

PRODUCTIVITY GAINS ARE UNIQUE TO YOU

HOW WELL DO YOUR COST SAVINGS INITIATIVES FIT YOUR ORGANIZATION?

THE IMPORTANCE OF IDENTIFYING MATURITY LEVEL

A critical component of any process improvement effort is recognition that one size does not fit all. Applying process improvement to an organization that has been through lean transformations and utilizes balanced scorecards is vastly different from process improvement at an organization that is relatively new to process improvement efforts. It is likely that most organizations are somewhere in the middle. Understanding your organization's maturity level and tailoring your process improvement efforts accordingly is critical to your program's success. If you haven't learned to crawl, attempting to run is likely to result in tremendous frustration and little success.

WHAT PROCESS IMPROVEMENT MATURITY LEVEL IS YOUR ORGANIZATION?

There are several critical areas to evaluate to determine the process improvement maturity level of your group or organization. For some of the critical areas you may rank yourself at a high maturity level and moderate for others. The key is to consider these factors, understand how they will impact your process improvement efforts, tailor your program to address these items, and manage your expectations accordingly.

PPI has identified 7 critical Maturity Areas; Leadership, Governance, Standard Operating Procedures, Risks/Controls, Performance Metrics, IT, and Training. For each Maturity Area, your organization can be evaluated as Maturity Level I, II, or III.



Let's review a sample of these maturity areas to help you gain some perspective on your organization's level of process improvement maturity. Most organizations have some process documentation. A Level I organization has documented a high level SIPOC (Supplier – Input – Process – Output – Customer) and high level process flows. A Level II organization has also documented 80% of the work flow details for critical processes and identified upstream and downstream impacts of process changes. A Level III organization has also documented step by step work instructions and uses SOPs to troubleshoot problems and as a key component for corrective and preventive actions.

Consider, where does your organization fall within this paradigm? In terms of Standard Operating Procedures, what maturity level would you give your organization?

Let's consider another Maturity Area, Performance Metrics. A Level I organization has an inventory of current metrics and has started to identify gaps in metrics to achieving desired results. At Level II maturity the organization has also identified proactive and reactive metrics and prioritized the measurements based on business impact. A Level III organization utilizes measures to evaluate performance and drive behavior and analyzes the measures to make decisions based on statistical results.

The maturity of Governance Framework is something to be considered as well. A Level I organization would have identified potential business/IT relationship managers. A Level II organization has assigned business/IT relationship managers to focus on achieving business value from IT and involved IT architects in business unit projects to facilitate effective use of shared infrastructure. A Level III organization has a defined IT architecture, developed a framework for managing competing projects, instituted a review process to look for synergies and trends across operating units, and developed a chargeback system to help business unit leaders see the value of shared services.

WHY DOES MATURITY LEVEL MATTER?

The goal of your process improvement efforts should involve moving higher on the maturity spectrum. If you are evaluating your group as a high level I maturity and have just stated to identify gaps in current metrics to achieve desired results, jumping to a Level III and utilizing performance measures to evaluate performance and drive behavior would not be effective. Once you identify where you are on the maturity framework you are able to determine appropriate and achievable goals for your organization.