

1. Involvement of Top Management

The first person responsible for improvement of a society is its leader. In similar lines, the first person responsible for the success or failure of an organisation is its Leader. In some organisations, the leader delegates most of his responsibilities and takes the burden of improving the company and its processes constantly. They set themselves a target of taking the organisation into future.

In many instance, organisational improvement activities are delegated to the second line leaders or the managers. Top Management becomes too busy to improve their organisation. They come for reviews and only look into the results.

When the Top Management is involved in the process of change, then we can expect a serious support and a long term commitment in the organisation. Hence, the higher order methodologies or the methodologies that require cultural change could be effectively adopted. Kaizen, Lean, TMS are on the right extreme indicating that they are strategic changes.

ISO, Six Sigma, TQM to certain extent, BPR are on the left half of this scale – indicating that these tools can be effectively deployed with limited support from Top Management. A successful wave of Six Sigma projects can be completed with very limited involvement of Top Management. But every methodology needs the support of Top for sustenance.

2. Complexity in implementation

There are some methodologies that require more time to install. They might require a change in the way the business is done including changes in the process and in the culture.

They require specific set of skills like engineering, statistics, people management etc. Methodologies like TMS (TPS), Lean, Kaizen would require a seasoned and experience guide – called sensei, Six Sigma would require a Master Black Belt or a Black Belt to lead the projects. These methodologies are effective only when people understand their philosophies.

DoE, DFx, BPR require many changes in the processes that might require investment of money and time. TPM needs the involvement of middle level managers and people have to go through rigorous on the job training and coaching by the Consultant to produce results. The complexity increases as the time progresses.

3. Business Impact of results

This is a simple metric of how much money could be saved/earned because of the change in an intermediate term of 3 to 5 years. In a small and medium sized company, that is owner-driven, we can expect a significant business impact while implementing the ISO system. But, we cannot see the same level of business impact in a fairly evolved organisation.

Methodology Matrix – Top Management Involvement Vs Business Impact of Results Vs Complexity of the Methodology.

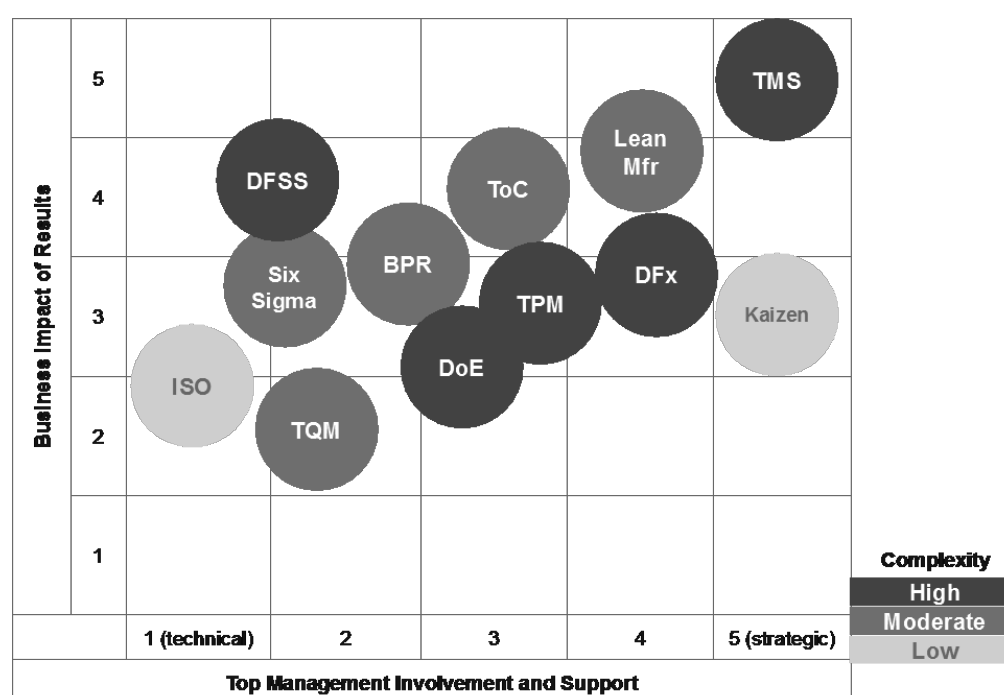


Image 76: Methodology Matrix – Top Management Involvement Vs Business Impact of Results Vs Complexity of the Methodology

4. Business Pain area

It is always advisable to start improvement initiative at the business pain areas. As we have seen earlier, the bottleneck is the convergence point of owner's pain, managers' pain and the workers' pain. Hence, we will get the buy-in from all the people in the organisation.

Either one of the process steps could be the pain area or any of the indicator would be a major pain area of the business.

Here, I consider any point that stops the organisation to reach its fullest potential as bottleneck.

5. Product Lifecycle stage

Both tangible and intangible products go through these 5 lifecycle stages –

1. New Product Development
2. Service Planning / Manufacturing Planning & Development
3. Product Launch
4. Product getting commoditised as market becomes competitive
5. Product discontinuation / End of Lifecycle

The tools that work wonders in New Product Development stage cannot be utilised during the commercial scale operations. TMS and Kaizen could be used across the life cycle stages.

Six Sigma, ToC and BPR are effective only when we have pre-established processes. Similarly, the concepts of Lean Manufacturing cannot be convincingly incorporated in Product Development Process. We need to work on Design for Lean (combination of Design for Manufacture, Design for Assembly and Value Analysis & Value Engineering).

At the end of lifecycle stage, it is highly advisable to start with Kaizen initiatives, as it might require a lesser investment of effort and money.

6. People Involvement

We improve a process by incorporating some changes. In that sense, all the improvements are changes. The people involvement measures

- a. Willingness of workforce & middle management in change – that encourages everyone in the organisation to participate
- b. Capability of people – that measures the learning culture of organisation and
- c. Need for specific high-end skill set (like BPR, DoE)

If the organisation is having a limited exposure to problem solving, cross functional team activities and people development, it is better to take up highly structured methodologies like ISO, Six Sigma or BPR. Once, we get an initial success, more people will support the changes.