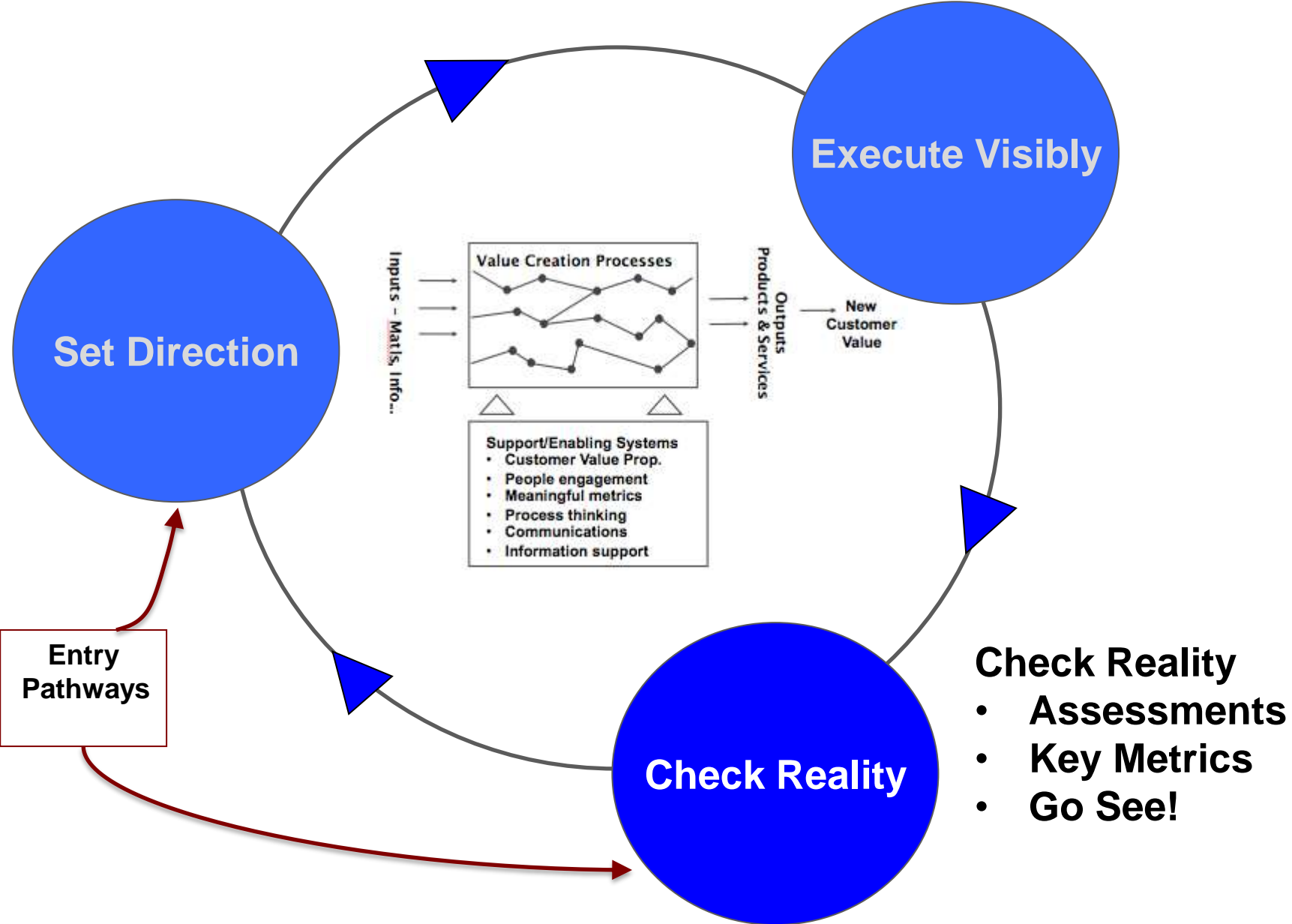
Non-Financial Performance

Leadership

Total Costs

L4&5

Improvement Maturity Pathway to Enterprise Excellence





3 Questions

Find ways to Quickly get in touch with 'reality as it is' rather than as we wish it to be – (i.e., *illusory superiority*)

What critical thinking do your Metrics Foster?

Functional Responsibility (Summary or Mission): _____

Department/Group: _____

Contact for this Worksheet: _____

Metrics	Metric Classification(s)															
	Effectiveness		Timeliness		Quality		Productivity		Cycle Time		Employee Development		Cost		Risk	
	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																

Medium Relationship
Weak Relationship

_____ Working/Policy _____ Target Links

**List
Your
Metrics**

Spreadsheet Challenge: Ask how well your metrics help your internal customer, serve their customer

4 Decide if your metrics are...
of views and a few early warning indicators

Colleen Abdoulah – CEO WideOpenWest

Once per quarter, every executive leader must...

- Sit-in with CSRs or
- Ride with a line person or
- Sit with someone doing customer facing work

Actions

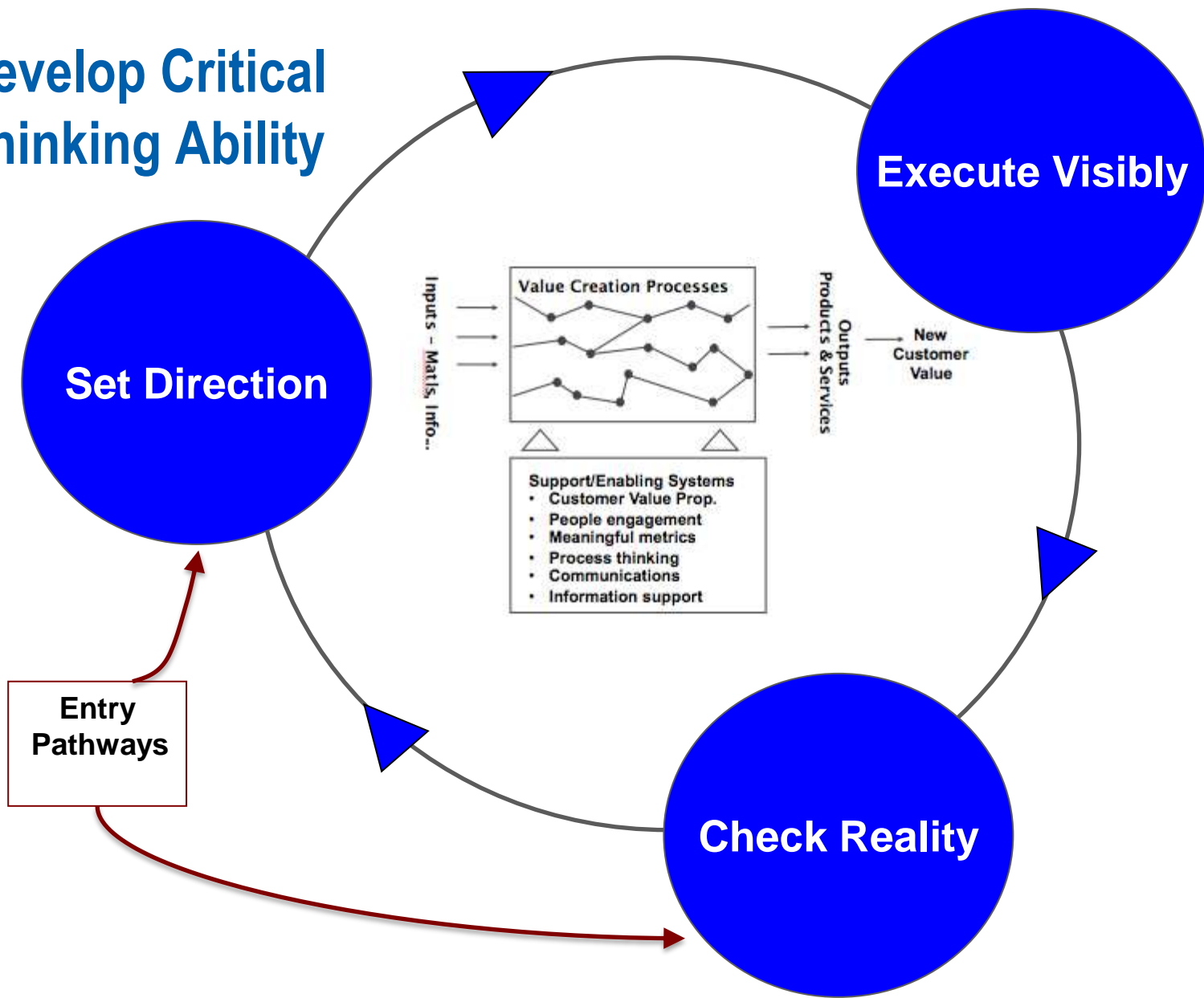
‘Get Out and Go See’
better understand ‘reality’
of your subordinates, your
customers, your actions?



Pulling It All Together

1. We have a single person's view of reality
2. Do the 3-Question Survey
3. Look at the models or challenges
4. Gather evidence to support/refute view
5. Determine priority actions (experiments)
6. Determine how you will measure the results of any experiments

Develop Critical Thinking Ability



Improvement Maturity Pathway to Enterprise Excellence

The Cumberland Group

***Take a new perspective
and look at your
improvement endeavors.***

***Can you rise to an 'elite'
level of effectiveness?***

***This is the key challenge
Thank you.***



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