



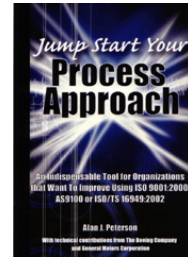
NBFC

## Blueprint for a Performance Culture

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# Intended Outcome of Today's Presentation

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1. Understand the process approach.
2. Understand the WSWT system and the role that process teams play in both improving our performance and meeting quality standard requirements.
3. Provide you with a foundation and sufficient training to start implementing the process approach.

# For most major companies, winning the race requires...

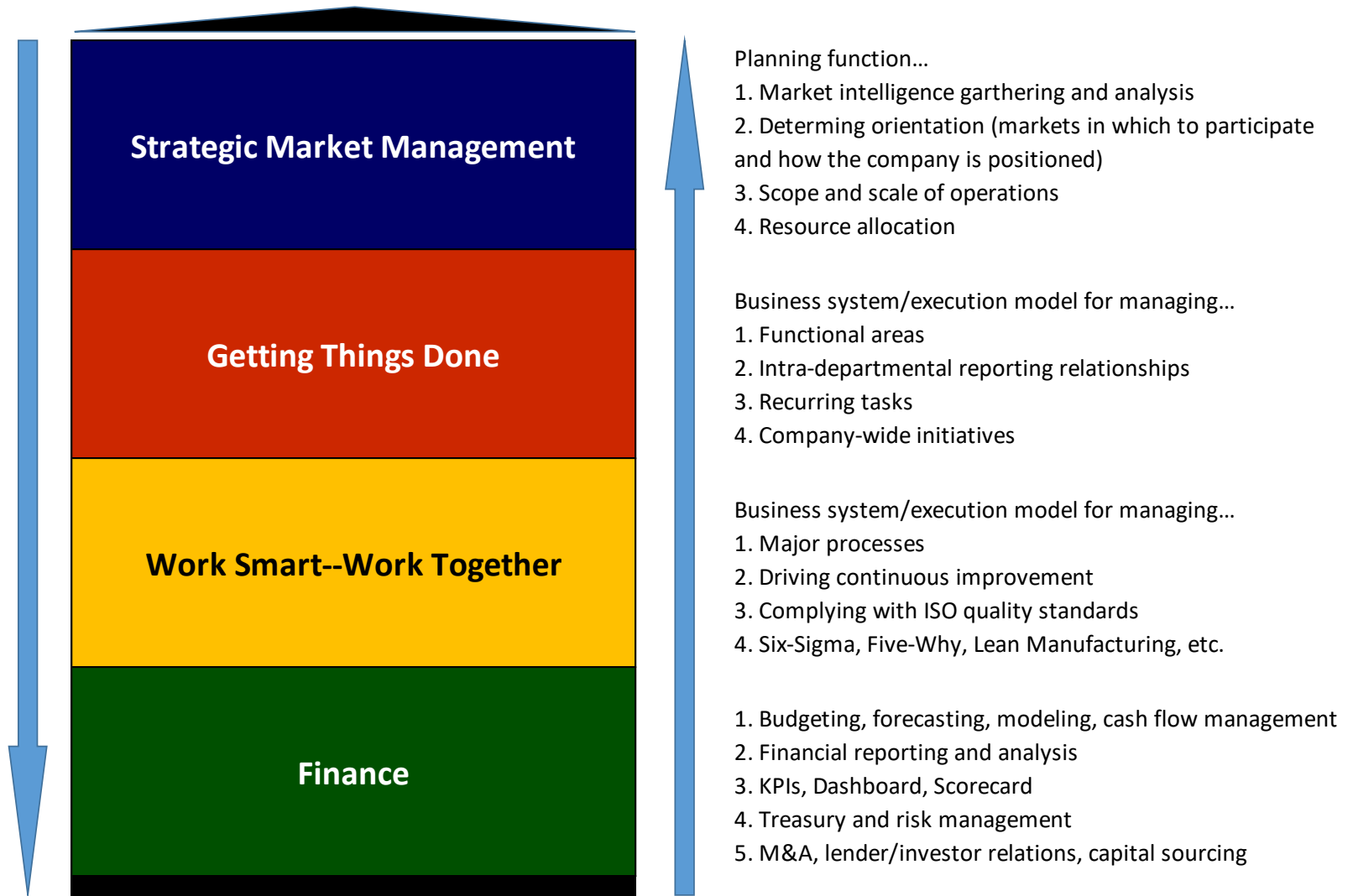
- Timely access to accurate market intelligence,
- A well-thought out strategic plan,
- Adequate financial resources, and
- A flawless execution model.





NBFC's Blueprint for a Performance Culture (BPC) is a best practices management system for accomplishing these objectives.

# Management System Hierarchy



# *Work Smart– Work Together*



- *WSWT* is a business system for managing and improving processes.
- Driving continuous improvement
- Provides a means for complying with the new ISO/TS 16949 standard and institutionalizing the changes to our management system.



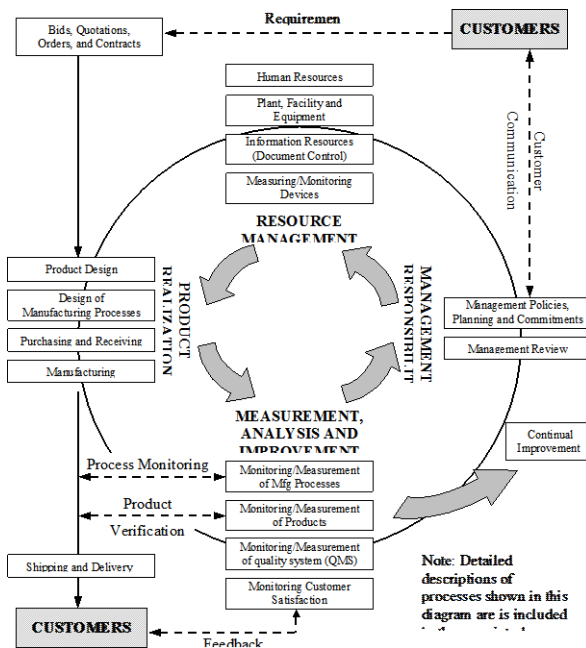


# ISO Technical Specification

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ISO/TS 16949 is an ISO Technical Specification which aligns existing automotive quality system requirements within the global automotive industry. **This international standard promotes the adoption of a process approach** when developing, implementing, and improving the effectiveness of a quality management system to enhance customer satisfaction by meeting customer requirements.

# ISO Technical Specification



The process model employed in the ISO/TS 16949 standard can also be used as a pattern by companies outside the automotive sector.

**Plan-Do-Check-Act  
Loop**



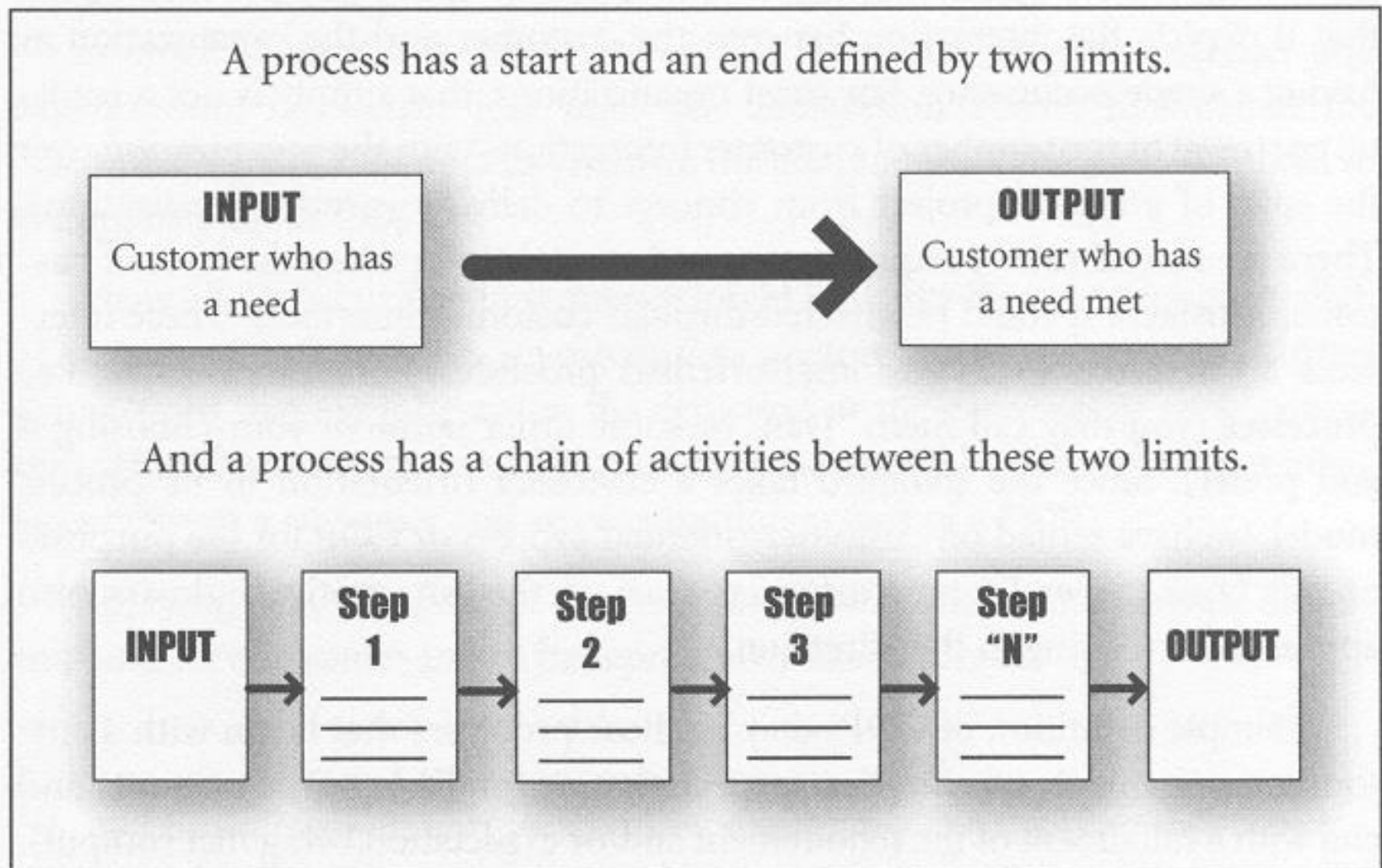
# Process Approach

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For an organization to function effectively, it has to identify and manage numerous linked activities. An activity using resources, and managed in order to enable the transformation of inputs into outputs, can be considered as a process.



**Figure 3 — A Process**



# Process Approach (cont.)

Often the output from one process directly forms the input to the next.



# Process Categories

- 1 Market Analysis/Customer Requirements
- 2 Bid/Tender
- 3 Order/Request
- 4 Product/Service and Process Design
- 5 Product/Service and Process  
Verification/Validation
- 6 Product Production/Manufacturing and/or  
Provisioning of Services
- 7 Delivery
- 8 Payment
- 9 Warranty/Service
- 10 Post Sales/Customer Feedback

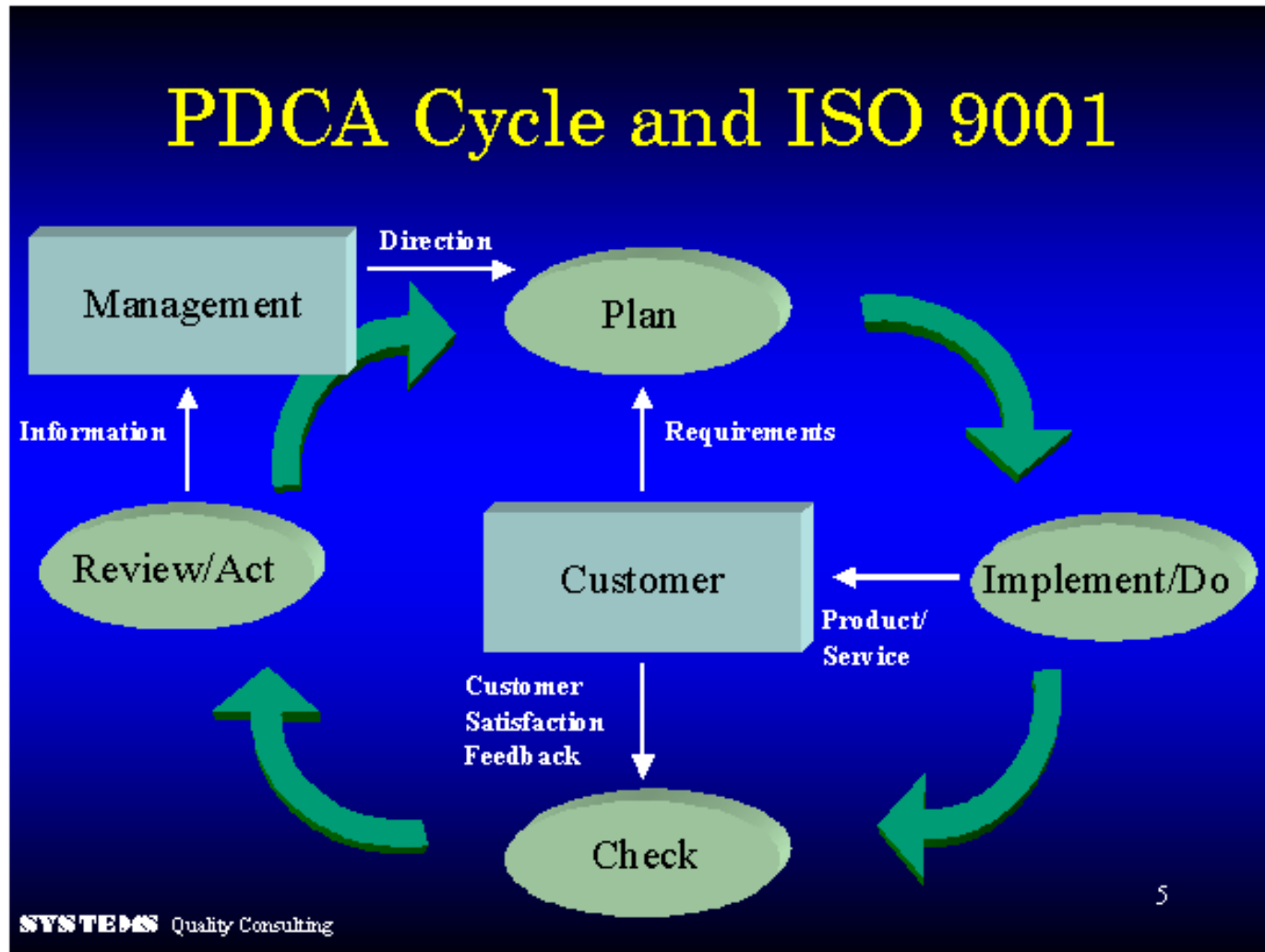


## Process Approach (cont.)

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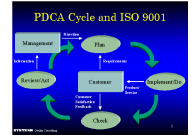
The application of a system of processes within an organization, together with the identification and interactions of the processes and their management, is referred to as the *process approach*.

# Foundation of the Process Approach





# Application of the PDCA Cycle



## Plan

1. Identify major processes and the external and internal customers for each process.
2. Find out what is important to your customers.

## Do

3. Meet their needs (product/service realization).

## Check

4. Create metrics, data collection procedures, and reports to measure how well you are satisfying the needs of your customers and the needs of the business.

## Act

5. Act on the performance data to improve the process.



# 3 Major Process Categories

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**COPs**

**SOPs**

**MOPs**



# Process Category 1: COPs

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The model has as its focus what are called as COPs (customer oriented processes). Sometimes referred to as core or key processes, COPs are simply defined as those processes that have a direct interaction or interface with an external customer.

## Process Categories

- 1 Market Analysis/Customer Requirements
- 2 Bid/Tender
- 3 Order/Request
- 4 Product/Service and Process Design
- 5 Product/Service and Process Verification/Validation
- 6 Product Production/Manufacturing and/or Provisioning of Services
- 7 Delivery
- 8 Payment
- 9 Warranty/Service
- 10 Post Sales/Customer Feedback



## COPs (cont.)

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Interfaces with the external customer set up how the organization defines the processes that drive the organization. Supporting or managing these few processes is seen as the pathway to ensuring customer satisfaction and thereby protecting and enhancing the bottom line.

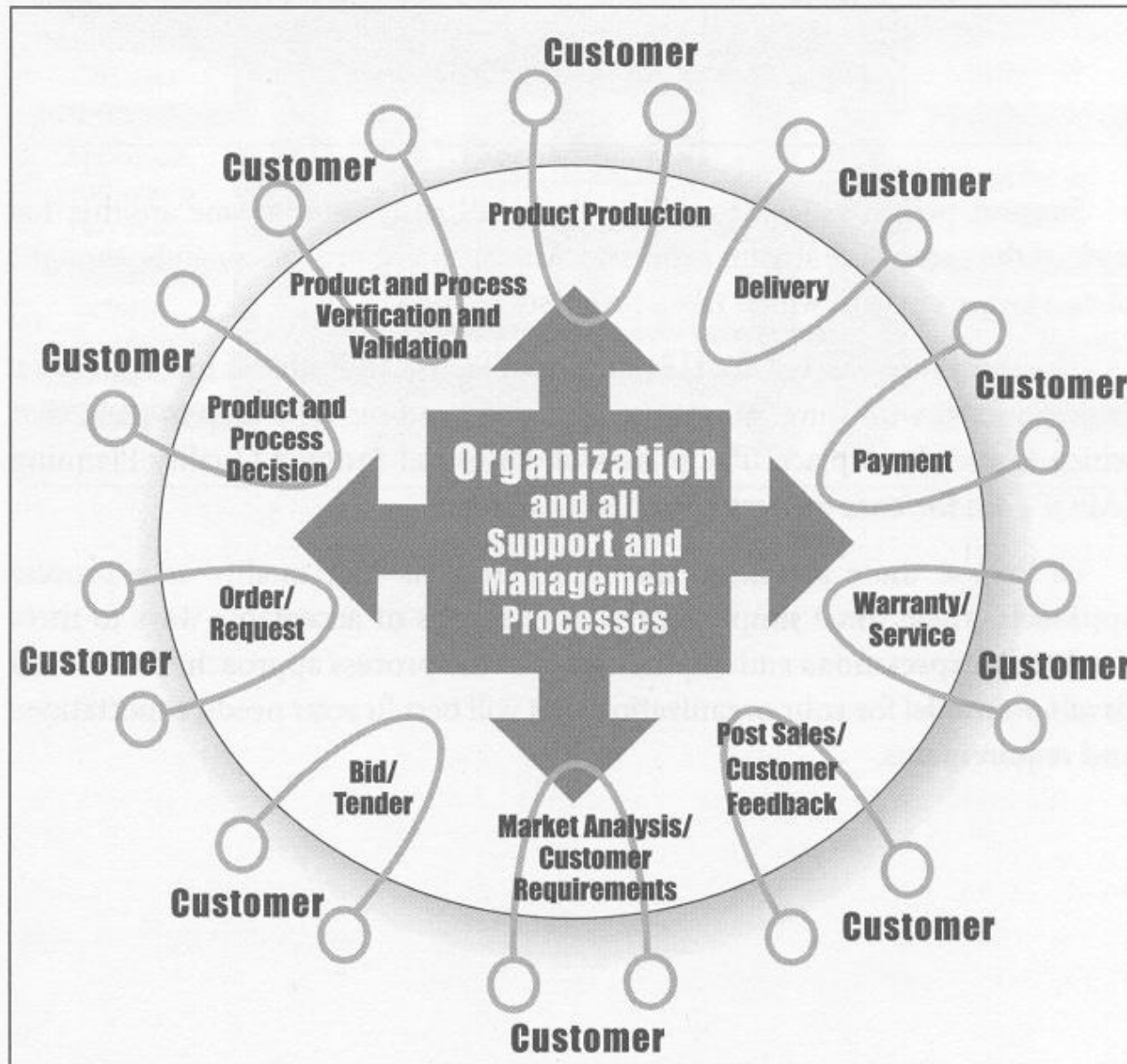


# COPs that are common to most manufacturing companies:

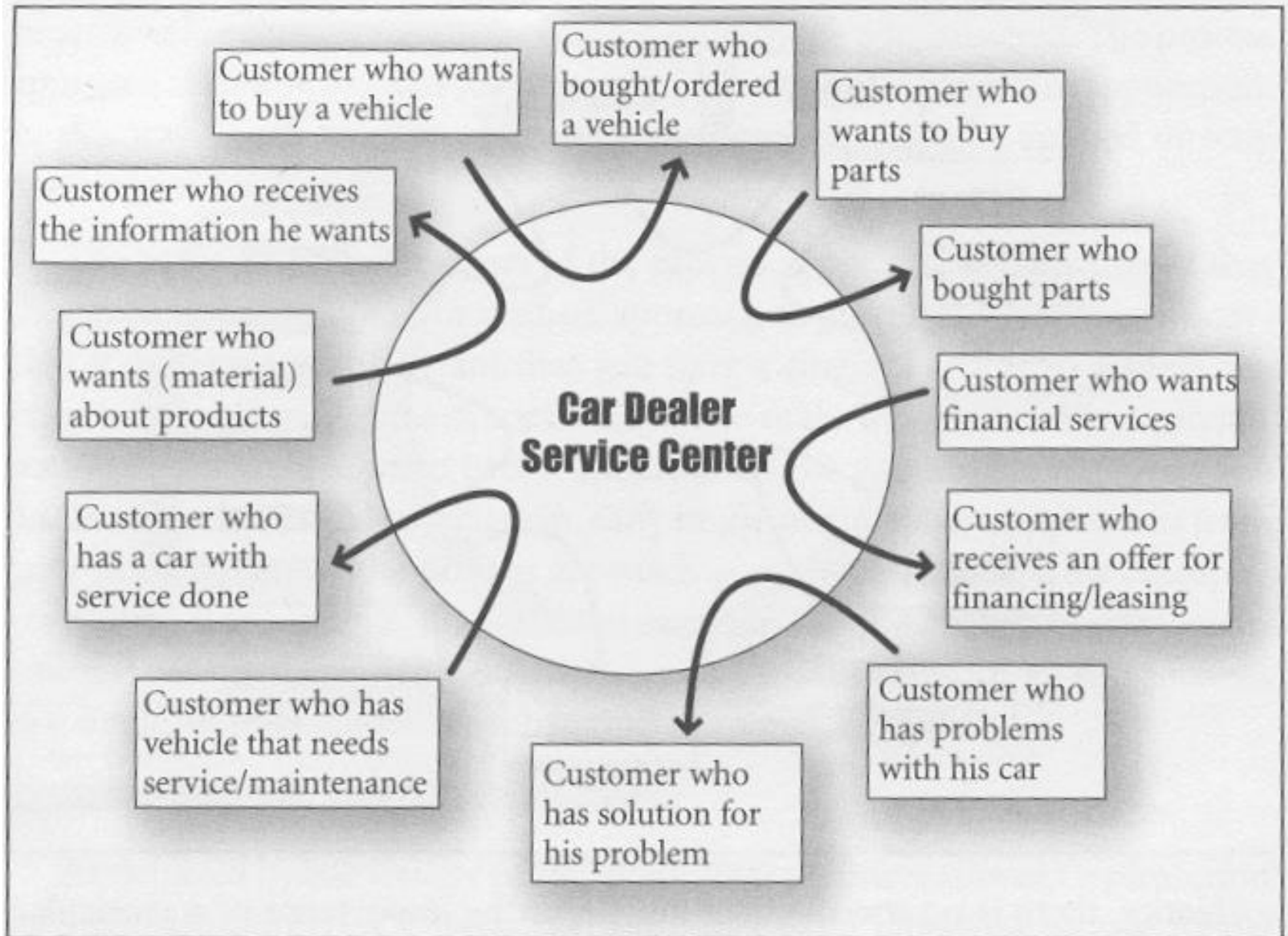
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1. Market Analysis/Customer Requirements
2. Bid/Tender
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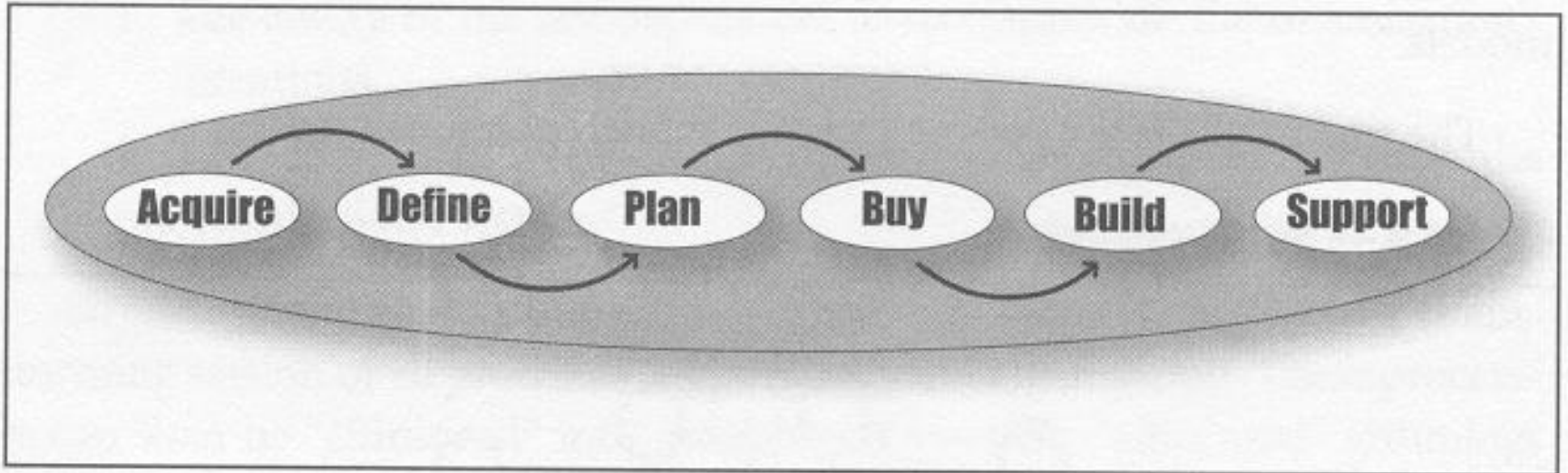
**Figure 9 — Octopus Model**



**Figure 5 — The Process Approach for a Car Dealership Service Center**



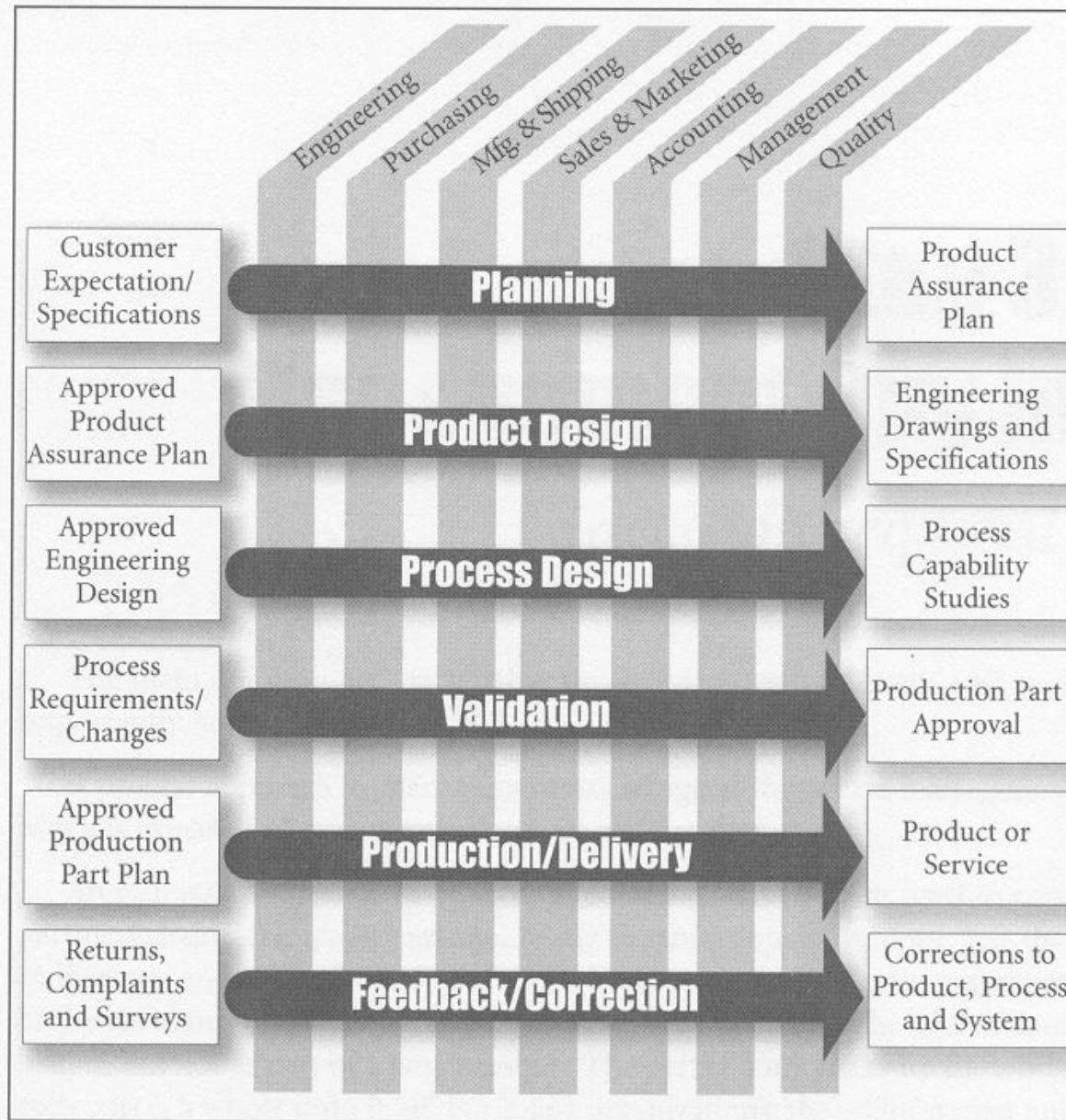
**Figure 10 — Value Stream Model**



Slide Courtesy of QSU Publishing Company



**Figure 11 — Phases of Advanced Product Quality Planning**



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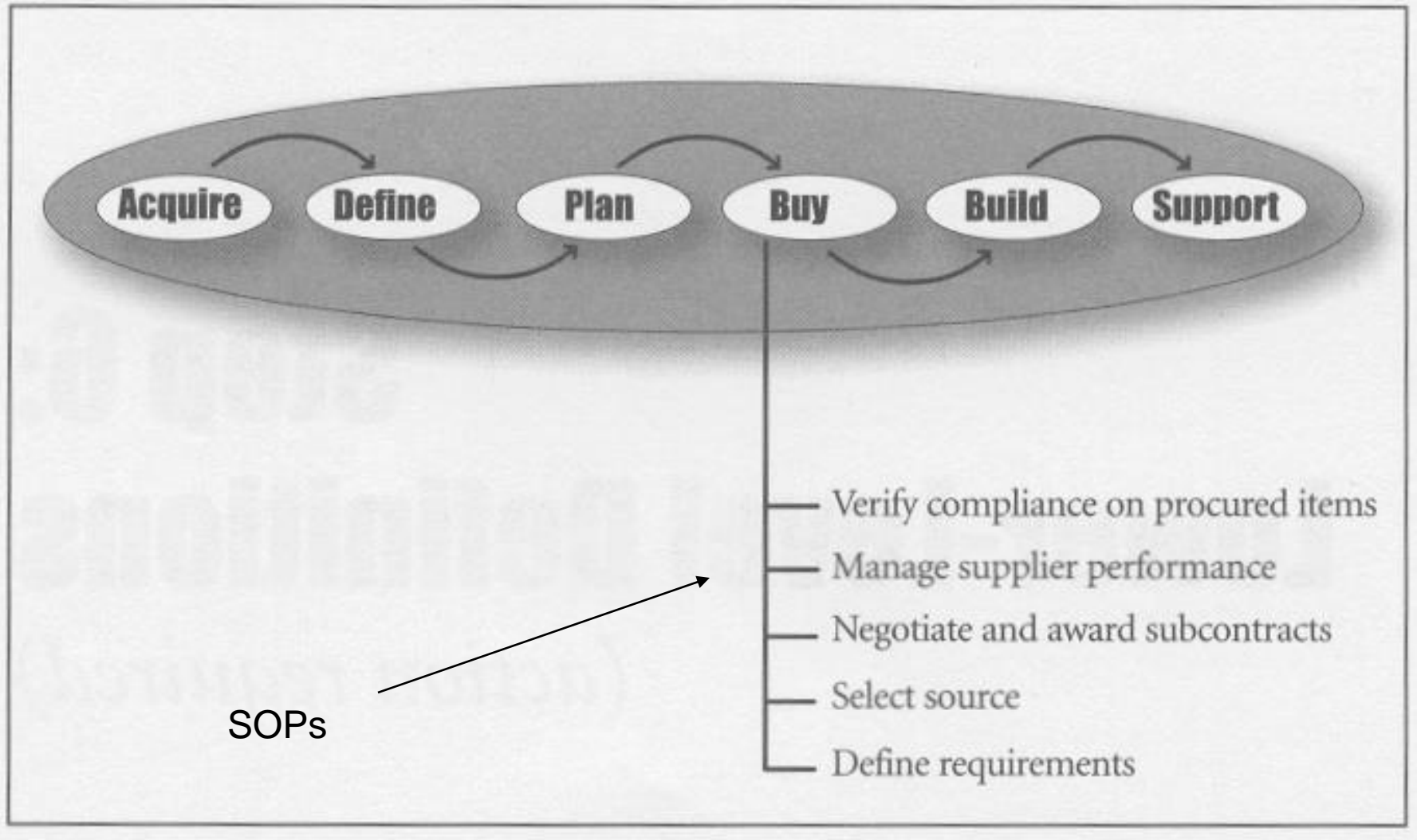


## Category 2: SOPs

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Supporting processes. A supporting process is any planned process whose input, output, and transformational activities are established and maintained by an organization in order to comply with requirements or specifications and/or to meet organizational needs in supporting COPs.

**Figure 12 — Value Stream Mapping**





## Category 3: MOPs

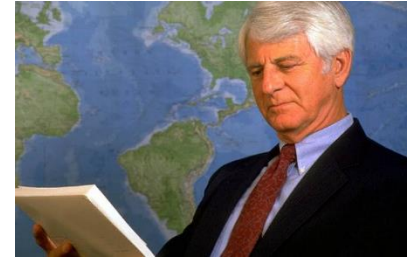
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Management processes are defined as those processes necessary to comply with the requirements of the standard and/or determined by the needs of an organization with respect to the role of top management. These processes focus on the determination of the quality policy, objectives, related responsibilities, and the means by which they are implemented.



# Generic MOPs

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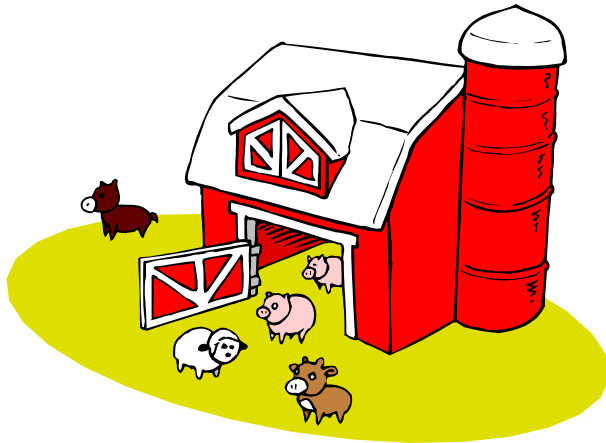
1. Management Review
2. Customer Satisfaction and Measures
3. Continual Improvement
4. Corrective and Preventative Action
5. Records
6. Document and Data Control
7. Internal Audit
8. Nonconforming Product/Service Control

# *Overview of the WSWT Process and Steps to Implementation*



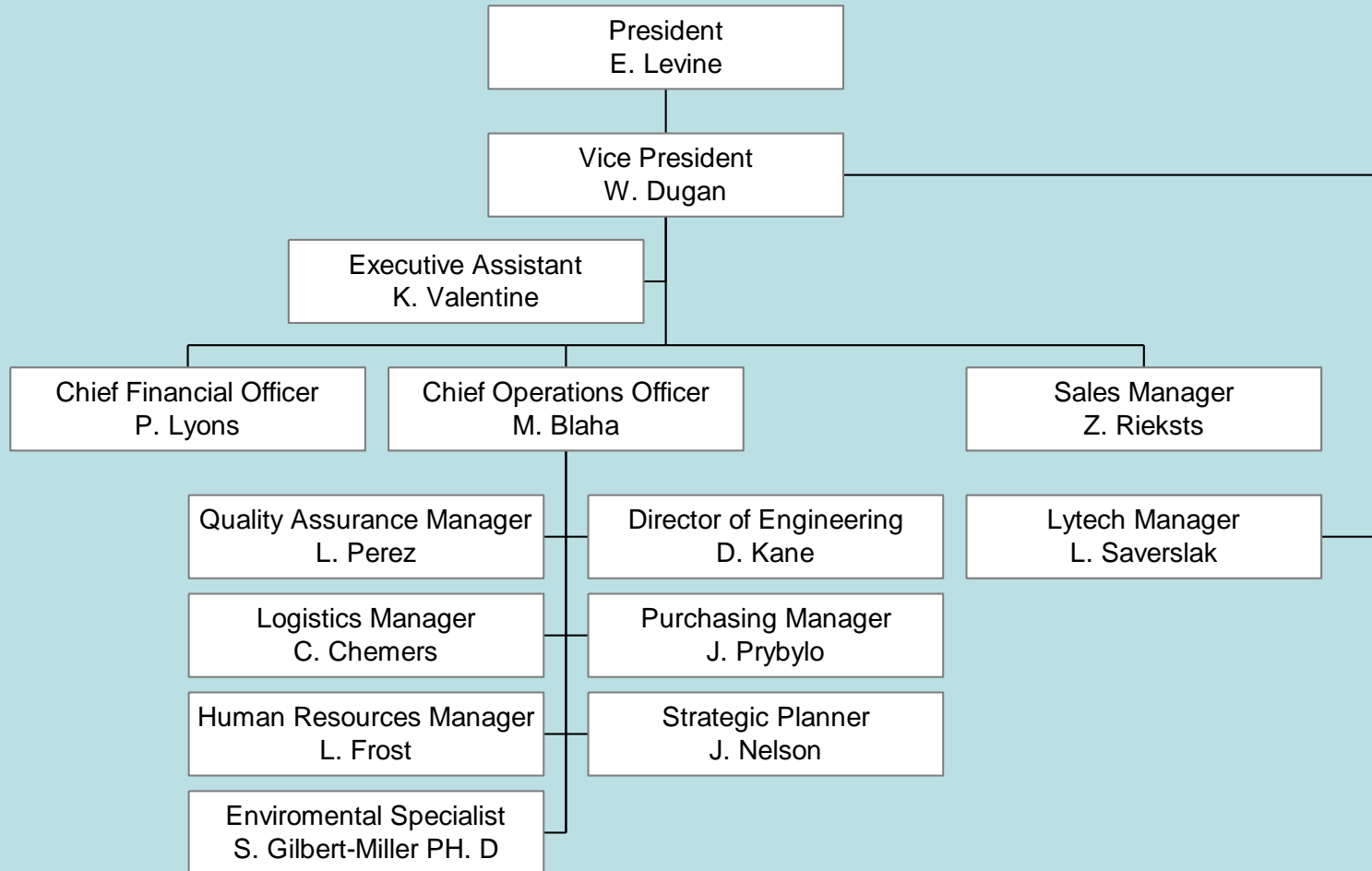
# Functional vs. Horizontal Organization

- Most organizations are managed functionally by department:

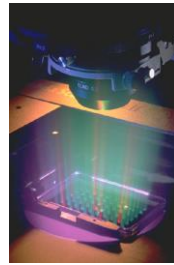




# FUNCTIONAL ORGANIZATION CHART





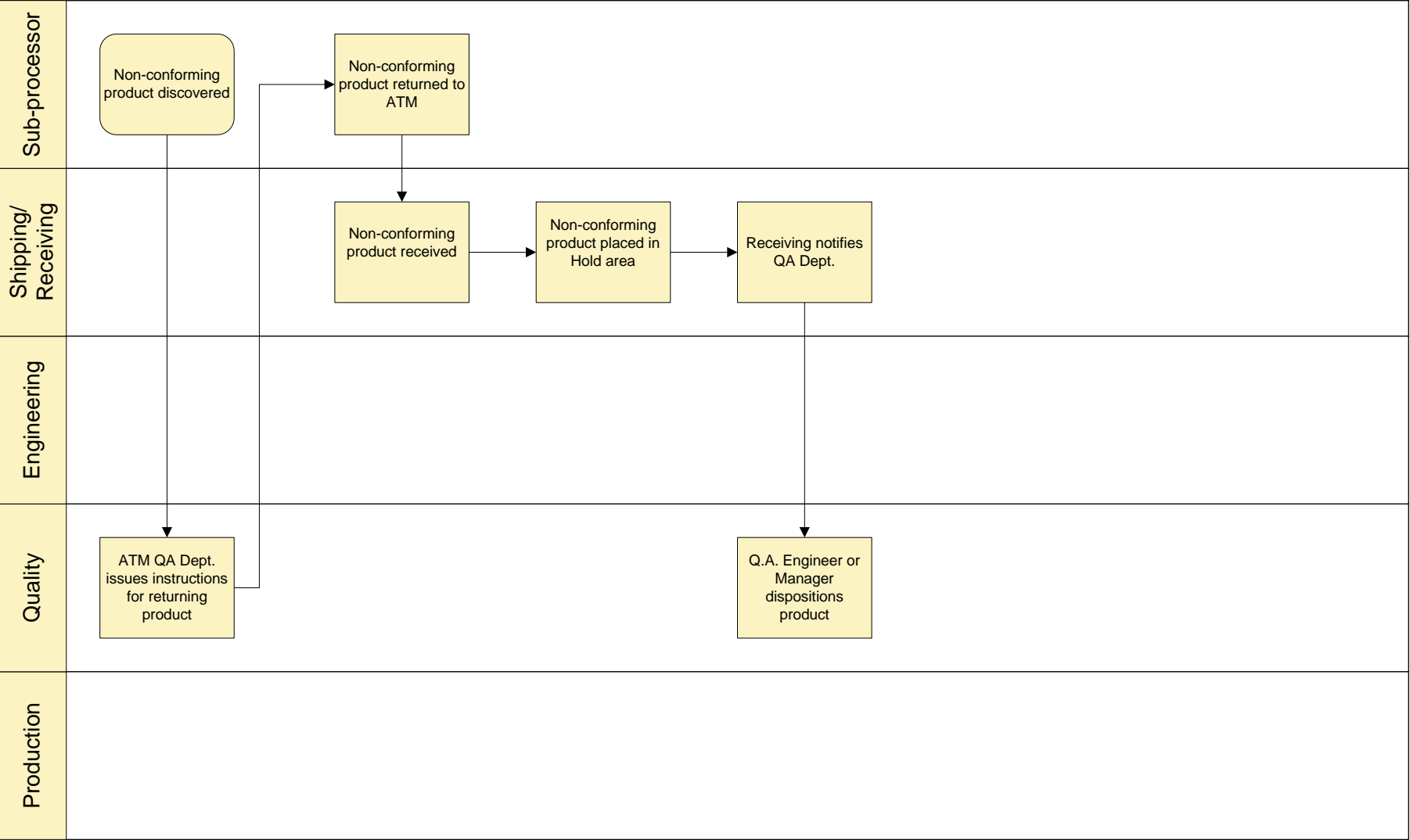


- The functional organization is most efficient for managing employees and directing workflow within a department.
- Based on the principal of specialization—it promotes the best performance by individuals within a department.



- Major processes often require the involvement and cooperation of more than one department.
- The functional organization is not most efficient for managing processes and communications outside a department (e.g., functional silo).

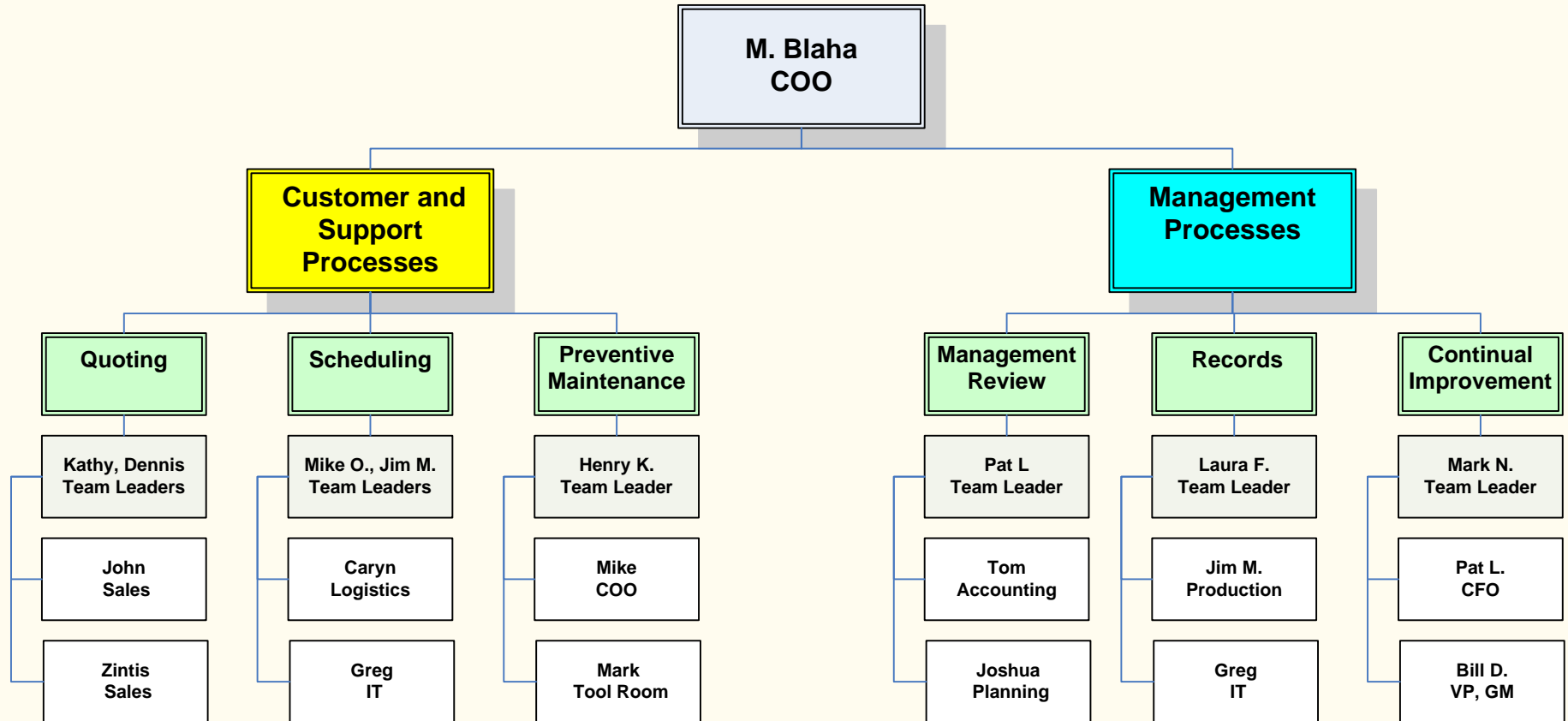
QOP 413-01 Nonconforming Product Discovered at a Sub-processing Supplier/Return Goods



# Horizontal Organization is Needed to Manage Processes

- Organized by processes.
- Consists of multi-functional process teams.
- Report to Operations Manager.
- Process Team Leaders are responsible for processes in the same way that department managers are responsible for a department.

# HORIZONTAL ORGANIZATION CHART



# Team Approach

*WSWT* is a best-practices, management system for managing the horizontal organization.



# Team Approach



- Process teams are the principal means for improving our operational effectiveness.
- The process approach defines an organization in terms of its processes and attempts to improve an organization by managing those processes.



# Visibility

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- In order to effectively manage and audit processes, they need to be visible to the stakeholders.
- Stakeholders include top management, process teams, 1st party internal auditors, customers through 2nd, and 3rd party auditors or CBs, etc. You can't manage what you can't see.





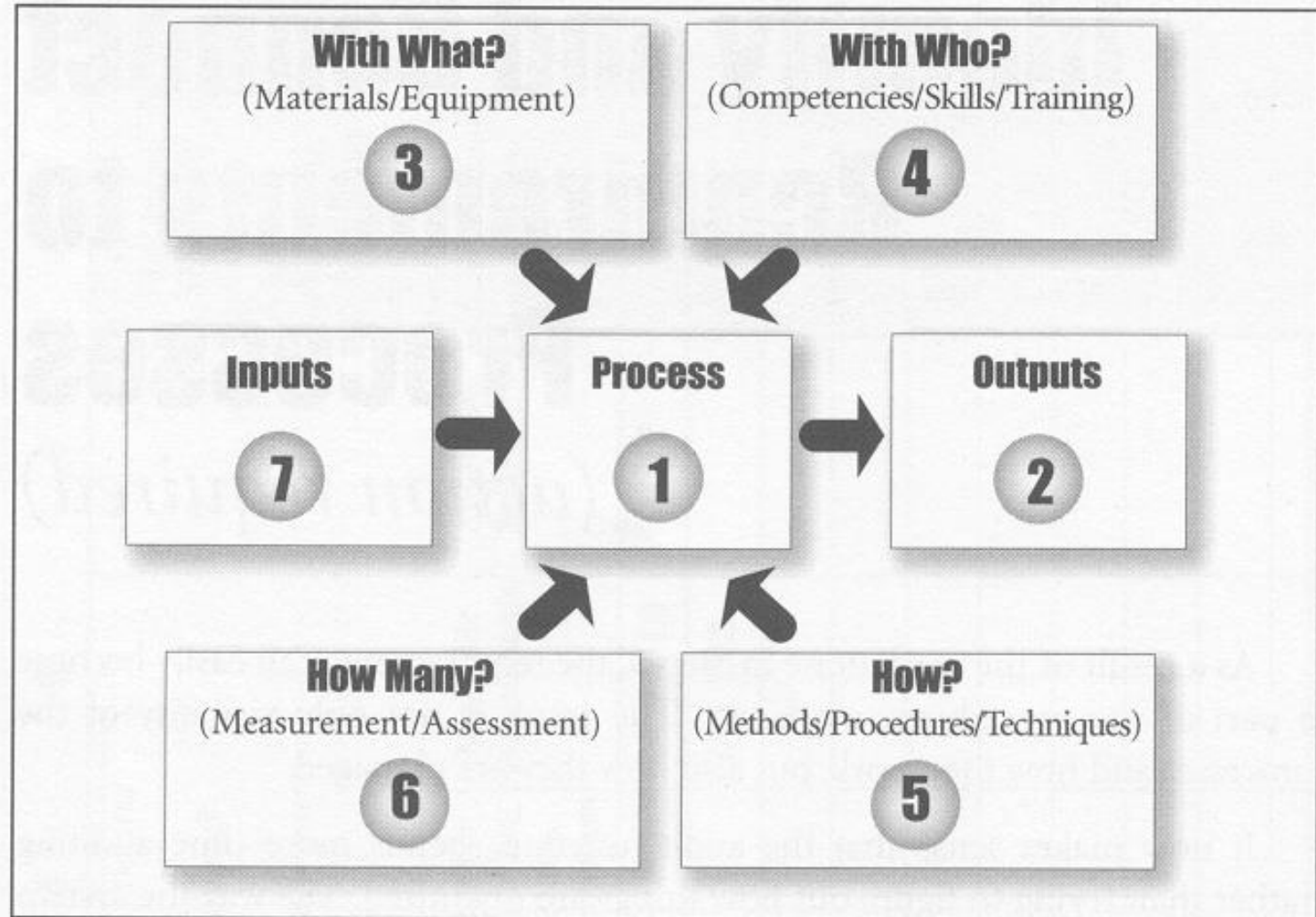
## Visibility (cont.)

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- A process is made visible through direct observation of the activities as they occur, Level 2 QOPs, Level 3 work instructions, diagrams such as we have already looked at today, and process flow charts.

The turtle diagram is the most commonly accepted tool for defining and communicating individual processes.

**Figure 16 — The Turtle Analytic Tool**



Slide Courtesy of QSU Publishing Company

# The "Turtle"

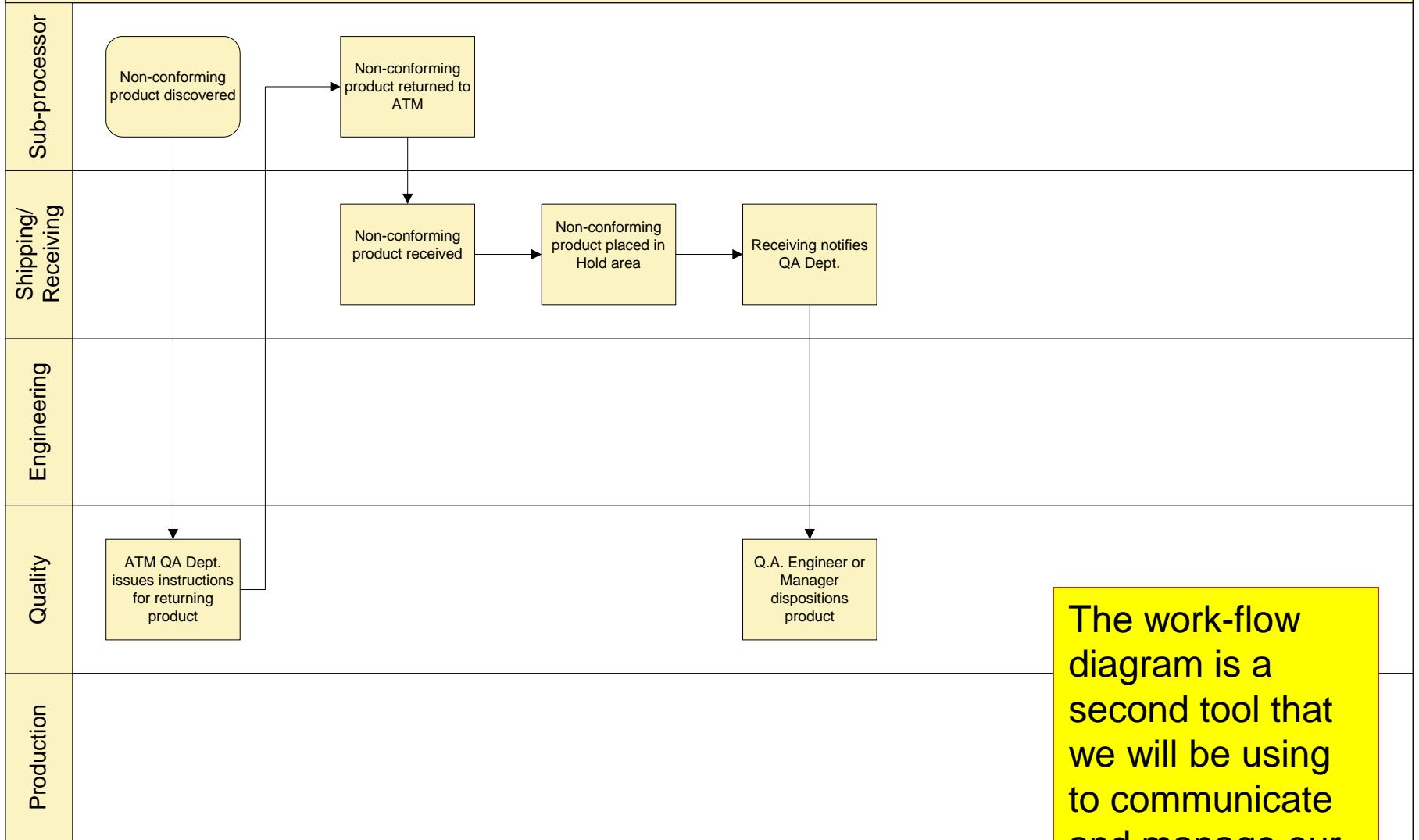


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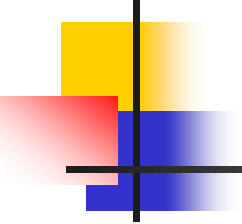
The work-flow diagram is a second tool that we will be using to communicate and manage our processes.

# The process teams are responsible for ensuring that their processes...

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- Are in place and adequate to support COPs or other support processes and
- Are adequate to mitigate risk.



- 
- The following sets of questions provide a helpful foundation for establishing the need for and adequacy of processes:





# Need

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- Does the process support a COP and/or another support process?
- Does the process mitigate any current or potential risk?



# Adequacy

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- What is the customer requirement (input) (includes both internal and external customers)?
- What must be delivered to the customer (output) with respect to both internal and external customers?
- Who will be involved in the process? What are their needs with respect to training, knowledge, and skills?

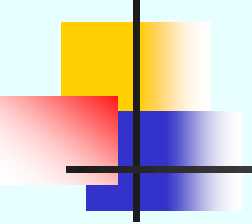




# Adequacy (cont.)

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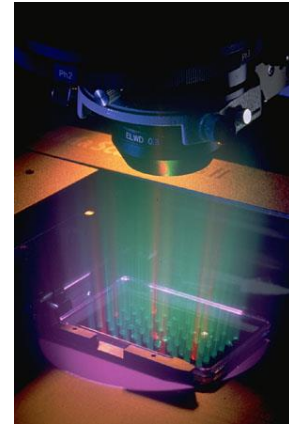
- What technology is needed to support the process?
- What equipment, infrastructure, etc. is needed?
- How will the details of activities be communicated? What instructions, procedures, and methods/tools are needed?
- What will be measured and how will it be measured? What are the performance indicators?

- 
- 
- The process teams are also responsible for dealing with issues and improving their processes.

# Business Improvement Possibilities Checklist

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- Eliminate duplicate activities
- Combine related activities
- Eliminate multiple reviews and approvals
- Eliminate inspections
- Simplify processes
- Reduce batch sizes





# Business Improvement Possibilities Checklist (cont.)

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- Process in parallel
- Implement demand pull
- Outsource inefficient activities
- Eliminate movement of work
- Organize multifunctional teams
- Design cellular workplaces



# Business Improvement Possibilities Checklist (cont.)

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- Centralize/decentralize
- Improve execution:
  - a. Worker training and education
  - b. Improve process checklists
  - c. Better communication
  - d. Better equipment
  - e. Resolve issues

# Key Understanding

All organizations that wish to supply goods or services to the [automotive] industry must understand and live by two key concepts:

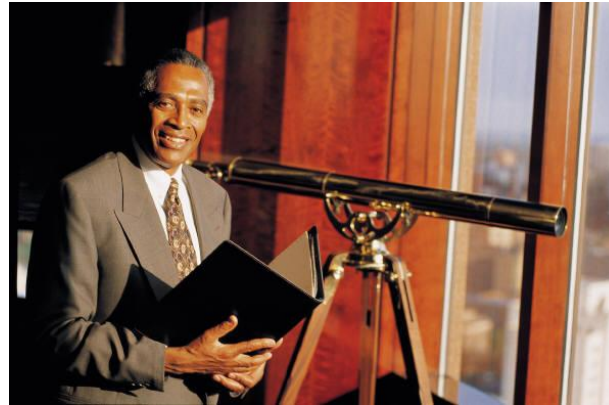
1. Line of sight.
2. Product realization.



# Line of Sight

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- Keep the customer need, wants, requirements, and expectations, both internal and external, in view at all times.



# Product Realization

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- The [automotive OEMs] care first and foremost about the product coming out of their supplier organizations.







# Process Review Workshops

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- The WSWT management system is based on a periodic cycle (usually monthly) with the **Monthly Process Review Workshop** being the centerpiece of our continuous improvement process.
- Provides a forum for Process Teams to review processes.

# Monthly Workshop Agenda



1. Review past month's performance
2. Resolve issues
3. Consider process improvement possibilities
4. Establish benchmarks and set goals
5. Keep documentation current
6. Make assignments

# Blueprint for a Performance Culture Steps to Implementation

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# Step 1: Set the stage for process change

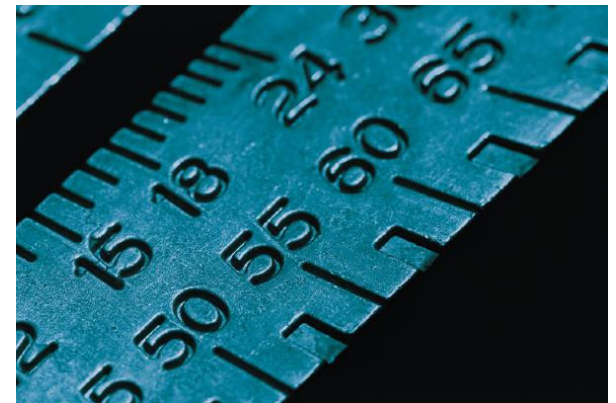
- Communicate Management commitment
- Create teams
- Provide training for team leaders



## Step 2: Select candidate product or processes for improvement

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- Identify known problem areas that require immediate action.
- Find and review industry best-practices (state-of-the-practice change-oriented systems)
- Benchmark industry process improvement opportunities.





- Set priorities. Determine which improvements present the most serious competitive problem or offer the most significant opportunity for business survival or improvement.
- Identify performance measuring points (e.g., defects per million parts, cost targets, market share, or profit goals).

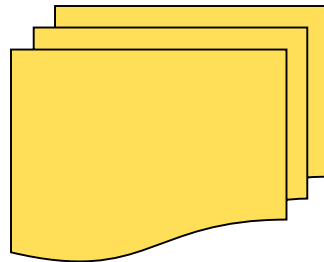
***"That which is measured gets managed."***

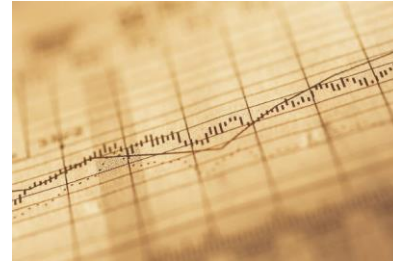
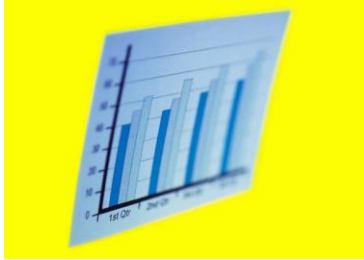
# Step 3: Understand and map the process



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- Define who the customer is
- Determine customer's needs and requirements
- Document how the process is currently performed





- Determine the type of change that is required
- Identify measures of process improvement
- Set goals (e.g., defects per million parts, cost targets, market share, or profit goals).





# Step 4: Standardize (institutionalize) the process

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- Document how the process will be performed
- Communicate and train personnel
- Set up standards for measuring performance
- Set up data-collection and reporting systems



# Step 5: Change the process

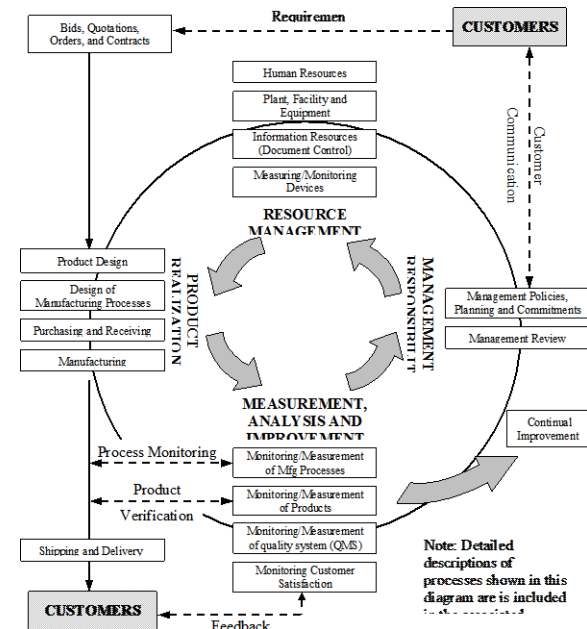
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- Optimize the process (monthly process team meetings)



# Step 6: Continue to improve the process

- Utilize the PDCA (Plan-Do-Check-Act) cycle to improve the process (monthly process team meetings)



# Step 7: Assess process improvement performance

- Document improved performance.



***"That which is measured is improved."***

# Summary of Steps to Implementation



1. Identify the major processes.
2. Create teams and train leaders.
3. Select candidate product or processes for improvement.
4. Understand and map the processes.
5. Standardize (institutionalize) the processes:
  - a. Document how they will be performed,
  - b. Train personnel,
  - c. Set up standards for measuring performance,
  - d. Set up data-collection and reporting systems.
6. Optimize the processes (monthly process team meetings).
7. Continue to improve the processes (PDCA cycle, again through monthly process team meetings).
8. Assess and document process improvement performance.



# WSWT Timeline

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- Date-Milestone
- Date-Milestone
- Date-Milestone
- Date-Milestone
- Date-Milestone
- Date-Milestone

## Contact Us

*We welcome the opportunity to discuss your business needs and invite you to contact us today for a confidential interview...*

Joshua Nelson, Managing Member  
Nelson Business Financial Consultants  
103 N. Sumac Ave., Waukegan, IL 60085-4664

[www.nelsonbusiness.com](http://www.nelsonbusiness.com)

Phone/Fax: 847-662-6991

[jnelson@nelsonbusiness.com](mailto:jnelson@nelsonbusiness.com)