

Lesson One: FOCUS on Performance Improvement -- Find a Process to Improve

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Welcome and Course Logistics

Welcome! By enrolling in this course, you are joining more than 5,500 students who have attended Iris Learning courses in quality management that have been offered since 1992 by Santa Fe Community College, Central New Mexico Community College, and the Anderson Schools of Management at the University of New Mexico.

This is one of six courses CNM offers as part of the School of Business and Information Technology's skills set certificate program in continuous quality improvement. The certificate is granted to students who complete all of the following one credit courses: BA 1150 Introduction to Quality Improvement; BA 1151 Fundamentals of Quality Improvement; BA 1152 Quality Tools; BA 2153 Teambuilding for Quality; BA 2154 Reengineering; BA 2155 Leadership for Quality. Although the courses are interrelated, they may be taken in any sequence.

This course has been designed and is taught by Brian Cooke, senior leader of Iris Learning. Iris Learning is an Albuquerque-based business performance consulting group that focuses on executive coaching, strategic direction, leadership development, and customized learning that accelerates progress toward specific business targets. For more information about Iris Learning, please visit our web site at <http://www.irislearning.com>.

You should already have downloaded a course syllabus and additional information about "How Our Distance Education Courses Work" from our web-site at <http://www.irislearning.com/college/download.htm>

This is not a Web CT course. All coursework is accessed via the Iris Learning website.

If you are still unclear how to begin your studies and succeed in this course, please e-mail the instructor at coach@irislearning.com

This course is intended for self-directed learners who are skilled in fundamentals of e-mail messaging (including downloading and electronic exchange of Microsoft Word and Adobe Acrobat documents), internet browsing, and word processing. Instruction, with few exceptions, will be delivered entirely on-line. Students who do not have the required technological skills or access are encouraged to enroll in this course when it is offered in a more traditional classroom format. This course also is easier for students who learn well by reading and writing. PLEASE be sure to withdraw from this course prior to its conclusion, if you are unable to complete these course requirements.

For individual tutoring, teaching, questions, and on-line support, e-mail the instructor at coach@irislearning.com.

How to Use the Weekly Lesson and Memory Jogger II to Complete the Correspondence Problem

This course is taught by case method. Each weekly lesson describes how one of our clients actually used a quality management approach and quality tools to achieve measurable performance improvement.

The correspondence problem is designed to mirror the weekly lessons. By completing the correspondence problem you will answer the same questions and use the same quality management approach and quality tools that the company used for its successful performance improvement initiative.

Quality tools are incorporated into the weekly lessons and correspondence problem. You should use *The Memory Jogger II* as a reference to explain and help you apply each tool in your own professional and/or personal life. Although the lessons show real examples of quality tools, they will not provide specific instruction about how to use each tool. *The Memory Jogger II*, therefore, is an essential reference for students who have no prior experience with quality tools.

Orientation to the FOCUS Approach and the Performance Improvement Case Study

This case study demonstrates how to use a quality process and quality tools to achieve measurable improvement of a specific business or work process.

Although each quality tool may be used independently, we believe quality tools are most useful when they are applied systematically and in an appropriate, interdependent sequence.

The FOCUS approach provides a structure and framework for process improvement. FOCUS is based on the Plan-Do-Study-Act cycle that is a fundamental element of quality management.

FOCUS is a consistent business-wide approach to process improvement that has five steps:

- F Find a process to improve
- O Organize an effort to work on improvement
- C Clarify current knowledge of the process
- U Understand process variation and performance capability
- S Select and test changes aimed at performance improvement

The FOCUS approach to process management and improvement helps a business achieve performance goals for:

- cost-effectiveness
- productivity
- speed
- consistency
- accuracy
- cross-functional effectiveness
- growth
- customer satisfaction, retention, and profitability

For more information on how to use each quality tool, please refer to *The Memory Jogger II* which is published by GOAL/QPC (Telephone 1.800.643.4316)

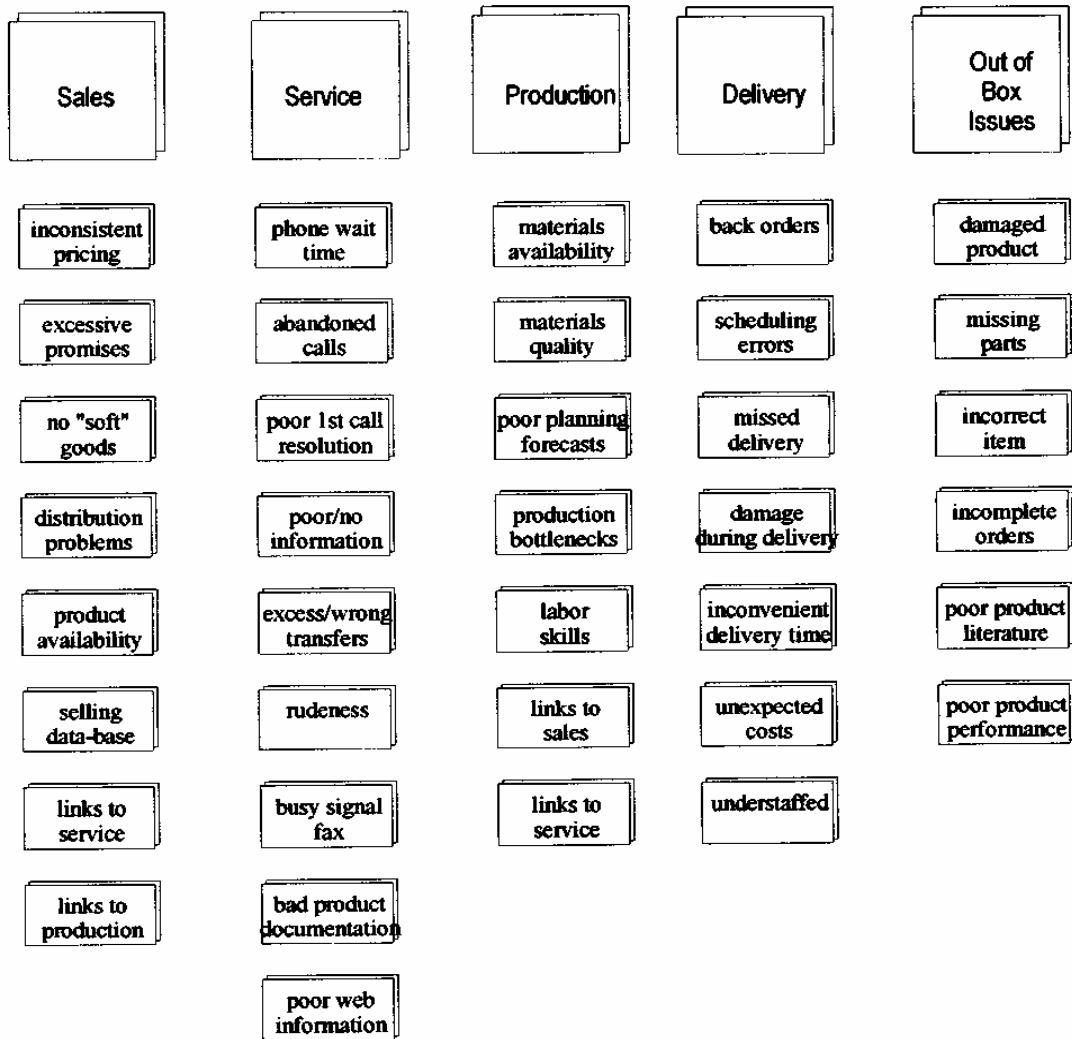
1. Lesson One: Find a process to improve
 - A. Describe your business or organization. What are its products and services? Who are its customers? Who are its competitors? What factors will most impact its future success? (If you are not currently working, to complete this correspondence problem please describe and refer to a business that you shop at frequently).
 - Olympia manufactures high-end physical fitness equipment for commercial gyms, sports teams and clubs, and affluent individual consumers. Olympia sells treadmills, stair-climbers, rowing machines, and universal/free weight machines.
 - Olympia competes with Atlas in this high-end commercial market. Olympia competes with Carthage in the lower-end individual consumer market. Although Olympia has enjoyed a significant past advantage in product quality and brand recognition, it is beginning to lose market share.
 - Prices for fitness products are flat or decreasing. Costs of production and distribution are increasingly slightly. Customer expectations for high-end personalized service are increasing dramatically.
 - B. What are your organization's most important goals and measures for effective, competitive performance?
 - Increase sales volume and revenues
 - Increase profitability on sales
 - Improve customer satisfaction upon receipt and initial use of purchased product

C. What are your current performance problems? (use Affinity Diagram)

The Affinity Diagram below was developed by a company-wide Performance Improvement Steering Team. Input was written on post-it notes – one problem/challenge per post-it note. The individual post-it notes were collected and organized/clustered by similarity/affinity.

Affinity Diagram

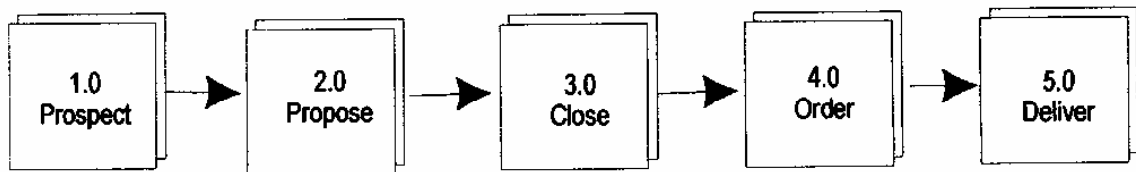
Our most significant performance problem/challenge is _____.



D. Describe/map your current business system. (use Block Diagram/Top Down Flow Chart) Drill down to clarify business processes within each block of the business system.

The Performance Improvement Steering team developed the block diagram below. This diagram was a valuable tool to better understand the overall business system and the necessary interdependence among business functions and activities

Block Diagram for Sales Process



1.1 cold call

1.2 direct mail

1.3 web

1.4 advertising

1.5 referrals

1.6 walk-ins

1.7 qualify

2.1 id decisionmaker

2.2 schedule meeting

2.3 presentation

2.4 needs assessment

2.5 write proposal

2.6 make proposal

3.1 address objections

3.2 negotiate sale

3.3 prep contract

3.4 sign contract

4.1 determine customer schedule

4.2 check product availability

4.3 schedule delivery

4.4 bill for product

5.1 call customer prior to delivery

5.2 pull/prep product

5.3 load product

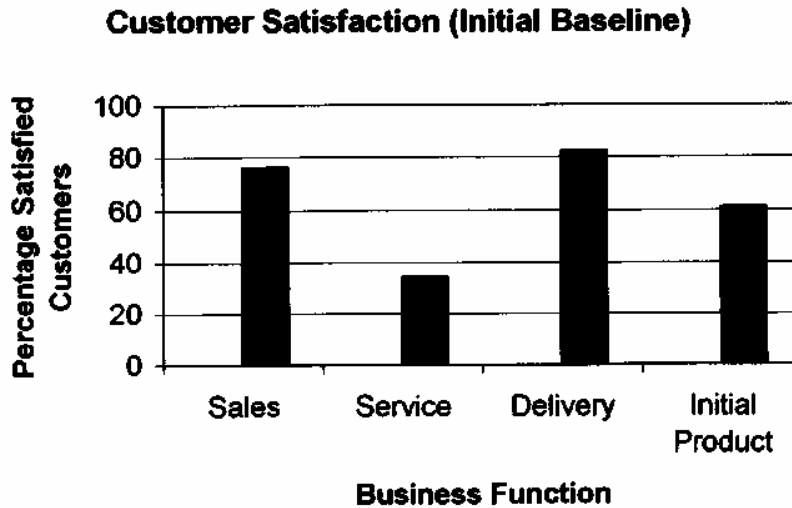
5.4 transport product

5.5 install product

5.6 orient customer to product & warranty

- E. Which business process offers the greatest, realistic opportunity for performance improvement? (use modified Pareto Analysis and Bar Chart)

The Performance Improvement Steering Team gathered data to assess current customer satisfaction with each business function. They did this to prioritize attention on improving the area/business function that would make the most significant difference. The bar chart below indicates improvement of customer service is an urgent, immediate priority.



- F. Why are you selecting this process for performance improvement? What are the benefits of improving this process? (use Performance Improvement Goal Statement)

Poor current customer service is eroding customer confidence in our product; declining customer confidence has a negative impact on current and future sales; it also is contributing to excess costs that hurt our profit margins.

We will improve satisfaction with our customer service processes

with specific focus on these measures:

- decreasing backlog of orders to be entered
- increasing the percentage of calls resolved/handled on the first call
- decreasing the percentage of calls abandoned

2. References and Links to Others Sources

Richard Chang and Mathew Niedzwiecki, *Continuous Improvement Tools, Volumes 1 & 2*. (Richard Chang Associates)

Dianne Galloway, *Mapping Work Processes*. (ASQ Quality Press)

GOAL/QPC, *The Memory Jogger II: A Pocket Guide of Tools for Continuous Improvement and Effective Planning*. (Telephone 1.800.643.4316)

GOAL/QPC, *Problem Solving Machine for the Memory Jogger II*. (Telephone 1.800.643.4316)

Peter Mears, *Quality Improvement Tools & Techniques*. (McGraw-Hill)

3. Questions for Reflection and Discussion

Who are you? Why have you enrolled in this course? How will your professional and/or personal life be different/better because you have taken this course?

Why is selection and use of the most appropriate quality tool essential to achieve measurable, sustainable performance improvement?