

Monday Morning

May 26, 2008

ONE EIGHTY

Process Improvement

Upcoming 2008 Events

- CAM-I Second Quarter Meeting
Baltimore
June 9-12
- ABC for Government Performance Institute
Arlington VA
August 8
- CAM-I Third Quarter Meeting
Portland OR
September 7-10

People in the News

- Fernando Gomez-Frutos and Glenn Gelder, Baker Oil Tool, for leading two successful pilot projects and approval for a company wide Customer Profitability initiative

Henry Ford invented the assembly line, completely changing the way the world manufactures products.

Toyota's legendary Toyota Production System combined mass production with craft production to set new standards for automobile quality and reliability.

Both are examples of process improvement.

In the case of Ford it wasn't about improving a process already in place (craft production). It was about inventing a completely new process for making automobiles.

For Eiji Toyoda it was all about ongoing, continuous improvement across all processes using the term Kaizen (Japanese for improvement) to describe the initiative.

Wikipedia defines Process Improvement as "a series of actions taken to identify, analyze, and improve existing processes within an organization to meet new goals and objectives".

It goes on to identify acronyms like BPI (Business Process Improvement), BPR (Business Process Reengineering), JIT (Just-in-Time), and TQM (Total Quality Management) to describe some of the tools and methodologies for implementing process improvement.

While the acronyms for process improvement change and morph over time, the basic premise, principal, and practice, remain the same.

Premise. Processes are the work people and machines do to market, sell, produce, and distribute products and services sold to customers. Processes convert resources to products and services customers want to buy.

The effectiveness and efficiency of core processes impacts top line growth, bottom line profit, and competitive position.

Principal. Process improvement is never ending and continuous. Competitors won't stop.

Neither can you.

Practice. Process improvement requires the left side of the brain to document the "as is" process. It's requires right brain thinking, creativity, innovation, and imagination to identify the "can be". Success is closing the gap.

As performance management and measurement specialists, we are in a unique position to support and drive process improvement in our organizations.

Our colleagues include forward looking market, sales, financial, and business planning specialists that are first to identify trends that need to be addressed.

Our community includes finance and business specialists responsible for balanced scorecards and reporting financial results that are first to identify process issues that need to be addressed.

Never stop improving...

John A. Miller

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