Integrated Best Practices

CAM-I

Planning, Budgeting, and Performance Management

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Agenda

- Overview and Background
  - Definitions
  - Integrated Best Practice Technology
  - Methods and Sources
- Application and Use in Government
- Steps to Implement
- Key Success Factors
- Summary

Definitions

- Benchmark (Webster's New Collegiate Dictionary)
  a. A point of reference from which measurements can be made
  b. Something that serves as a standard by which others may be measured
- Benchmarking (APQC)

  The process and methods of collecting benchmarks and making comparisons
- Best Practice (Arkonas)

  Identification of specific practices, enablers, technology, methods, etc. that correlate with high end performance

Integrated Best Practice Technology

Integrated: Uses information ***currently collected*** by various performance management programs and initiatives to identify, analyze, evaluate and implement Best Practices.

Best Practice: Focuses on analyzing actual performance which can be rapidly deployed across an organization. Uses Benchmarking to identify top performers.

Technology: Not an automatic, set it and forget it system, but rather a structured approach, with steps and actions, using existing data, providing results that can be measured.

Benchmark Information
Methods and Sources

- Consortium studies
- Trade organizations
- APQC benchmarking studies and benchmark database
- Statuary 10-K filings for public companies
- ABC models
- Industry associations
- Commercial databases of benchmarks

Application and Use in Government

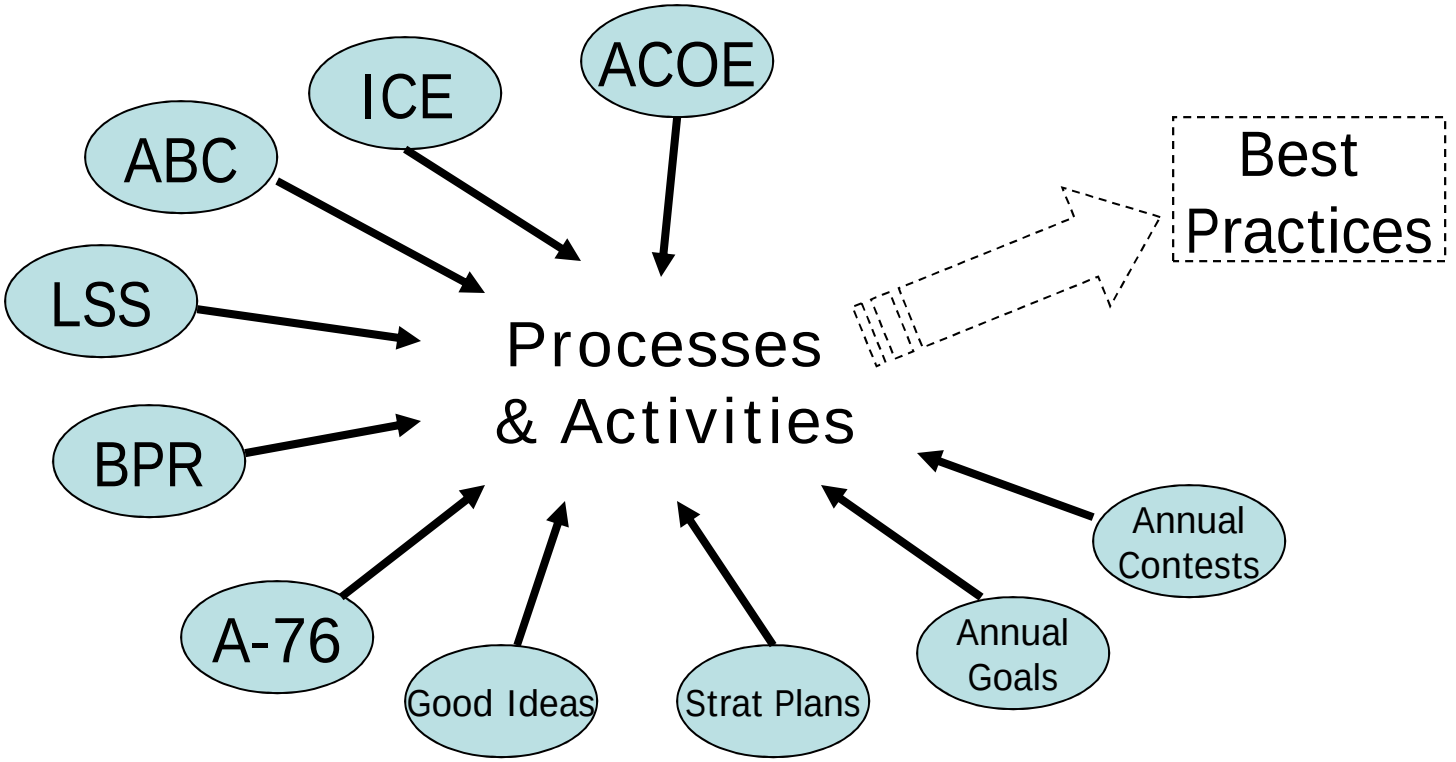
Many government agencies have been tasked with identifying and implementing Best Practices, Along with ABC, ABM, Cost Management, Balanced Scorecard, Process Improvement, BPR, Lean Six Sigma, etc., etc., etc.

Best Practices is the weakest of all the Performance Management programs/systems, because:

- There is no software package
- There are no set programs or procedures
- There is no structural responsibility
- There is no reporting system
- There is no specific training regimen

Performance Management Domain

Overarching Goals = Improved Efficiency and Effectiveness



Application and Use in Government (Examples)

Defense Logistic Agency (DLA)

- In the early 1990's the DLA undertook an enterprise-wide ABM initiative.
- Each DLA business area commander was responsible to define a the activities under their command and provide cost information for processes and activities, cost drivers (causes of cost), measures of performance, and recommendations for improvement
- Best Practices never identified

Installation Management Agency (IMA)

- Enterprise-wide ABC initiative for all U.S. Army bases.
- Partially standardized ABC models developed at each base to calculate and report and the cost of base activities and base services
- Best Practices never identified

State Department of Motor Vehicles

- ABC initiative to calculate and compare the cost of services (driver's test, license application) for each of it's individual branches (offices)
- Best Practices never identified

Application and Use in Government (Opportunities)

Depot to depot

Base to base

Agency to agency

State to state

Country to country (UAE)

Steps

Plan – determine what's worth doing; set boundaries
Identify – use existing benchmark data or develop new
Analyze – determine what it is that makes this so good
Validate – check with users; is this what makes the difference?
Disseminate – inform all users of the findings
Implement – assist users in action steps at local level
Evaluate – conduct post-implementation effectiveness-check

Planning

Select what service/process/activity improvement provides the most bang for the buck – impact on:

- Customer satisfaction
- Cost
- Speed
- Quality

FOCUS – can't fix everything. Fix what makes a difference.

Identify

Use existing sources/reports/data to determine who is doing a particular high-priority service better than any other group.

- ABC unit cost information
- ICE feedback information
- ACOE analyses
- A-76 information
- Annual Awards
- Lean Six Sigma information
- PIR information

Analyze

Use a systematic method to determine what makes one site better than others.

Analyze existing process maps that can showing how each unit is involved, and the connections between them – and the points of hand-off, the potential delays, and the likely missed communications.

A map is not the answer. It provides clues as to where to look further, and what questions to ask.

4-D Driver analysis

Focus is Speed

"Delay" Drivers

Focus is Quality

"Defect" Drivers

SERVICE PROCESS ACTIVITY

Focus is Cost

"Deficit" Drivers

Focus is Customer Sat

"Dissatisfaction" Drivers

Question: what does the BP site do differently re these drivers?

Validate/Disseminate Implement/Evaluate

No major surprises here. Just follow steps and methods already used in LSS, PIRs, TQM.

Key Success Factors

1. Managed from a Regional and HQ level
2. Use of existing data, rather than inventing new reports
3. Use of existing skills/training in process improvement
4. Improving measures used for comparing performance
5. Manage as a project, with objectives and timelines

Summary

Lost in space describes the vast number of unidentified Best Practices embedded in successful process improvements already made within organizational units, departments, installations, but never implemented enterprise-wide.

It's time to become Hunter-Gatherers.

It's time to identify high end performance, collect best practices, analyze what makes them work so well, and assist in implementing them across the organization.