

A Whitepaper from Juran

The Source for Breakthrough

Strategy


A 3-Step Approach to Sustaining Measurable Breakthrough Results

Juran

Our expertise has been developed over more than six decades of real-world experience, and our methods are universal and have been applied in nearly every industry and culture around the world. Our mission is to prepare a new generation of business leaders who will build greater prosperity for our society through the application of the operational excellence methods and values of Dr. Joseph M. Juran in the context of new technologies, advanced applications, and expanding lessons learned. We want to be seen as trusted advisers, enabling global leaders to achieve measureable, breakthrough results.



A 3-Step Approach to Sustaining Measurable Breakthrough Results



Doing more with less is now a strategic imperative. Certainly, being more efficient in our work, more effective in our results, and delivering more value to the customer has always been an important business driver for virtually every company in every industry around the globe – whether manufacturing, service, or healthcare – but at no time since the dawn of the Industrial Revolution has this become as strategic in nature as it is today. Businesses are running leaner with less labor, less bricks and mortar, and less management. Some companies now operate in a virtual environment.

The reason for this rapid shift corresponds to the increase in reporting transparency over the last decade that has largely been fueled by access to information made possible by the Internet. Social media accelerates the pace of communications for things such as manufacturing recalls, product defects, disgruntled consumers, and more. Reporting agencies provide online access to hospital and physician performance, non-profit tax returns, college and university professor ratings, and the list goes on. Little wonder why leading companies in every industry are so focused on achieving and sustaining measurable breakthrough results.

After all, in today's global market, the difference between the winners and the losers is no longer measured only in terms of financial performance and market share; what is now being factored into the equation – and rightfully so – is the value being delivered to the customer, which

requires a clearer understanding of the elusive and ever-changing customer needs and the ability to translate those needs into *critical-to-business* elements. These critical-to-business elements are those processes and products that will delight the customer and create market barriers for competitors, thus becoming a company's important areas for improvement.

Implementing such an improvement program is not for the faint of heart. It takes an ongoing, sustained effort that has genuine support from the C-suite, cross-functional deployment throughout middle management, and engaged workers at the front line. But it is possible, especially if you follow a three-step integrated approach perfected by Juran Global over decades of practical, real-world experience:

1. Preparing to improve (Training and certification)
2. Identifying what to improve (Benchmarking and assessment)
3. Solid execution (Transformational change)

Shortcutting the process – which many organizations do – only leads to frustration, disillusionment, and wasted resources. For instance, benchmarking your organization's performance and embarking on a handful of performance improvement projects without training management and staff on the fundamentals leads to haphazard efforts that is likely to expend resources without delivering results. Likewise, training your team on the methods of Lean, Six Sigma, Focus

PDCA, RCCA (root cause corrective action) – or any other performance improvement tool – and then jumping right into performance improvement activities without the benefit of knowing what and where to improve may have you improving something, but that something might not be relevant in the marketplace.

As such, to bulletproof your efforts, heed the wisdom on decades of real-world experience that is provided below.

1. Training and Certification

To develop and sustain any performance improvement program, you first need people trained to do the job. Training can take many forms, depending on the approach your company decides to take. The two most adopted methodologies are Lean and Six Sigma, and many organizations now train for both disciplines so that they can harness the power of each.

Both the Lean and the Six Sigma methodologies have proven that it is possible to achieve dramatic improvements in cost, quality, and

time by focusing on process improvement. Lean is focused on eliminating waste and improving flow by following the Lean principles, and Six Sigma is primarily concerned with reducing variation and eliminating chronic problems by following a problem-solving approach using statistical tools. Either methodology can generate measurable breakthrough results, but only if the methodologies are implemented correctly.

While the Internet has created a proliferation of online and self-study courses, the reality is that both Lean and Six Sigma, to be learned effectively, require interaction with an instructor who is considered a master in the field and who has also successfully mentored or completed dozens of projects. Learning on your own may provide you with the fundamentals of the methodologies and an understanding of the various tools in the performance improvement toolkit, but it will not replace the knowledge of when and how to apply the methods and tools, the pitfalls associated with each, integration challenges, and change management

	Lean	Six Sigma
Goal	Understand process flow and eliminate waste	Improve process capability and eliminate defects
Where to Apply	Primarily high-volume processes	Any business process
Approach	Basic principles and value stream mapping based on standardized practices	Statistical problem-solving to identify root causes and solutions
Project Selection	Usually driven by middle managers	Usually driven by strategic plan
Length of Projects	1 week to 2 months	2 months to 6 months
Infrastructure	Mostly ad-hoc, with a core group trained on concepts	Dedicated resources, with most managers undergoing some level of training
Training	Mostly learning by doing	Learning by classroom and by doing

Since 1979, Juran Global has trained thousands of Green Belts, Black Belts, Master Black Belts, Lean Experts, and Lean Masters. Juran's training materials and reference books are more widely used and translated than those from any other source. Juran is an Authorized Provider by the International Association for Continuing Education and Training (IACET), and is authorized to offer IACET CEUs for training programs under the ANSI/IACET 1-2013 Standard.

issues that only an experienced instructor can provide.

As you advance your performance improvement program, you'll also want to consider having the following resources within your company, all of which require an ongoing organizational commitment to training:

Lean Six Sigma Green Belts

Generally middle managers who are often on project teams and are responsible for the ongoing quality of their business unit, function, or process as part of their day-to-day jobs.

Lean Six Sigma Black Belts

Managers, supervisors, and technical specialists assigned full- or part-time responsibility to implement Lean Six Sigma through a business unit, function, or process. Black Belts are viewed as "executors" of the improvement activity. Black Belts, with experience, are on-site implementation experts with the ability to:

- Develop, coach, and lead cross-functional improvement teams.
- Mentor and advise management on prioritizing, planning, and launching Lean Six Sigma projects.
- Use, teach, and disseminate Lean Six Sigma tools and methods to Green Belts and team members.

Lean Experts

Managers, supervisors, or technical specialists assigned full responsibility to implement Lean throughout a business unit, function, and process. Lean Experts are trained in Lean methods and tools and have successfully completed two or more projects. Lean Experts are on-site

experts and viewed as "executors" of the Lean activity with the ability to:

- Develop, coach, and lead cross-functional improvement teams.
- Use, teach, and disseminate Lean tools and methods to Lean Six Sigma Green Belts and team members.
- Mentor and advise management on prioritizing, planning, and launching Lean projects.

Master Black Belt and Lean Master

Master Black Belts and Lean Masters are company-wide Six Sigma, Lean, and Quality Management experts. They are qualified to instruct others in the methodologies, tools, and applications at all functions and levels of an organization. They provide guidance to business leaders, integrating the Six Sigma and Lean methods into the business strategy of the organization. They also contribute to identifying, creating, and carrying out performance improvement activities aligned to the organization's strategic business and operational plans, and provide coaching to Black Belts and team leaders.

2. Benchmarking and Assessments

It's no coincidence that the world's leading companies conduct ongoing benchmarking and performance assessments. Benchmarking and assessments have cost-effective frameworks that provide objective baselines of performance of a company, which, in turn, enable the company to transform its enterprise into a world-class competitor. The best benchmarking and assessment initiatives are built on quality-based award criteria, such as ISO, Malcolm Baldrige National Quality Award, and the EFQM Excellence Model.

Joseph M. Juran, the legendary founder of Juran Global, was a particularly vocal advocate for the Baldrige program. Prior to the passage of the congressional act that created the Baldrige Award in 1987, he testified in front of Congress on behalf of creating the award to help bring the focus of quality to the United States. Dr. Juran was also one of the original Overseers in the Baldrige Award process. Over the years since the beginning of the Baldrige Award, Juran Institute has offered its own staff in support of the Baldrige process, many of whom have participated in the roles of Judges, Sr. Examiners, and Examiners.

Benchmarking requires management commitment, or else you stand to undertake considerable effort without the promise that the knowledge gleaned from the benchmarking study will be converted to action. The purpose of benchmarking is to learn and implement best practices to improve your processes and to gain competitive advantage. As such, document your own processes before contacting potential organizations you wish to benchmark against, identify the important metrics related to the process you wish to benchmark, and conduct thorough research of the companies you plan to contact. Also, develop some value based attributes of your own company that you will share with the companies you plan to benchmark. They will expect some quid pro quo.

Remember, benchmarking alone will not tell you what customers actually want. If your product or service does not meet basic market needs, then no amount of improvements in production processes will make it competitive.

Assessments, on the other hand, provide you with a gauge of performance against known standards, such as the Malcolm Baldrige National Quality Award. Assessments, whether self-assessments are those conducted by trained assessors, can help your company achieve high performance and move toward performance excellence. Even if your organization isn't ready to apply for an award such as the Baldrige, the criteria associated with these awards provide frameworks for evaluating your organization's processes, their impact on results, and your progress toward your goals and objectives.

3. Transformational Change

While many organizations look for incremental improvement, global leaders often seek transformational change – the type of improvements that can generate a 10-time to 20-time return on investment, productivity gains of 50% or more, throughput improvement of 30% to 60%, or similar breakthrough change of a significant magnitude. In other words, what they aim for is *measurable breakthrough results*. Achieving these types of improvements require that the company excel in four areas:

- Alignment: The alignment of business goals and objectives is essential to achieving an organization vision or transformational program. This means linking corporate strategy and goals with every business unit and employee to assure the goals are met, which creates a “golden thread” from strategic goals to departmental contributions.
- Deployment: This is the process of executing against a plan. It is often called Hoshin Kanri, a Japanese term for policy deployment. An effective deployment is one that identifies the actions needed to be carried out by the key functions – finance, human resources, marketing, operations, quality, and research and development – and establish a “catch-ball” process to allow them to adjust and fit their contribution to the corporate requirements. Deployment occurs through departmental and cross-departmental activities. One of the most effective means to achieve key goals is by establishing clear and resourced projects across the organization.

The Juran Transformation Roadmap is a time-tested framework to effectively transform an organization's culture and sustain desired change – be it a new company vision, creating a lean enterprise, reducing cost, improving business processes, continuous improvement, or operational excellence. We have identified five phases that all organizations must complete to sustain the gains of enterprise wide change. These phases – Decide, Prepare, Launch, Expand, and Sustain – incorporate the four areas of organizational transformation.

- **Business Process Management:** BPM is a strategic program that defines the macro business processes that create customer value, which, in turn, drives sales and profits. Business success results from superior process performance, which can only be achieved by having superior process design, the right people, and the right environment. Key business processes must be defined and process owners assigned to manage them.
- **Balanced Scorecards:** A strategic performance management tool, a balanced scorecard can be used by leaders to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. A balanced scorecard has to include the right measures and targets to monitor the performance of an organization and the contribution toward strategic goals.

Juran Global Assessments

Organization Health Check: With over 1,000 assessments completed, we can jump start your journey to becoming a world-class organization. The Organization Health Check provides a quick qualitative review or “fitness test” against industry best practices.

COPQ Assessment: The cost of poor quality is the difference between the costs of a perfectly performing process and versus the actual costs. The Juran COPQ assessment results in the quantification of the potential dollars that are lost due to ineffective and inefficient processes in an organization. This includes understanding the customer needs through the design, development, production, transportation, installation, and servicing of those goods to meet customer needs.

Employee Engagement: This assessment focuses on the practices, shared mindset, and ethos of your organization to identify the willingness and ability of employees to contribute to the success of the company and the extent to which employees put discretionary effort into their work in the form of extra time, brainpower, and energy.

Quality Management System (ISO): A Quality Management System allows you to maintain stable internal processes. It enables quick adaptation to new customer demands, all the while delivering superior products and services in an ever-changing market.

To learn more about our assessments, or to take the Organization Health Check, please visit our website at <http://bit.ly/juran3>, or contact us at:

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