

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

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## **In The News...“The Unexpected” and its Impact on Improvement**

Have you ever thought about the stories that make up the news? What criteria are used to rank one story over another? Why do we stay glued to the TV or radio when some events happen? The types of scenarios that draw the most interest are not about people going about their normal day-to-day activities. Instead, most stories classified as “news” cover surprises, events (like natural disasters) that are out of our control, and countries or people that do or say things that **no one expect**. If not for the unexpected, 24-hour news coverage would not exist and many newspapers and news channels would go out of business.

Unexpected events also greatly impact the performance of every company. Process upsets, equipment damage, and unplanned breakdowns become “the news” that distract everyone’s focus from normal productive work. They are covered as “top stories” in morning meetings and help explain month-end variances from budget and forecast. When the same events happen over and over again, they become recurring problems that are 1) accepted as “part of the process”, 2) ignored or overlooked as improvement opportunities, and 3) may be budgeted for because “everyone knows that they are going to reoccur”.

**When you have a good day at work, there are no surprises.** Everyone shows up for work. Equipment and equipment operators perform well. There are no breakdowns and production is consistent throughout the day. Only value-added production dollars are spent (instead of dollars spent to fix problems). Employees get the information they need from the prior shift or from other departments to meet productive goals and help them meet deadlines without rework. Days like this prove that your processes and people can operate without disruption. You wish every workday could be like this, but don’t know how to permanently fix the problems that routinely “eat your lunch”.

**When I help companies achieve and sustain consistent levels of performance, I look for the unexpected** because unexpected events lead my clients directly to problems that cost the most time, money, and tons. Symptoms of the unexpected include lost tons, excess cost and how well departments manage **planned work** within a department and with other departments. The economic impact of unexpected events and recurring problems is usually not measured or known, making them even more elusive. However, the economic impact of these problems causes:

- Existing equipment capacity to be hidden. Sometimes there is so much hidden capacity that unneeded expansion capital is approved and installed.
- Performance targets to be lowered if they are repeatedly missed, hiding the full amount of the production loss.
- Costs associated with recurring problems to be buried in the G/L, so that the total bottom-line effect is unknown.
- Lower production and higher costs when people and departments do not communicate well; interestingly enough, the cost of poor communication is often **buried in another department’s costs**.

If recurring problems can be stopped, managers can maximize their opportunity to meet expectations. The management team can also **increase their credibility with the board** as budgets

are met more frequently and as capital projects begin to achieve the promised ROI on a regular basis.

Here is one last thing to consider: We expect people to behave in a certain way to get a certain result. Recurring problems also arise when people do not follow through as expected. This means that **behaviors must change to make recurring problems go away, a universal truth underemphasized** in many improvement projects. This is true for operations, maintenance, and support functions like purchasing, accounting, warehouse, permitting and other departments. If a company is serious about preventing the unexpected and fixing its most important problems, process improvement work **MUST ADDRESS** behavior change as part of the solution.

Thought for the month:

**Failure to meet expectations is overlooked by many management teams as a way to identify their most costly problems. Behavior change will be part of each solution.**

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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](http://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 July. See Kay's website for details.