Avoiding Process Improvement Pitfalls

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04.07.2011
A Definition…

pit·fall (pĭ'fôl')

*n.*

1. **An unapparent source of trouble or danger; a hidden hazard:** *potential pitfalls stemming from their optimistic inflation assumptions.* —*New York Times.*

2. **A concealed hole in the ground that serves as a trap.**
Why Understand Process Improvement Pitfalls?

- Wealth of information on the “ideal” state, but very minimal information of what NOT to do
- High reward, but also high risk
- Not everyone knows what you know about Process Improvement
- Process Improvement is commonly viewed as a technical topic, not a management topic
- You want to be successful in delivering Process Improvement and value-added change
- Most organizations fail at Process Improvement
  - Failure rate estimated at 70-80%
Today’s Objectives

Based on our lessons learned from the field:

- Discuss the top eight Process Improvement pitfalls, ordered by impact value
- Discuss what can happen and financial impacts
- Provide recommendations to avoid
- Learn something interesting and of value

Now on to the pitfalls …
Pitfall #8

Not treating Process Improvement effort like a project

Behaviors include:

- Implement process change without a plan and schedule
- Lack of scope definition, requirements development and management
- Lack of project monitor and control activities (i.e. status, issue and risk management)
- Allow process team to operate without good project disciplines
- "We are performing process improvement, we are not a project"
Pitfall #8

Not treating Process Improvement effort like a project

What can happen?

- PM 101: "You fail to plan, you plan to fail"
- Loss of sponsorship and commitment
- Negative organizational sentiment and credibility
- Budget cut (what is your value?)

Financial impacts

- Unable to justify ROI and value creation
- Cost over-runs
Pitfall #8

Not treating Process Improvement effort like a project

Recommendations to avoid this pitfall

- Start with a solid business case
- Put project manager in charge of Process Improvement
- Classify the effort as a project in the IT portfolio (not just a general discretionary spend activity)
- Ensure Process Improvement team activities are QA'd against project management standards
  - GP 2.9 for PPQA, OPF and OPD
- Produce project charter and plan with tangible objectives
- Produce team status report with progress, issues and risks
Pitfall #7

Leading process change with a tool

Behaviors include:

- Buying a tool as a “silver bullet” solution to improve processes
- Expecting instant organizational improvement and perfection
- Not including stakeholders (i.e. Process Improvement team, tool users) in business case and tool procurement
- Senior management hyping tool over people and capability
- Provide limited or no funds for performance support
Pitfall #7

Leading process change with a tool

What can happen?

- Tool backlash
- Decrease process performance ï adding more complexity
- Attrition ï IT's natural focus is on creativity and innovation; top talent will leave if they cannot do their job

Financial impacts

- License and maintenance fees
- Difficulty to justify ROI
- Cost of lost productivity
Pitfall #7

Leading process change with a tool

Recommendations to avoid this pitfall

- Define your process first, and have a clear understanding of which process you plan to improve with the tool
- Do a detailed alternative analysis and business case
  - Ask “do we really need the tool? What is the value add?"
- Challenge vendors to provide clear implementation plan
- Provide enough budget to handle performance support
  - Training and communications
Pitfall #6

Not understanding your starting point

Behaviors include:

- Begin a Process Improvement effort without an assessment to understand the current state
- Move ahead with a process change without understanding the practice or capability you are improving
- Start Process Improvement without a business case
Pitfall #6

Not understanding your starting point

What can happen?

- Destroy working processes and tools
- Lack of focus for Process Improvement effort
- Rework
- Frequent scope changes from sponsor

Financial impacts

- Loss of prior Process Improvement investments
- Cost of rework and cyclical "churn and burn"
- Cost of lost productivity
Pitfall #6

Not understanding your “starting point”

Recommendations to avoid this pitfall

- Always conduct an assessment of current state
  - Plenty of good models to benchmark
- If tasked with moving ahead without assessment, add assessment to planning phase
- Do not set finite cost/schedule expectations (or guarantee) of an “end-state” before assessment
Pitfall #5

Staff your Process Improvement team with the wrong people

Behaviors include:

- Assign new employees to Process Improvement team
- Staff team with only external consultants/contractors
- Not staffing "A" players on the team (refuge for weak performers)
- Assign multiple people a part-time role on the team
Pitfall #5

Staff your Process Improvement team with the wrong people

What can happen?
- Poor quality
- Lost knowledge capital
- Unsustainable improvements

Financial impacts
- Process Improvement effort does not deliver value
- Cost of poor quality on the Process Improvement team
- Lost investment (when contractors leave, etc.)
Pitfall #5

Staff your Process Improvement team with the wrong people

Recommendations to avoid this pitfall

- Assign a limited number of people who can assume full-time, but temporary roles (6-12 mos.)
- Use consultants for their knowledge capital
  - Leverage consultants to help launch and enable the team
  - Ideal balance: <50% external staff for launch, <25% external for ongoing operations
- Provide incentives; create attractive roles on team
- Ensure people on Process Improvement team have used the organization’s processes in practice
Pitfall #4

Impose unrealistic expectations for change

Behaviors include:

- Declare a top down mandate to achieve perfection within a short window
- Use of terms "rapid" or "accelerated" to describe effort
- Mandate rapid achievement of maturity target (i.e. CMMI L3) within a relatively immature organization
- Make threats to managers as a means to achieve maturity target
Pitfall #4

Impose unrealistic expectations for change

What can happen?

- Significant waste of effort on non-value add activities
- Signals desperation from senior leadership (i.e. what is the issue with business? Do we need rapid improvement?)
- Loss of top talent
- Failure will make any future efforts more challenging

Financial impacts

- Lost productivity from working on non-value add activities
- Productivity lower than when the accelerated improvement effort began
Pitfall #4

Impose unrealistic expectations for change

Recommendations to avoid this pitfall

- Educate the leadership on organizational transformation and change management fundamentals (change curve)
- Ensure an assessment is conducted (see pitfall #6)
- Get realistic estimates for the desired improvements
- If you can’t get leadership to change course, move to the sidelines; realize the effort will be short-lived
Pitfall #3

Weak leadership and sponsorship

Behaviors include:

- Delegate ownership of the effort to middle management
- Sponsor of program not eating their own dog food
- Process Improvement team does not have the authority to implement improvements
- Minimal funding or investment “I want quality and improvement, but I don’t want to pay for it.”
Pitfall #3

Weak leadership and sponsorship

What can happen?
- Lack of advocacy
- Challenges getting organizational buy-in
- Challenges in justifying value
- Team works in a silo

Financial impacts
- Minimize the ROI for the Process Improvement investment
- Sunk costs from ineffectiveness
Pitfall #3

Weak leadership and sponsorship

Recommendations to avoid this pitfall

- Ensure leadership clearly understands the value proposition for investing in the effort
- Clarify the role and responsibilities of the sponsor
- Produce simple metrics that a sponsor can understand
- Fight to align the Process Improvement team to report to a senior executive with power and influence
- Ensure your sponsor is visible (via training, communications, appearances, etc.)
Pitfall #2

Misuse process models (i.e. CMMI, eSCM)

Behaviors include:

- View process model as the silver bullet process or methodology
- Achieve rating or certification for the sake of the rating or certification
- Implement model like a packaged software solution
- Deploy model by training everyone in the organization
- Senior leadership implementing model as a status symbol
Pitfall #2

Misuse process models (i.e. CMMI, eSCM)

What can happen?
- Miscommunications and misunderstandings
- Unrealistic expectations
- Blame the model when expectations are not met
- Diminishes credibility of model

Financial impacts
- Lost investment in model education
- Lost investment in assessment planning and execution
- Lost productivity from attendance of ineffective training
Misuse process models (i.e. CMMI, eSCM)

Recommendations to avoid this pitfall

- Education, education, education on your model
- Get educated on how to implement the model
- Consolidate your knowledge into a simple executive summary to leadership on the model and implementation best practices (expect to present to leadership 3-5 times)
- Develop business case which clearly details implementation approach along with simple ROI/metrics
- Use consultants (or other third party) to QA the business case
- Get sponsor approval and organizational buy-in
### NewTech – IT Process Improvement Plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration</th>
<th>Avg. FTEs</th>
<th>Approx. Cost*</th>
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<tr>
<td>Assessment</td>
<td>2-3 Months</td>
<td>3</td>
<td>$150K-$300K</td>
</tr>
<tr>
<td>Business Case</td>
<td>1 Month</td>
<td>2</td>
<td>$50K</td>
</tr>
<tr>
<td>Build Improvements</td>
<td>3-4 Months</td>
<td>6-8</td>
<td>$400-$700K</td>
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<tr>
<td>Pilot Improvements</td>
<td>1-2 Months</td>
<td>6-8</td>
<td>$130-$350K</td>
</tr>
<tr>
<td>Deploy Improvements - Post Improvements on Intranet and Send Email</td>
<td>2 Days</td>
<td>1</td>
<td>$2K</td>
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<tr>
<td>Project Closeout</td>
<td>2 Days</td>
<td>1</td>
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</table>

**Total Activity Duration:** 9-12 Months
**Total Approx. Cost:** $750K-$1.5MM

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**What’s wrong with this plan?**

With all this money spent improving processes, how will anybody know how to use them?

Is an email all you really need?
Pitfall #1

Forget training and communications

What can happen?
- Resistance to process adoption
- Lack of end-user awareness
- No improvement results

Financial impacts
- Lost investment in the Process Improvement effort
- Organizational costs from poor change management
Pitfall #1

Forget training and communications

Recommendations to avoid this pitfall

- Training materials should be considered a process asset
- Every dollar spent to improve a process should have a dollar invested in improving associated training and communications
- Ensure the Process Improvement team has a training and communications sub-team
- Develop and execute a training and communications plan
- Ensure a team (i.e. process or training group) is available to provide ongoing process training
In Summary

- If you hit a pitfall, the situation is recoverable
- Education and awareness are your best defenses
- Avoiding pitfalls will dramatically increase the chances of a successful Process Improvement effort
Questions and Discussion

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About Trissential

- Business improvement consultancy founded in 2003
- Controlled growth to more than 100 "Essentialists"
- Fortune 500 clients, including UnitedHealth Group, Target, Supervalu, Northwestern Mutual and Land O’Lakes
- Differentiated by the Essential Business Model
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