

Lesson Four: FOCUS - Understand Process Variation & Performance Capability

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A. What is (are) the key performance measure(s) for this process?

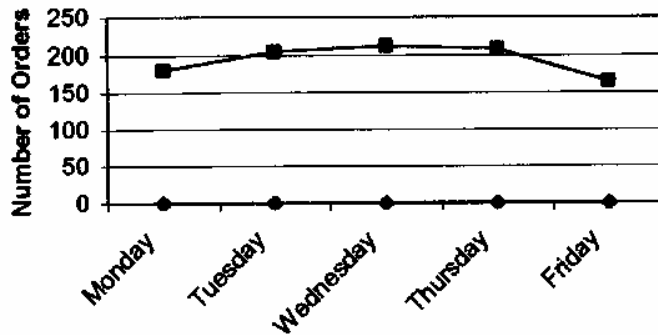
The FOCUS team agreed that the most critical immediate performance measures for customer service are:

- decreasing backlog of orders to be entered
- total orders entered per day

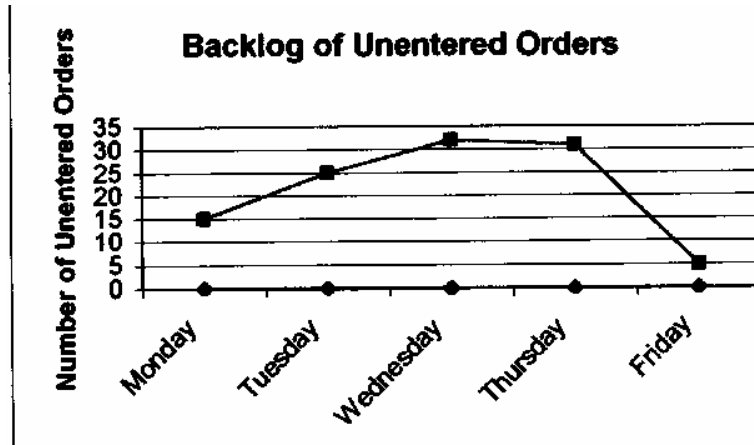
B. What is the current baseline measure of process performance as you now manage it? (use Run Chart and/or Bar Chart)

The FOCUS team collected data for one week to determine the current baseline for total orders. The average daily order volume is 194. There is significantly less volume on Friday (165 orders).

Number of Orders Each Day



The FOCUS team collected data for one week to determine the current baseline for unentered fax orders (backlog) each day. There appears to be a correlation between the backlog problem and the daily volume of orders. As daily volume increases, backlog increases (and vice versa).



C. On average, how well is this process working? What level of performance is this process realistically capable of as you manage it now? Is this current process capability adequate to achieve service standards and overall business performance objectives?

On average, the daily backlog of unentered fax orders is 21.6. The backlog problem is greatest on Wednesday and Thursday, although it is almost entirely resolved by Friday.

The business is committed to zero daily backlog. The CEO expects that orders will be entered on the same day they are received. The current process capability is unsatisfactory to achieve stated performance specifications.

D. How much does performance of this process vary? How does this variation impact customer satisfaction and overall business performance?

On some occasions, most notably on Fridays, customers may experience prompt, timely services. On other days, most notably Wednesdays and Thursdays, service is comparatively very slow and unresponsive. Customers don't understand why they get great service sometimes, but more often they get poor service. This inconsistency is creating problems for the sales force as they strive to build customer/dealer relationships. Once loyal customers are beginning to consider switching to other manufacturers of comparable products.

E. What is your target goal or measure for improving the performance of this process?

- Zero daily back log of fax orders
- Orders entered

2. Additional Resources 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

What would you do as a manager if the process capability in your organization was not adequate to achieve the specified performance goals? Give an example, if possible.