The Partners In Improvement forum met to discuss the common causes of failure in Continuous Improvement efforts within companies. We noted that approximately 80% of the time that organizations embark on a path of Continuous Improvement, they abandon the effort after several years. The reason? No results. The Partners discussed what can commonly cause improvement projects to fail to achieve their potential or even if they do succeed, how they might fail to strengthen the organization in its progress along the CI path.

During two meetings, the Partners discussed a set of barriers that could lead to failure and identified several valuable approaches to counter those risks.

Lack of buy-in from both managers and participants could easily derail the improvement efforts. Management support is required to free up the resources to work on improvement, without which meetings tend to get pushed out and progress slows. The slower the effort moves, the more likely it becomes that priorities will change, new opportunities or problems arise that decrease available resources further. When projects fail to produce good results, buy-in deteriorates rapidly. Unless serious intervention counters this adverse reinforcing loop, subsequent efforts become less and less likely to succeed.
Common Causes of Failure of CI Programs

Even with initial buy-in, projects often fail due to their execution. A common problem is lack of data when defining a project or scoping the project. Without data, the waste is not adequately quantified increasing the likelihood of working on the wrong things and the likelihood that priorities will shift before the project is complete — leading to no results and subsequent lack of buy-in.

Furthermore, data at the start of the project is important to making good decisions about scope. If the project tackles too much at once, progress will be slow. And if the team substitutes opinions for facts and data about the problem and possible solutions, they are likely to make a number of wrong turns — once again slowing progress.

Having laid out these common problems, the Partners identified a number of solutions to prevent the downward spiral that can so easily plague improvement efforts. The following are the key principles to success.
Success!

The first principle is that nothing succeeds like success. So start out with carefully selected projects staffed with highly qualified people to ensure they are successful. Give the earlier projects careful guidance and support. One of our Partners described an initiation process which started with 10 carefully selected and well trained individuals. They put five on one project and five on the other. Once those projects were complete, they launched five more improvement projects with two of their 10 trained leaders per project. This plan was designed to ensure early successes.

Communication About Success

The second principle is “advertising.” If a team applies the CI methodology to great success but no one hears about it, the methodology as “the way we do things around here” will be slow to catch on. Newsletters, presentations, story boards and discussions at staff meeting and water coolers are all ways to communicate success and make sure that everyone learns from it and is ready to try for some more.

Speed to Results

But an organization will not have many successes to advertise, if it does not make speed to results a priority. Once you start an improvement project, make sure that the project manager and the team run like heck to finish it. The more demanding the environment and more rapidly new challenges arise, the more critical it is that every effort be on the fast track to completion — before something arises to change priorities.

To the extent possible, compress the cycle time to results. Use Kaizen events and focused teams to tackle manageable chunks in short time frames.

Data

Use data to really understand the current reality and to test theories about underlying causes. The data will help you minimize the red herrings and wrong turns. People will want to substitute opinions for data because that is the way they have always worked. But the facts and data will help the team zero in on the real cause and the best solution more quickly than trial and error based on opinion. One of our partners observed that people will often create a flow chart, but then fail to get the facts about the process. A flow chart is just one step and is not really complete until it has been validated and populated with real data.

Keep It Simple

Keep the data analysis as simple as possible. Complicated is not necessarily better and it is almost always slower! A great deal can be learned from Pareto charts looking at the data from different angles — to rule out or confirm theories about the underlying dynamics and relationships.
Common Causes of Failure of CI Programs

Management Support

Pay attention to the soft side, making sure that management meets with the teams and individuals regularly. One CEO meets one-on-one with his leaders once a month and the sole topic is how the improvement project is going and what can he do to speed progress. Lots of visibility and encouragement for people working on systematic improvement helps to maintain interest, enthusiasm, and momentum.

Team Enthusiasm

One CEO lets his team leaders pick the project — focusing on what really ‘frosts’ them. This gains the enthusiasm for the work and results in quick wins.

Team Training

Most Partners believe that nearly everyone in the company needs some basic training. But team leaders need to be very well trained, so that they can ensure that the team follows the methodology, asks the right questions, gathers the right data, stays on track, and keeps the interest and engagement of the rest of the team. Choose team leaders very carefully.

Upfront Work is Key!

Project planning, even before the launch, was emphasized as critical to success. This involved defining the right problem statement, scope, timeframe, and team. One of the Partners requires all project charters to go through a rigorous review by corporate as well as visiting the location and team beforehand to get the specifics and facilitate good communication.

Charter

One of our Partners emphasized the importance of having a charter, no matter how simple the project, that sets out the timeline. The charter should clearly identify why we are here and what the target date for completion is. This is hard to predict at the outset when the team has much to investigate, but it is important to have a vision of an end point not too far in the future to keep the scope tight. Set near-term milestones.

Problem Statements

One of our Partners in Improvement has implemented the practice of having the team leaders circulate the problem statements to other experienced leaders before they start and ask the others to take shots at it — identify where the gaps are, where it lacks specificity in a way that will make it more difficult to define a tight scope. Identifying these hazards up front is likely to make the project more expedient and successful.
Common Causes of Failure of CI Programs

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Scope It Carefully

And most importantly for speed and success, manage scope. Apply the Pareto mentality (backed up, of course, with Pareto data), to focus on the 20% of the problem that will provide the biggest bang for the buck. One of the most common causes of slow results is failure to decide on a tight scope that can be addressed within 8 to 12 weeks. Often one needs to gather and study some data in order to decide on a narrow scope, and this often should be done before launching an improvement project. Sometimes a small group may be convened to quickly gather and study the data so that an appropriate improvement team can be launched.

Put Supporting Infrastructure in Place

Make sure that the improvements are linked to the success of the company and will help with a Key Result Area. Then put an infrastructure in place to make sure that the incentives and support are there for successful continuous improvement. These support systems address compensation, measurements, recognition, and performance management linked to CI results.

A number of organizations employ a CI council to make sure that improvements, tied to key results, are continuing and strengthening. One Partner asserts that the council MUST be led by the senior executive, either the president or senior VP. His CI council also includes people from across the company and at different levels. This not only provides a useful perspective to the council as they discuss the improvement efforts, but helps to deploy knowledge of the improvements throughout the company.

Conclusion

In order to ensure on-going success, an organization must make sure that its measurement systems, rewards, recognitions, and communications systems support CI. But more than that, one must make sure that management behavior itself supports CI. Are we doing a good job ourselves of making data-driven decisions, or are our decisions really guided too much by opinions? Do we engage insights from a variety of sources? Do we use the Pareto principle to set goals and priorities or do we pile out all sorts of good objectives and hope the most important ones stick? Do we recognize and reward the firefighters or the fire preventers? Bill Conway always said the most important change is change in our own behavior.

Click here for two slides which sum up the common problems and the interventions identified by the Partners.