PROCESS CHANGE
COMMUNICATION & TRAINING TIPS
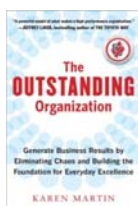
OCTOBER 22, 2015
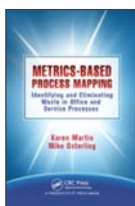

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▪ Consultant – We help clients establish and grow Lean management systems organization-wide.
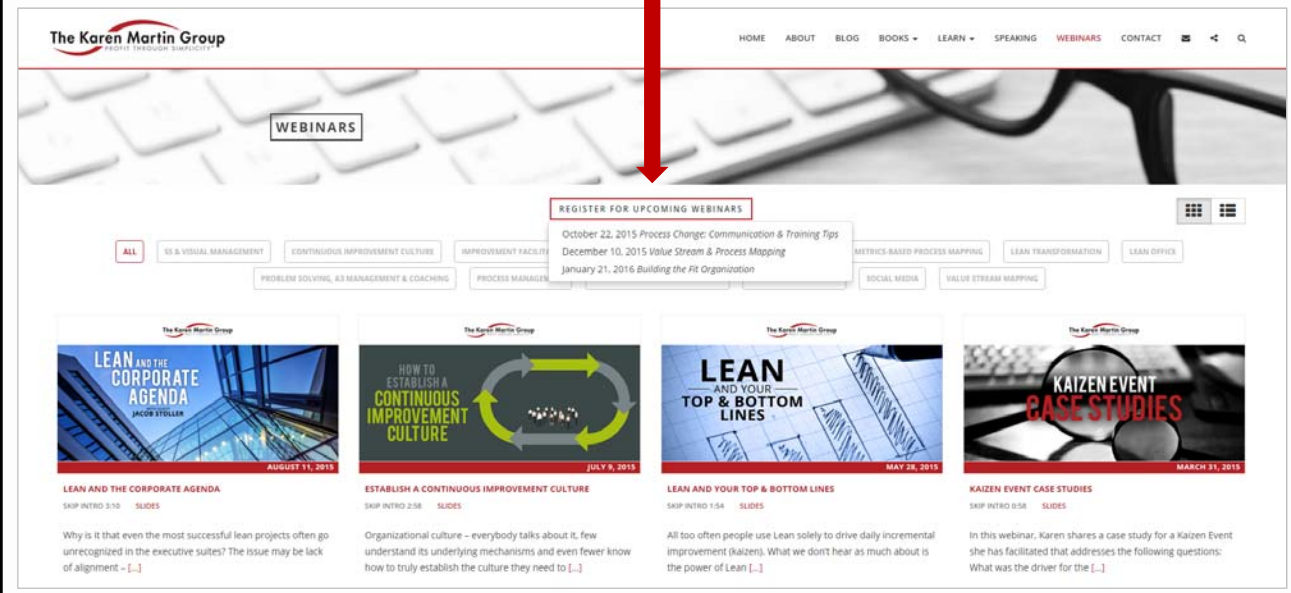
▪ Author & Speaker:
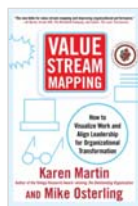
Shingo Award   Shingo Award

Karen Martin, President
The Karen Martin Group, Inc.
@karenmartinopex

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WORK DOESN'T HAVE TO BE AS *HARD* AS WE MAKE IT

You will learn…

- Common points of failure with improvement roll outs.
- How best to communicate change – especially in environments with remote offices.
- "Training" delivery tips for rolling out new processes.
- How to manage processes to assure compliance and timely adjustments.
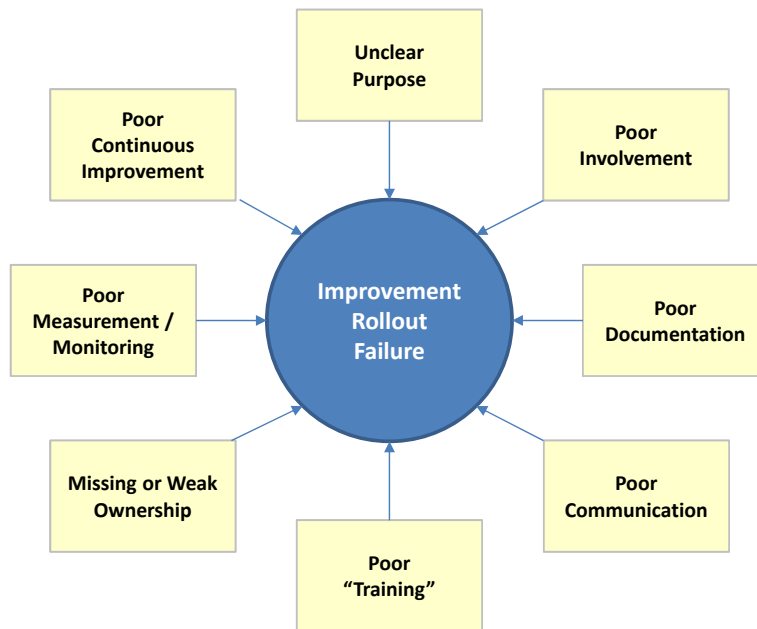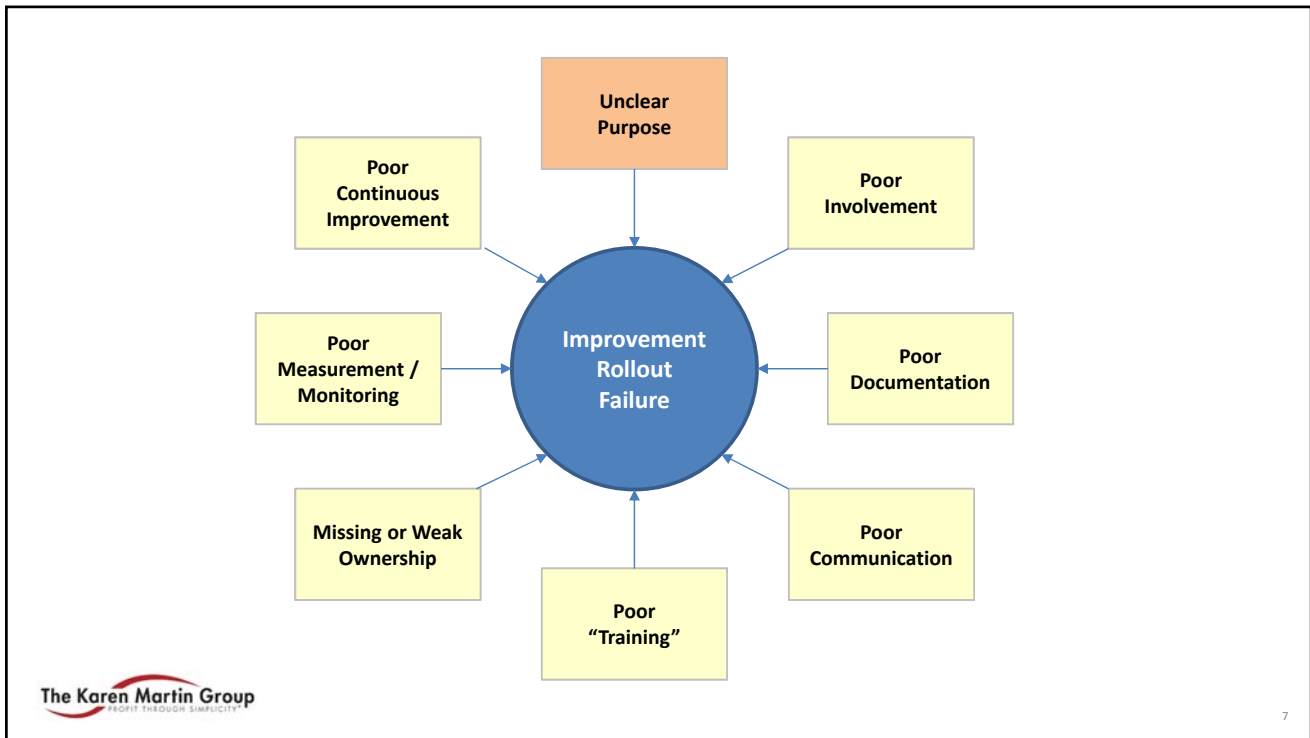
Problems:
Gaps between where you are and where you *need* or *want* to be.

Make a Compelling Case!

"We need to reduce/increase <measurement> from X to Y because…"

Value Stream Mapping Charter

Scope

Value Stream	Capital equipment
Specific Conditions	Engineer to order, requires both hardware & software customization
Demand Rate	1000 per year
Trigger	Customer commits RFQ
First Step	Sales reviews the RFQ
Last Step	Production ships product
Boundaries & Limitations	No new hiring or demoting changes to existing IT staff and addition staff; no budget changes
Improvement Time Frame	Future state design is fully realized by December 31, 2013.

(overlay: What & Why?)

Accountable Parties

Executive Sponsor	Allen Ward
Value Stream Champion	Nancy Little
Facilitator	Dave Parks
Logistics Coordinator	Dave Parks
Briefing Attendees ** required *optional	** Allen W (COO), Joe M (CIO), Sal T (VP Sales) * Bruce R (VP Ops), Carlos P (HR), Su T (CFO), Bill M (VP CS)

(overlay: Who?)

Logistics

Event Dates & Times	July 24-26, 2013 8:00 am - 5:00 pm
Base-camp Location	Surf's Up - Room
Meals Provided	Continental breakfast & lunch
Briefing Dates & Times	July 24, 25, & 26 4:00-5:00 pm

(overlay: When?)

Current State Problems & Business Needs

1. Desire to stay ahead of the competition & deepen customer loyalty.
2. Forecasted growth of 15% for next fiscal year.
3. Unclear & incorrect information flowing through value stream.
4. RFQ lead time = 2 weeks; PO to software dev lead time = 5 weeks
5. Competition's RFQ LT is 1 wk; PO to delivery is 4 wks

Goals & Measurable Target Conditions

1. Reduce RFQ LT from 2 weeks to 3 days (70% improvement).
2. Reduce PO to software dev LT from 5 wks to 3 wks (40% improvement)
3. Improve quality of information flowing throughout value stream.

Mapping Team

#	Function / Title	Name	Contact Information
1	Sales, Director	Sean Michaels	
2	IT, Director	Diana Marie	
3	Finance, Controller	Dave Gerald	
4	Scrum Master	Ryan Austin	
5	Engineering, Vice President	Nancy Little	
6	Manufacturing, Director	Ambreen Motiwala	
7	Customer Service, Manager	Danny Tran	
8	Customer (contract manufacturer)	JR Hunt	

Benefits to Customers & Business

1. Faster delivery; less hassle; less cost.
2. Better working relationships between sales, estimating & engineering.
3. Freed capacity to absorb additional business w/o increasing staff.

On-Call Support

#	Function	Name	Contact Information
1	Planning / Purchasing, Planner	Lourdes Dwyer	
2	Production Supervisor	Tom St. James	

Relevant Data

1. Sales effectiveness: RFQ conversion rate.
2. Financial: Estimate-to-actual cost comparison.
3. Operational: LT in segments (RFQ to quote; PO to development).

Agreement

Executive Sponsor	Value Stream Champion	Facilitator
Signature:	Signature:	Signature:
Date:	Date:	Date:

Improvement Rollout Failure (center) with causes:
- Unclear Purpose
- Poor Involvement
- Poor Documentation
- Poor Communication
- Poor "Training"
- Missing or Weak Ownership
- Poor Measurement / Monitoring
- Poor Continuous Improvement

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Point of Failure:
Believing that "telling" = process rollout

Believing that email communication = process rollout

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Improvement Rollout Failure

- Unclear Purpose
- Poor Involvement
- Poor Documentation
- Poor Communication
- Poor "Training"
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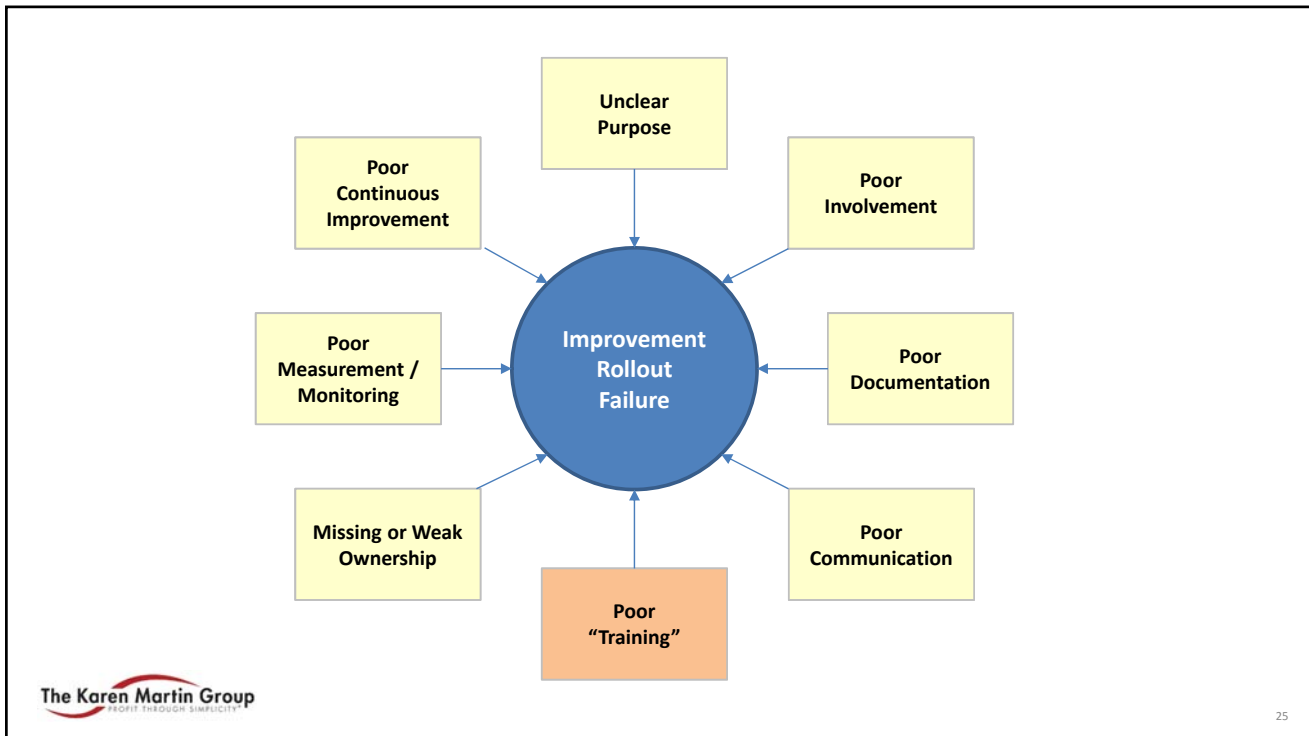
Questions for Planning Process Rollouts
(Communication and Learning Activities)

1. What's the objective? (What do you want people to know or do differently?)

2. Who needs to know? Why?

3. What *specifically* do they need to know?

4. When do they need to know it?

5. What's the best way to deliver the information to assure it meets the objectives of the communication/learning?

6. How will you assess the effectiveness of your communication and learning activities?

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Process Rollout: Learning Requirements

- Documented process
- Conversation, including why, when, how, and Q&A
- Demonstration of new process
- Practice session
- Designated source for questions (Process Owner? Super users?)
  - Ideally onsite close to where the work is done for first few days (or weeks, in some cases)
- Designed source for improvement ideas

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New Process Roll-out - Communication & Learning Work Plan <Process Name>				
Improvements / Process(es)	1	Description		
	2	Description		
	3	Description		
	4			
	5			
Functions / Groups that Need to Attend			**Awareness** (What & Why)	**Details** (How)
	1	Sales	X	
	2	Engineering	X	
	3	Order Management	X	X
	4	Account Management	X	X
	5	Tech Support	X	X
Instructors	1	Amanda Gerber		
	2	Ellen Sampley		
	3	Jeanine Chang		
	4			
Delivery Format(s) Being Used	1	PPT		
	2	Standard work instructions		
	3	Classroom with Webex (recorded)		
	4	Hands on - Participants bring laptops		

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New Process Roll-out - Communication & Learning Work Plan
<Process Name>

When & Where Sessions Will Be Held		Location	Date	Time
	1	Conf Room A	8/18/2015	9-11 am PDT
	2	Conf Room A	8/19/2015	1-3 pm PDT
	3	Conf Room A	8/25/2015	1-3 pm PDT
	4	Conf Room A	8/27/2015	9-11 am PDT
	5			
	6			
	7			
	8			
Learning Objectives - Awareness Participants	1	Will know...		
	2			
	3			
	4			
	5			
Learning Objectives - Details Participants	1	Will be able to...		
	2			
	3			
	4			
	5			

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New Process Roll-out - Communication & Learning Work Plan
<Process Name>

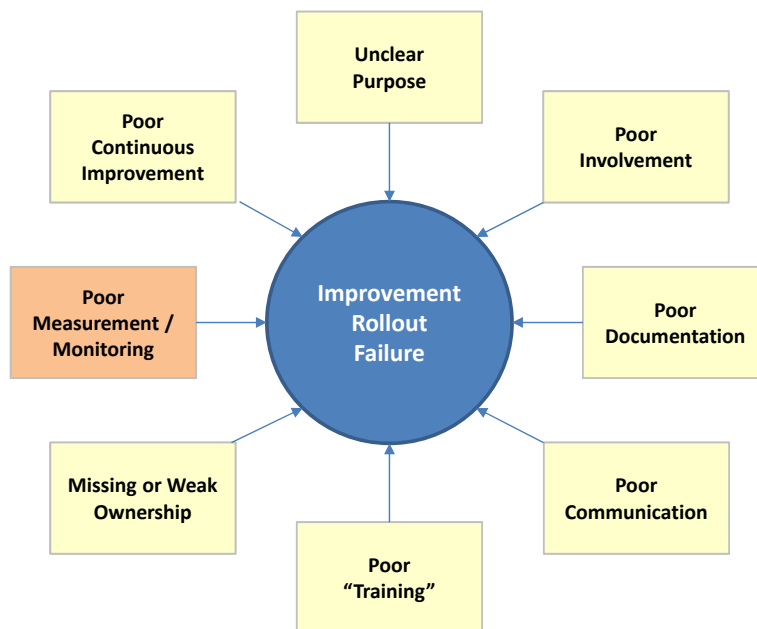| Training Materials Needed			Date Due	Owner
	1	PPT Overview		
	2	Standard work instructions (How to request billable/non-billable)		
	3	Standard work instructions (How validate & process billable/non-billable)		
	4	Standard work instructions (program setup)		
	5	Standard work instructions (IPM process)		
	6	SFG Template		
Action Plan / Preparation		**Task**	**Date Due**	**Owner**
	1	Select attendees		
	2	Select instructors		
	3	Schedule sessions		
	4	Send invites		
	5	Prepare curriculum & learning materials		
	6	Test curriculum & learning materials		
	7	Refine curriculum & learning materials		
	8	Practice delivering the session		
	9	Deliver sessions		
	10	Reflect about session; review participant feedback		
	11	Revise content as needed		
	12	Send follow-up to participants (if needed)		
	13	Deliver make-up sessions to those on PTO or at clients		
	14	Check with functions to see if process is working well		
	15	Design, test, and roll-out adjustments as needed		

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Value Stream-Level Ownership
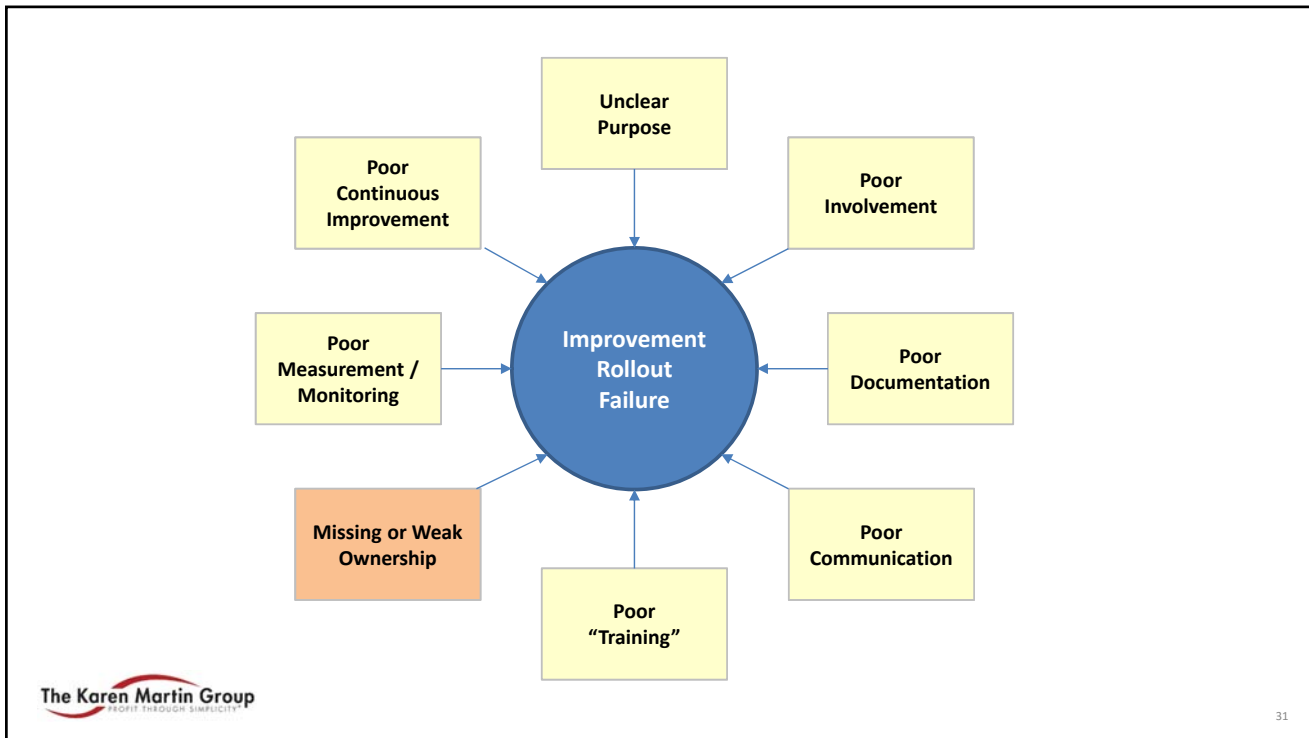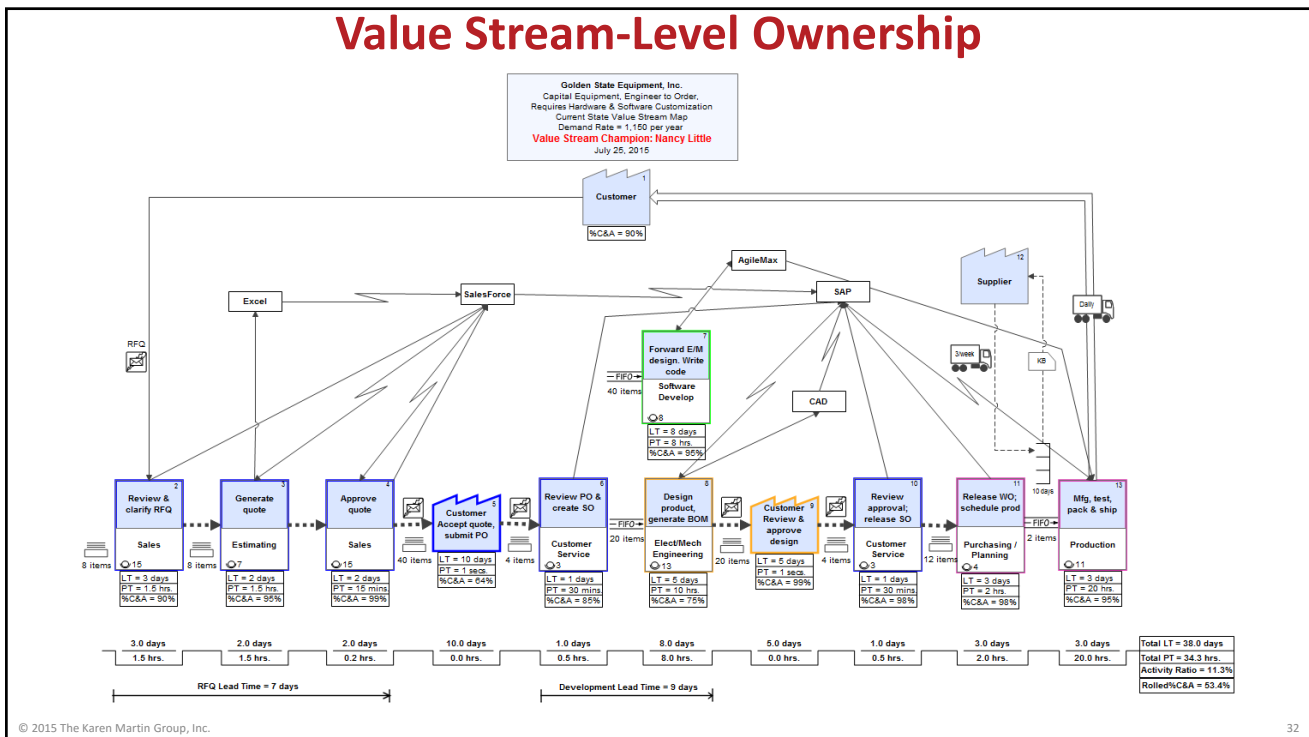
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Value Stream & Process Oversight

Value Stream & Process Ownership ABC Medical Center			
Value Stream	**Value Stream Manager**	**Process**	**Process Owner**
Outpatient Imaging	Sally V	Scheduling & Registration	Bill G
		Exam & Clinical Reporting	Jose C
		Reports to physician	Maria J
Inpatient surgery	Tonianne S	Admission	Tom M
		Clinical stay	Kathleen T
		Discharge	Mike M
		Billing	Sylvia S
Revenue Cycle Management	Bruce T	N/A	N/A

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3 Criteria for Proper
Process Management

1. Defined and documented processes
2. 2-5 relevant KPIs for each process
   - Visually displayed
   - Consistently measured
   - Consistently improved
3. Sole ownership / oversight

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Guidelines for Establishing KPIs

- 2-5 max
- Measure *performance* (vs. volume - only in certain circumstances)
- Should be heavily operational & customer experience focused
  o But can also include financial & market share measurements
- What problems do you need to shine a light on?
  o Should be dynamic (but don't change them too frequently)

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All value streams & most processes should be monitored via 2-5 KPIs

Defining KPIs									
Process # (on VSM)	Process	Process Owner	Measure of…	KPI	Metric	Data Point Time Period	Single Target	Lower Target (if relevant)	Upper Target (if relevant)
4	Invoicing	Sally Jones	Errors, Customer experience	Credit memos	Raw number	Month			
4	Invoicing	Sally Jones	Errors, Customer experience	Credit memos	% of total $ due	Month	25%		
4	Invoicing	Sally Jones	Cash flow	Accounts receivables	% of receivables > 60 days	Month	15%		
4	Invoicing	Sally Jones	Customer experience	Accounts receivables	Median TAT (Billing inquiry case open to close)	Month	3.5 business days		
5	Collections	Sally Jones	Cash flow	Accounts receivables	Median invoice age	Month	30 calendar days		

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Purpose of Visual Management

1. Communicate what needs to be done, when it needs to be done & how to do it
2. Communicate status
3. Show performance
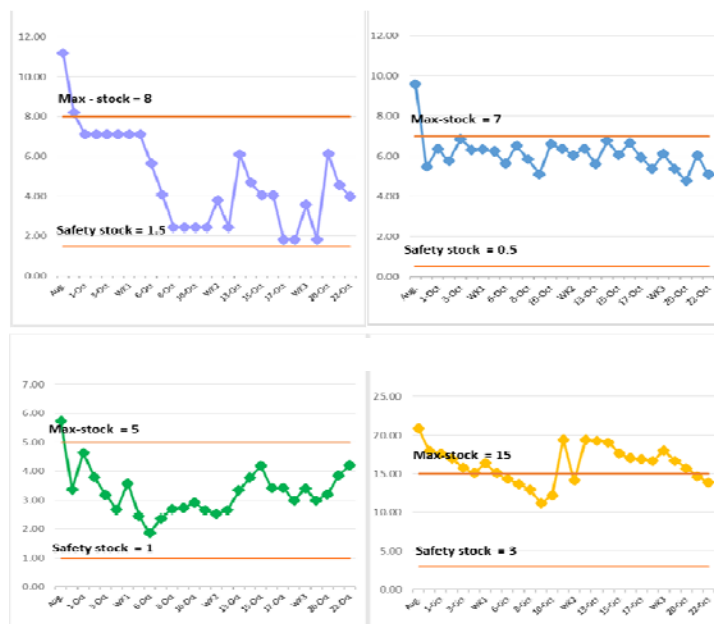4. Make problems visible

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How Are We Doing?

How Are We Doing?

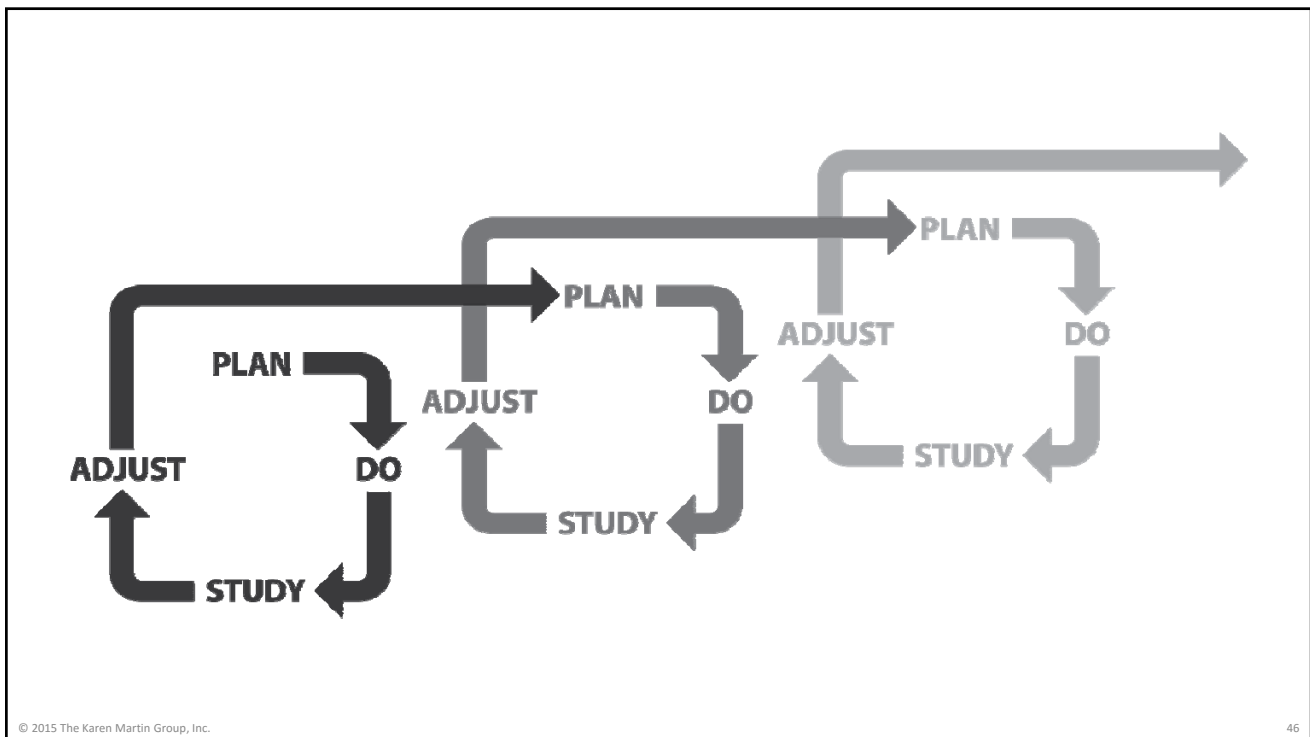# How Are We Doing?

How Are We Doing?
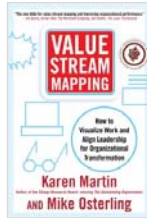
How Are We Doing?

Administrative Metrics
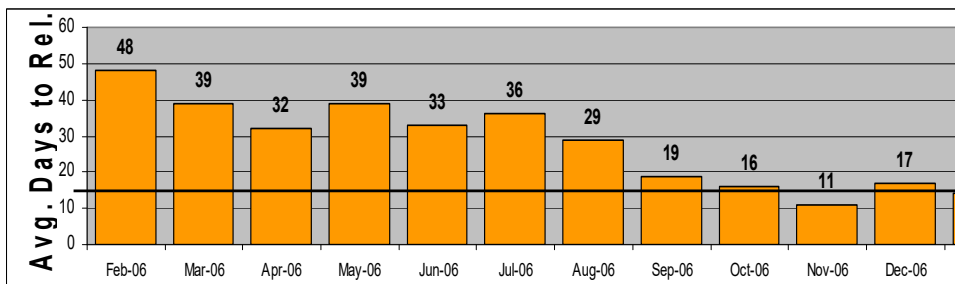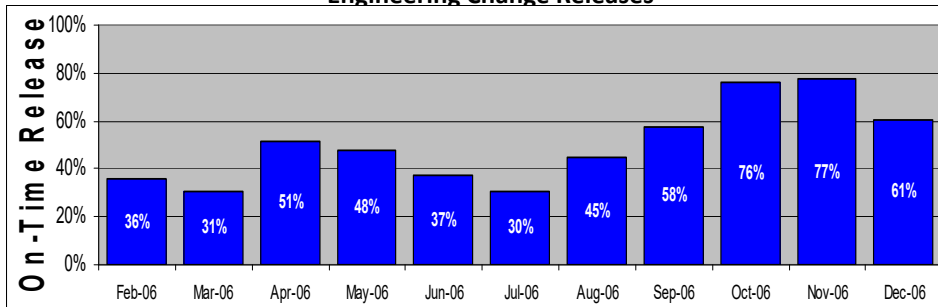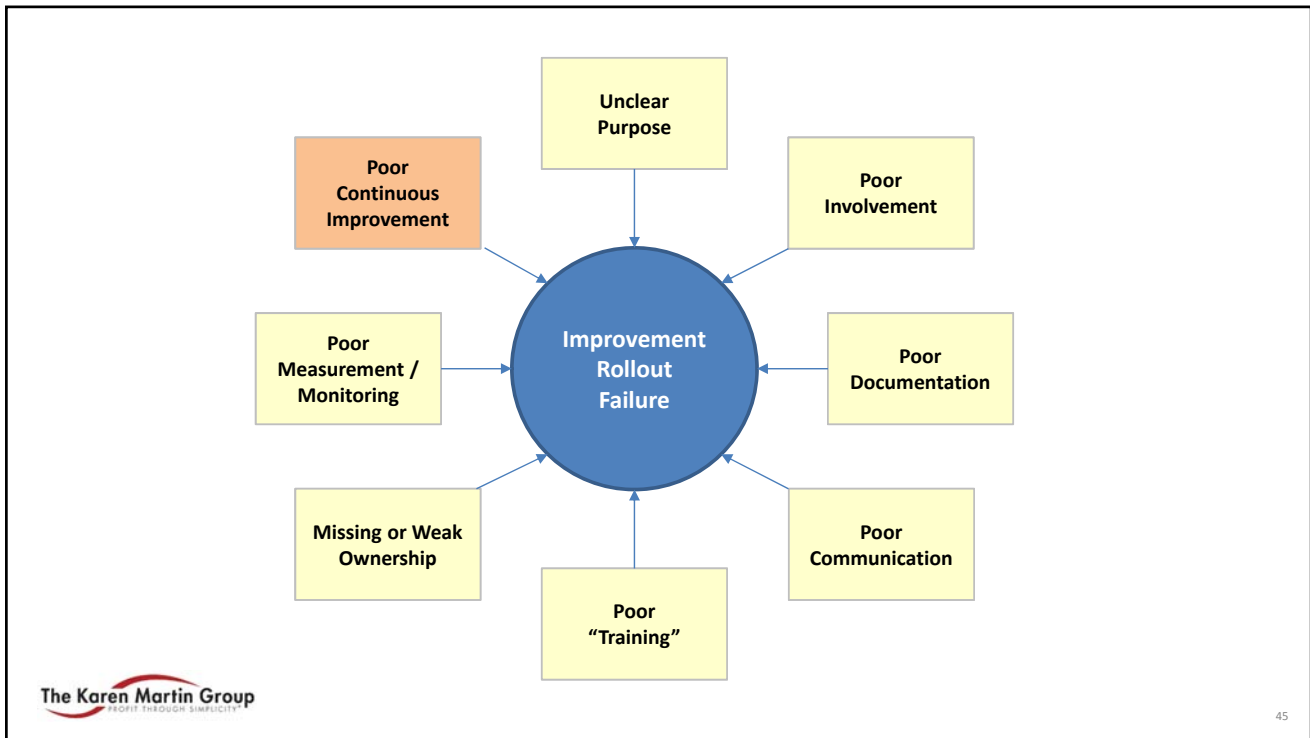
For Further Learning…

p. 135-148
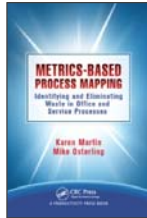
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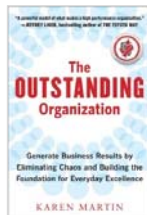
p. 146-147

p. 172-174

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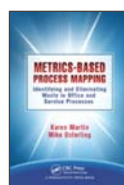
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