



Volume 4
Issue 2
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2005

Pursuing Performance

with EPPIC Inc.

A Quarterly-Seasonal Newsletter

EPPIC Inc.

Achieve Peak Performance

*to protect and improve
the enterprise*



My Point Is

The CONC for Your Un-Common ISD Processes

Uncommon ISD

Has your organization has avoided creating or adapting or adopting a common ISD— Instructional Systems Design approach and methods?

Your tolerant Training & Development management and staff must be thinking along the lines of “that would be too restrictive and not flexible enough” and/or “Instructional Design is too uncertain and too creative a process to plan, micro-manage and be predictive regarding quality, costs and schedule” and/or “it just can’t be done.” I disagree.

In your current state, the ISD staff gets to do their own thing, their own way. And the strong-willed client can drive their project any which way that they want. Talk about flexibility! Whatever, whenever, and however! No way to be predictive about that!

But client flexibility and ISDer freedom come at a cost to the enterprise. What costs? Are the costs significant? What are the CONC—the “costs of non-conformance to a standard” for enabling, even forcing this instructional free-for-all and “ISD artistic approach and expression freedom?”

I believe the costs can be significant. Beyond simply not being able to be predictive about neither the ISD process schedules, cycle times and costs nor the quality of the instructional products produced, there are excess, unnecessary additional direct costs of labor and materials for an inefficient ISD process with too much rework to produce or acquire instructional products that do not impact the process’ human performance adequately. And indirect costs such as lost opportunity for all of that wasted investment that might have had a positive return elsewhere in the enterprise.

I believe that both the “lack of impact” and the “lost opportunities” may be the largest CONC targets you may have.



EPPIC’s Guy W. Wallace, CPT

*Pursuing Performance
Issue Content*

- **My Point – The CONC for Your Un-Common ISD Processes**
– Guy W. Wallace, CPT
- **Lean-ISD at the ADDIE-level**
– Guy W. Wallace, CPT
- **The Soft Side of Six Sigma –part 2 of 2**
– Joe Kilbride

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EPPIC and CADDI newsletters
are available as PDF files on
the EPPIC web site under the
Resources tab at:
www.eppic.biz*



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My Point Is

The CONC for Your Un-Common ISD Processes

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Performance Impact

Performance is too often understood only in the most generic manner, perhaps driven by a generic competency model. The funny thing about generic competency models is that they almost always have “some face validity.” Which may be true enough on the surface level, but that generic view won’t get most people to superior performance levels.

Generic models cause ISD’ers to create generic products, with little chance at real impact back on-the-job. Communications skills, presentation skills, or problem solving skills apply very differently for shop floor workers, their bosses, the sales force, the process engineers, the ISD’ers, and the company lawyers and accountants.

One-size-fits-all products don’t have a prayer of impact compared to targeted content (with perhaps some shareable components/objects). The costs of lost opportunity of really impacting on-the-job performance, because the content and design did not focus ultimately on someone’s real job performance requirements, can be significant. How much did you invest on ISD new product development efforts last year and for what process performance returns to the enterprise?

The root cause of this ISD evil is a lack of a common ISD process that doesn’t focus squarely on the specific and sometimes unique human performance requirements of the critical enterprise processes.

Blanketing Versus Targeting ISD Efforts

And too often the focus the T&D/Learning/Knowledge Management System is on providing T&D opportunities for everyone. Not very selective. Nor business-like.

By not getting aligned with the enterprise leadership and working on specific, critical strategic and operational needs, sharing with the customer and leadership stakeholders, and forcing the tough decisions regarding priorities and resource allocations, ISD efforts and resources are wasted on low-value projects, with little chance for significant ROI for the shareholders.

And that is probably the biggest CONC. Working on low hanging fruit, in terms of projects targeted at critical process issues (problems/opportunities) with real significant ROI potential, not in terms of mass appeal. But in terms of revenue increases, expense decreases and/or risk management/mitigation.

And the root cause this ISD evil is typically a weak system of governance of the T&D system. I’ve covered the governance of ISD in past issues (see Spring 2004). In this issue I take a shot at Uncommon ISD. See the article beginning on page 4. Have a great Spring!

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EPPIC helps you orient your
enterprise T&D/ Learning/
Knowledge Management
Systems to the
Performance Requirements
of the Enterprise Processes

Pursuing Performance—EPPIC's Quarterly Newsletter

Pursuing Performance

is a free quarterly newsletter, published seasonally,
from EPPIC and Guy W. Wallace
on both paper and on the EPPIC web site as a pdf file
under the tabs: Resources/Newsletters at

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Pursuing Performance is for the leaders, managers, and individual contributors of those business functions, systems and processes that ensure that the right human knowledge, skills and attributes are available in a timely, efficient and effective manner in support of the enterprise processes.

For you we offer our insights and many examples of our integrated concepts, models, methods, tools and techniques regarding our PACT Processes for T&D, our T&D Systems View, and our Enterprise Process Performance Improvement methods. Use! Enjoy!

Note: Formatted for a 4 page spread



Ray A. Svenson

Solutions, to be to be truly valuable, must be simple enough to be explained and implemented by the people on the team. Solutions must also be within the cultural tolerance of the client organization.

www.raysvenson.com

Mark Graham Brown

All organizations spend thousands of hours collecting and reading data. However, many of these hours are nothing more than wasted time because organizations analyze the wrong metrics - which leads to inaccurate decision-making.

www.markgrahambrown.com





For Your Tool/Technique Kit

***lean-ISD* at the ADDIE-level**

By Guy W. Wallace, CPT

Introduction

ISD, Instructional Systems Design/Development, is the label placed on efforts to plan, analyze, design, develop, and evaluate T&D. There are various models in the literature that describe ISD, including the “big block diagram” (below), also known as “ADDIE,” from the work of Robert Gagne, Leslie Briggs, Robert Morgan, and Robert Branson.

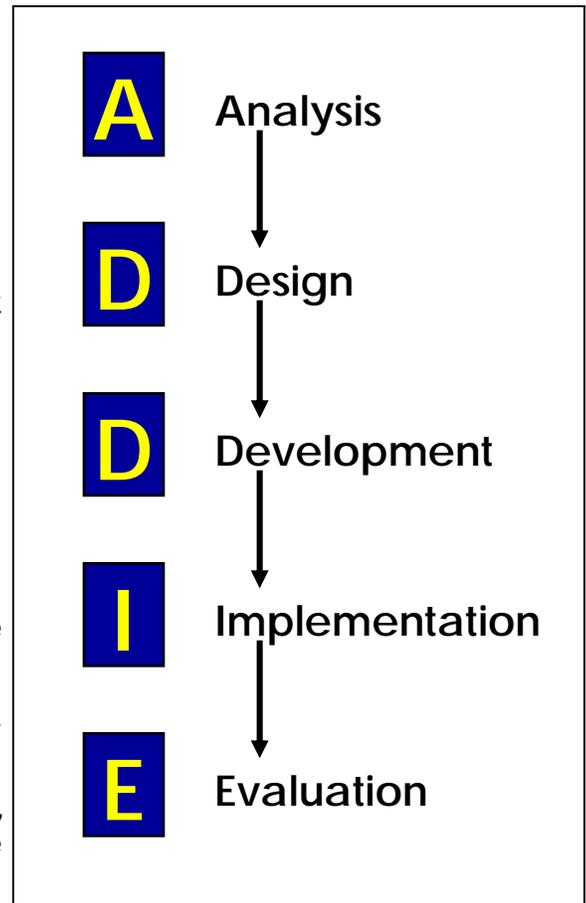
There are many other ISD models—almost as many as there are ISD practitioners. Therein lies part of the problem for most organizations.

In too many organizations, there are too many ISD models being followed. They are typically not common and not predictable in terms of the quality of the T&D outputs produced, or their costs and schedules, and they are not *in control*. They are often not visible to T&D management or to T&D customers.

MCD – Modular Curriculum Development

MCD is the *midlevel*, performance-based, *lean-ISD* methodology within the “PACT Processes for T&D/Learning/Knowledge Management” that produces T&D Events and Modules...it’s new product development for instructional products.

MCD is similar to the traditional ADDIE model for ISD, but it emphasizes project planning and management and engages customer/stakeholder involvement for reviews and business decision-making at critical gates. The front-end analysis data and CAD configurations (if done prior) force a performance



MCD is the *midlevel*, performance-based, *lean-ISD* methodology within the “PACT Processes for T&D/Learning/Knowledge Management” that produces T&D Events and Modules...it’s new product development for instructional products.

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orientation into T&D Events and Modules. MCD creates all the T&D that *will* be. That T&D could include:

- Performance/job aids
- Case studies
- Performance demonstrations
- Simulation exercises
- Performance tests
- Knowledge tests
- Etc.

The MCD methodology provides another structured, gated, in-control process for the fairly quick design, development, pilot testing, and revision/release of the T&D Modules and T&D Events of the CAD.

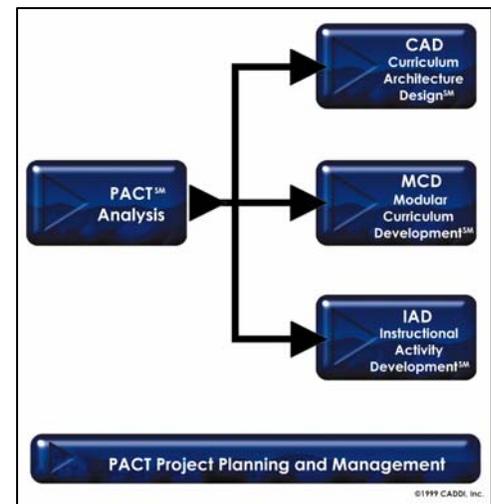
EPPIC's Guy Wallace long ago (early 1980's) created this proprietary process that is designed to incorporate representatives from all key stakeholder groups into the overall instructional design project's activities and tasks. An MCD project is conducted in six phases using a team process.

EPPIC's PACT Process allows the various concerns of management, job incumbents, and staff support groups to influence the design decisions. The project will be controlled by a Project Steering Team that will make the final decisions.

Teams of top performers will be used to identify both the performance requirements and the associated knowledge/skills required. Additional teams will be used in the MCD process to ensure that all decisions reflect the needs/issues of the company.

The six-phase structure provides the framework for the project activities, deliverables, and team structure. MCD projects typically span a four- or six-month cycle, but small MCD projects can be conducted in much less time. We built and pilot tested, in a 90-day cycle, a four-day labor relations course with more than 50 percent of class time in simulation exercises (three ISD'ers were involved).

The CAD outputs of the performance modeling and knowledge/skill analysis process and the CAD design specifications are used within the MCD process to drive the design to ensure it results in shareable T&D Modules and Events.



The 5 Pact Processes for T&D/Learning/
Knowledge Management

EPPIC's PACT Process allows the various concerns of management, job incumbents, and staff support groups to influence the design decisions.

(Continued on page 6)



A number of methodologies are used throughout the project; however, the most critical from both a quality and cycle time standpoint is the use of teams throughout all phases of the project

A Project Steering Team meeting is held to review/critique (and revise as necessary) the proposed project and obtain commitments for personnel and resources.

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Lean-ISD at the ADDIE-level

(Continued from page 5)

Key Roles and Responsibilities

Team Methodology

A number of methodologies are used throughout the project; however, the most critical from both a quality and cycle time standpoint is the use of teams throughout all phases of the project.

The use of appropriate company personnel on the designated project teams will ensure higher quality of both the project inputs and outputs. In addition, it will provide for a level of participation in the project activities that will create increased ownership of the results and more support for eventual implementation. The project's overall structure for key roles and the teams is as follows:

- Project Steering Team
- Customer-side and supplier-side project manager
- Development Team
- Pilot-test participants
- Pilot-test instructors/administrators
- ISD/T&D Team

MCD Phases

MCD Phase 1: Project Planning & Kick-off

Description – Project priorities, direction, and resources are defined; potential issues and/or stakeholder requirements should be uncovered and planned for during this phase to ensure the success of remaining phases.

Key Activities/Tasks – A Project Steering Team meeting is held to review/critique (and revise as necessary) the proposed project and obtain commitments for personnel and resources.

Key Outputs –

- Project Plan
- Phase 1 Kick-off Presentation

MCD Phase 2: Analysis

Description – A common view of the personnel, performance requirements, knowledge and skill requirements, and appropriateness and completeness of any existing T&D is established; this common view will form the basis for the training design.

(Continued on page 8)

What reviewers have said about:

lean-ISD

Jim Russell, Professor of Instructional Design at Purdue University and former ISPI (NSPI) president, wrote:

“This highly structured and detailed process for instructional design provides excellent guidelines for advanced students and practitioners.

The focus is on improving training and development processes and products in business and industry.”

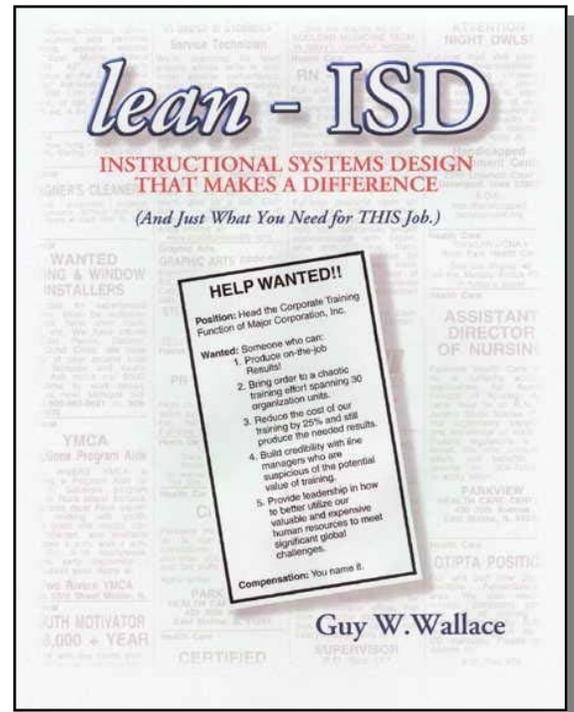
John Swinney, from Bandag, Inc. also a past-president of ISPI said:

“Guy Wallace is giving away the magic. This book provides a model and methodology to help a training function link its long-term outputs to the business needs of the organization.

The PACT Processes help introduce the voice of the customer into any training organization whose mission is to improve performance.”

Performance-based
Accelerated
Customer-/Stakeholder-driven
Training & DevelopmentSM

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Recipient
of
ISPI's 2002
Award of Excellence
for
Instructional Communication



The lean-ISD book is available at Amazon.com for \$50.00 plus s&h



A Design Team is typically composed of one to three members from the Analysis Team and members of the Project Team who meet to produce the design; subsequently, a Project Steering Team review meeting is held.

The intent of the team approach to design is not “to design by committee” but to influence “the designers by committee” during the actual design activities.

For Your Tool/Technique Kit

Lean-ISD at the ADDIE-level

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Key Activities/Tasks – A two- to four-day analysis meeting with the target population is conducted to identify the job requirements, performance gaps, and knowledge and skill requirements; a subsequent Project Steering Team meeting is held to review all the data.

Key Outputs –

- Analysis Report
 - Target Audience Data
 - Performance Model
 - Knowledge/Skill Matrix
- Phase 2 Kick-off Presentation
- Phase Review Presentation

MCD Phase 3: Design

Description – In this phase, the Design Team is facilitated through a systematic design process; some details are completed after the design meeting.

Key Activities/Tasks – A Design Team is typically composed of one to three members from the Analysis Team and members of the Project Team who meet to produce the design; subsequently, a Project Steering Team review meeting is held.

Key Outputs – A Design Document that includes a

- Course Lesson Map
- Lesson Specifications

Note: The intent of the team approach to design is not “to design by committee” but to influence “the designers by committee” during the actual design activities.

MCD Phase 4: Development/Acquisition

Description – In this phase, the training is developed and/or acquired/modified per the Design Document (produced in Phase 3).

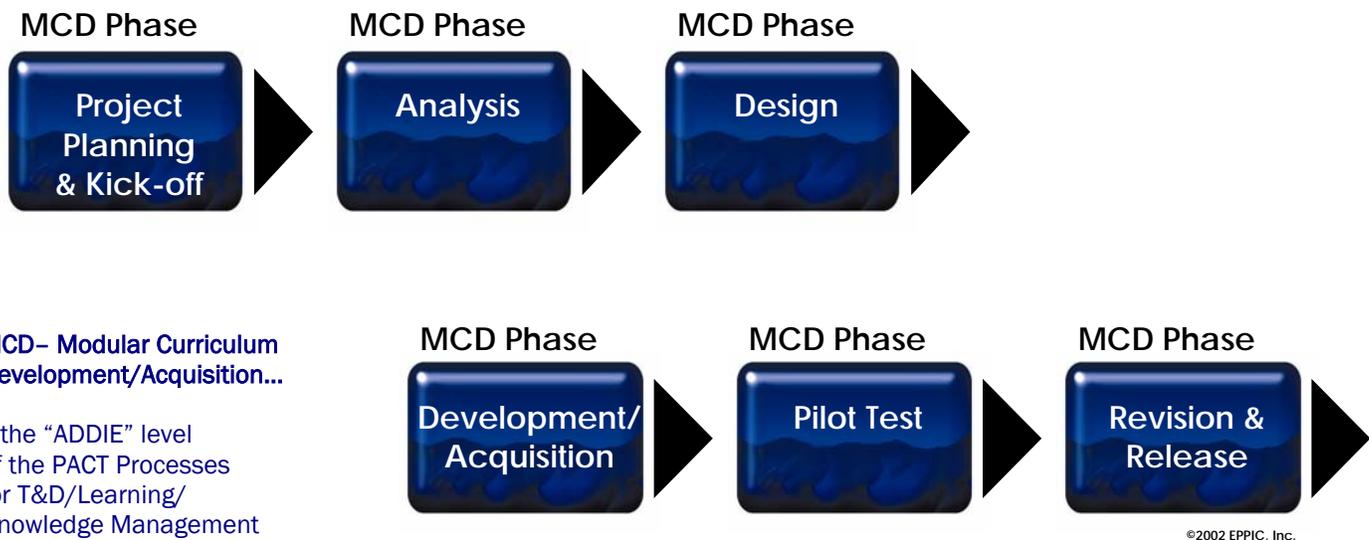
Key Activities/Tasks – Developers work with subject matter experts (SMEs), existing content, etc., to develop the pilot version of the training; “developmental testing” is done where warranted (as determined by the developer).

Key Outputs – All course materials (as appropriate to the media)

- Participant Guide
- Facilitator Guide
- Administrator Guide
- Overhead transparency masters
- Other materials
 - Wall charts

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Exercise formats
Etc.

MCD Phase 5: Pilot Test

Description – In this phase, the training is delivered (pilot tested), and extensive evaluations are conducted.

Key Activities/Tasks – Prepare for the pilot delivery (conduct train-the-trainer sessions, as appropriate), evaluate the pilot, document the evaluations, and develop “revision recommendations” for the Project Steering Team, who will finalize into “revision specifications.”

Key Outputs –

- Pilot Report
- Project Steering Team Presentation

MCD Phase 6: Revision & Release

Description – In this phase, all materials are updated (per the “revision specifications” from Phase 5) and are released into the training system.

Key Activities/Tasks – Update the training materials and provide/release to all areas of training, e.g., registration information, material masters, etc.

Key Outputs – Training material masters

- Participant Guide
- Facilitator Guide
- Administrator Guide
- Overhead transparency masters

Prepare for the pilot delivery (conduct train-the-trainer sessions, as appropriate), evaluate the pilot, document the evaluations, and develop “revision recommendations” for the Project Steering Team, who will finalize into “revision specifications.”

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Lean-ISD at the ADDIE-level

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- Other materials
 - Wall charts
 - Exercise formats
 - Etc.

MCD Benefits

T&D Customer Benefits

The key T&D customer benefits are that they own the content, and they have substantial visibility of and input to the process (owned by T&D). They have control over the destiny of their T&D and their T&D supplier. They also have appropriate forums to discuss the right issues at the right time. The T&D is focused squarely on performance and is built by benchmarking the best from the master performers within the customers'/stakeholders' own organizations.



T&D Supplier Benefits

The T&D suppliers benefit from these controlled processes in that they can better forecast their costs and schedules. More importantly, they can get on the same wavelength as their customers in terms of the terminal objective: improved human performance within the business processes.

MCD Summary

MCD uses the multiteam approach to plan and conduct a predictable project to develop and test performance-based T&D. Whether preceded by a CAD or not, MCD takes a proactive approach, with tools and templates to accelerate and ensure the quality of both the analysis and design efforts.

The MCD methodology engages the right stakeholders at the right time for getting the right inputs and right decisions at the right time. It shortens the project time cycle and reduces costs for T&D projects. It increases the quality of the T&D product/service by focusing on desired performance as the terminal learning objectives. It structures T&D content into more shareable chunks, thereby reducing future costs.

The MCD methodology provides a *gated* process for working with all project participants in an accelerated manner to produce performance-based T&D. The T&D professionals retain control of T&D decisions, and the stakeholders in your marketplace gain control of all the business decisions inherent in T&D projects and resourcing.



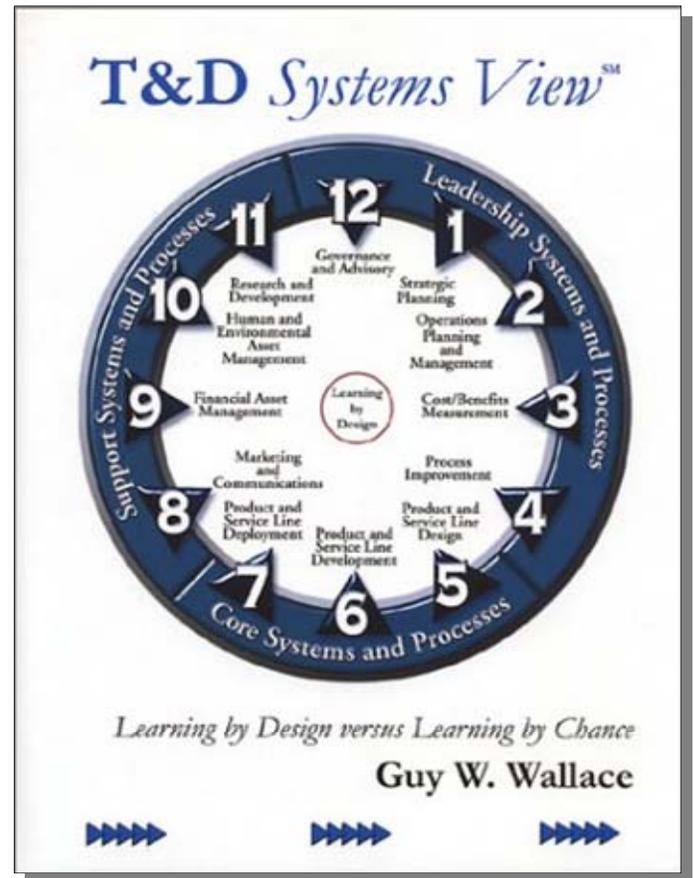
For more on MCD or PACT, see our web site! [◇◇◇◇](http://www.eppic.biz)

What others have said about:

T&D *Systems View*

“At first glance, T&D Systems View paints a formidable picture of the ideal business-driven training and development organization. Then, it dawns on you that, intentionally or not, formally or informally, you’re already doing these things. The question Guy Wallace raises is, ‘How well?’ If I were a CEO, this is how I would look at my training and development function.”

—John Swinney
Bandag, Inc.



Book available at
Amazon.com and ISPI.org
for \$25.00 plus s&h
and a 10% discount for ISPI member at ISPI.org

“Guy Wallace has written an appropriate follow-up to his *lean-ISD* book. The breadth and depth of his latest book, *T&D Systems View*, is very impressive. He uses the analogy of a clockface to thoroughly explain his 12-system process. The procedure in the book allows you to assess any training and development operation from a systems’ perspective. It is easy to read and follow thanks to its consistent structure and format from chapter to chapter. An excellent overview of the process is included, along with helpful checklists.”

—James D. Russell
Professor of Educational Technology, Purdue University
Visiting Professor of Instructional Systems, Florida State University

Another in a series of EPPIC/Guy W. Wallace's EPPI Models/Methods/Tools/Techniques

— HAMS —

The Human Assets Management Systems

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EPPI — Enterprise Process Performance Improvement

A high enterprise performing process must be designed to meet all stakeholder metrics, and must be enabled by the right blend of both Human Assets and Environmental Assets. Those assets are provisioned by multiple enterprise systems and processes that can vary tremendously across a large enterprise. The Human Asset Management (HAM) Systems then provision humans into processes in concert with the processes' needs. The HAM Systems include the following:

HAMS – Human Asset Management Systems

Organization & Job Design Systems...Staffing & Succession Systems... Recruiting & Selection Systems...Training & Development Systems...Performance Appraisal & Management Systems...Compensation & Benefits Systems...Rewards & Recognition Systems

HAM Systems and processes work in conjunction with each other, *and* in balance with the environmental assets in place, to insure the capability of the humans in place in the process(es).

They do this across the entire enterprise to ensure that capable people are in place. The HAMS figure out what is needed, determine when they'll be needed, identify from where they will come, go get them, develop them, assess them, reward them, and retain or remove them.

The HAMS ensure that the right humans (capable humans) are in place to get the process performance job done given the environmental assets available.

Performance-based Organization & Job Design

The **Organization & Job (Re-)Design Systems** provide a set of job designs and an organization design conducive to the needs of the process, it's volume, and configured for the likely abilities and capabilities of the human performers who will be selected into those jobs in the locations where the performers will perform.

The job designs then roll up into the organization design. It is a "bottoms-up" approach driven by the visible top down "end goals" of the process performance.

Performance-based Staffing & Succession Systems

The **Staffing & Succession Systems** provide the strategies, plans and mechanisms for staffing plan development and succession the strategies, plans and mechanisms necessary to populate the organization's jobs with people in an efficient manner, providing career and growth opportunities where possible/feasible. Staffing & Succession Planning Systems takes the job designs, their process performance requirements, and the enabler requirements, and determines who to recruit, how many, from where, and how.

Performance-based Recruiting & Selection Systems

The **Recruiting & Selection Systems** provide the strategies, plans and mechanisms for first recruiting and then selecting the best candidates in the right quantities, consistent with the Staffing & Succession plans, and populating the organization's jobs.

This system must bring humans into the enterprise that have as much of the human attributes needed as possible.

Performance-based Training & Development Systems

The **Training & Development Systems** provide the strategies, plans and mechanisms to train and develop the new hires and incumbents consistent with their performance requirements in the organization's jobs, as they have been designed.

Performance-based Performance Appraisal & Management Systems

The **Performance Appraisal & Management Systems** provide the strategies, plans and mechanisms for appraising the job task performance and managing all issues (problems/opportunities) as appropriate, and consistent with laws/regulations/codes and enterprise policies/procedures.

Where performance is falling short of the requirements, performance management, including "development planning (back to the T&D System) as well as last resort efforts such as "progressive discipline" and possible "termination" may be required to resolve the issue and meet the process needs.

Performance-based Compensation & Benefits Systems

The **Compensation & Benefits Systems** provide the strategies, plans and mechanisms to ensure that the total pay and benefits attract and retain competent staff, appropriate for the various labor markets for the various locations of enterprise operations, and are consistent with laws/regulations/codes, any labor contracts (if applicable), and enterprise policies/procedures.

Performance-based Rewards & Recognition Systems

The **Reward & Recognition Systems** provide the strategies, plans and mechanisms for providing non-monetary and small-monetary rewards and recognition to appeal to the ego needs of staff, and are consistent with laws/regulations/codes, any labor contracts (if applicable), and enterprise policies/procedures. ♦♦♦♦

HAM Systems & Processes

Organization & Job Redesign Systems

Performance Appraisal & Management

Staffing & Succession Planning Systems

Compensation & Benefits Systems

Recruiting & Selection Systems

Reward & Recognition Systems

Training & Development Systems

6

Part 2 of 2

The Soft Side of Six Sigma

By Joe Kilbride



For 20 years **Joe Kilbride** has been helping owners, executives, managers and teams improve their key business results by exploring strategy options, clarifying priorities, assessing organizational capabilities, measuring performance, solving difficult problems, and improving key business processes.

Re-Introduction

The “hard side” of Six Sigma, Lean Manufacturing, High Reliability Organization, etc. programs, i.e., the tools and methods, are widely known and well understood. For example, most Six Sigma approaches use some form of the DMAIC methodology summarized in the table on the next page (from www.isixsigma.com).

This article continues from last issue of Pursuing Performance on the “soft side of Six Sigma.”

Walk the Talk – What You Do Matters More.

Unwavering commitment – At the outset of any significant change program, not all senior leaders will be equally committed. Many managers will privately express concern that the goals are not achievable. Despite any objections or obstacles, the CEO must be unwavering in his/her commitment during the critical first year. The message should be:

- *“Managing the old way is no longer acceptable. We will provide you the tools. You will identify the people in your organization with the skills needed for this to succeed, devote the resources required to achieve results, and you will do it this way. We are going to achieve these results, via these methods. Nothing else is acceptable.”*

Not everyone will conform – In any large organization undergoing a major change, the reality is that not everyone will accept and commit to the approach. Though an unpleasant reality, it is not uncommon for the CEO to fire 1-2 senior leaders who do not get “on board” in a reasonable period of time. The first firing suggests the CEO is serious. The second firing indicates to the entire organization that nothing less than commitment to the approach is acceptable.

It is inevitable that eventually a prized high-potential middle manager will be resistant to a program like Six Sigma, either participating reluctantly or failing

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to achieve desired results. At some point, it will be necessary to offer this individual the choice to change or leave. The message to the entire organization is summed up as:



(Continued on page 16)

Phase	Description
Define	<p><i>Define project goals & customer (internal and external) deliverables:</i></p> <ul style="list-style-type: none"> • Define Customers and Requirements (CTQs) • Develop Problem Statement, Goals and Benefits • Identify Champion, Process Owner and Team • Define Resources and Evaluate Key Organizational Support • Develop Project Plan and Milestones • Develop High Level Process Map
Measure	<p><i>Measure to determine current performance and quantify the problem:</i></p> <ul style="list-style-type: none"> • Define Defect, Opportunity, Unit and Metrics • Detailed Process Map of Appropriate Areas • Develop Data Collection Plan • Validate the Measurement System • Collect the Data • Begin Developing $Y=f(x)$ Relationship • Determine Process Capability and Sigma Baseline
Analyze	<p><i>Analyze and determine the root cause(s) of the defects.</i></p> <ul style="list-style-type: none"> • Define Performance Objectives • Identify Value/Non-Value Added Process Steps • Identify Sources of Variation • Determine Root Cause(s) • Determine Vital Few x's, $Y=f(x)$ Relationship
Improve	<p><i>Improve the process by eliminating defects.</i></p> <ul style="list-style-type: none"> • Perform Design of Experiments • Develop Potential Solutions • Define Operating Tolerances of Potential System • Assess Failure Modes of Potential Solutions • Validate Potential Improvement by Pilot Studies • Correct/Re-Evaluate Potential Solution
Control	<p><i>Control future process performance.</i></p> <ul style="list-style-type: none"> • Define and Validate Monitoring and Control System • Implement Statistical Process Control & Determine Process Capability • Develop Standards and Procedures • Develop Transfer Plan, Handoff to Process Owner • Verify Benefits, Cost Savings/Avoidance, Profit Growth • Close Project, Finalize Documentation, Communicate, Celebrate

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The Soft Side of Six Sigma

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“We are managing this new way, will promote people who manage this way, and cannot afford to have a key person on senior staff who is unwilling to do that.”

It is not enough for senior leaders to review reports, “talk the talk” and act as a cheerleader. In time, the organization will see through commitment that lacks true engagement by its senior leaders.

Beyond Commitment...Engagement is Required – Commitment from senior leaders is enough to launch an organization-wide organization change effort, but it is not enough to sustain it. Senior leaders must become engaged, i.e., knowledgeable participants who are able to answer questions and are actively involved in the process at appropriate points. It is not enough for senior leaders to review reports, “talk the talk” and act as a cheerleader. In time, the organization will see through commitment that lacks true engagement by its senior leaders. In such cases, a vicious cycle often ensues where:

- Deployment efforts throughout the organization will mirror the senior leaders’ perceived lack of engagement.
- Half-hearted deployment will not produce significant results.
- The “failure” of Six Sigma to produce results provides “proof” that the approach does not work, and the cycle continues, until the senior leaders give up on the approach.

Different Meetings, Different Questions – In most organizations, senior managers spend the majority of their meeting and review time in discussions of financial and budgetary issues. In a Six Sigma organization, in which projects are selected explicitly to drive the strategic and financial performance of the firm, the bulk of senior leadership review meetings are focused on the Black Belt projects. Since Black Belt projects are selected based upon their contribution to strategic and financial goals. This shift in the time and attention of senior leaders results in greater transparency to the vital areas that drive business results, and signifies the importance of the initiative.

Perhaps more significant than their attendance at these project stage-gate review meetings, is that senior managers model new behaviors through the type of questions they ask. Senior leaders can make the approach part of the culture by asking questions that can only be answered with a thorough under-

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standing of the Six Sigma methodology, by understanding barriers and helping to remove them.



Just Do It – Monitor Progress, Manage Accountability

In some ways, Six Sigma is nothing new. It relies upon statistical tools and problem solving methods that have been used for decades. What is somewhat new is the adoption of disciplined, structured processes for regular, fact-based reviews at multiple levels to ensure results are achieved. Because Six Sigma is managed as a program of defined projects, at least three different types of review are common:

1. Program reviews...Quarterly reviews of the overall program of Six Sigma projects as a whole are used to monitor implementation and ensure the approach is having the desired impact on the business.
2. Project stage-gate reviews...At the end of each DMAIC phase, a stage-gate review of project status clarifies direction and progress.
3. Performance reviews...Once a project reaches the Control phase, monthly and/or quarterly performance reviews ensure individual projects achieve objectives and improvements are sustained.

Six Sigma is nothing new. It relies upon statistical tools and problem solving methods that have been used for decades.

Program and Project reviews are described below.

Program Reviews– Regular review meetings by senior leaders are required to ensure progress in achieving deployment goals during the launch.

Implementation—To ensure alignment in the early stages, a Red-Yellow-Green scoreboard is often instituted by senior leaders in the early stages to ensure each unit or area is achieving the implementation goals.

At the first senior review meeting, those in the “Red” may be severely reprimanded by the CEO. Most quickly come into alignment. At the next meeting, reprimands may be even more severe. VPs may be heard saying things such as:

- “I don’t ever want to be in the red again.”

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- “If this was going to be the flavor-of-the-month, it is going to be a long month, so you better get on board.”
- For most of the organization, the dedication of resources quickly follows the first few rounds of CEO review. However, it is not uncommon that a few senior managers who do not comply must be replaced in the first 6 months. Typically over an 18 month period a number of managers will be replaced if they do not get aligned with the program or do not achieve the results required.

Uniform metrics (sigma levels, CpK) are often established to monitor progress. One advantage of Six Sigma is that “sigma” can be a universal metric, used to unify reporting across administrative, research, service, support and manufacturing areas.

Project Reviews– Regular review meetings by senior leaders are required to ensure progress in achieving financial goals for Black Belt projects.

Universal Metric – Uniform metrics (sigma levels, CpK) are often established to monitor progress. One advantage of Six Sigma is that “sigma” can be a universal metric, used to unify reporting across administrative, research, service, support and manufacturing areas. This clarifies for everyone “the one thing that matters”, making it easier to focus attention and manage across units.

“Scoreboard”—A high-level “scoreboard” is typically adopted throughout the organization. At lower levels, subordinate measures can be developed that are aligned to the top-level measures, but represent those critical factors unique to each business unit.

An **Electronic Tracking system** is commonly deployed to provide transparency to individual Black Belt projects. This reporting system enables senior leaders to address barriers and manage accountability. It allows everyone in the organization to view:

- Status of each project.
- Identified barriers to project success, including causes and names (and phone numbers) of those individuals who are in the best position to address causes or remove barriers.

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- CEOs often personally call these individuals immediately after review meetings.

Reviews of Project Versus Budget– Most senior managers spend the majority of their time in review meetings focused on financial and budgetary issues. In a Six Sigma implementation, in which projects are selected explicitly to drive the strategic and financial performance of the firm, the bulk of senior leadership reviews are focused on progress and barriers of the Black Belt projects.

On a monthly basis, estimates of financial results for all ongoing Black Belt projects are rolled up, by area/VP, with an estimate of the amount and timing of benefits realization and ongoing contribution per month that is expected for each project.

Savings or cash flow generated must be validated, so that financial people can trace the savings or revenues to specific projects. Regardless of the type of review meeting, a key issue is ensuring these meetings are effective.

Effective Reviews– One danger is that review meetings lapse into “blaming” versus learning. To ensure review meetings are productive:

- The most senior leader of an organization is often required to participate in stage-gate review meetings and role model the behavior of “*How can this process be fail proofed?*” versus “*Who is to blame for this problem?*”
- The CEO makes it a point to talk to as many Black Belts as possible and view their storyboards during periodic visits.

...the bulk of senior leadership reviews are focused on progress and barriers of the Black Belt projects.

Senior leaders are trained to: Select projects - Charter project teams - Participate effectively in review meetings to:

- Ensure reviews are fact-based and focused on process, data, and learning, rather than placing blame or making excuses for failure.
- Understand that the key issue is not “Who is wrong?” but “What is wrong?”

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- Manage accountability – follow through is essential and leaders must ensure that Black Belts, Process Owners, and others take the actions necessary to achieve desired results for each project.

To ensure leaders model the way, a pocketbook of questions can be created for senior leaders to ask during review meetings. These ensure they focus on the DMAIC process and the facts that drive the project team's decision making at each step along the way. Questions can only be answered if you understand the Six Sigma process.

People Are Like Processes – They Can Be Improved

Some organizations consider the Six Sigma People Strategy to be as critical as the process approach. The following assumptions are an example of this way of thinking:

- The Six Sigma Methodology is a valued set of competencies.
- Black Belt development follows a well-defined process.
- To be a successful Black Belt an individual must master both hard and soft skills.
- The population of certified Black Belts is the talent pool for organizational leadership positions.

To address the people side of Six Sigma, organizations need resource/staffing plans, clear roles for key positions, and effective practices for selection, training, management, development and succession of Black Belts and others.

Dedicated Resources – Though typically implemented throughout an entire organization, Six Sigma is a change program that intentionally does not involve everyone in the organization.

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Instead, Six Sigma is implemented through a limited number of key change agents including Master Black Belts, Black Belts, Green Belts, Champions, and Process Owners. One perspective is that Six Sigma boils down to:



Focus your best on the projects that matter the most.

In addition to focusing some of the organizations best human resources on key projects, the Six Sigma approach provides a set of clear roles for each one.

The saying is “Leaders lead, Belts advise, Accountants verify.”

Make It Stick

Success breeds contentment – Over time, the success of a Six Sigma program can also threaten commitment. As Six Sigma produces significant results, and the organization experiences increasing profitability, it is easy to lose sight of the value of Six Sigma, and de-emphasize the attention and focus it receives. The senior leaders must periodically reinvigorate the effort through their own behaviors and the ongoing communication program.

Change Management Methods – Because Six Sigma is implemented one project at a time, Black Belts, Champions, and Process Owners are expected to work the cultural/change issues necessary to ensure each project is successful within a particular unit. Change methods typically utilize education, communication and recognition to ensure employees understand the benefit, accept the change (give it a chance), and engage, i.e., proactively work with six sigma. A variety of standard and unique change management tools and methods can be used:

- Culture/climate surveys
- Baldrige assessments
- Pilot programs (test cases) to provide proof of concept

Change methods typically utilize education, communication and recognition to ensure employees understand the benefit, accept the change (give it a chance), and engage, i.e., proactively work with six sigma. A variety of standard and unique change management tools and methods can be used.

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One organization used an approach called CAP (Change Acceleration Process), to address the cultural side of their six sigma program. Many of the CAP tools are fairly standard change management approaches, used to:

- Clarify the current state of your organization
- Clarify your vision for its future state
- Analyze stakeholders to understand what they gain/lose in the transition from current state to future state

Though Six Sigma is a project-by-project improvement approach, approaches like CAP can also address the organization as a whole, to increase the likelihood that projects will be successful. This is essential at the point where a Six Sigma project team is handing off its knowledge for implementation of process improvements.

Black Belts– Because Six Sigma relies extensively on the Black Belts, it is imperative that well-defined processes be used for selection, training and development, compensation, and succession of these individuals.

Competencies – A competency model is often used to guide the selection and development of Black Belts. In one organization, an evolving model of competencies, which is based upon the Core Values of the Malcolm Baldrige National Quality Award. These values are currently being converted into a set of specific behaviors, which will provide the basis for the 360-feedback instrument.

Selection –Black Belts are often selected using the Performance Evaluation process. Requirements might include:

- Must be on list of high potentials
- Must have rating of 5 (on 1-5 scale) in last three evaluations
- Must be a leader (innate ability), with courage to follow the data, judgment under fire, ability to be trained in statistics, facilitation skills, and change management. The analogy is that good Black Belts are like fighter

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Because Six Sigma relies extensively on the Black Belts, it is imperative that well-defined processes be used for selection, training and development, compensation, and succession of these individuals.

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pilots, possessing innate characteristics and the ability to be trained in key skills.



Performance Management – In addition to training, Black Belts and other key agents need to receive the feedback necessary to guide their development as successful project leaders, and future leaders. To facilitate this, one organization is investing in a fact-based development approach to ensure these key resources are effective in their current role as Black Belts, and their future role as business leaders. This includes:

- 360-Degree Assessments – completed after 6 months and 18 months
- Team Effectiveness surveys (mini-360s) – every 6 months

One premise underlying these approaches is that as fact-based improvement experts, the Black Belts are more likely to address their own developmental needs when provided with data to identify and analyze these opportunities. Therefore, the 360 and Team Effectiveness surveys will provide a source of data to be used by Black Belts, their coaches and Master Black Belts, in the Black Belt's ongoing development.

Compensation – Black Belts, business leaders and others in key roles often have their annual rewards tied to achievement of Six Sigma projects. Ideally, the organization and its high potentials will recognize that rewards/promotions are dependent on achievement of Six Sigma projects. In addition, the broader organization can be provided incentives for Six Sigma success by adopting an approach such as the following:

- Create a bonus pool of incentive compensation for distribution to the entire organization from the cash flow generated by Six Sigma projects.
- Send letters to homes of all employees describing the importance of this initiative, explaining that success may require extra effort and hours by all employees, and that achievement of Six Sigma project goals could result in bonuses for employees at year end of up to \$1,000 or more.

This would be designed to provide incentive for all employees to support achievement of Six Sigma project goals, i.e., to move from a spirit of competition to greater collaboration.

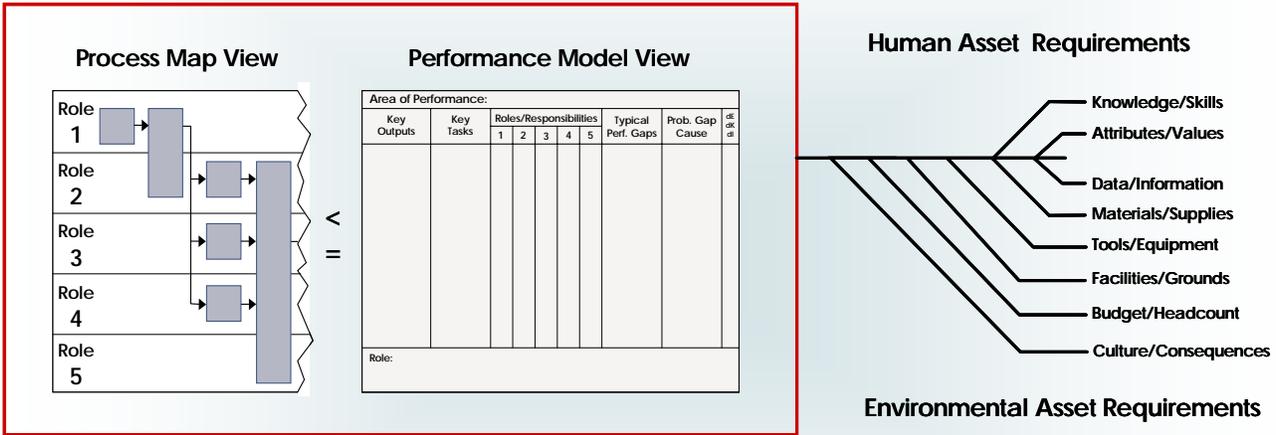
Succession – Because Six Sigma relies extensively on the Black Belts, it is imperative that these positions be considered key stepping stones to future leadership positions. A well-defined process for succession of Black Belts is necessary for this role to be valued.

As individuals cycle out of these roles (Black Belt for 2 years, Master Black

Ideally, the organization and its high potentials will recognize that rewards/promotions are dependent on achievement of Six Sigma projects.

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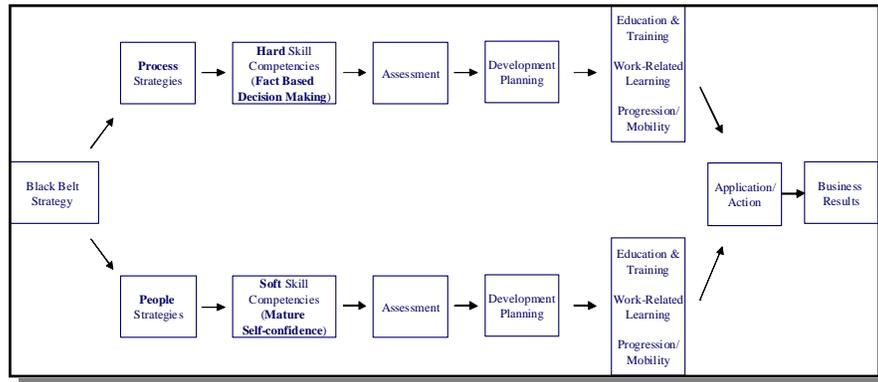
Belt for 3 years), they must be placed in leadership roles within the business.

For this to occur, the CEO must require that after serving a cycle these individuals are be promoted to key leadership positions in the line organization. By doing so:

- The Six Sigma positions become the fast track for promotion. As individuals cycle out of these roles, they are placed in top positions within the business units.
- It becomes clear to all that rewards/promotions are dependent on achievement of Six Sigma projects.

Training– Six Sigma typically involves a significant investment in the training of Black Belts, Master Black Belts, Green Belts, and others. This includes training in statistical methods, change management and facilitation skills.

An example development pipeline identified by one organization is illustrated on the next page. It indicates the importance of developing both the “hard” and “soft” skills required for Six Sigma change agents. An example Development Road Map for Black Belts is also illustrated on the next page.



Conclusion

In summary, many of the key factors that are key to the success of Six Sigma change efforts are likely applicable to any organization-wide change approach. For change to be successful you should:

- Start at the top, with senior leader involvement.

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- Get the effort off the ground, either:
 - By massive deployment to overwhelm a stable, successful organization, or by limiting the initial scope in less mature organizations, ensuring some “wins” before full-scale deployment.
- Chunk it up, dividing the overall change into manageable pieces.
- Make it pay, by measuring and ensuring each piece generates a sufficient return on the investment of time and energy.
- Communicate extensively and adjust the message over time.
- Walk the talk...the most powerful form of communication is the behavior of senior leaders and managers.
- Just do it...be disciplined in conducting regular, fact-based reviews of progress and performance, focused on learning and improvement.
- Make it stick by using change management techniques to ensure

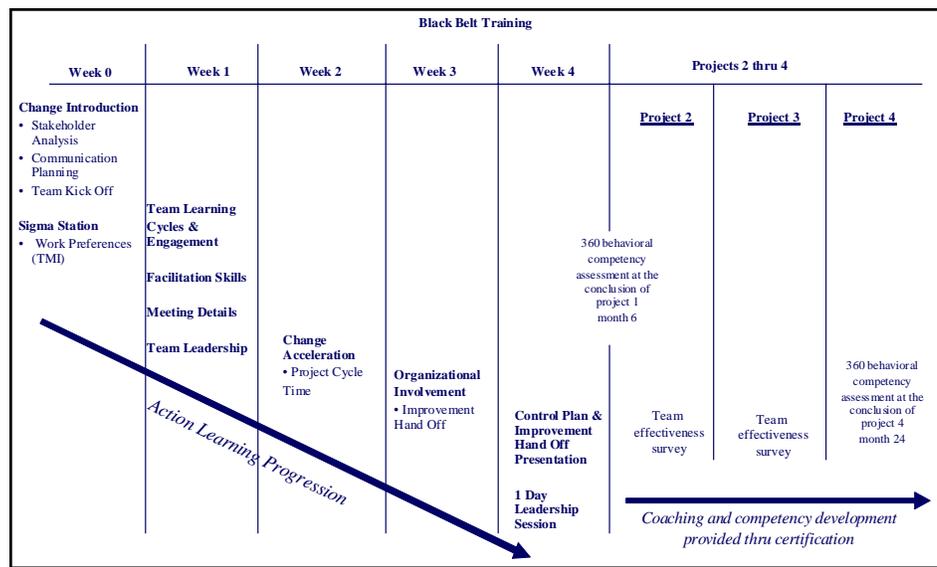


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Trust — doesn't come easily. Experience — doesn't come quickly.

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Guy W. Wallace has been in the T&D field since 1979 and a training and performance improvement consultant since 1982. His clients over the years have included over 35 of the Fortune 500, plus NASA, BP, Novacor, Opel, and Siemens.

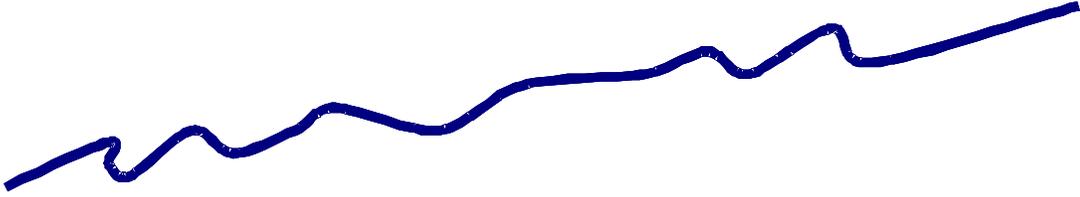
He has analyzed and designed/ developed training and development for almost every type of business function and process. He is the author of three books, several chapters, and more than 50 articles. He has presented more than 50 times at international conferences and local chapters of ISPI, ASTD, and at IEEE, Lakewood Conferences, the Conference on Nuclear Training and Education, and at the Midwest Nuclear Training Association.

He has served on the ISPI Board of Directors as the Treasurer on the Executive Committee (1999–2001) and later as the President-Elect for 2002-2003, and President for 2003-2004.

Guy's professional biography was listed in Marquis' Who's Who in America in 2001. He was designated a CPT — Certified Performance Technologist in 2002.



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