Are You Ready for Performance and Measurement Improvement?

QAI Journal Jul-09 Readiness for PI v1-1.doc – 06-15-2009

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Abstract

Many IT performance improvement programs fail to produce the improvement results promised. There are various reasons as to why these failures occur. In his Readiness for Performance Improvement Model, Dr. Larry Dribin suggests that these failures may be due to the organization NOT being ready for an improvement program. Larry believes that the organization must get ready for the improvement program improvement program before the program can succeed. A Readiness Assessment Quick Survey is also shown that you can take to assess how ready your organization is for performance improvement.

The Performance Improvement Initiative

IT organizations, like most other organizations are constantly trying to improve their performance. They want to reduce costs; work faster; improve productivity and improve the quality of their products and services.

The Kick-Off – Rah, Rah, Rah!

You and I have all been there – a new performance improvement initiative is started. We just had the Kick-off meeting. The whole department was brought together for the presentations. First our VP spoke. Next a consultant gave a presentation showing that over 65% of projects fail and that our department was no different. Then we were shown a number of improvement work streams and told how good things were going to be – "Rah, Rah, Rah"!

The Improvement Work Streams Begin

We worked extra hours to do our regular jobs and participate on the work streams. We worked through lunch. New techniques were discussed. New Software Development Life Cycles (SDLC) process flows were developed. New templates were produced. Our department purchased new tools such as portfolio management tools; project management systems; code generators; or testing tools. We were reorganized and some staff was let go.

Later!

The "Rah, Rah, Rah" has faded. The consultants are gone. The work streams have ended. The new tools are sitting unused. So is new SDLC, the new templates and the new techniques. We are working harder than ever to keep up with fewer staff. We are also doing work the same way we did before the performance improvement initiative began. The improvement initiative had quietly failed.

What happened – What Went Wrong?

Was it management's fault? Was the program fully funded? Was it the QA group that wanted us to fill out the long complex new templates? Maybe we are not a process oriented organization.

Some performance improvement programs do make short term gains. Unfortunately, once the program ends, the organizations often revert back to their original ways of doing work. An example of this problem is the many organizations that used the Software Engineering Institute's Capability Maturity Model Integrated® (CMMI®) to improve performance, got to CMM®I Level 2, stayed at Level 2 for a while and then reverted back to Level 1.

Why do so few performance improvement programs succeed? Why is it so hard for IT organizations to improve? Why is it so hard for them to do things like: Unit Test their software or put a Quality Assurance group in place?

I read many articles, talked with other consults, industry gurus and professors and found many reasons for the lack of success such as:

1. Lack of management support and reorganizations
2. Insufficient funding
3. Lack of process and measurement improvement skills
4. Lack of a process orientation within the organization
5. Little in the way of process and measurement support tools
6. No urgent reason to improve
7. The areas being improved were not the area needing improvement
8. A rigid organization culture that discouraged risk takers and had poor communications

Although these reasons are important, I felt that the reasons listed above may not be the root cause of the failures, but symptoms of a deeper problem:

Performance improvement programs fail because the organizations were not ready for the program.

The Readiness Concept

Individuals and groups need to get ready before embarking on a challenging activity. An example is the American baseball team that gets ready during "spring" training before the baseball season begins. Runners are another example. They get ready by running hundreds of miles before they compete in a marathon. These examples and others imply that there is a need to get ready for a challenging activity before we can succeed at it.

Could it be that the same situation holds true for organizations embarking on a performance improvement program? Could it be that these performance improvement programs failed because the organizations were not ready for the improvement program?

A Readiness for Performance Improvement Model

I first learned about the readiness concept in the early 1990's. In the late 1990's, I led a research project to explore how to implement the Baan ERP package faster. We studied over twenty Baan implementations and found that organizations that were "ready" were able to implement the Baan package faster and more successfully than organizations that were not "ready". This research led to a Readiness Assessment for Baan. After the Year 2000, my research into readiness stopped.

Recently, as the economy began to falter, I felt that improvement programs would take on a new importance and I started looking at the readiness concept again. I updated my early readiness work and developed a Readiness for Performance Improvement Model with the following dimensions:

- Sponsorship
- Investment
- Process Skills
- Process Orientation
- Process and Measurement Support Capabilities
- Process Health
- Reason for Change
- Culture and Communications

Let's look at each of these dimensions in more detail.

Sponsorship

The Sponsorship Dimension is a measure of how well management understands and supports the improvement program. It also measures how personally involved management is in the program. Before an organization begins an improvement program its senior management must learn how to be good sponsors who believe in the program and it benefits. Their education includes:

- Presentations about the performance improvement from those within the organization
- Showing quick win results from successful small improvement efforts
- Reading articles and attending seminars and webinars about performance improvement
- Meetings with executives from other companies, vendors and clients who have led successful improvement programs
- Meetings with Industry experts who "coach" the executives on how to be a good sponsors

Investment

The Investment dimension is a measure of how well funded the program is. The improvement program needs to be adequately funded to succeed. Unfortunately, it is often hard to make a business case for performance improvement. To get adequate funding, senior management must be fully vested in the improvement program. They must understand and believe in the program before they will work to get funding for the program. If senior management does not understand the program or does not believe in the program, it will be underfunded.

I have found that it is better to start with a small well funded project and deliver quick wins than to start with a large organization wide project that tries to do too much and fails.

Process Skills

The Process Skills dimension is a measure of the availability of individuals in the organization with the following skills to lead the improvement efforts:

- **Process designers** – who are able to analyze the As-Is processes and design new operationally effective To-Be processes.
- **Measurement analysts** – who can analyze the measurement data, conduct experiments, understand the measurement results, identify trends and problems and explain the results to mangers and users of the process.
- **Organizational Change Managers** – who can assist in communicating the benefits of the improvement program and help change the behavior of individuals working in new roles.

These experts may be internal staff or external consultants. In either case, they must be brought in before the improvement program begins and must be available throughout the life of the program.

Most organizations do not have these skills on staff. Often, to save money they try to use individuals who are available but who lack the proper skills, usually with disastrous consequences.

- They select an administrator with good writing skills but no process design skills to design and document the new processes. This often results in complex processes that are difficult to use.
- They select an individual who knows MS/Excel but does not know software metrics to design and produce new measurement Score Cards. This often results in measures that are difficult to use, of little value and in the worst case reinforce the wrong behavior.

Process Orientation

The Process Orientation dimension is a measure of the organization's orientation toward a process view of work versus a functional view of work. It looks at how well processes are defined and how well the

management and staff understand, believe in and follow processes. If the organization does not have a good process orientation, performance improvement will be difficult.

The organization must believe that it needs efficient repeatable processes. A quality assurance capability should be in place to help the staff follow the processes but is not so rigid as to be called the "Process Police".   If a process is not working, the organization should change the process versus enforce an ineffective process.

Process orientation begins with a good process education. It takes hold as work is organized into cross-functional processes and gets stronger as the organization begins to follow these processes in a repeatable manner. It continues to get stronger as the organization demonstrates via key measures that its performance is improving. Process orientation reaches its full strength once the organization moves to a proactive continuous process improvement state that fosters innovation.

Process and Metrics Support

The Process and Metrics Support dimension is a measure of the availability of a group to support the staff use the processes and metrics in their areas. It takes time to transition an organization from a traditional functional view to a process view and the Process and Metrics Support Group plays a key role. This group typically provides training and mentoring to support process and measurement activities. The group may be the same team as the Process Design Team or it may be a separate team that focuses on support. This group often has responsibility for tools to support the improvement program such as:

- **Process Modeling Tools** that are used by the process designers to graphically document the process in a consistent format.
- **Process Asset Library (PAL)** to store the operational processes. The PAL may be an intranet web site, a Wiki, a SharePoint Server, or a process modeling tool with a built-in process repository.
- **Measurement Storage Repository** to store the measures after they have been collected. The Measurement Repository can be a spreadsheet, data base or measurement tool that provides an integrated repository to store the measurement data.
- **Measurement Collection Capabilities** to collect the measurement data. The collection processes may begin manually, but should be automated as soon as possible. A developer may be needed to develop automated links to gather metrics from key transaction systems such as the ERP system, Defect Management Systems and Project Management Systems.
- **Measurement Reporting and Display** to develop measurement reports and graphs in a variety of formats that can be combined into gauges, indicators, Dashboards and Score Cards.

Process Health

The Process Health Dimension is a measure of how well the processes in a given business area are working. Process Health can be used to identify process areas that are not working well and need to be redesigned. The organization must focus its limited process design resources on fixing processes that are truly broke, versus improving processes that have a few problems, but are easy to improve.

Reason for Change

The Reason for Change Dimension is a measure of the perceived importance of the organizations reason to improve its performance. For process improvement to be successful the organization must believe that there is an urgent reason for the change. Watts Humphrey in a speech at a recent SEPG conference said that the organization must have a "Burning Platform" for change to be successful. John Kotter, author of "Leading Change" (which is one of the best books on change management), says that the organization must establish a sense of urgency for the change program to succeed.

If the need for improvement is real, leaders of the organization must explain the need for change in such a way that mobilizes the organization to support the improvement program. If the organization does not understand or believe in the reason for change, than it will resist the change. The American auto industry is an example of both management and unions resisting change and ultimately forcing these companies into bankruptcy.

Culture and Communications

Culture and Communications is the last dimension and is a measure of how well the organization supports change and risk taking coupled with how open and freely communications flow. Culture is the result of formal and informal rules, behavior norms, stories and shared values that shape behavior. Culture change occurs when individuals adapt new behaviors based on new processes successfully produce good results. These success stories must than be communicated throughout the organization for the culture to change.

The organization must have a culture that supports change and open communication. If the organization is low on this dimension, a plan must be developed to communicate program successes to all employees as well as communicate examples of the desired culture.

Readiness Assessment

A Readiness Assessment is a means of assessing the organization on each of the eight dimensions listed above.   It should be conducted well before the main performance improvement program is scheduled to start so that key readiness deficiencies are resolved and the organization is ready for the program to begin.

A performance improvement assessment is different from the Readiness Assessment. The performance improvement assessment is begun as one of the first steps after the improvement program begins. The performance improvement assessment assesses the organization against a standard such as CMMI or ITIL. Gaps are identified and gap closing strategies developed. As these strategies are implemented the organizations performance should improve.

The Readiness Assessment Survey – How Ready is Your Company?

The Readiness Assessment for Process Improvement Quick-Survey is shown below. This survey provides a high level assessment of an organizations readiness for a performance improvement program. To see how ready your organization is, take the survey. Enter a score (1-Low to 5-High) of how you perceive your organization on each of the eight (8) key dimensions.

Readiness for Process Improvement Quick Survey

| Dimensions	Definitions	Score (1-Low to 5-High)
Sponsorship	The senior management fully supports and sponsors the process improvement initiative and is personally engaged in it.	
Investment	An adequate budget and staff have been allocated to support the process improvement initiative	
Process Skills	A process improvement team has been designated and is in place and includes individuals with the skills and experience necessary to support a process improvement program. Skills include: Process Design, Measurement Analysis and Organizational Change Management.	
Process Orientation	The organization has a process orientation. It focuses on fixing the process when things go wrong versus blaming the people. Failure is seen as a learning opportunity.	
Process & Metrics Support	A process support group is in place which has training and mentoring responsibilities, process modeling tools, a process repository and a metrics repository to support the design and deployment of new measures and processes.	
Process Health	The work related processes in your organization are effectively designed and followed to support current and future workloads.	
Reason for Change	The organization understands that process improvements are critical to its on going success.	

Dimensions	Definitions	Score (1-Low to 5-High)
Culture and Communications	The organization is flexible, adaptable and supports change and risk-taking. New ideas are easily and openly communicated.	

Current thinking is that an organization should strive for a minimum score of 3.0 to 3.5 (shown by the Red Circle between 3 and 3.5) on each dimension in order to be able to successfully implement a Performance Improvement Program. A total score of less than 24 out of 40 suggests that your organization may not be ready for a performance improvement program without resolving some of its readiness issues.

The Readiness Assessment for Process Improvement Quick-Survey scores are often displayed on a spider graph as shown below.
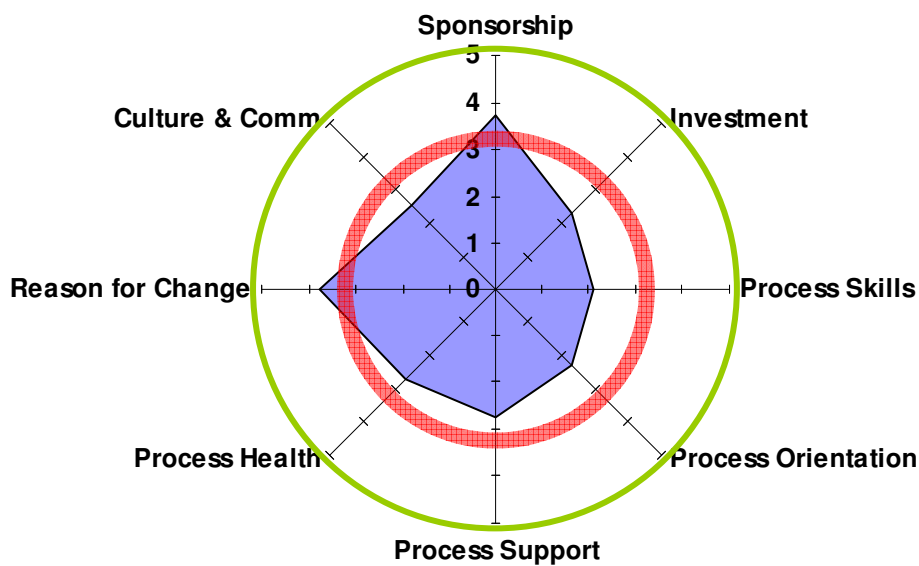
In this example the Readiness Assessment Survey shows that management is providing good sponsorship for improvement and there is a strong reason for change. However, the investment in improvement needs to be increased. The process skills and process support capabilities of this organization need to be improved and there may be a number of cultural issues that need to be addressed before a process and measurement improvement program is undertaken.

A more comprehensive survey (not shown) has also been developed that asks additional questions and is given to multiple groups within the organization. The comprehensive survey provides a more detailed assessment for each readiness dimension. It is also used to compare different groups within the organization. For example, for a give dimension, if the senior management scores are high and staff scores are low, it may indicate that there is a serious communications gap between the two groups.

Another Option – the On-Line Readiness Assessment Survey

Another option is to take the on-line Readiness for Process Improvement Assessment Quick-Survey. Your answers will be used to help refine the minimum values needed for a successful performance improvement program. The survey results will be sent to you after the data collection period has ended. Go to the following link to take the on-line version of the Readiness for Process Improvement Assessment Quick-Survey:

Place the Link to the Readiness Survey here

About the Author

Dr. Larry Dribin is president of Pearl Street Group, Inc. (PSG), a consulting company that provides process improvement and measurement consulting services to Business and Information Technology organizations. He is also an adjunct Professor in Software Engineering at DePaul University of Chicago. Dr. Dribin utilizes industry best practice frameworks such as the SEI's CMMI, itSMF's ITIL, PMI's PMBOK and Six Sigma to develop robust solutions for clients. Dr. Dribin holds a Ph.D. in Organizational Psychology, an MBA, and a Bachelor of Science in Industrial Engineering. In his consulting work, Dr. Dribin has assisted numerous clients improve their performance and design measurement systems. He is active in local professional groups where he has been a past Director with the Chicago Software Process Improvement Network (C-SPIN) and the Chicago Quality Assurance Association (CQAA) and is a member of ACM, IEEE and PMI.

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