

The People Side Of Improvement **Success Factors for Sustainable Change**

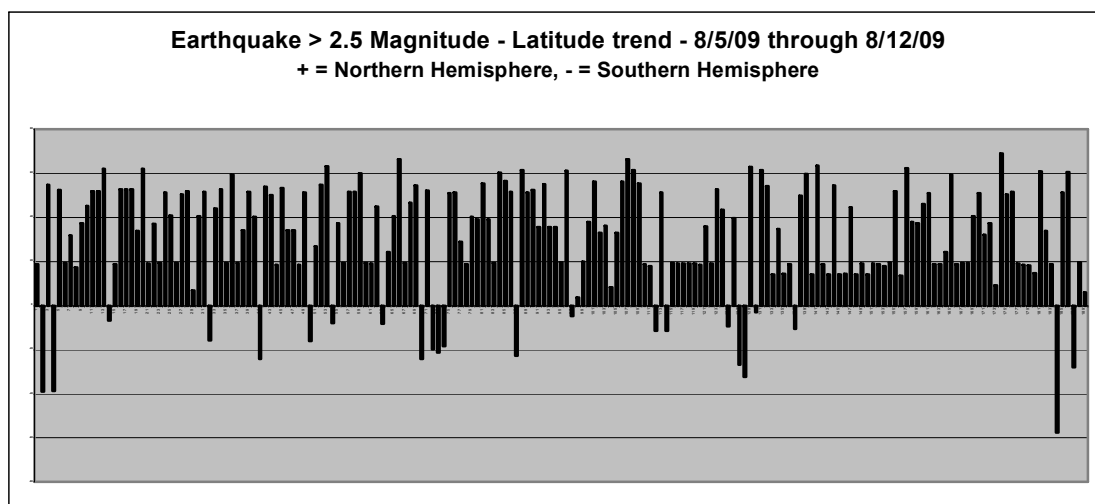
By **KAY SEVER, CMC, CQIA**
Sustainable Improvement Consultant & Coach
Connecting People To Performance & Profits



Protecting Assumptions: A 9.0 on the Richter Scale of Barriers

I have always been interested in the earth sciences - weather, volcanics, techtonics, geology, oceanography, etc. As a result, I periodically check the NEIC website for recent earthquakes. I knew that some parts of the world have frequent earthquake activity, but **assumed** that earthquakes were spread rather evenly across the earth's quadrants since techtonic plates make contact all over the world. Today I looked at the most recent earthquakes and wondered if there was a concentration of earthquakes in a certain quadrant based on latitude and longitude. After analyzing the data from the website, I was reminded of the significance of the word "assume"...

To test my assumption, I dropped the NEIC data (189 earthquakes over a 7-day period) into an excel spreadsheet and charted it by latitude and longitude. I had a "wow" moment when I saw the latitude chart (shown below), which shows that 88% of all earthquakes occurred in the Northern Hemisphere. The longitude chart (not shown) revealed that 76% of the earthquakes occurred between the International Date Line and the Prime Meridian (going east from the Aleutians, across Alaska, North and South America, and the Caribbean to the edge of Europe). The two charts together proved that the upper Ring of Fire quadrant was responsible for about 75% of all earthquakes on earth during this period. **The data proved me wrong**, but I gained a new perspective and depth of knowledge about this topic because **I was willing to test my assumption**.



So how does this example relate to managing and improving processes, departments, divisions and companies? Taking action on what we "think we know" (without confirming our beliefs with data or information) increases our chances of choosing the wrong course of action. The outcome will probably be acceptable if we are right, but not so good if we are wrong. In addition, other options will not be explored, forfeiting valuable opportunities to maximize operational, financial and organizational performance.

Profitability and management credibility depend on great decisions, but learning that a better decision could have been made is both good and bad news for management teams. Benefits of choosing a different course of action in the future are recognized, but the fear of embarrassment and lost credibility can be difficult to overcome. If management has already chosen to stay in its comfort zone instead of pursuing potential gains, making the right choice may be one of the biggest challenges that management faces when beginning an improvement initiative. Showing courage in this area may be the single most powerful act that a management team can perform to initiate discussions about the most important things to fix.

To get the most from improvement initiatives, **management must be willing to risk discovering:**

- They spent dollars on problem resolution or expansion capital that might have been saved.
- Organizational effectiveness contributed more to the bottom line than they thought.
- They have been measuring the wrong things.
- They have been setting unachievable targets and approving unachievable budgets, but not understanding the reasons for shortfalls in production, availability and utilization, costs, etc.
- They do not understand the relationship between management systems, improvement initiatives, outstanding results and culture change.
- They do not understand that sustainable improvement depends on management taking an active role in leading improvement efforts.
- **There is a lot of power in knowing what to do differently and having the courage to do it.**

To summarize, when managers hesitate to examine their own assumptions or decision processes, they overlook valuable improvement opportunities and sanction the protection of “sacred cows” across the company. This creates a formidable barrier to change (maybe a 9.0 on the Richter Scale) that is difficult to overcome. If a company wants a culture that is focused on getting better, management teams must set the tone by behaving as if “getting better” is more important than protecting assumptions or past decisions.

Thought for the month:

If management teams choose to test their assumptions, they can discuss and fix their most important problems.

Kay Sever, CMC, CQIA implements improvement programs and management development programs for mines, plants and service organizations. Her approach balances commonly used tools and methods with a focus on value creation and the “people side of improvement”. Kay works with every organizational level and department to find the highest dollar opportunities and remove barriers that prevent sustainable change. She helps management teams lead improvement and better execute the budget, capital approvals, incentive plans, communications, etc. See MiningOpportunity.com for details on her services and contact information. Look for the mining edition of her first book “Building An Opportunity Culture – Addressing the Barriers That Steal Profits and Prevent Sustainable Change”, available on her website under Products/Books. **NEW Management Training Program – “Opportunity Fundamentals – Equipment, Cost and Culture”** – starting in August. See Kay’s website for details.