

Broken Processes - Broken Promises

Leadership Failure Loses Customers

Written by:

Randy Boek

Professional Outsider, President

The customer goes Seattle to Miami. The customer's checked luggage goes Seattle to an Air Force Base outside of Las Vegas.

The retailer ordered pricey embroidered silk shirts for the spring/summer promo months ago. The boxes finally show up and are opened to reveal zip-up hoodies with screen printed phrases that would earn a CD the parent advisory label.

The producer has jars on the line and is about to fill 1000 cases of them with mushroom and garlic marinara. The operator spots something in a jar waiting to be filled, pulls it off the line and discovers a contaminant that results in rejection of all jars from that supplier.

In each case a process didn't serve the customer well. The results of broken business promises: loyalty deficit, bite out of profit, distraction, disruption. Are these process failures or human failures? Does it really matter? Yes.

We've all been on both sides of broken business promises. As consumers it's easy to build the list quickly - a lousy latte, software that doesn't work, a reservation made that doesn't exist at midnight after a long day's travels. On the other side of such failures business leaders look in the mirror and the face of accountability looks back and the buck stops.

"The Way You Do The Things You Do" The Temptations donned matching suits, choreographed and synchronized their soulful stage presence, performed it and became stars in 1964.

Fifty years earlier Frederick Taylor introduced the concept of Scientific Management as a means of improving efficiency in his steel mills. In his model, the way you do the things you do was defined by management and the workers' jobs were simply to do as specified all the time every time. The idiot proof process approach worked initially for men coming from farm to factory. Efficiency and profitability improved. Taylor shared some of the wealth with employees. People were instruments of production. Problems ensued.

That was then, this is now; hyper global competition, immediate real time information access and dissemination, work, marketplaces, products, services and the economy all changing faster and in greater volume. Today's best process can cause tomorrow's broken promise, ...and I'm not even talking about the stupid intentional smoke and mirror processes designed by management to intentionally avoid delivering on promises.



Business Process Mapping, Total Quality, Lean Manufacturing, Six Sigma, Kaizen - lots of principles, programs and sophisticated tools for improving the way you do the things you do. Sophisticated data gathering and statistical analysis and adjustments to eliminate waste, optimize quality and efficiency. Good stuff with significant value.

Very smart people have applied these well proven methodologies to solving the airlines costly (\$650,000 to \$1 billion annual) lost baggage problem. Yet according to a November 2007 article in the New York Times the number of lost bags was growing and in fact the final failsafe was physical inspection by a baggage handler. The American Airlines spokesperson indicated that 90% accuracy was the best the current bar code readers could achieve. RFID is a possible solution but cost prohibitive. Currently 5 to 7 bags per 1000 are mishandled and that is 4 Sigma performance. If 6 Sigma were achieved there would be 3.5 bags mishandled per 1,000,000. You may support the investment if you're the bridesmaid in Miami whose clothing is at an Air Force Base in Nevada but probably not if you are an Airline shareholder or exec.

Processes depend on people, people depend on processes and when the process doesn't produce the right results people depend on people to make it right. After the mess of massive Business Process Re-engineering that took place in the late 80's /early 90's Michael Hammer ([Reengineering the Corporation](#)) said, "I wasn't smart enough about that. I was reflecting my engineering background and was insufficiently appreciative of the human dimension. I've learned that's critical."

People are essential to processes that work and even more essential when processes don't work. Customers will give a mulligan to a business that has the human skill to demonstrate care and make things right after mistakes happen. Sure, technology and automation and process improvement has replaced people and eliminated jobs. In some cases, however, it has simply redefined the types, skill levels and geographical locations from which people work and also resulted in fewer people doing more work.

The well oiled machine is a thing of beauty whether an actual mechanical device or a high performing team. Leaders want well oiled. You want your businesses to keep both the written and inherent promises of your products and services. Almost everyone at all levels comes to work each day wanting to do their best for the business.

Here are a few things to think about as you consider improving business processes and for sure before you hire the Six Sigma Black Belt.

1. Is there a clearly understood business strategy that the executive team is aligned with and committed to? Effective business processes are anchored to and focused on making the business strategy a reality in a cost effective profit maximizing way.
2. Hiring Process - OK, so you're not using it much now. You probably will so get ready. Are you good at getting top notch folks at all levels? Folks who produce & thrive in your culture? People with the intellect to learn how not only to run the process but also to critique and improve it. (Remember it is no longer Frederick Taylor's do as management tells you world - In fact, the manager may well be gone)



3. Training and Development Process - Are you consciously and deliberately developing people to be their best and making it easy for them to provide their best to the business? I'm talking beyond simply training people to do the technical aspects of their jobs. Are you providing the higher level of learning that makes it more likely for people to succeed in the business? Are you teaching people how the business works both functionally and financially so that they can make better day to day decisions? (As you may painfully know, formal P&L accountability is not a prerequisite for making decisions that impact profitability, reputation, relationships)

- 4 Are you looking to the Human Capital future? - Who's on the bench? What do they need to be ready to play at the next level? When? How are they going to get it? Who is likely to go where, when and what will you do then?

5. How are knowledge, wisdom, perspective, and skills transferred between generations? There is lots of great information about the differences between the generations. Funny stories about disconnects, different frames of reference, disrespect. How do you remove the barriers so that boomers can learn the stuff that prevents dinosauritis; and so the multiple younger generations can get the right pearls of wisdom and perspective that boomers have earned over a career. Mentors are in real short supply in all businesses. Create some. Make it an important and valued role.

Want to reduce the number of broken promises? Realize at the outset that processes serve people. They serve the people that run them and the constituencies that benefit from the output of the processes. Dr. Deming, the quality guru, believed that "the bulk of causes of low quality and low productivity belong to the system and thus lie beyond the power of the workforce." I suggest a corollary point: If the work force has been trained and also educated they are likely to identify necessary process improvement. Management must get very good at asking the right questions and listening well to hear both the answers and the answers within the answer.

Peter Drucker, management guru, believed that talented people were the essential ingredient of every successful enterprise long before anyone knew or understood how knowledge would trump raw material as the essential capital of the New Economy. Intellectually most every leader I know understands this. Behaviorally there is some work to be done.

1. Wired for Leadership, Thoughts and Ideas About Leading the Way
2. RFID for Airline Baggage, Pankaj Narayan Pandit, Principal Consultant, Airlines Practice, Infosys copyright 2007



Randy Boek
Professional Outsider | President

www.routetworesults.com
 RandyB@routetworesults.com
 425 242-5039

Comprehensive solutions that improve leadership performance and tangible business results.