

CREATING ORGANIZATIONAL EXCELLENCE—PART ONE

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Successful companies must first learn to manage their processes

For the last 50 years, quality professionals have tried to impose quality systems on businesses, governments and academia. And our track record, hasn't been stellar, especially when you consider that quality control, total quality control, zero defects and total quality management have all failed, and Six Sigma is failing. Why is it that new quality methods inspire an initial spurt of success before slinking into oblivion like their predecessors? Their fate is similar to old toys that get stuffed in a dark corner of the closet when a new toy is found under the Christmas tree. This exercise in futility stems from applying quality initiatives like bandages to an organization when what's really needed is fundamental organizational change. Treating symptoms usually doesn't affect a cure. Organizational excellence is designed to permanently change a company by focusing on five important elements. Each of these isn't new by itself, but learning to manage them together is the key to success in the endless pursuit of quality. In this column I'll discuss the first key element: process management. As a concept, process management certainly isn't new to quality professionals; it's the basis of most improvement methodologies. A process is a series of interconnected activities that take input, add value to it and produce output. It's how organizations do their day-to-day routines. Your organization's processes define how it operates. Consider the simple process model below. In order to manage a process, the following must be defined and agreed upon:

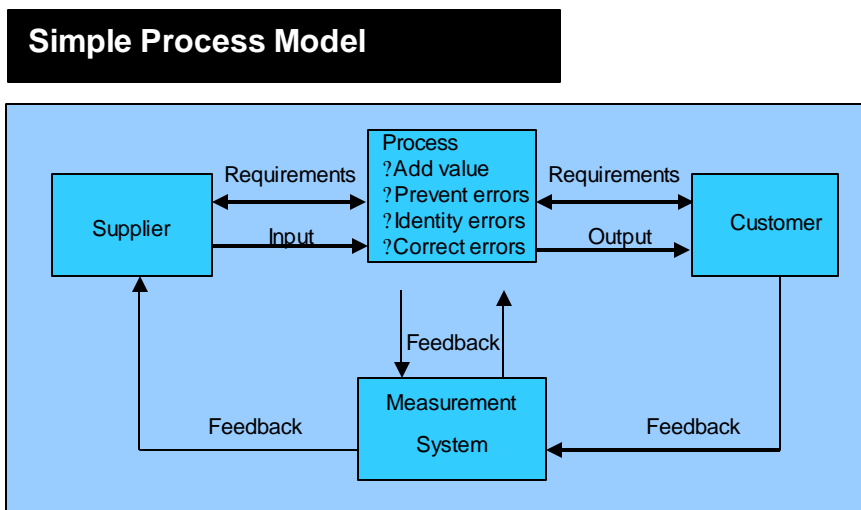
- An output requirement statement between process owners and customers
- An input requirement statement between process owners and suppliers
- A process that's capable of transforming the suppliers' input into output that meets the customers' performance and quality requirements
- Feedback measurement systems between process and customers, and between process and suppliers
- A measurement system within the process

These five key factors should be addressed when designing a process. However, the problem facing most organizations is that many of their support processes were never designed in the first place. They were created in response to a need without really understanding what a process is. The best methodology I know to overcome this problem is area activity analysis. AAA methodology is a simple approach used by natural work teams to define the key processes they're using. AAA defines:

- The natural work team's mission
- The natural work team's major processes
- The customers for each major process and agreed-upon output specifications
- The suppliers for each major process and agreed-upon input specifications
- The internal process that converts input into output
- Efficiency measurements for the process
- The measurement system

Dividing these elements among the natural work teams reduces the effort required by any one group and puts the process understanding in the hands of those who work with it. So, what's required to manage a process? You must:

- Prevent errors. A process must be designed to make it difficult, if not impossible, to create mistakes.
- Understand the capabilities of each activity within the process to produce acceptable output on schedule. This can be accomplished through process capability studies.
- Identify negative changes in the process so they can be corrected before the process goes out of control. Control charts do this well.
- Ensure that new people are trained before they become involved in the process.
- Detect errors resulting from activities that are incapable of producing acceptable quality levels.
- Report detected errors.
- Define the root cause of errors and initiate a process to eliminate them.
- Obtain customer feedback that defines process errors so that the process can be improved.
- Develop ongoing feedback to your suppliers about their output's acceptability and obtain their plan for eliminating unacceptable input to the process.



As you can see, when it comes to managing it, a process is almost like a small business. All processes should be designed, documented, measured and controlled. This is as true of a chip-manufacturing process as it is of hiring or accounts payable processes. Most of the work that quality professionals do is related to continuously improving our processes. Some of the tools we use include design of experiments, process capability studies, root cause analysis, document control, quality circles, suggestions, Six Sigma, Shewhart's circles, ISO 9000, just-in-time manufacturing and supplier qualification, among many others.

Next month I'll discuss project management, the key to real improvement. Basically, processes are the way we do business; projects are the way we improve our processes.

About the author

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