Translating VOC into Strategy

Northern Virginia ASQ Meeting
Introductions

Tina Cooper  
- Senior Manager -  
Public Sector Advisory

Tina Cooper has over a decade of experience developing resource management decision support systems and advising clients on process improvements to reduce costs and increase productivity. She has worked with numerous Public Sector clients, including the Navy, Marine Corps, Department of Homeland Security, and the Treasury Fiscal Service.

Within Grant Thornton’s Public Sector practice, Tina leads the Defense Agencies segment and the Lean Six Sigma certification training program. She is also a proud member of ASQ / NoVA Section 511.

Tina holds bachelor’s and master’s degrees in Industrial Engineering from Georgia Tech.

Zak Pierce  
- Director-  
Strategy

Zak brings over 20 years of experience driving client value generation via customer experiences and efficient, fiscally sustainable operations. He is a leader in areas like marketing and sales strategy, organization design, PMO development and operations improvement.

He has led and delivered value-focused projects like customer transformation, PMO strategy and leadership, ERP implementation and organizational change across multiple industries in 9 countries.

Zak has worked and consulted with Microsoft, Amazon, T-Mobile, Aetna, Northwestern Mutual, British American Tobacco, and USG among others.

Michael Casias  
- Senior Associate -  
Strategy

Michael is a Senior Associate at Grant Thornton where he specializes in decision analytics, strategy development, and performance improvement execution.

He has extensive experience supporting operations and marketing activities including, but not limited to, workforce analysis (people analytics), return on investment (ROI) / business case analysis, revenue forecasting, strategic plan development, market strategy, and process improvement.

Additional areas of focus have included change management and stakeholder engagement, workforce design, organizational alignment, and identification / measurement of key performance indicators (KPIs).

Michael holds a BS in Economics from the Wharton School, University of Pennsylvania.
Agenda

Context

Approach

1. Preparing the organization for a colossal journey
2. Building a customer-centric approach to transformation
3. Setting the course by developing a multi-year transformation plan

Summary
Context

• An industry leading nonprofit professional association was experiencing market erosion, loss of market relevance and decreasing membership as well as insufficient organizational capabilities and culture to support an enterprise-wide customer-centric transformation.

• Our team was engaged to develop an end-to-end transformation roadmap covering technology, operating capabilities and culture.

• Interim deliverables included IT strategy, culture manifesto, employee experience design, functional business area capability assessments and project management support.

• Our presentation will cover how our team captured the voice of the customer for this professional association and developed a three-year $58M dollar transformation plan that will span all customer segments, products and channels.
Today's conversation will primarily focus on the massive endeavor to plan and prepare for a transformation (rather than the execution itself)

### Define

1. Preparing the organization for a colossal journey
   - i. Internal (Company) Assessment
   - ii. External (Market) Assessment
   - iii. Identification and adoption of strategic framework
   - iv. Strategy development and future vision of success
   - v. Development of cross-functional team
   - vi. Early communication with Board of Directors
   - vii. Robust case for change (burning platform)

### Design

2. Building a customer-centric approach to transformation
   - i. Robust customer segmentation effort through quantitative (i.e. surveying) and qualitative (i.e. interviews) analysis
   - ii. Evaluation and revision of the current product portfolio
   - iii. Revamp of the customer experience to meet new needs
   - iv. Future state business needs assessment (i.e. capabilities)
   - v. Employee experience and culture redesign
   - vi. Enterprise App & Data strategies (IT roadmap)
   - vii. Business case and board documentation
   - viii. Strategic integration of core work streams

### Operationalize

3. Setting the course by developing a multi-year transformation roadmap
   - i. Multi-year Transformation Roadmap (20+ program areas)
   - ii. Business case analysis (BCA) to include program overview, project roadmap, and financial models
   - iii. Capability heat map evaluating core functional areas
   - iv. Executive scorecard with key performance indicators
   - v. Mobilization of various department teams
We used many 'Quality' tools and techniques throughout this endeavor, which we’ll highlight during our discussion.

<table>
<thead>
<tr>
<th>Define</th>
<th>Measure</th>
<th>Analyze</th>
<th>Improve</th>
<th>Control</th>
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<tbody>
<tr>
<td><strong>Understand the problem and define the process</strong></td>
<td><strong>Understand the process and develop baseline</strong></td>
<td><strong>Evaluate data to identify areas for improvement</strong></td>
<td><strong>Design, test, and implement solutions</strong></td>
<td><strong>Validate results, monitor, and control</strong></td>
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<td>Activity Network Diagrams</td>
<td>ANOVA</td>
<td>2 Mean, Equal Variance, t Test</td>
<td>Analyze/Interpret Data</td>
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<td>Affinity Diagrams</td>
<td>Average and Range Method</td>
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<td>Brainstorming</td>
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<td>Cause-and-Effect Matrix</td>
<td>Box-and-Whisker Plots</td>
<td>Analysis of Variance Method (ANOVA)</td>
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<td>Control Charts</td>
<td>Cause-and-Effect Diagram (Fishbone/Ishikawa)</td>
<td>Box-and-Whisker Plots</td>
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<td>Scorecard</td>
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<td>Facilitation</td>
<td>Chi-Square Distribution</td>
<td>Coefficient of Determination</td>
<td>Execute Experimental Design</td>
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<td>FMEA</td>
<td>Data Collection Plan</td>
<td>Confidence Intervals</td>
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<td>Descriptive Statistics</td>
<td>Correlation Coefficient</td>
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<td>Data Visualization</td>
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<td>Mistake Proofing (Poka Yoke)</td>
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<td>Matrix Diagrams</td>
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<td>Metrics Selection</td>
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<td>Process Capability Studies</td>
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<td>Prioritization Matrices</td>
<td>Multi-Vari Analysis</td>
<td>Select and Scale Process Variables</td>
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<td>Prioritization Matrices</td>
<td>Probability Applications</td>
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<td>Select Experimental Design</td>
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<td>Pareto Diagrams</td>
<td>Use/Present Results</td>
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<td>PERT</td>
<td>QFD (House of Quality)</td>
<td>Regression (Least Squares)</td>
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<td>Project Charter</td>
<td>Recording Check Sheets</td>
<td>Root Cause Analysis (5 Whys)</td>
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<td>Project Plan</td>
<td>Sampling Plan</td>
<td>Scatter Diagrams</td>
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<td>QFD (House of Quality)</td>
<td>Scatter Diagrams</td>
<td>Simulations</td>
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<td>Risk Analysis and Measurement</td>
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<td>Stem and Leaf Plots</td>
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<td>Statistical Tests</td>
<td>Work Instructions</td>
<td>Value Stream Map</td>
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<td>Tree Diagrams</td>
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<td>Value Stream Map</td>
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<td>Voice of the Customer (VOC)</td>
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<td>Work Breakdown Structure (WBS)</td>
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Learning objectives for today's session will include…

1. Discuss the activities and outcomes of a massive enterprise wide transformation planning effort

2. Describe how specific areas of quality best practices (i.e. LSS) applied and didn’t apply to said effort

3. Share the story of a similar type of membership based not-profit that may resonate with your organization
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1. Preparing the organization for a colossal journey

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3. Setting the course by developing a multi-year transformation plan

Summary
Articulating the need for change was the first of many critical steps that our client took towards beginning their transformational journey.

Conducting an internal and external assessment enabled the organization to build the case for change while gaining alignment with all major stakeholder groups, both internal and external (i.e. C-suite, Board, Staff).
By adopting the 'Playing to Win' framework, the executive leadership team adapted their strategy and created a future vision of success.

The 'Playing to Win' framework simplified strategy development by framing critical decisions in the form of a choice cascade:

- What Is Our Winning Aspiration?
  - Purpose
  - Financial objectives (e.g., market share, growth rates, sales targets)
  - Non-financial objectives (e.g., social impact)

- Where Will We Play?
  - Customers
  - Customer segments
  - Industries/Products
  - Geography
  - Positions in the Value Chain

- How Will We Win?
  - Value proposition to customers
  - Sources of defensible advantage
  - Profit model(s)
  - Partnerships
  - Constituent engagement

- What Capabilities Must We Have?
  - Organization and capabilities
  - Asset configuration
  - Sales and distribution configuration

- What Management Systems Do We Need?
  - Rules and norms
  - Processes and review systems
  - Training and development
  - Metrics/measures

...enabling communication to easily flow throughout the organization:

- Town hall events
- Board of Director Webinars
- Working groups (i.e., segmentation)
- Weekly transformation updates
- Artifacts (i.e., posters)
- Socials/Events

Source: "Playing to Win" by Roger Martin
To drive transformation efforts, a cross-functional team was assembled which consisted of high performers* across the organization.

*Key Observation: While best practices dictate the selection of high performers (and/or influencers) from each major department of an organization, we found that leadership’s hesitancy in sharing top performers diminished the overall impact of the team.

1. "Team of Teams" by Ret. General Stanley McChrystal

Benefits of cross-functional teams within an organization

- Transparency & Awareness
- Diversity of Thought
- Network Collaboration

Criteria for selecting 'linchpin' liaisons across departments

"If it doesn't pain you to give the person up, pick someone else"

"If it's not someone whose voice you'll recognize when they call you at home at 2:00AM, pick someone else"
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Summary
Over a multi-month period, nine critical work streams were pursued, all deeply rooted in a customer-first approach to transformation.
The first step in this process was gaining a deep understanding of core customer segments through quantitative and qualitative analysis...

Quantitative Analysis (i.e. survey analysis)

The first step in this process was gaining a deep understanding of core customer segments through quantitative and qualitative analysis. The analysis involved both quantitative and qualitative methods:

**Quantitative Analysis** (i.e. survey analysis)
- **Illustrative**
  - Priority Type: Influencer

**Qualitative Analysis** (i.e. interviews)

**Jobs Interview: Carlos (Volunteer)**

**Overview of Occasion**
- 16+ years Work Experience
- 100% have Volunteered with PMI Chapter

**Differentiating Attitudes**
- "My success depends on my ability to develop other people" (52%, 138)
- "I actively volunteer for orgs I believe in" (51%, 147)
- "Certs should require rigorous and extensive training" (47%, 138)

**Jobs Progress Sought**
- Help Me Connect with my technical Colleagues, So I can feel engaged in my community
- Help Me Learn the Language, So I can get up to speed on new NMF approaches

**Resources & Spend**
- Average Per Capita Spend on...
  - Company (Financial Data, Past Two Years)
  - % Customer (v. Registered): 85%
  - Certification: 53% (96)
  - Membership: $65 (257)

**Other Resources**
- (Stated Survey Data, Past Year)
  - Online Learning: $167 (92)
  - Cert. Test Prep: $92 (85)
  - Business Media/Lit: $21 (161)
…in parallel, we looked to better understand what capabilities were needed within the organization to realize the strategy

**Internal capabilities tended to fall within the categories of people, processes, and technology**

### Employee Exp. and Culture
- Culture and employee experience survey
- Creation of Culture manifesto and core values
- Training curriculum development (i.e. customer centricity)
- Stakeholder interviews and c-suite working sessions
- Design of new employee lifecycle experience

### Business Needs Assessments
- Identification of key business areas for assessment
- Staff engagement through interviews / working sessions
- Development of key recommendations per business area
- Prioritization of recommendations by impact versus effort
- Presentation of findings to c-suite and senior leader teams

### IT Strategy
- Organizational survey on app environment (IT vs. Business)
- Stakeholder interviews across core functional areas
- Development of a robust IT Strategy including data analytics CoE, data architecture modernization, etc.
- Multiple town hall events and working sessions to communicate future vision of IT environment

**Key Deliverables**

*Be effective with a Customer-Centric Operating Model*

- Organizing enterprise governance and orchestration to meet the needs of the customer
- Customer centric view of the organization
- Developing customer-centric models and processes

*XYZ needs to undertake a significant shift in how business & IT work to deliver on its strategic objectives*
Agenda

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Summary
Research and analysis efforts culminated with the development of a multi-year Transformation Roadmap which incorporated 20+ program areas.
The Transformation Roadmap was supported by a business case analysis (BCA) which included program overviews, project listings, and financials.

These 'program brief slides' were developed through stakeholder interviews, best practice research, and GT SME; however, client SME feedback was critical for future execution.
Capability heat maps were developed and key performance indicators (KPIs) identified to ensure continuous monitoring of performance.

### CLIENT 2.0 Capability Heat Map

<table>
<thead>
<tr>
<th>Products</th>
<th>Channels</th>
<th>Customer Lifecycle</th>
<th>Strategy and Brand</th>
<th>Finance / Administration</th>
<th>Human Capital</th>
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<tbody>
<tr>
<td><strong>Business Area</strong></td>
<td><strong>Tech Capability</strong></td>
<td><strong>Business Area</strong></td>
<td><strong>Tech Capability</strong></td>
<td><strong>Business Area</strong></td>
<td><strong>Tech Capability</strong></td>
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<tr>
<td><strong>Membership Benefits</strong></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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<td><strong>Membership Application Processing</strong></td>
<td>Y</td>
<td>Y</td>
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<tr>
<td><strong>Product Lifecycle Management</strong></td>
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<td><strong>Credential Management</strong></td>
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<td><strong>Exam Development</strong></td>
<td>N/A</td>
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<tr>
<td><strong>Credential Application Processing</strong></td>
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<td><strong>Innovation / Venture Management</strong></td>
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<td><strong>Strategic Partner Management</strong></td>
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<td><strong>Chapter Management</strong></td>
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<td><strong>Volunteer Management</strong></td>
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<td><strong>Event Management</strong></td>
<td>R</td>
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<tr>
<td><strong>Order and Payment Processing (eCommerce channel)</strong></td>
<td>R</td>
<td>Y</td>
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<td><strong>Customer Care</strong></td>
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<td><strong>Content Development (incl. digital video etc.)</strong></td>
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<td><strong>Content Distribution</strong></td>
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<td><strong>Omni-Channel Marketing</strong></td>
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<td><strong>Customer Profile Management</strong></td>
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<td><strong>Customer Experience</strong></td>
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**Color Legend**
- **R**: Not sufficient in supporting CLIENT 2.0
- **Y**: Somewhat sufficient in supporting CLIENT 2.0
- **G**: Sufficient in supporting CLIENT 2.0

These activities, among others, enabled our client to successfully gain approval from their Board of Directors to push forward w/ Transformation.
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Context

Approach

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2. Building a customer-centric approach to transformation
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Summary
Recap of today’s major learning objectives

Obj: Discuss the activities and outcomes of a massive enterprise wide transformation planning effort

Question: What newly identified (or interesting) activities / knowledge can you apply in your workplace?

Obj: Describe how specific areas of quality best practices (i.e. LSS) applied and didn't apply to said effort

Question: What quality best practices were most prevalent? Could additional tools have helped?

Obj: Share the story of a similar type of membership not-profit that may resonate with your organization

Question: Does ASQ as an organization face similar challenges? What aspects are most relevant?

Closing Thoughts: As quality practitioners, we’re all familiar with continuous improvement. These concepts are often applied to achieve incremental changes, but they can also be applied to help drive an immense organizational transformation.
Recommended reading

Playing to Win

Sense & Respond

Competing Against Luck

The Advantage

Team of Teams
Questions?

“It is not necessary to change. Survival is not mandatory.”

- W. Edwards Deming
Thank you