

Case

Breakthrough Improvement Program

The purpose of this document is to describe a real case and how the Breakthrough Improvement Program was used. Please Note that some facts have been removed due to confidentiality reasons.

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General Information, Breakthrough Improvement Programs

Breakthrough Improvement Programs have been run in organizations of up to 1500 persons covering 15 countries, but also in organizations with less than 100 persons in one geographical site.

The payback for the sponsor of a Breakthrough Improvement Program is often 50 – 100 times the cost.

The Breakthrough Improvement Programs are based on a standardized structure, but are always optimized for the particular customer.

The standardized structure is documented and can be re-used by the organization itself after the first initial Improvement Program.

The Challenge

We, Prime, were contacted by a manager because he had heard about previous results in Breakthrough Improvement Programs. Before contacting us, the manager had realized that the organization's lead times for developing new products was far too bad, and he could not handle the situation alone. He needed help to reduce the lead time from 3 years to 1,5 years.

The organization consisted of 300 persons in Sweden and England, plus subcontractors / partners and an outsourced factory.

Running the Improvement Program

Specifying Goals

We started with a high level study of the organization, its products and challenges. We also created the Breakthrough Goal together with the manager and helped him creating good communication material for the Breakthrough Goal.

The communication material covered questions like:

- Why do we need to reach the goal?
- What happens if we do not reach the goal?
- What happens if we reach the goal?

Far too often, a manager thinks the message is very clear to everyone just because he / she has been working with it for weeks or months, often there is still quite a lot to do making the material good enough so other managers and the co-workers get energized by the goal and the reasons for it.

Identifying Current Reality

As the next step we looked at the Current Reality. Where is the organization today regarding the goal? How big is the gap in reality? In this particular organization, it was easy to get the data about current performance, due to the well known delays. This was a positive exception, because often organizations are weak on measurements, leading to that substantial efforts are needed to obtain the needed data.

Communicating the need for change

First now, when both the Breakthrough Goal and the Current Reality were clear we started to communicate them, firstly to the nearest managers, and later on to other key persons and all co-workers. At this stage, there were different kinds of human reactions when the managers and co-workers felt the gap was too big. The reactions are based on e.g. that they do not know how to take the big leap and reach the “impossible” goal. A number of comments were also raised like “If we cannot reach the release date, we can always remove some functionality to make it on time”, or “let’s look at a business case for a new product, released later instead”. These suggestions were not accepted.

There was also a trust problem between the manager and the co-workers in the department developing the SW, HW and Mechanics. The Development department thought the manager set faked goals to make sure they should be ready in a decent time – not too far from the goal. The manager thought that the Development department was not serious when they came back with another time plan (that would lead to a missed market window). In many cases this is where a gap would be kept between the different parties leading to major consequences for the organization, but what we did in this case was to recognize the difference between the manager and the Development department, bring up the issues in open and honest discussions and finally we clarified that the time plan was not faked. Then, people understood the goal was real. The energy was back and the discussions were gone.

We have a number of times seen similar problems where either the manager has backed down and avoided the tension, or the middle managers and co-workers have checked out, ignored the manager’s goal and set their own goals. If this behavior is accepted, it is difficult to re-energize the goal discussion and come back with full energy.

Analyzing Blocks and Bottlenecks

We also asked the manager for a list of the key persons in the organization that need to be positively involved in the change. Due to the tense atmosphere, we interviewed them one by one.

Each interview took two hours where the main questions were;

- What are the Blocks and Bottlenecks hindering the organization from reaching the goal?
- What does the organization have already today that helps the organization to reach the goal?

The answers were documented with a reference letter to each person so that the person could check that we understood the answers correctly. We also promised to keep the key between the reference letter and the name for ourselves. Not even the manager got it. By doing this, we knew that the data was correct, and at the same time the interviewed persons knew that we (and no one else) knew who said what.

After we compiled the interviews and identified Root Causes to the Blocks and Bottlenecks, all interviewed persons were invited to a Feedback Meeting for two hours where the findings were presented. During the meeting, there were some strong reactions on a number of Blocks and Bottlenecks, like “How can anyone say that there is no deadline for this project? – that’s totally wrong! Of course there is a deadline!”. In reality there were two truths. Yes, there was a deadline, but it was poorly communicated which meant that many of the interviewed persons did not know about it, so from their point of view, there was no deadline.

Being the facilitators of the Improvement Program, we must be able to handle this kind of situations, and in this case, we explained the situation for the strongly reacting manager. After reflecting on it for two weeks, he admitted for himself and others that the communication was poor. He then took a number of initiatives to make sure the communication was improved.

The final step in this phase of the Improvement Program was to call all key persons to a one day Prio Workshop where the invited persons together decided which Root Causes to solve. At the end of this day, Improvement Teams were formed to solve the Root Causes. In this case, the Improvement Teams mainly consisted of managers because the technical persons (the co-workers) needed to spend all time with the Product Development Project.

The Root Causes selected were:

- Unclear and unstructured handling of Requirements
- Poor handling of Subcontractors
- Weak Project Planning and Project Tracking
- Not enough focus on Quality Assurance
- Uncoordinated and inefficient Verification activities

Some Root Causes were brought to the Management Team of the organization because they were the only ones who could solve them. In other words: They were the ones who needed to improve.

Areas they improved were e.g.

- To speed up the decision making and the precision in the decisions
- To stop fighting and work as a united team (the rest of the organization copied their behavior)

Developing Solutions

The Improvement Teams continued their work with creating solutions after the “Prio workshop”. Additional key persons also joined the different teams. The development of solutions / improvements took 3-4 months for the teams. Unfortunately, many persons gave improvement work a low priority compared with the day to day business. Therefore, I as the Improvement Program Manager met the teams every 2-3 weeks making sure they kept a high pace. We also arranged monthly Follow-Up Workshops where all teams presented their progress and their suggested improvements to the other managers (receiving the improvements).

There were different reasons for this set up:

- a competition was created between the Improvement Teams (no team wanted to show poor progress in front of the others)
- the line and project managers receiving the improvements were present. If they did not like any improvements or the pace of the improvements, they had to speak up in the meeting. (I.e. there was no excuse to later on come up with a number of reasons for not implementing the improvements)

The timing of the improvements was also important, making sure they were delivered just in time to the Development Project. If they were introduced too early, the interest was too low, and if they were introduced too late, the development project could not benefit from them at all.

Implementation and Follow Up

The implementation of the improvements is the most difficult part, because at this time the Improvement Program suddenly becomes very concrete, and sometimes even personal for some people. To make sure the implementation is successful, an implementation strategy was decided during the first weeks of the Improvement Program.

The cornerstones of this implementation strategy are described below.

Establishing a “Community”

To make sure we covered all key persons, we created a “Community” consisting of 30 line managers, project managers and other key persons. They were the key influencers, and were involved in identifying the Blocks and Bottlenecks, prioritizing the Root Causes, creating the solutions, and being actively involved in the implementation of the improvements. During the first weeks of the Improvement Program, we created a picture of which persons in the Community who were for the change and who were against. By doing this, we had a picture of how to approach the different persons during the interviews.

When creating this picture, we also realized that there were some of the less enthusiastic managers who would filter the information to people in the organization. To circumvent the filtering, we invited some of the persons in the organization to the community, making sure there was a clear communication path into that specific part of the organization. It worked very well and these persons became enthusiastic and supportive throughout the Improvement Program.

Understanding the human reactions

One important thing when running an Improvement Program is to smell the human reactions and as openly as possible discuss people’s thoughts and feelings.

An example: Some of the managers did not show up to the different workshops as frequent as needed. Therefore, I met them individually and asked them why, having an open and honest discussion leading to that they became active in the workshops.

One of the “secrets” behind successfully handling human reactions is to have a firm belief in that people really want to do their best to help the company being successful, and – at the same time – understanding that changes can be painful. If a leader of an Improvement Program thinks that people are lazy and are working against the company people will smell it and then the resistance will increase.

Follow Up

For each improvement, we had clear and detailed information about which target groups that needed the particular improvement. Each target group was called to a meeting where the implementation of the different improvements was followed up. The discussions were open and honest, making sure that problems were raised and then dealt with.

Communication

Much time was spent on communication activities throughout the Improvement Program. A newsletter was distributed each month. A number of meetings were also held with different units in the organization to present and discuss the Improvement Program and the different improvements. Presentations were also held in All Employee meetings.

We also investigated the knowledge and perception of the Improvement Program through 2 employee surveys. (one after 1/3 of the program and one after 2/3 of the program). In this Improvement Program, the communication activities were carried out by an external communication consultant because unfortunately the organization did not have any persons working with internal communication.

Close co-operation with the Development Project Manager

Since the purpose of the Improvement Program was to shorten the lead time for developing high tech products, it was very important to have a good relation to the project manager of the Development Project. It is important that the Project Manager sees the benefits of the Improvement Program. As being the Improvement Program Manager, I was also a member of the Project Management Team.

Results

- The lead time goal was met, reducing the lead time from 3 years to 1,5 years – even if the product developed was significantly more complex and had a higher quality than the previous product. The developed product was recognized worldwide and became no.1 in its segment.
- The attitude in the organization changed from “impossible” to “nothing is impossible”.
- Today, the organization has continued to improve and has reached new breakthrough goals in the areas of lead time and quality. The organization is also able to change its focus and direction very quickly, adapting to new circumstances.

Key success factors

What was unique with this kind of Breakthrough Improvement Program compared with other types of Improvement Programs?

There are three main reasons, as Prime sees it:

◆ **The ability to handle tension created by the gap between Goal and Current Reality**

As mentioned earlier on, the first reactions can be strong, and the challenge is to turn all energy into something positive.

◆ **The skills and ability to implement improvements**

Many managers and improvement programs have failed in the implementation phase due to a number of problems like

- Receiving Line and Project Managers avoid being actively involved in the Improvement Program
- Unclearity between the Improvement Teams and the receivers of the improvements because the Improvement Teams do not realize that all receivers are not as enthusiastic as they are about the improvements.
- Not being capable of handling the upcoming questions and resistance in a positive way

◆ **The focus on results - meeting the “impossible goal”**

Our focus throughout an Improvement Program is to reach the Breakthrough Goal regardless of how possible or impossible the people in the organization think it is at a first glimpse.

Our experiences is that it is easy to get lost in different sub goals like that a new document, tool or method has been introduced, but these are only means to reach the goal. It is also easy to get lost in the large number of pitfalls that often exist in organizations undergoing major changes.