Systems dynamics of broad-based improvement activities

OVERALL IMPEDIMENTS TO PROGRESS:

- Stakeholders unable to reach meaningful agreements on commitments to pursue improvements; institutionalized resistance to change
- Duplication of efforts and redundant practices that are tolerated due to lack of trust, inability to shape project outcomes, or short-term optimizations
- Lack of adequate definition of requirements for solutions, or clear understanding of what can actually be achieved
- Improvement plans not adequately funded, planned, or managed as business investments
- Hostile environment for improvements: incompatible accounting systems; legacy company cultures; disconnected, disregarded, or ad-hoc processes; unaligned priorities; inconsistent work rules; accumulated project technical debt within target application areas which delays ability to exploit benefits
- Inadequate measures of effectiveness that are disconnected from benefits, or not allocated to affected process and value-stream execution elements

(CONSTRAINTS)

- Not invented here attitudes
- Lack of awareness about alternative approaches
- Overly optimistic assessments of current state
- Unrealistic expectations about benefits or schedules
- Short-term perspectives
- Volatile definition of scope

IMPROVEMENT STRATEGIES:

- Organizational alignment to values and goals
- Grass-roots engagement & motivation of passionate change agents
- Elimination of waste with a focus on adding value
- The simplification of systems
- Continuous improvement as a way of life
- Partnership with functions, programs, and businesses
- Ability to relocate work easily, and balance capacity and demand across sites
- Courageous management leadership
- Evidence-based decision-making and accountability
- A commitment to balanced and healthy work environments.

The need for EFFECTIVE REQUIREMENTS and CONFIGURATION MANAGEMENT

The need for RAPID AND ACTIONABLE PLANNING

The need for FLEXIBILITY in approaches

The need for ACCURACY and PRECISION in assessments and root cause analyses

"EMBRACING THE OPPORTUNITIES"

The need to ADDRESS COMPLEXITY ('simplify the systems')

The desire to implement MAJOR INITIATIVES

The need to ACCURATELY EVALUATE benefits of different options for addressing these gaps

The need to CLEARLY PRIORITIZE and DOCUMENT THE GAPs between present & desired future states

"ADAPT OR DIE"

The need to support UNPRECEDENTED BUSINESS AREAS

The need to successfully GROW THE BUSINESS

The need to REBALANCE allocations between MAKING IMPROVEMENTS and EXECUTION within a fixed resource pool

Accidental adversaries

The need to ACCELERATE GAP CLOSURE from the present states to the required future states

CONSTRAINTS:

- Pressure for earlier delivery of new capabilities is high and increasing
- The complexity of new systems is increasing, often moving into unprecedented areas
- There is pressure to 'move up the value chain' to pursue larger (but fewer) business opportunities
- There is cost pressure in all our business contexts, driving new business relationships and higher expectations for performance and benchmarking.

The need to EFFECTIVELY DIAGNOSE EXISTING SITUATIONS and BEHAVIORS and IMPLEMENT BETTER WAYS to do the work

REALIZING THE IMPROVEMENTS

DELAY

The need to REALLOCATE RESOURCES quickly and easily

The probability of SUCCESSFULLY EXECUTING DELIVERY COMMITMENTS

"HONORING THE COMMITMENTS"

The need for adoption of STANDARDIZED APPROACHES for planning and execution

GOALS:

- Decreasing lead-time, cycle-time, inventory and waste
- Increasing productivity, return on assets

The need to increase SHAREHOLDER RETURN

The need for a quickly adaptable BUSINESS STRATEGY

The need to ALIGN AND EMPOWER PEOPLE for commitment to the causes

The need for SPECIFIC, EFFECTIVE, and INTEGRATED PRACTICES

Growth and underinvestment

The capability & capacity to DEVELOP, INTEGRATE, DEPLOY, and UTILIZE effective new practices quickly and reliably

Tragedy of the commons

The probability of SUCCESSFULLY IMPLEMENTING IMPROVEMENT INITIATIVES

"THRIVING AS A GLOBAL COMPANY"

VULNERABILITY TO SUDDEN CHANGES In THE WORLD'S ECONOMY)

CONSTRAINTS:

- Incentivized competition across sites
- Rewarding 'faking the numbers'
- Bureaucratic despondency, driven by cumbersome systems that have reinforced cynicism and discouraged accountability
- Oversubscription of existing resources

The amount of COMPETITION IN THE MARKETPLACE

The need to SHARE KNOWLEDGE and LEARNING

The need for TRUST and TRANSPARENCY

The need to ADJUST TO A DYNAMICALLY CHANGING INDUSTRY

The need for EFFECTIVE MITIGATION OF RISKS

The need for an effective WORKFORCE COMPETENCY training program

The need to ATTRACT AND RETAIN TALENT

The need to ALIGN PERFORMANCE MEASURES WITH BUSINESS TARGETS

The need for RELIABLE ESTIMATES of OUTCOMES

CONSTRAINTS:

- Bidding to win vs bidding to execute
- Short vs long-term rewards
- Lack of accurate, uniform, credible, trusted, and accessible data on historically achievable outcomes

BASIC NARRATIVE:

An uncertain marketplace and pressure for increased performance require unprecedented levels of adaptability, disciplined execution, cooperation, and proactive elimination of waste to achieve emerging company business goals. This will require greater focus on assessment, planning, value stream optimization, and more effective engagement of the passion, ingenuity, and capabilities of all stakeholders.

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