



# Do You Make These Mistakes in Performance Improvement?

---

by Jay Arthur

***QIMacros***<sup>®</sup>

*Table of Contents*  
**Do You Make These Mistakes in  
Performance Improvement?**

Blame Your Process, Not Your People	1
Make Your Product Faster, Not Your People	1
The 3-57 Rule	1
Fix Vital, Not Trivial Problems	1
Use Facts and Figures to Pinpoint Problems	2
The 4-50 Rule	2
The Dark Side of the 4-50 Rule	2
How Do You Measure the Error Rate?	2
How Do You Pinpoint Problems to Work On?	2
Root Cause Analysis	2
Problems With Variability	2
Verify Success	3
Sustain the Improvement	3
Implementation Plan	3
Develop an Always-a-Better-Way, Change-is-Good Attitude	4
Plug the Leaks in Your Cash Flow	4
About Jay Arthur	5

# Do You Make These Mistakes in Performance Improvement?

*by Jay Arthur*

Do you:

- Blame people for mistakes, not your processes?
- Try to make your people faster, not your product?
- Fix trivial problems, not vital ones?
- Try to fix everything simultaneously?
- Rely on gut feel, common sense and trial-and-error to solve your problems?
- Jump to “solution” without adequate analysis of the problem?
- Live by the not-invented-here, it-won't-work-for-me, way-we've-always-done-it code of improvement dodgers and change a voiders?

## Blame Your Process, Not Your People

People don't make mistakes; processes let them make mistakes. Once you decide that the process is the problem, you will start to find ways to mistake-proof the process so that people simply cannot make the same mistake. It takes a little more thought than blaming someone, but it's much more effective.

## Make Your Product Faster, Not Your People

When faced with the need to do things faster, most business managers try to make the employees work faster.

**The 3-57 Rule:** Your employees are only working on the product or service for 3 minutes out of every hour. The other 57 minutes, the *product* is sitting around doing nothing waiting on the next processing step. Eliminate the delays between steps and you can cut response times by 90%.

## Fix Vital, Not Trivial Problems

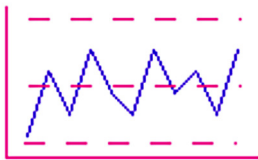
When first starting process improvement, most people gravitate toward trivial problems. Fixing trivial problems, however, won't cover the cost of fixing them.

**The 4-50 Rule:** 4% of any business is causing over half (50%) of the mistakes, errors, waste, rework and lost profit. That's one step out of every 25. Problems aren't spread all over the business like butter on bread; they cluster in a few key areas like mold on the crust.

**The Dark Side of the 4-50 Rule:** 50% of your effort to fix trivial problems will only produce 4% of the benefit.

## Use Facts and Figures to Pinpoint Problems

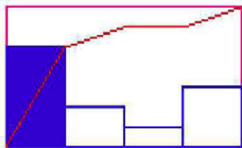
Gut feel, trial-and-error and common sense will only take you so far in problem solving. At about a 1-2-3% error rate, they stop working. You have to start using "data" (i.e., facts and figures about the rate and types of errors) to jump to the next level of performance.



Performance Chart

### How do you measure the error rate?

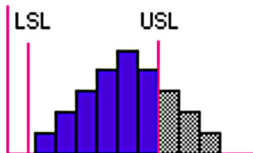
Use a control chart to measure and monitor improvement (e.g., errors/total).



Pareto Chart

### How do you pinpoint problems to work on?

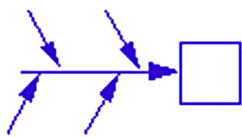
Use Pareto charts to narrow your focus and show improvement.



Histogram

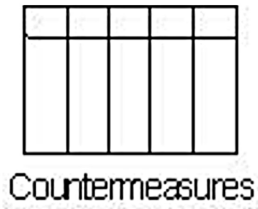
### If you have problems with variability

in the product or service use a histogram to show improvement.

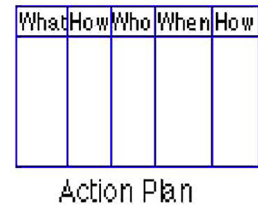


Cause-Effect Diagram

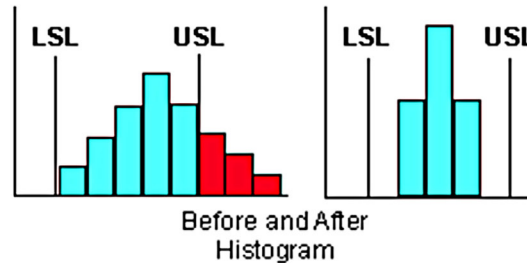
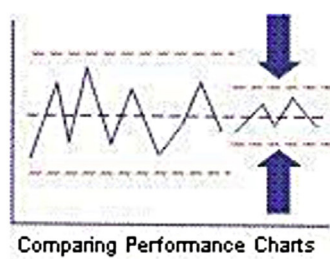
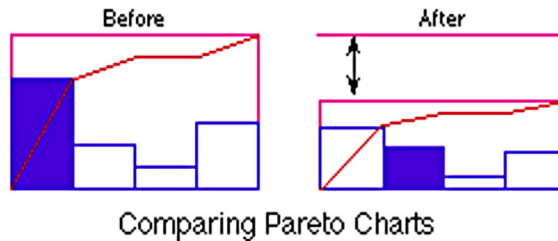
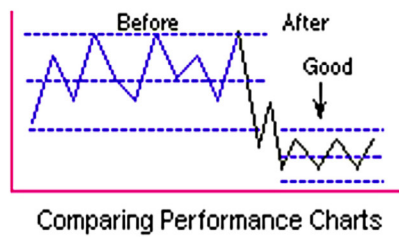
**Root Cause Analysis:** Once you've created the charts on the left, you can safely convene a team of experts to analyze the root causes of defects and deviation. What tool do you use to show root cause? An Ishikawa or fishbone diagram. The "big bar" of the Pareto chart is the problem statement that goes in the head of the fish.



**Implementation Plan:** Then use a countermeasures diagram and action plan to implement the improvement.



**Verify Success:** After implementing the improvement, use control charts and Pareto charts or histograms to verify the success of the improvement.



### Sustain the Improvement

At this point, most people claim victory and celebrate. It's a good idea to honor your progress, but you also need to implement a system to sustain the improvement. Continue using control charts to monitor performance and detect process changes. Have a plan for correcting and restoring performance. If you don't, you will quickly slip back into the old performance pattern.

## Develop an Always-a-Better-Way, Change-is-Good Attitude

Let's face it, nobody likes to have change forced on them. But in a global marketplace, some competitor is always trying to get the edge in speed, quality or cost. Like it or not, you can either lead the change or have change forced upon you.

While no one likes being forced to change, most people do like to figure out how to change their work environment for the good of the customer. When you engage the employees in making things better, they will respond with enthusiasm. Employees will inflict improvements on themselves that they would never tolerate from someone else.

Once you start making improvements, you'll discover that **there is always a better way**. Once you see the benefits of making improvements-reduced fire fighting, less crisis management and more revenue-you will begin to develop the **change is good** attitude.

## Plug the Leaks in Your Cash Flow

Haven't you waited long enough to start systematically plugging the leaks in your cash flow? Isn't it time to stop relying on gut feel and take a step up to the next level of performance?

Start getting results from Lean Six Sigma immediately. Take our free Lean Six Sigma Money Belt training online at [www.lssmb.com](http://www.lssmb.com).

Download a free 30-day trial of the QI Macros Lean Six Sigma Software at [www.qimacros.com/trial/30-day](http://www.qimacros.com/trial/30-day) to do the training exercise, analyze your own data and start making improvements today.

## About Jay Arthur



**Jay Arthur**, the KnowWare Man, teaches people how to eliminate delay, defects and deviation in one day using Excel and the Magnificent Seven Tools of Lean Six Sigma. Jay is the shortcut to results with Lean Six Sigma.

Jay is first and foremost a Money Belt; he knows how to use data to fix broken processes to save time, save money and save lives. Jay has 25 years of experience helping companies save millions of dollars.

Jay is a frequent speaker at Lean Six Sigma conferences and is the author of many popular Lean Six Sigma books published by McGraw Hill including **Lean Six Sigma Demystified** and **Lean Six Sigma for Hospitals**. He is also the developer of **QI Macros SPC Software for Excel**.