

Your Process Improvement Program – Is the Organization Ready for Change?

By David Herron

The benefits of a sustained Software Process Improvement program are well documented. A successful software process improvement program can result in improvements in performance efficiency, on time delivery of software and higher quality deliverables. There have been numerous accounts of companies achieving the benefits that come with advancing to higher levels of maturity with the Software Engineering Institute's CMMI[®] framework or initiating a Six Sigma program for higher quality. There are of course numerous other process improvement models such as CobIT and ITIL all of which can result in similar success stories. But the hard reality of some improvement programs is that they can and do fail.

Interestingly enough the causes of failure are surprisingly consistent among the various cases we have observed. Therefore, it is reasonable to suggest that the causes of failure are definable and the knowledge gained can be used to predict potential risks of failure, or perhaps more importantly, avoid future failures. For the organization that is about to embark on a process improvement journey or for the organization that is currently struggling with their process improvement initiative, the insights gained from past experiences can prove to be of great value. By increasing the overall level of organizational awareness with regard to the pitfalls one may encounter an organization can assess their current culture and evaluate the potential for success or failure. The top performing organizations that are successful at initiating change are not afraid to execute bold initiatives, are not fearful of making mistakes and have learned that the road to success is often littered with a few failures along the way.

This article will highlight the six key risk factors that can contribute to the success of a process improvement program.

1) Two Levels of Management Support

It is common knowledge that if senior management isn't engaged in the process improvement program it most likely will not have a long shelf life. Assuming that you have management buy in then the key point is to recognize that being engaged in this instance means more than simply providing the resources necessary to execute the improvement initiative. Being engaged means being aware of what the resulting improvements will yield relative to benefits to the organization. Their expectations need to be properly aligned with all aspects of the program. They need to model the change; 'walk the talk'.

Interestingly enough, even more important than upper managements buy in is the critical role that the middle tier of management plays in a process improvement initiative. Typically middle management is assigned the responsibility for executing the program initiatives and action items. To the extent that this person becomes the 'face' of the program it is essential that they are highly regarded and respected throughout the organization.

2) Proper Funding

A process improvement initiative needs to have the proper resources available in order to be successful. Obviously the budget needs to support the current operating plan for the improvement program. However, it must be understood that this is not a one time budgeting event. Process improvement takes time and there needs to be sustained funding over a period of years. Many organizations make the mistake of not properly setting expectations with regard to what will be required in order to sustain the initiative. Usually in the second or third year of the program the budget comes under greater scrutiny and often times dollars are cut back so severely as to significantly impact the program and its chances for success.

The best way to prevent this dynamic from occurring is to take a pro active position by creating a multi-year budget right from the start. It is best to determine what the budgetary needs will be over an extended period of time and to then make the case for the total dollar amount to be budgeted. If the organization isn't willing to accept this approach then they may not have the appetite for process improvement over the long haul.

Secondly, plan for a discretionary level of funding. Process improvement is a big project and big projects have a way of incurring expenses that weren't initially planned for. Be prepared.

3) Setting and Managing Expectations

Properly setting expectations is one of the single most important factors having the greatest impact on the success of a process improvement initiative. Setting expectations covers the usual categories of what's it going to cost, how long is it going to take and what the benefits will be. Since this is an initiative that is quite possibly going to affect many parts of the organization it is important to address the costs and benefits and the impact to each of the business units likely to be impacted by the improvement program. Organizational education and awareness is the key. Frequent 'all hands' sessions as well as small group sessions directed at informing people about the progress and the anticipated benefits of the program is essential.

4) It's About the People

Process improvement is about change and change affects people. Depending on the resources available, a process improvement initiative may require people to shift their priorities. Individuals may be assigned process improvement tasks taking them away from some of the more challenging and interesting business plan projects. Similarly, as priorities shift business partners will require a cooperative attitude. There is likely going to be resistance and being prepared to manage that resistance is key.

It is important to involve people in the process of change. Allow them to contribute to the redesigning of procedures. By making them a part of the change they will more naturally accept those changes and there will be less effort required in the future on 'selling' them on the new solutions.

5) Communicate, Communicate, Communicate

Effective communication, up, down and sideways, is essential for any strategic program to be successful. Effective communication can begin with the creation of a detailed communication plan. It is important that communication includes all levels of the organization. Depending upon the audience, different operating units are going to have different interests in the progress and outcomes of the program. Make sure they are addressed

Remember that process improvement programs result in change and change affects people. Part of the communications plan needs to address how this is going to impact individuals as well as the impact on the organization and the business. In the communication plan consideration should be given to providing a forum whereby people can express their views, concerns and ask questions.

6) Measurement is Key

The ability to quantitatively measure and monitor progress throughout the program will improve your ability to manage the initiative as well as to properly set and manage expectations. The key question here is obviously – what should be measured. Assuming that the organization is seeking performance improvement in the three main areas of lower cost, shorter delivery timeframes and increased quality, the key is to demonstrate progress in those areas in a way that is meaningful to the business. The best place to start is by creating a baseline of current levels of performance. This will serve as your basis for comparison.

The other primary consideration is to make sure that everyone understands that the program will not yield benefits on day one. It is more likely that it will be 12 – 18 months before the first measurable progress is realized. That's why, as noted above, it is important to properly set expectations.

While waiting for tangible benefits to be realized there is still an opportunity to measure aspects of the process improvement program in its early stages. Marking progress relative to the completion of new procedures, training of staff personnel and monitoring compliance to new development practices are all signs of progress leading towards planned improvements.

As you examine these various risk factors how does your organization measure up? Is the organization ready to move forward with the planned process improvement initiative? If your current program has stalled can you identify one or more of the attributes above as the potential cause?

Will you have the ongoing support of management? Often times the political climate creates an undercurrent that adversely impacts these types of initiatives. Management may publicly be saying 'yes' to the initiative but the follow up and necessary execution may be lacking. Management dynamics usually have some history in an organization. If there is past history of the management team not 'playing nice' together then that will probably continue and not bode well for future initiatives.

Will the monies be available year after year to sustain the program? By setting management's expectation with regard to the total planned expenditure for the initiative you are positioning the program for the long haul. All too often programs have died in the

second or third year after a sizable initial investment has been made and just before the major benefits of the program can be realized. It must be fully understood (and often repeated) that the return on investment is a multi-year event.

Managing expectations and effective communication is a constant activity. Make sure that everyone understands what the program is all about. As time goes on the initial enthusiasm for the program will tend to diminish. When this happens it is easy to lose support and for budget dollars to be siphoned off into other initiatives.

Remember, it is about the people. If the people are not fully engaged then the program will sputter and most likely stall. Most individuals do not like change; however, if you make them part of the process of change they will feel empowered and more in control of their future. Naturally there will still be those that resist the inevitable outcomes. Just remember, it is important that everyone has a voice.

Last but certainly not least is the issue of measurement. You can't manage what you don't measure. If the organization has a history of measurement as a common practice then that will serve you well. If measurement is a foreign concept to the organization then it will most likely be a bit more difficult to get a measurement program established and properly used.