

IT Metrics and Productivity e-Newsletter Article Series:  
**Getting Performance From Process Improvement**

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**Article 1: In Search of the Missing Link Between Process and Performance**

Organizations spend hundreds of thousands and even millions of dollars on improving their processes in the belief that doing so will result in organizational business performance improvement. Many organizations end up disappointed with the results of such pursuits. This series of three articles addresses the connections, both tenuous and solid, between process improvement and performance improvement.

This first article explores some of the possible causes as to how the link between process and performance has become more myth than fact, more correlation than causation, and how unsubstantiated claims can seduce leaders to blindly invest in process improvement. It also addresses the clear, tangible relationships between process improvement and organizational performance, especially in IT/IS organizations. The second article explores the activities that are often considered to be “process improvement,” and how those activities and their results relate to and effect (or don’t) business performance improvement. The third and final article in this series provides you with information on how to begin identifying the relationships between process and performance improvement.

There are a number of reasons process improvement has become disconnected from business performance. First, process improvement as business activity enjoys the same “cool thing to be doing,” faddish popularity among business executives as does twittering, facebooking, i-podding, etc. among people within certain demographic slices of society. The executive’s thought process is: “If all my competitors are doing process improvement, or if the other players in my industry are doing process improvement, then I sure don’t want to be caught not doing it.” I may not know what it means to improve processes, I may not know how much it costs, and I may not know how it will benefit my organization, but others are doing it so it must be good.

Another reason for the observable disconnect between process improvement and performance improvement is what has become almost a religion of process models and standards, and the belief system that accompanies indicators of an organization’s compliance or use of a model or standard. Instead of doing the hard work of correlating real process improvement with real performance improvement, it’s much easier for leaders to just “take the test and get the grade” (e.g., a CMMI maturity level rating or ISO registration). Does achieving a CMMI maturity level mean that your organization outperforms organizations that don’t have a maturity level? Maybe, maybe not, but no one is going to bother to apply the scrutiny of critical thinking or math to find out. Who needs to run to ground the facts or measures of organizational performance when you can have embossed coffee mugs, banners, and badge lanyards that claim a CMMI maturity level?

This prevalent perception in the “truth” of CMMI maturity levels or ISO registrations is symptomatic of a larger, more systemic problem in our business culture: the dumbing down of measures. Leaders of many products, projects, and services simply can’t be bothered looking at numbers, measures, or their analysis; leaders want the ease and convenience of red-yellow-green stoplight charts that can mean

anything the sender or receiver want them to mean. The notable exception is some IT/IS organizations that must justify (mathematically) their mere existence almost on a regular base.

And if the aforementioned problems haven't forever killed all traces of linkage between process improvement and business performance, there is at least one more toxin to finish the job. Somehow these days, correlation proves causation ... we improved our processes and then some time later our business performance improved, so certainly the former must have caused the latter. (In his book, [How We Know What Isn't So: The Fallability of Human Reason in Everyday Life](#), Thomas Gilovich does a good job of describing the phenomenon and the reasons behind why humans are prone to attributing to causation that which is merely correlation, and often not even that.)

If you're business is belief and hope – you lead a religion or a church – then more fervent belief and increased hope is improved performance. However, many of us operate in organizations in which simply believing or hoping our organization's performance will improve doesn't make it so, and we need to understand the fact-based relationships between our process improvement work and the resulting changes in business performance.

Improving your processes can improve business performance, but it takes a bit more work than writing processes and procedures that closely resemble a model or standard that is currently vogue. Improving defined processes can positively affect how they are performed which, in turn, can positively affect business performance dimensions such as throughput, efficiency, efficacy, and product quality. The next two articles in this series will lead you through some simple thought processes for reestablishing the connection between process improvement and performance improvement in your organization.