Quality Improvement

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Agenda

- ***Introduction***
- ***Good to Great (GtG) quality improvement***
- ***GtG book summary***
- ***Applying principles to process improvement***
  - ***Level 5 Leadership***
  - ***First who, then what***
  - ***Confront the brutal facts***
  - ***Hedgehog concept***
  - ***Culture of discipline***
  - ***Technology accelerator***
  - ***Flywheel & Doom Loop***
- ***Summary***

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Introduction – Gerard Dache

- Experience:
  - Over 20 years of quality and process improvement experience
  - Helped the first US based company become an ISO 9000 registrar
  - Led the ISO 9000 training and consulting group of Inchcape Testing Services – Intertek
  - Assisted over 50 organizations achieve ISO, CMM, CMMI certifications / ratings
  - 13 years of military experience serving as both enlisted and as an officer in the infantry and army intelligence branches.
  - Currently, President & owner of Common Sense Solutions, a small business (7 people) delivering quality and process improvement services
- Credentials
  - SEI Authorized
    - High maturity SCAMPI lead appraiser
    - CMMI instructor
    - SCAMPI class B&C team lead
  - ITIL foundation certified
- Published numerous articles in publications including <u>Inc. Magazine</u>, <u>Quality Systems Update</u> and <u>Compliance Engineering Magazine</u>
- Public speaking engagements include local, national and international events including the SEI SEPG, DC SPIN, and CM Working Groups.

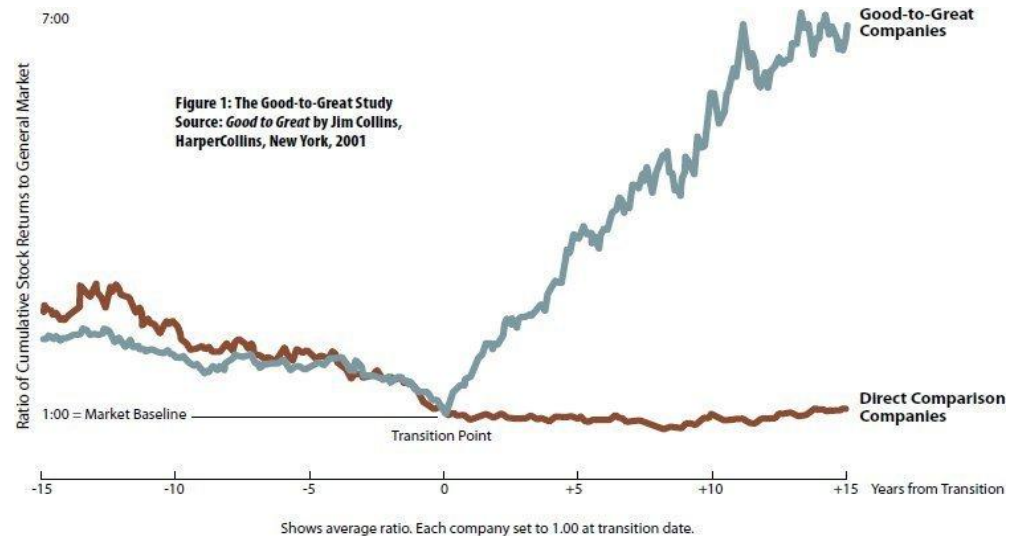# *GTG Quality Improvement*

- Good vs. Great Quality Programs
  - Good (average)
    - Complies with requirements (ISO, CMMI, others)
    - Few people are complaining
    - Does not cost too much
  - Great (I mean really great)
    - Provides tangible value to the organization
    - Organization would continue the program whether there was an external requirement or not

Good to Great Book Summary

- How do good organizations become great?

- 5 year research project

7:00

Figure 1: The Good-to-Great Study
Source: *Good to Great* by Jim Collins, HarperCollins, New York, 2001

Ratio of Cumulative Stock Returns to General Market

Good-to-Great Companies

1:00 = Market Baseline

Transition Point

Direct Comparison Companies

-15   -10   -5   0   +5   +10   +15   Years from Transition

Shows average ratio. Each company set to 1.00 at transition date.

- 11 companies that outperformed their industry by almost seven fold and sustained the growth for over 15 years.

- The research resulted in six common features of good to great organizations

Level 5 Leadership

- Passion for the organization to succeed over personal ambition
  - Committed to making a long-term contribution
  - Profile of a great "Quality" leadership:
    - Personal humility vs. professional will
    - Cares about the people in the organization
    - Sets up successor for greater results
    - Plow horse vs. show horse
    - Willing to shine the light on others (but takes personal responsibility

First Who, Then What

"People are not your most important asset. The right people are."

1. Get the:
   - Right people on the bus
   - Wrong people off the bus
   - Right people in the right seats
2. Then figure out where you want to drive that bus

- Look for qualities, not credentials
  - Find people with characteristics you cannot easily instill.
  - Consider work ethic, intelligence, and dedication to their values before deeply analyzing credentials and practical skills.
  - Sometimes the best team members may not have obvious credentials – they are just the right people.

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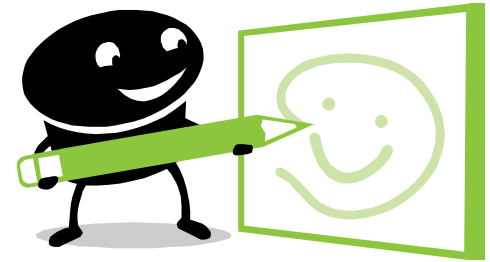www.common-sense-solutions.biz

First Who, Then What

- Examples:
  - AECOM ACC GeoBase Systems Group (a technical guy?)
  - NCI – San Antonio (a proposal manager?)

Confront the Brutal Facts

- If organizations do their due diligence and gather all of the facts, the right path will often unfold in front of them.

- Four ways to build a culture where the truth is always heard:

  – Lead with questions, not answers.

  – Engage in dialogue and debate, not coercion.

  – Conduct autopsies without blame.

  – Build "red flag" mechanisms for turning information into information that cannot be ignored.
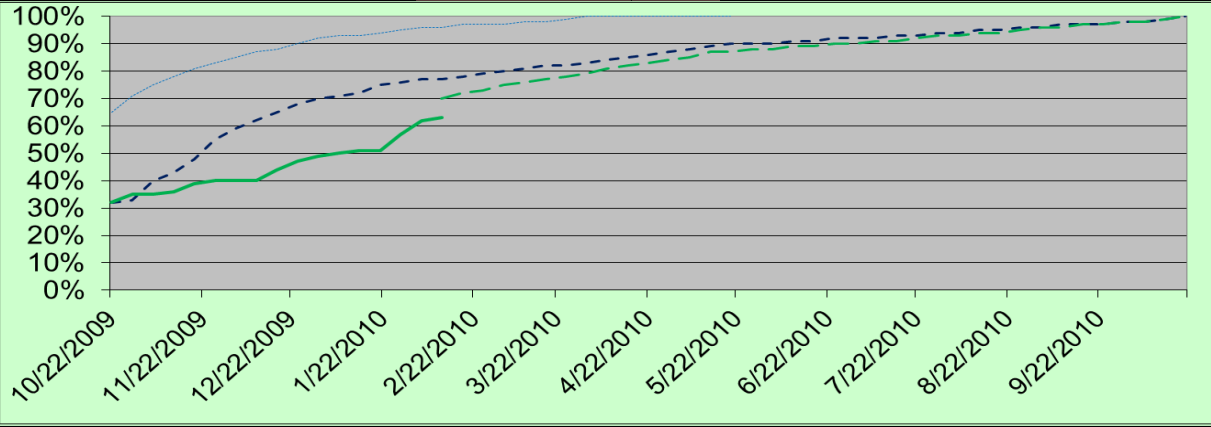
"The Truth? You can't handle the truth!"

Project Name		Contract Dates			Status For:	11/15/2011
Reference		Start	02/17/09		Expected Progress To Date:	100%
Client POC		End	10/22/10		Actual Progress To Date:	64%
CSS POC		Number Months	20.1		Earned Value	0.6
Scope & Deliverables		Management Type	Quantity		Percent of Schedule Expended:	164%
		Product Solutions	2		Last Progress Review:	9-Feb-10
		Service Solutions	5		Next Progress Review:	16-Feb-10
		Professional Services	32		Last Updated:	2/9/2010

Assessments	Start	End	Countdown
Readiness	09/03/10	09/08/10	-438
Assessment:	10/08/10	10/22/10	-403

Documentation

Business Groups	Level 2		Level 3	
	Plan	Actual	Plan	Actual
Group 1	100%	97%	100%	96%
Group 2	100%	93%	100%	50%
Group 3	100%	67%	100%	51%
Group 4	100%	98%	100%	67%

Implementation

Business Groups	Level 2		Level 3	
	Plan	Actual	Plan	Actual
Group 1	100%	0%	100%	0%
Group 2	100%	0%	100%	0%
Group 3	100%	0%	100%	0%
Group 4	100%	0%	100%	0%

Risks

Click here to view standard risks

Priority	Probability	Description / Date	Mitigation Strategy
High	Possibly	Program Managers may not have adequate resources to manage the day-to-day activities required to demonstrate compliance with CMMI Maturity Level Two.	Open line of communication with DO to include possibility of initiating waiver process
High	Probably	Program Managers may not be able to complete the PMP task on time due to lack of clarification on the template and in some cases not following template.	Create a PMP template for all 3 levels of management and develop a PMP sample for Program Managers.
High	Possibly	Users may have significant issues with SharePoint that are severe enough to threaten our process improvement implementation schedule.	IT's involvement to fix the problem
High	Not Likely	Attendance at CPG meetings	Assign a deputy with the authority to make decisions to fill in during a DO's absense
High	Possibly	Resources available to review and approve all program plans are unable to commit to the schedule due to business requirements.	Steering Committee needs to review the schedule in order to integrate the business requirements.
Medium	Possibly	Lack of bandwidth may impact schedule performance.	Review with executive team. Assign specific responsibility for work products.
High	Definitely	Not enough qualified resources available to perform the required quality audits for the initial waive of 32 program plans.	Steering Committee needs to review the schedule in order to integrate the business requirements.

Date	Approved By	Summary of Approvals & Changes	
8/5/2009		Schedule revised to a much finer level of granularity. Events that were significantly late were rescheduled based on a revised approach to implementing process improvements.	
10/7/2009		Added tab for initial PM Plan review. Also added programs to VP Tabs based on PM Reviews.	
10/28/2009		Steering Committee approved the updated PIP Status Tool schedule.	
11/10/2009		Deleted TO #10 from the program list due to completion of contract	
12/22/2009		Increase of PMP for Service Solution contracts, 8 Professional Services contracts	
2/12/2010		Updated the Schedule items: Program Closeout in Organizations sections to reflect clarification of the activity and the dates the information is available. Updated Internal Audit Program Level Two in BizOps section to reflect that the L2 Audit activity is occurring at the same time as L3 audits since the audits are combined. Changed program closeout start to 3/1/10.	

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- Opposition
  - If you're facing opposition, maybe its because the quality program deserves to be opposed
  - Good ideas are not met with as much resistance – maybe yours isn't…
- Examples:
  - Concert Communications (looks good boss)
  - US Department of State
    - Construction projects – winning over opposition
    - Foreign payment processing

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Hedgehog Concept

- Two strategies:

  The fox schemes elaborate plans to catch the hedgehog.

  The hedgehog does one thing, it curls into a ball to protect itself

- Hedgehog concept

  - The "one big thing" to understand and stick to

  - Core Ideology

  - Three criteria

    - Something you are deeply passionate about

    - Best at in the world, and
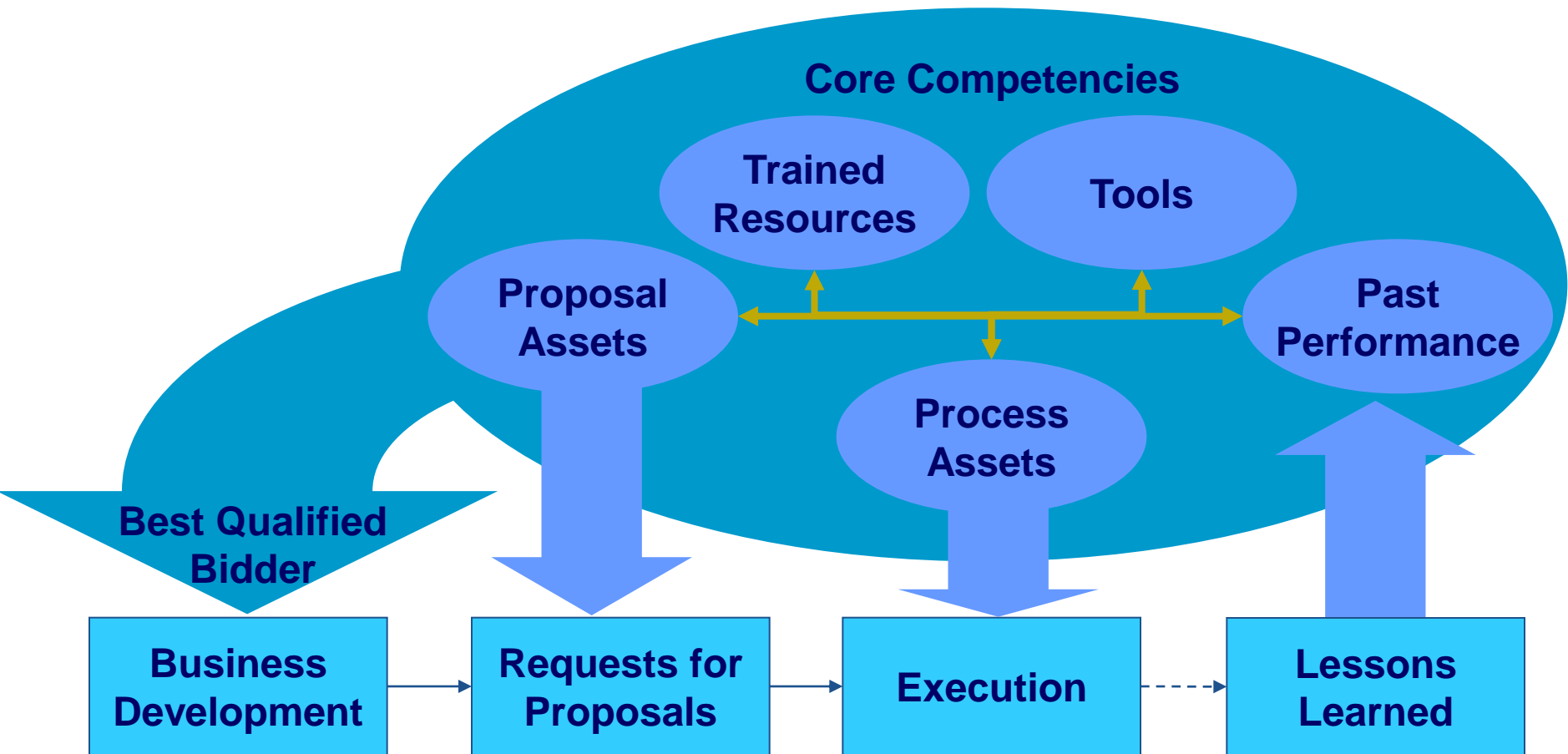
    - Are able to make a profit by doing.

- Typical Organizational Objectives
  - New Growth (increase sales, market-share, customers)
  - Retain Existing Customer Base
  - Reduced Overhead Costs
  - Increased Profit
  - Decrease Risk

- **A great quality program has a tangible positive Impact on organizational objectives**

- Examples:
  - Boeing Information Systems
  - Brainbench

Culture of Discipline

- Manage systems, not people.
- Why? Disciplines people, you do not require excessive bureaucracy.
- However, discipline is cultural
- Culture is set by leadership
- Culture takes time, patience and constancy to establish
- Examples:
  - Telcom (Arlington vs. Boston)
  - American Systems

Technology Accelerator

- GtG organizations don't react to technology fads
  - Example: Drugstore.com vs. Walgreens (internet bubble)
- Hedgehog principle drives results, not technology
- Tools don't make an organization successful
- The culture makes the organization successful
- Technology accelerates momentum, it doesn't create it.

- Examples:
  - Use of tools to achieve CMMI or ISO results
  - Use technology to solve problems – TFS
  - Introduce technology thoughtfully and carefully
  - Select Computing, Inc. – Process Automation

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Flywheel & Doom Loop

- Momentum
  - A flywheel takes relentless pushing to get it to turn over even once, but after a while of pushing in the same direction it starts to gain momentum until it is a very powerful force.
  - A rocket burns 90% of it's fuel on the launch pad. Then with the remaining 10% it leaps into space, traveling to the moon and back at thousands of miles per hour.
  - Transformations never happen all at once. They are the result of years of persistence. They require:
    - Patience
    - Consistency
    - Dedication to core values

Flywheel & Doom Loop (Cont.)

- Examples
  - CALIBRE Systems (showcase)

Summary

- Good to Great quality programs are not the result of a quick dash to implement a quality standard or model and then just sit there and maintain it.

- A great program requires:
  - Long term leadership
  - A dedication to supporting organizational goals
  - Honesty
  - Patience &
  - Consistency

Questions?

Thank You