Measure What Matters

Baldrige, Shingo, and QPIC’s Measure What Matters (MWM)
The Baldrige National Quality Award Criteria

Organizational Profile:
Environment, Relationships, and Strategic Situation

1. Leadership
2. Strategic Planning
3. Customer Focus
4. Measurement, Analysis, and Knowledge Management
5. Workforce Focus
6. Operations Focus
7. Results

The Shingo Model

Principles of Operational Excellence

Transformation Process

Creating a Successful, Sustainable, Lean Culture in Government
THE SHINGO MODEL

The Shingo model represents ten guiding principles that govern the creation of operational excellence and organizes them into four dimensions. Additionally, the model includes what is called the transformation process (the diamond). This diamond illustrates the critical relationship between principles, systems and tools.

When leaders focus on these principles and managers align systems to drive principle-oriented behavior, the transformation of the culture is accelerated. Improvement tools, which have historically been our point of focus, enable the systems; they must never stand alone.

Courtesy: The Shingo Prize for Operational Excellence

Creating a Successful, Sustainable, Lean Culture in Government
CULTURE

Culture cannot be changed by merely implementing a “program” of continuous improvement, by immersing large numbers of people in training programs, simply by organizing many improvement “events”, nor by assigning the work to a charismatic personality.

Culture can only be affected by changing the way people think. Operational excellence is only achieved when everyone, top to bottom and side to side, align their thinking and hence behaviors with correct principles of operational excellence.
PRINCIPLES

It is often said that; “the only thing that you can count on to remain the same in any organization is the fact that it will change”. Leaders change, products change, markets change, competitors change, strategies change and even visions change. The only things that can provide grounding for the culture of an organization are the principles upon which it is built.

Principles are universal truths that govern the outcomes or consequences of a particular action. Principles have always been true; they are true now and they will be true in the future. Only when the values and mindsets of every single person in the organization become anchored in correct principles will their behaviors and therefore the culture, change.

Courtesy: The Shingo Prize for Operational Excellence
Shingo Principles of Operational Excellence

Courtesy: The Shingo Prize for Operational Excellence

Creating a Successful, Sustainable, Lean Culture in Government
Cultural Enablers

GUIDING PRINCIPLES
- Lead with Humility
- Respect Every Individual

SUPPORTING PRINCIPLES
- Nurture Long-term Relationships
- Empower and Involve Everyone
- Develop People
- Assure a Safe Environment

Courtesy: The Shingo Prize for Operational Excellence
GUIDING PRINCIPLES
Focus on Process
Embrace Scientific Thinking
Flow & Pull Value
Assure Quality at the Source
Seek Perfection

SUPPORTING PRINCIPLES
Stabilize Processes
Rely on Data
Standardize Processes
Insist on Direct Observation
Focus on Value Stream
Keep it Simple & Visual
Identify & Eliminate Waste
Integrate Improvement with Work

Continuous Process Improvement

Courtesy: The Shingo Prize for Operational Excellence

Creating a Successful, Sustainable, Lean Culture in Government
Enterprise Alignment

GUIDING PRINCIPLES
Create Constancy of Purpose
Think Systemically

SUPPORTING PRINCIPLES
See Reality
Focus on Long Term
Align Systems
Align Strategy

Courtesy: The Shingo Prize for Operational Excellence

Creating a Successful, Sustainable, Lean Culture in Government
GUIDING PRINCIPLES
Create Value for the Customer

SUPPORTING PRINCIPLES
Measure What Matters
Align Behaviors with Performance
Identify Cause & Effect Relationships

Results

Create Value for the Customer

Courtesy: The Shingo Prize for Operational Excellence
Shingo Prize Transformation Process

Courtesy: The Shingo Prize for Operational Excellence
Developing Organizational Metrics to help Drive a Lean Culture

1. **Shared Vision** – what should your organization be known for in a future period of time (5 years out, for example), developed by a base of stakeholders?

2. **Shared Mission** – what is the purpose of your organization?

3. **Shared Values/Principles** – what are the values/principles that your organization is based on?
Developing Organizational Metrics to help Drive a Lean Culture

4. What are your organization’s key goals? (Keep your customers in mind)
   – Set **bold, stretch** goals
   – Use the “SMART” approach to goal writing:
     • **Specific**
     • **Measureable**
     • **Attainable**
     • **Realistic**
     • **Time based**
Developing Organizational Metrics to help Drive a Lean Culture

5. What units of the organization (departments, agencies, etc.) support and are key owners linked to these goals?

6. What key processes and sub-processes are in these units?

7. What key process measures should be in place to know “how are we doing?” – customer focused, visual, colorful, and with one “owner”
Developing Organizational Metrics to help Drive a Lean Culture

8. What are the strategies and subsequent objectives to continually improve the process metrics/measures?

– Kaizen Events
– Business Process Improvements (BPIs)
– Benchmarking best practices
– Daily Kaizen (DIG – Dynamic Idea Generation)
– Hoshin Kanri Planning
– etc.
The Metrics can/may continue to cascade down to the team or individual level.

The key is to provide “line of sight” for “what I do matters”.

MWM – How it Looks/Works
Performance Measurement Categories

- **Effort**
  - How much did we do?
  - How well did we do it?

- **Effect**
  - Is anyone better off?
  - #
  - %

This measure is the most important

Source: *Trying Hard Is Not Good Enough*, Mark Friedman, Trafford Publishing, 2005
An example Metric - Visual Controls

MWM for a Purchasing process

Average Days from Request for Bid to Finalized Contract

Large, in color, tabulated and prominently posted monthly in the Office of Procurement, and on the City web site.
QPIC, LLC      www.leangovcenter.com

Creating a Successful, Sustainable, Lean Culture in Government