



## **Appreciating your business in many ways... The Clearline Way...**

To: Anyone interested enough to get  
this far in our website

From: Ian Hendra, with thanks!

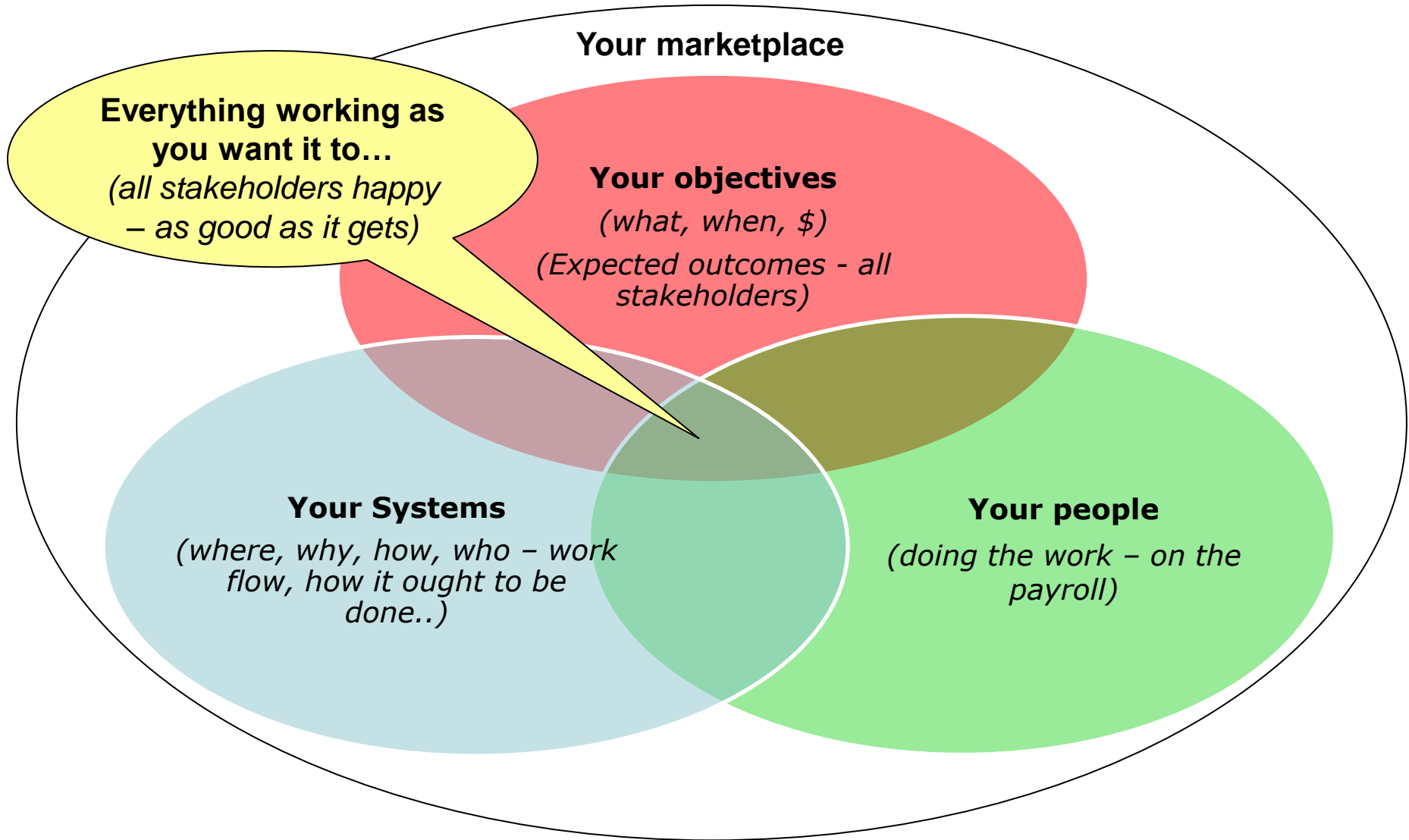
Date: 20 Aug 2014

# Gathering info first

- **Situation**
  - (that brings me here...)
- **Problems**
  - (that emerge...)
- **Implications**
  - (if you do nothing...)
- **Needs**
  - (required changes to achieve the desired outcome)
- **Hence...**
  - What's my deliverable (ie my offering)?
    - Handle the objections
    - Close the sale

# Are you here?

Four elements that describe your business



# Or are any of these familiar...?

*Symptoms of misalignment*

Gaps, frustration, fire-fighting, battles, discontent, complaints, "sickies", surprises!...

Random changes, tampering, conflicting or unclear results, reliance on individuals, rework, "always done it like that!"

How good would it be if you were in here all the time?

**People not aligned**

**Systems not aligned**

(Expected outcomes - all stakeholders)

**Your Systems**

(where, why, how, who - work flow, how it ought to be done..)

**Your people**

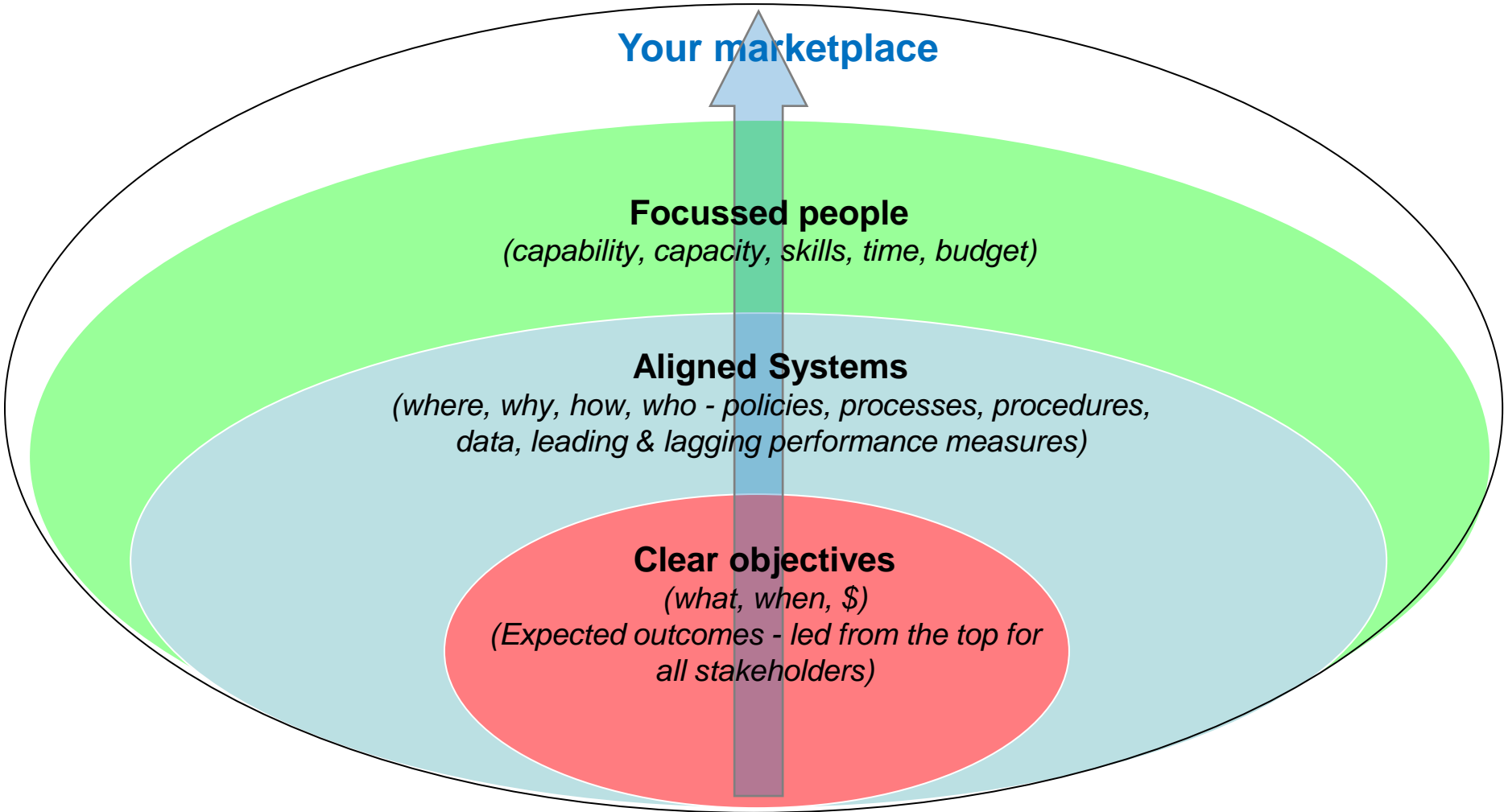
(doing the work - on the payroll)

Hard to organise, silos, people making it up as they go along - doing their own thing...market share falling

**Objectives not aligned**

# A good place to be?

*Clear line of sight...*



# How to....

## Eight critical steps in setting up a clear line of sight

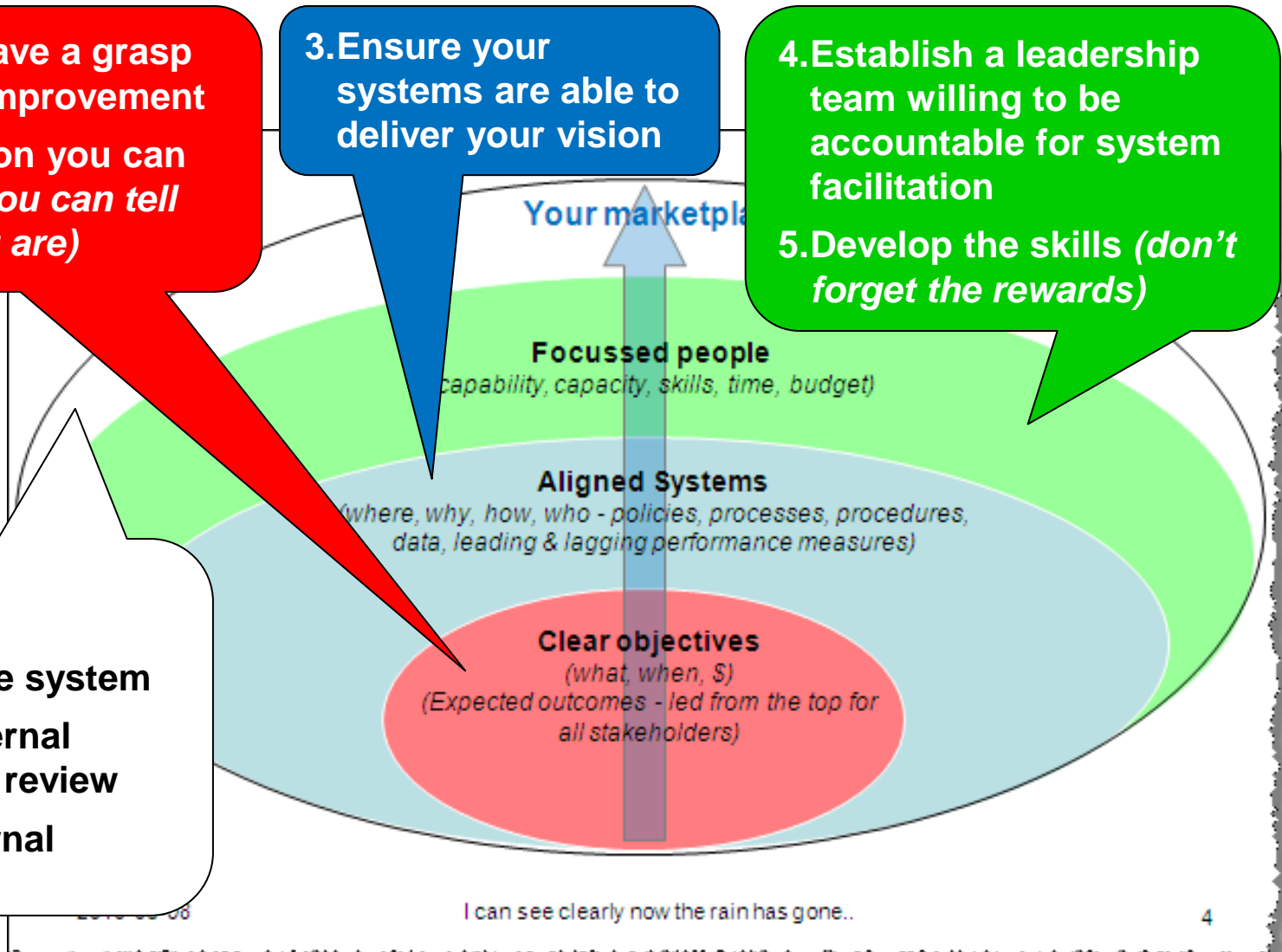
1. Ensure you have a grasp on continual improvement
2. Develop a vision you can measure (so you can tell how close you are)

3. Ensure your systems are able to deliver your vision

4. Establish a leadership team willing to be accountable for system facilitation
5. Develop the skills (don't forget the rewards)

### THEN...

6. Implement the system
7. Establish internal monitoring & review
8. Procure external assurance



# What do we offer? The Clearline Way....

Guidance, facilitation, training and coaching on establishing a clear line of sight so your business can be as good as it gets...

## Stage 1

Facilitation and coaching for steps 1 & 2 (*nobody has all the wisdom – we all have some of it!*)  
Buy-in guaranteed!

## Stage 2

Assistance with documentation & system configuration for Step 3 (eg workflows, manuals..if all else fails try the instructions!)

## Stage 3

Training, & coaching your people in tools and techniques for Steps 4 & 5 (*your people are your power...*)

## Stage 4

Facilitation & coaching to ease implementation at Step 6.  
  
Review, verification & validation of progress so far and internal auditing for Step 7 (includes internal audit training), ongoing if needed.  
  
Guidance on external assurance for Step 8

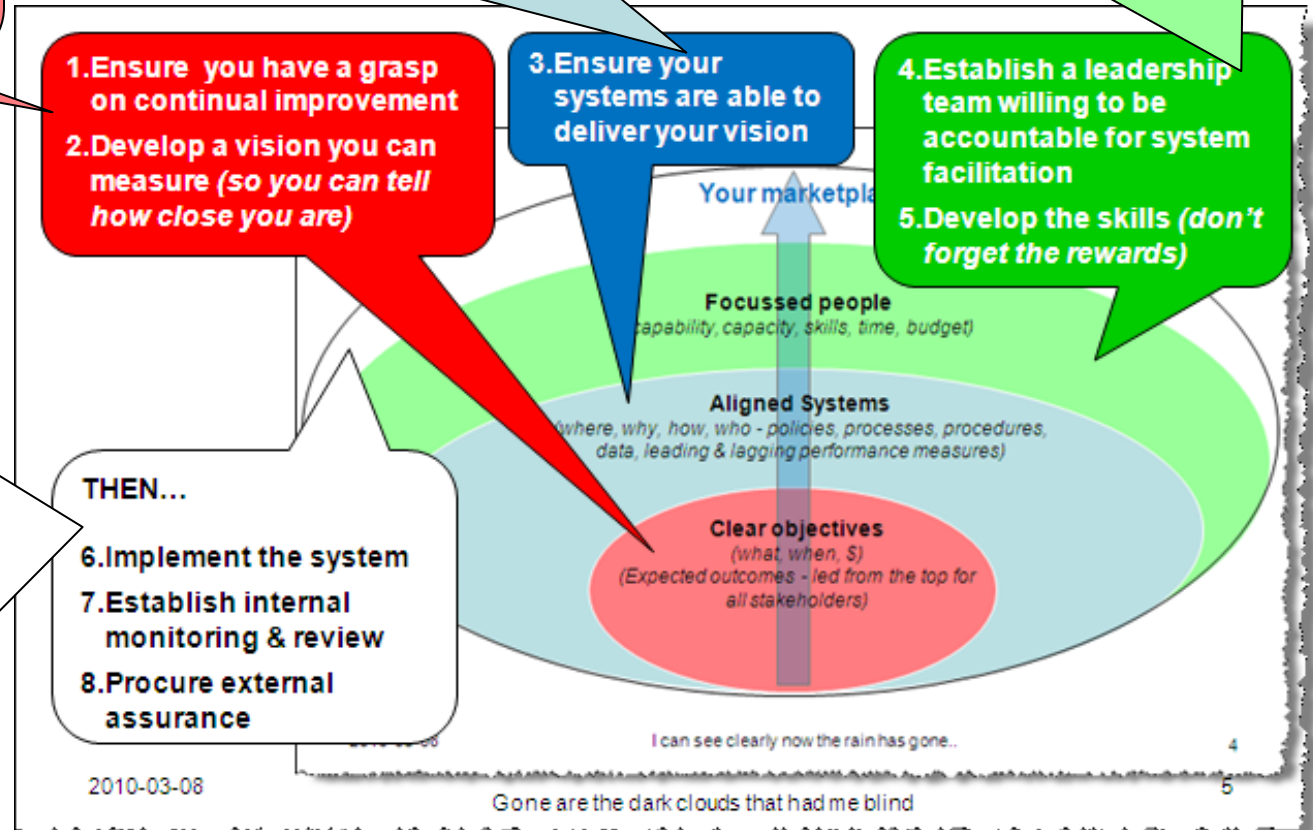
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THEN...

6.Implement the system  
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## Clearline Services appreciates your business in so many ways...

### 1. Make the most of now....

- Reviewing how you're doing...
  - ✓ How's your dream doing?
  - ✓ Are your customers and staff getting what THEY want?
  - ✓ Can you really see your business from go to whoa?

### 2. Fix the flats...

- Analyse and prioritise the issues
  - ✓ What's wrong, what's right?
  - ✓ Ranking the impacts against your dream?
  - ✓ Learning how to avoid fires...?

### 3. Keep the bright light burning...

- The hard bit...
  - Goes out if you don't tend it...
  - Who's going to do it?





## Part two

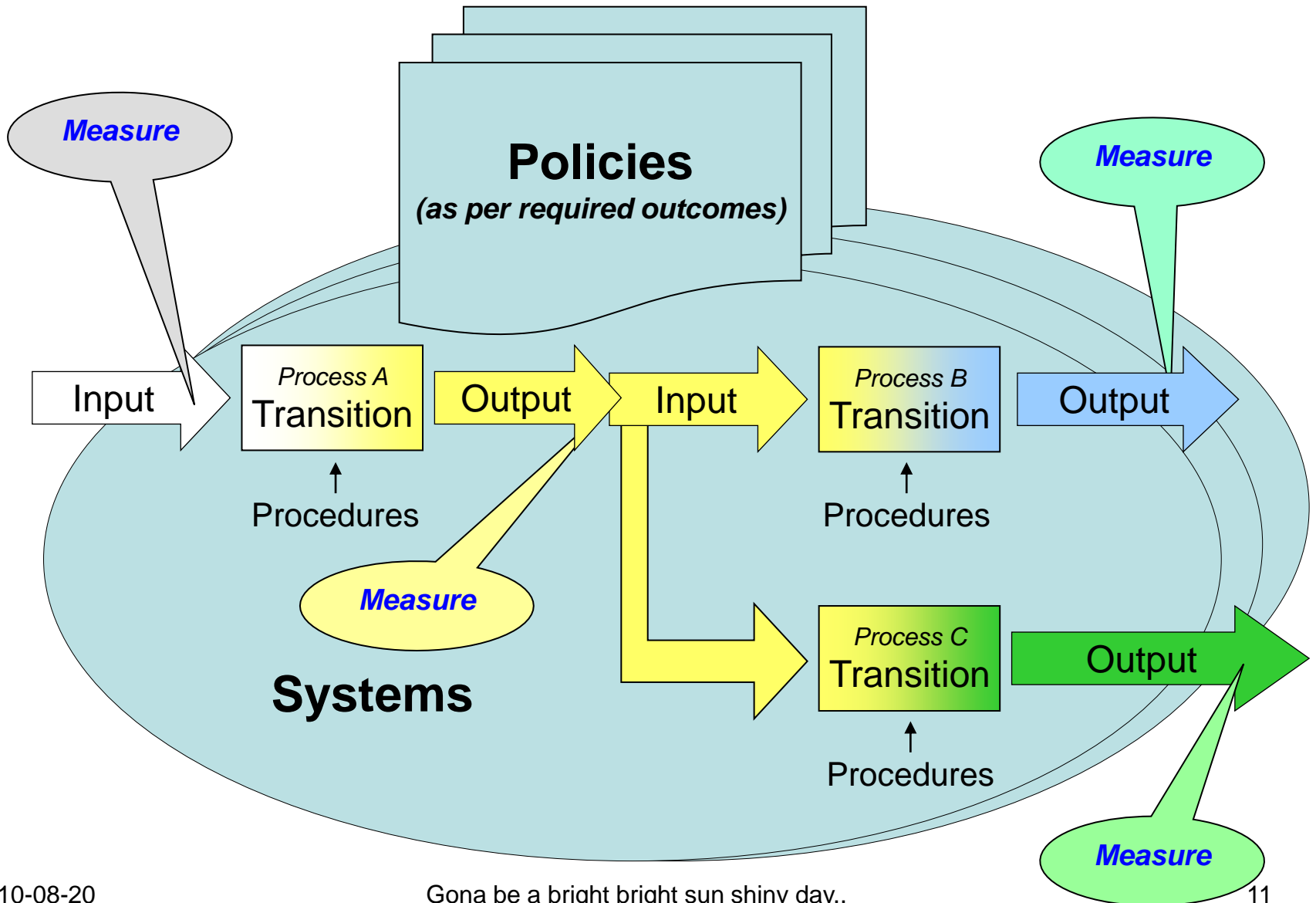
More detail

1. Basic concepts
2. Vision
3. Systems able to deliver
4. Leadership & facilitation
5. Developing the skills
6. Implement the system
7. Establish internal monitoring & review
8. Procure external assurance



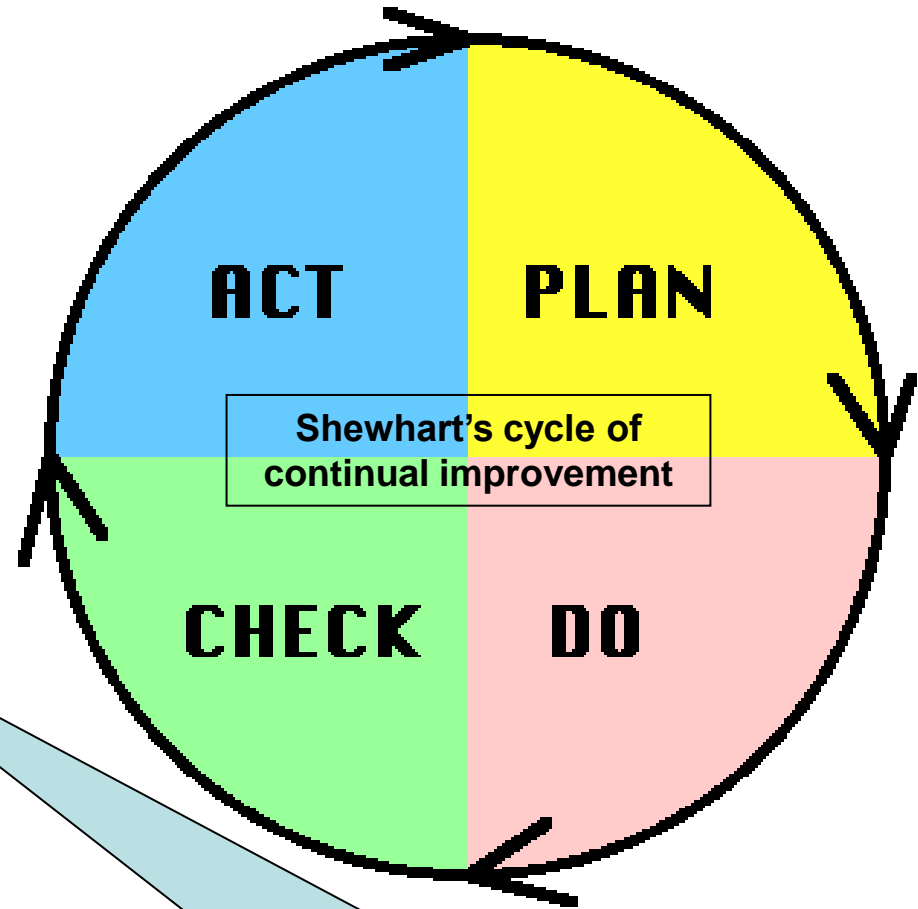
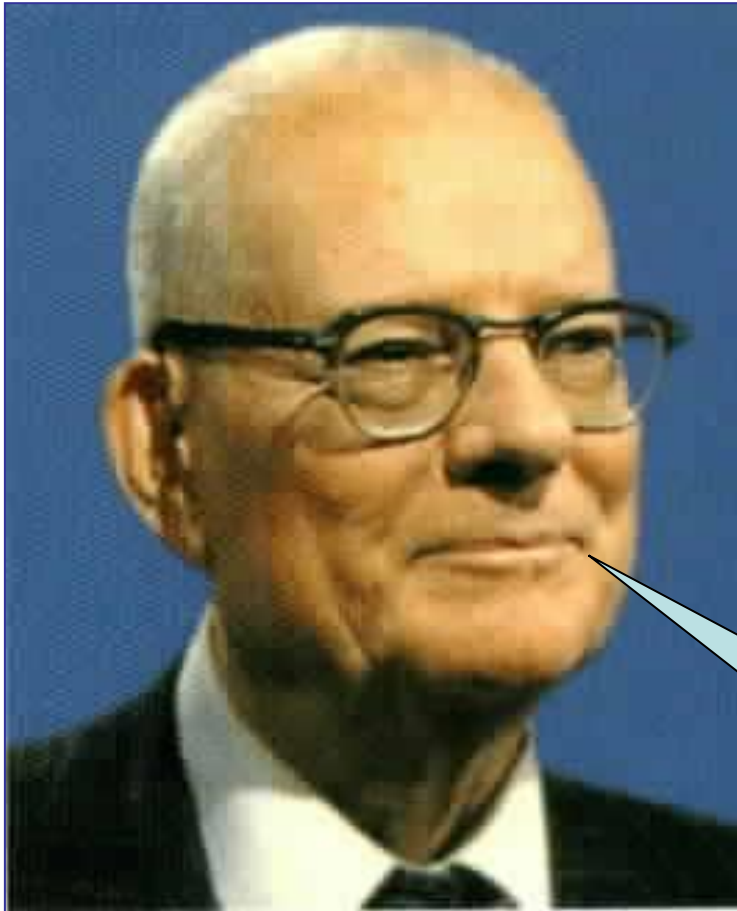
# 1. The basic concepts

a. Policies need systems consisting of processes to deliver outputs



# 1. The basic concepts

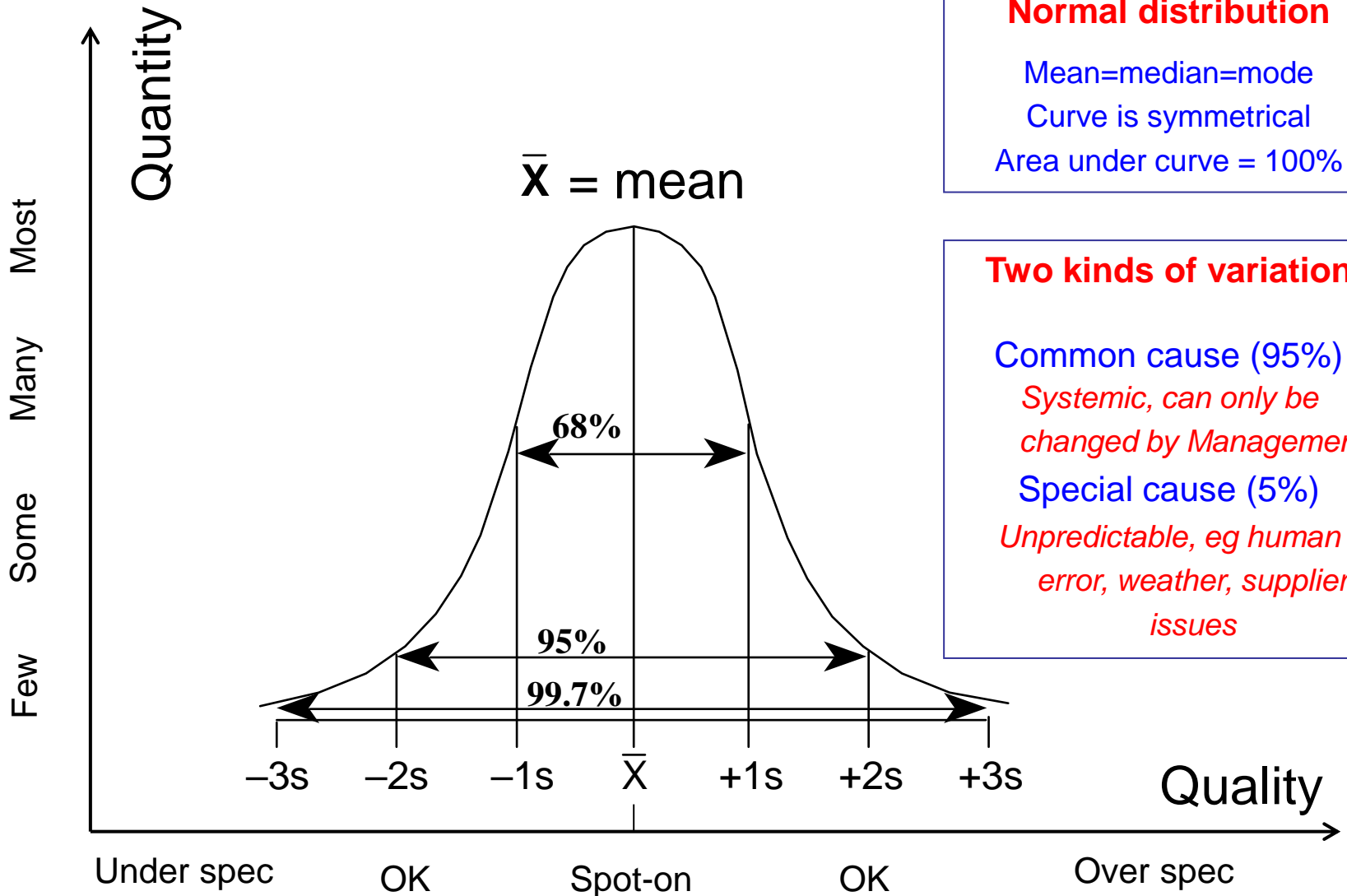
b. Dr W Edwards Deming (1900 - 93)



If it moves measure it.  
Otherwise enjoy your hobby!

# 1. The basic concepts

c. Process outputs vary, no two are the same (Deming)



## Normal distribution

Mean=median=mode

Curve is symmetrical

Area under curve = 100%

## Two kinds of variation

Common cause (95%)

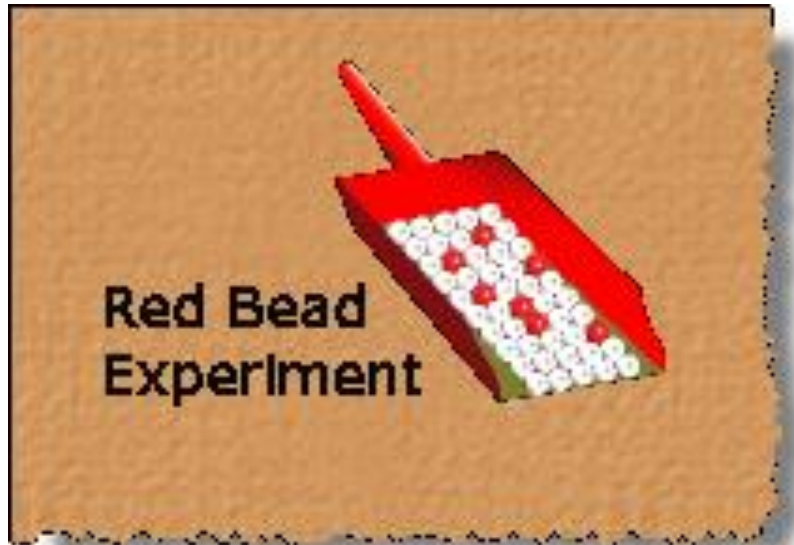
*Systemic, can only be changed by Management*

Special cause (5%)

*Unpredictable, eg human error, weather, supplier issues*

# 1. The basic concepts

## d. Fundamentals of process control



### Quality Gamebox

## 2. Visions...

Starters for 10...to get discussion going...

### Your business couched as...

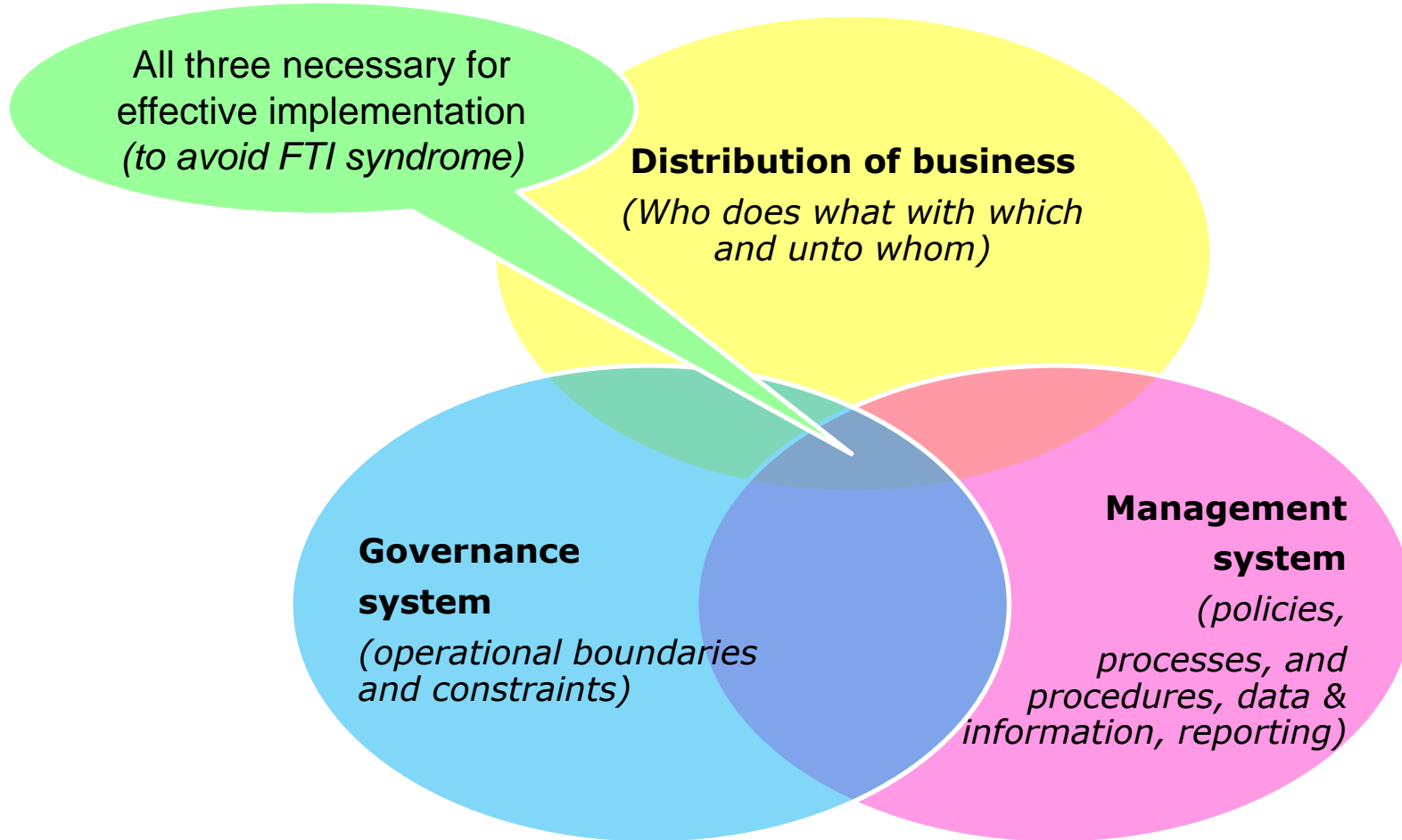
From your website...

*We are the greatest, magic, fantastic, etc etc, we work to the best standards*

- 1. Should these standards place the onus for the identification of hazards and the mitigation of risks on operators?**
- 2. Should your continual improvement system...**
  - 1. Focus on managing causes of identified hazards?**
  - 2. Or does it stop at quick fixes?**
  - 3. Promulgate learnings through effective intra-industry communication processes?**
  - 4. Implement the binary aspect of the Reason Model?**
- 3. Should you benchmark yourself as a service provider (eg Baldrige/NZBEF as per Royal NZ Navy)?**

### 3. Systems able to deliver

a. Configuration = three elements (helicopter view)

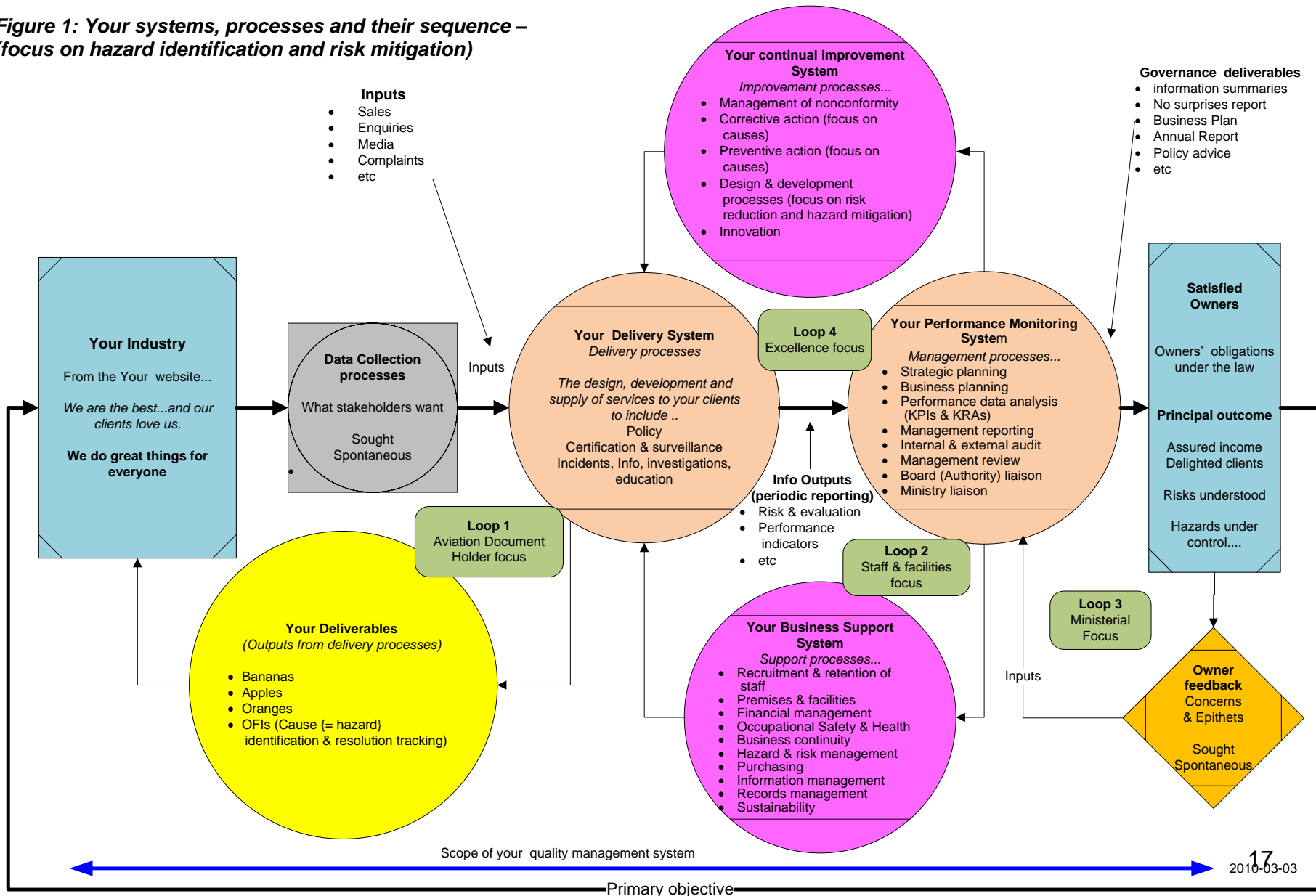




# 3. Systems able to deliver

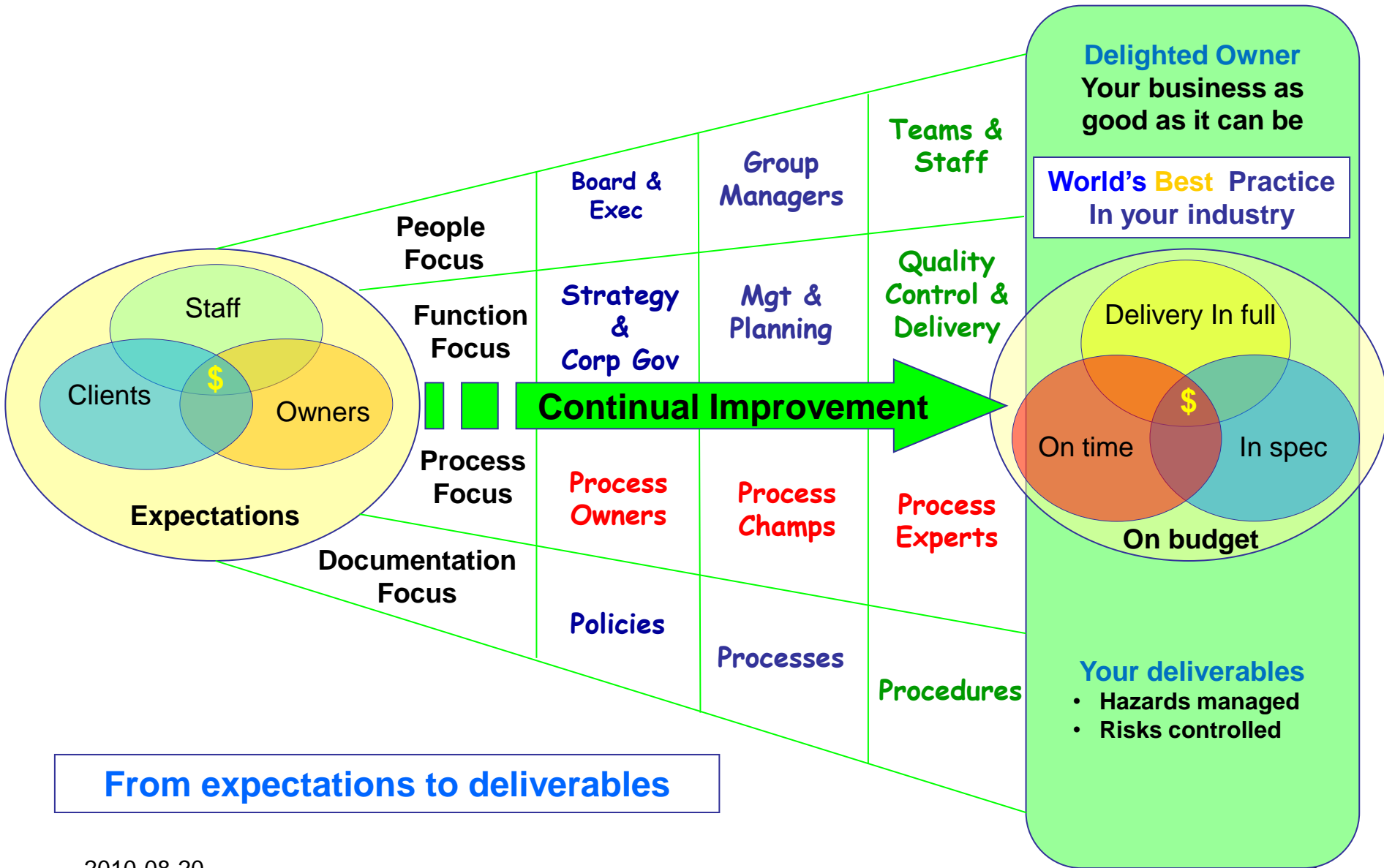
## b. Interaction of processes (distribution of business??)

Figure 1: Your systems, processes and their sequence – (focus on hazard identification and risk mitigation)



# 3. Systems able to deliver

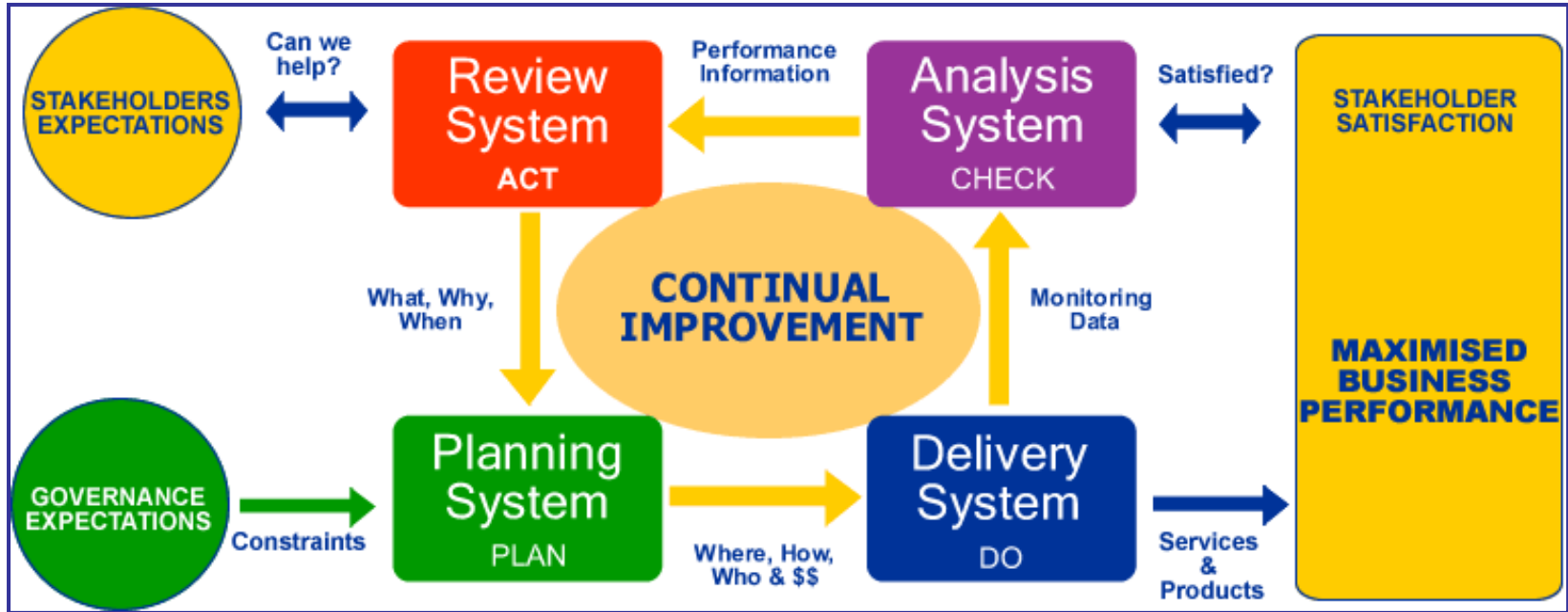
c. Focus diagram – identifies roles and players (governance system)



### 3. Systems able to deliver

d. Management system reference map – loop always to be complete & CI always impacts all systems

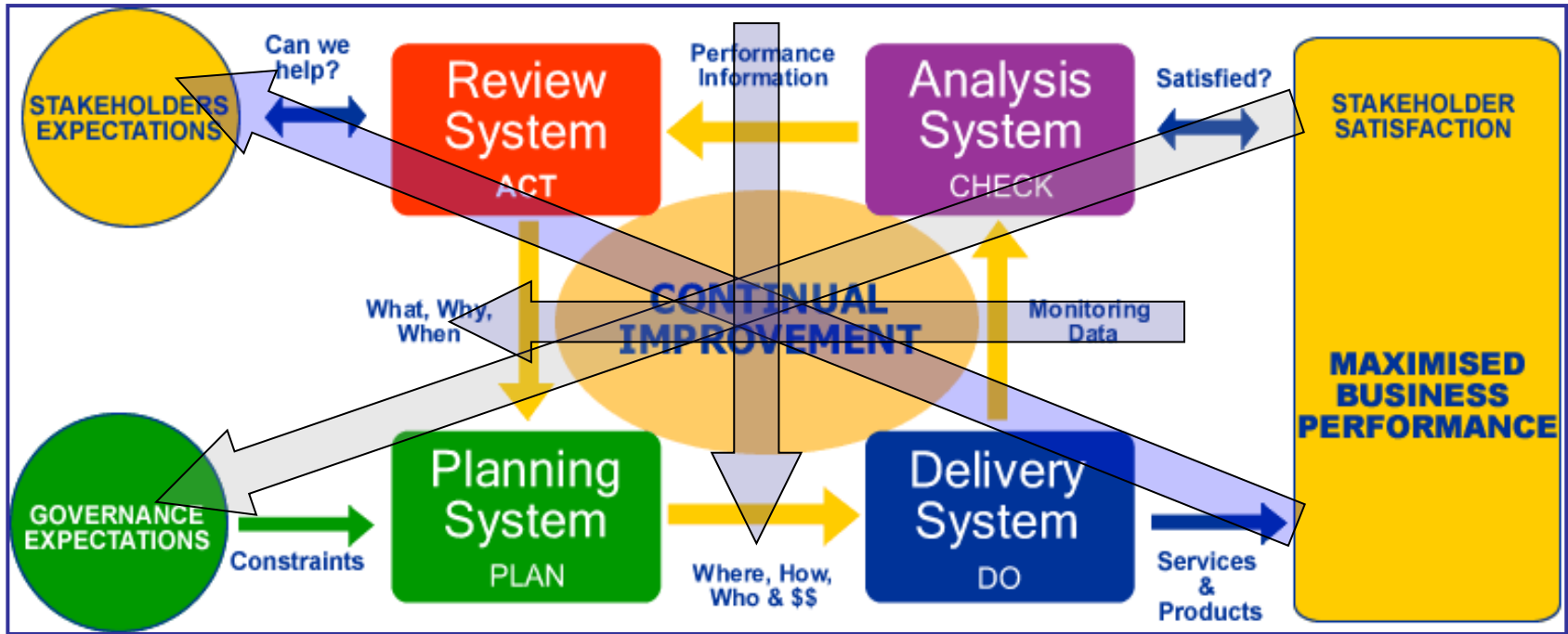
*We are what we repeatedly do. Excellence is not an act but a habit - Aristotle*



How to get from Top Left to Bottom Right

# 3. System configuration

## e. Process template (clear lines of sight)



What you measure is what you get; you only get what you measure

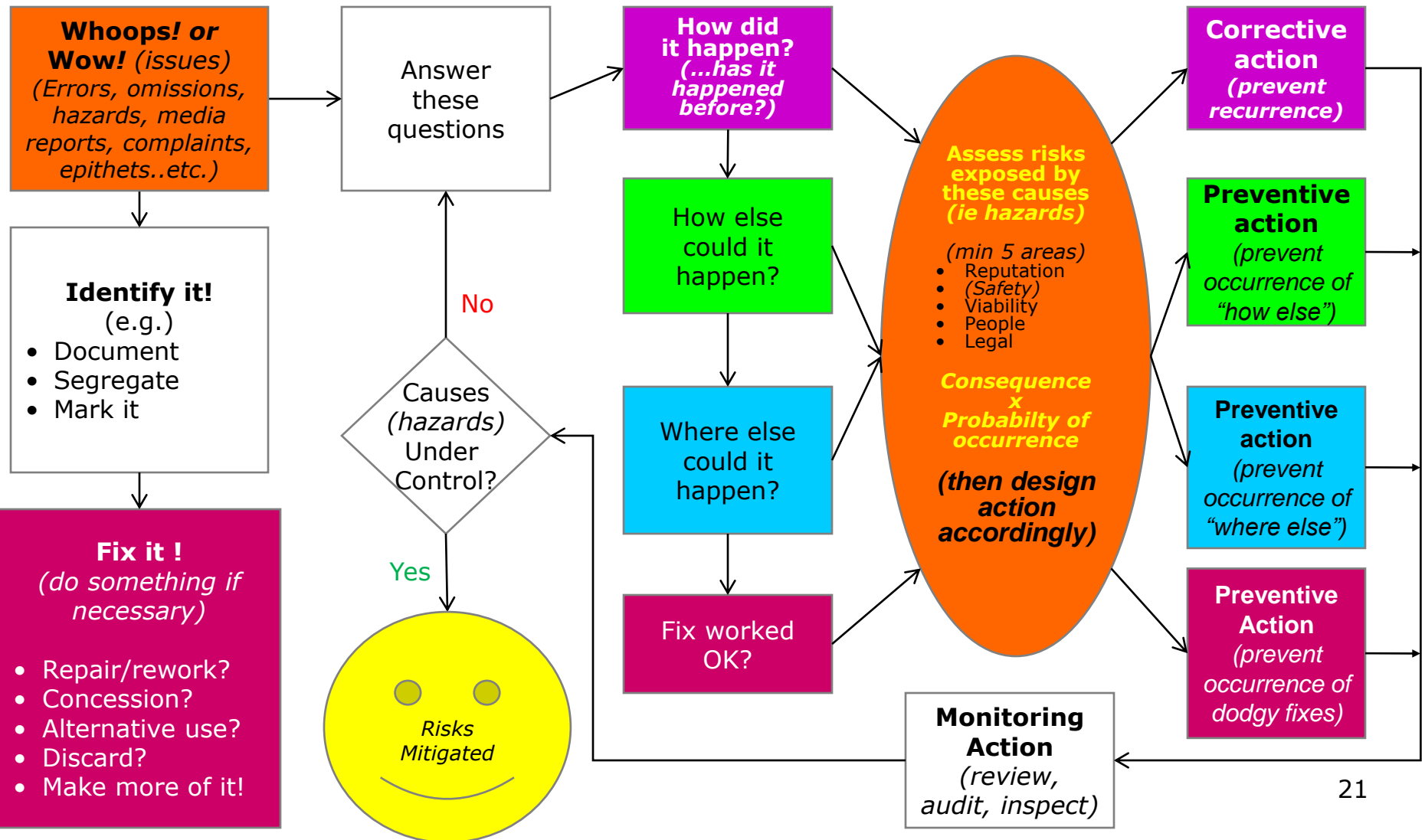
What do you need to measure?

Clear lines of sight providing assurance (basis for metrics & internal auditing)

# 3. Systems able to deliver

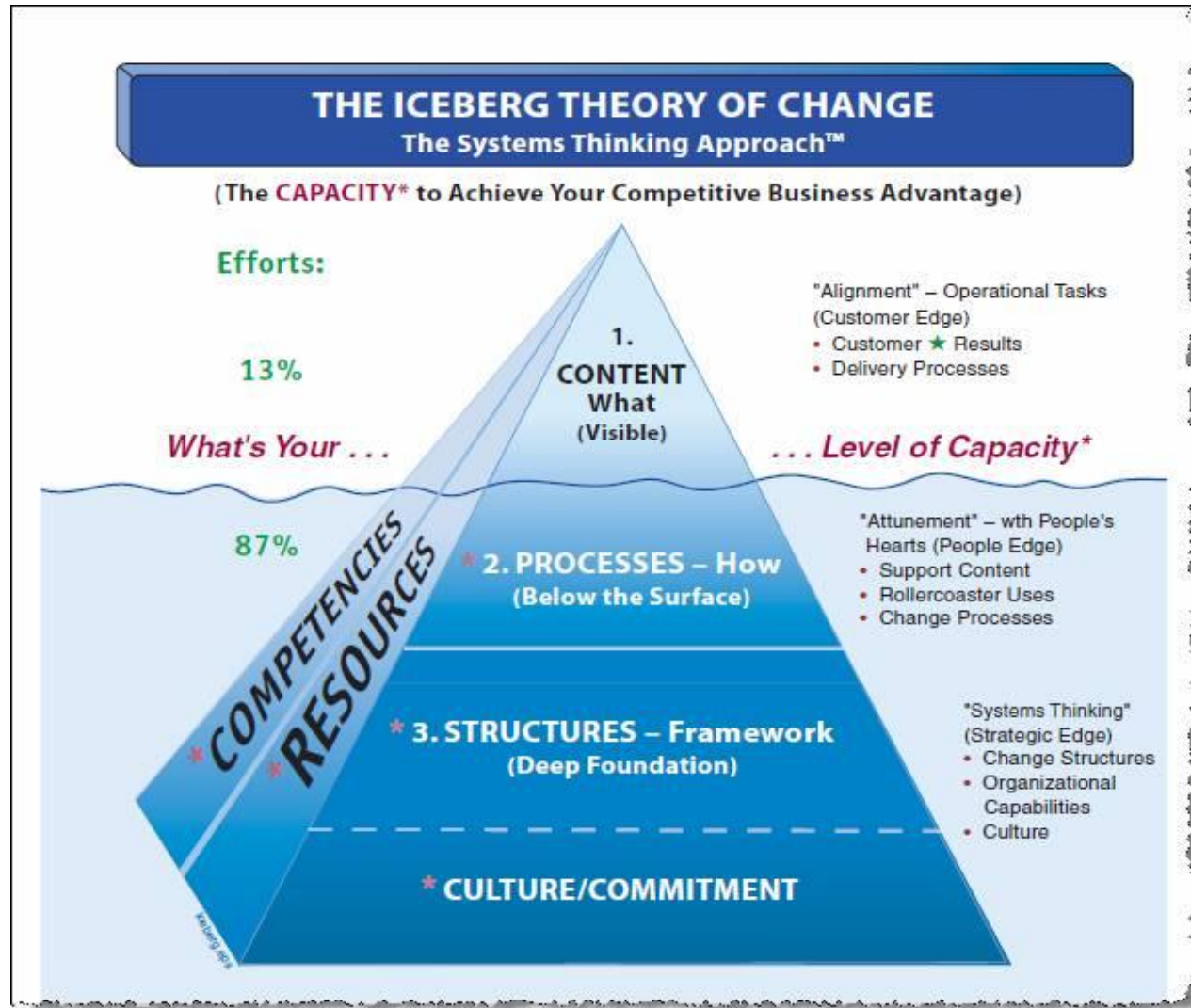
## f. Continual improvement process – cause (*hazard*) focussed issues handling

Please click through the sequence here....



# 4. Leadership & facilitation

## a. Iceberg theory of change (Stephen G. Haines)



Haines  
copyright in  
this  
diagram

## 4. Leadership & facilitation

### b. Making it happen

"Ready to roll"  
(ducks in a  
row, no  
surprises)

Processes agreed  
company-wide  
(KISS principle)

Clear objectives & ongoing  
commitment from owners &  
Exec (ie budget, resources and  
engagement)

Board, exec, senior mgt team, quality  
system embedded in management &  
governance systems "the way we work  
around here"

87% submerged

# 4. Leadership & facilitation

c. Necessary elements and consequences of overlooking them

Presence or lack of these ↓ factors produces these →					Results
Vision	Incentives	Skills	Action plans	Resources	
✓	✓	✓	✓	✓	<b>CHANGE HAPPENS</b>
<b>X</b>	✓	✓	✓	✓	<b>Confusion</b>
✓	<b>X</b>	✓	✓	✓	<b>Gradual change Anxiety</b>
✓	✓	<b>X</b>	✓	✓	<b>False Starts</b>
✓	✓	✓	<b>X</b>	✓	<b>Frustration</b>



## 4. Leadership & facilitation

### d. Set up your Quality Council

*Main issue here is that the current organisation structure is based on the need to deliver against the annual BP. For a QMS to exist, we need to shift the thinking from working on last year's "to do list" to managing the processes that deliver outcomes, and improving their performance..*

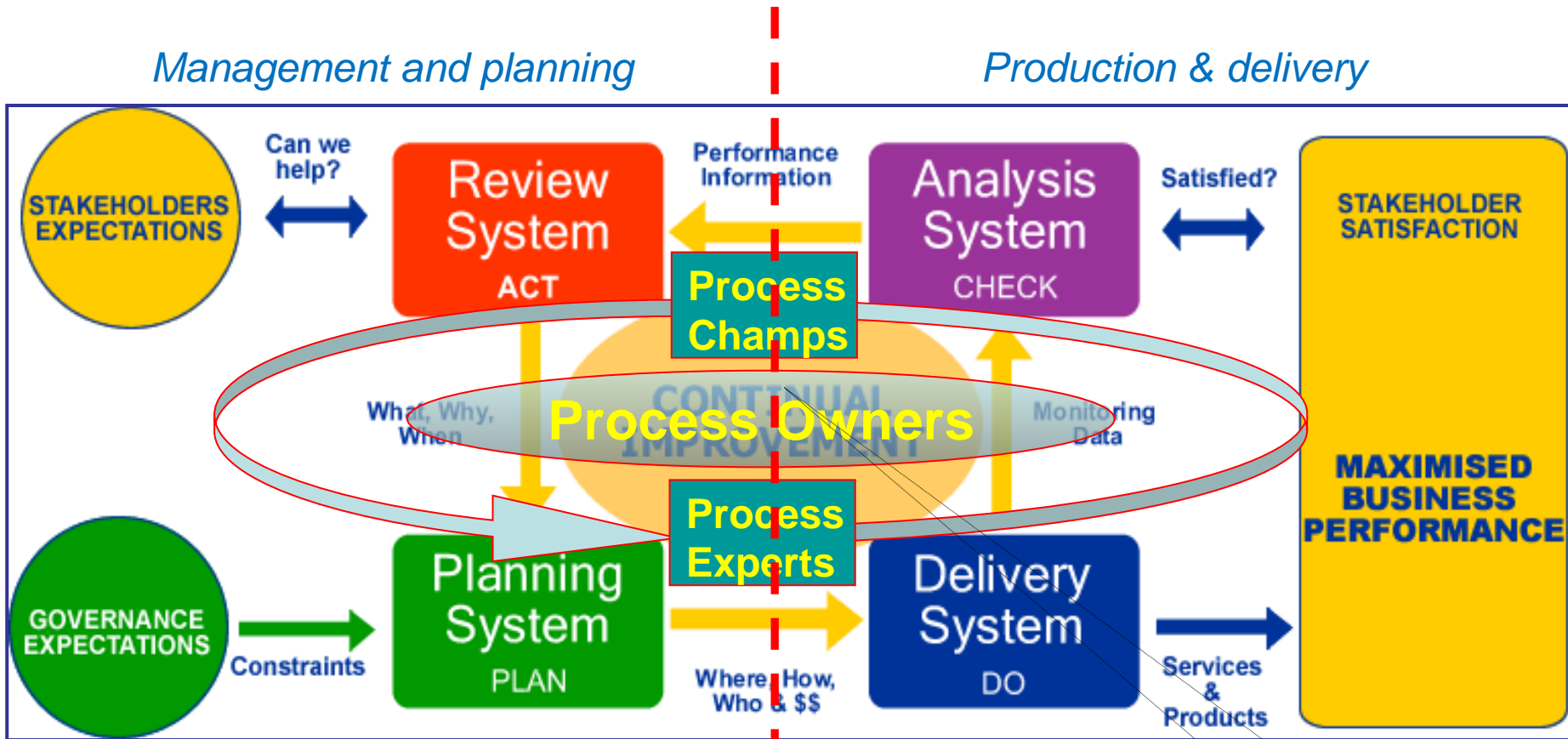
*Refer Focus diagram at 3.c previously*

### → **Your Quality Council**

- "Owner" driven (eg Convened by Audit C'ee or Internal Audit)
- Drives "process approach" separately from the current objective-driven approach predicated on the annual BP. Recognises that the current MBO system is all but set in concrete.
- Membership represents Process Owners (Exec level), Process Champs (Senior Mgr level) & Process Experts (Delivery level)
- Needs a Charter underwritten by The Board/owner.

# 5. Developing the skills

## a. Relationships between process owners, champs, experts



*Refer Focus diagram at 3.c previously*

# 5. Developing the skills

## b. Start with GOAL/QPC Memory Jogger II tools

1. **Affinity Diagram**
2. **Interrelationship Digraph**
3. **Tree Diagram**
4. **Prioritisation Matrices**
5. **Matrix Diagram**
6. **Process Decision Program Chart (PDPC)**
7. **Activity Network Diagram**

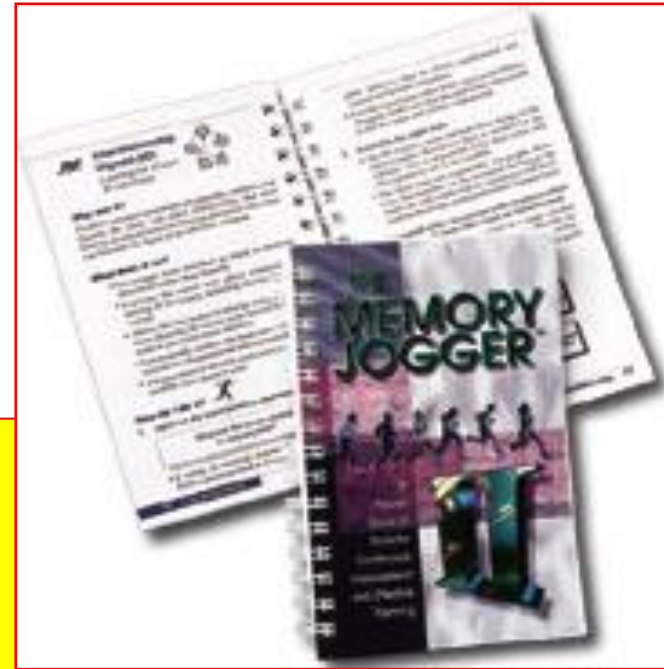
**The 7 Management & Planning tools**  
*(from QFD)*

Process Champs & Process Experts learn these

- A. **Flow charts**
- B. **Run charts**
- C. **Control charts**
- D. **Histogram**
- E. **Scatter Diagram**
- F. **Pareto diagram**
- G. **Cause & effect diagram**

**The 7 Quality Control tools**  
*(Dr Deming's original SQC tools)*

Process Experts learn these too

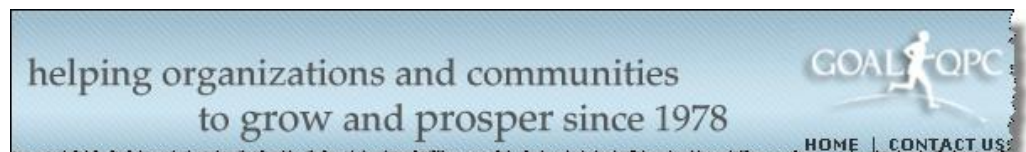




# 5. Develop core competencies

## d. More tools

- Innovation Memory Jogger
- Team Memory Jogger
- Facilitation Memory Jogger
- Project management Memory Jogger
- Advanced project mgt Memory Jogger
- Lean Six Sigma (Memory Joggers)
- Reality Charting (Reason binary model)
- Baldrige assessment (NZBEF)
- Investors in people
- NZOQ
- etc



## 6. Implement the system

- Set up your Quality Council (*Process owners, champs and experts but reporting to Audit Committee*)
- Develop Charter to deal with governance and reporting
- Assure funding and resources (in the BP and SoI)
- Develop quality plan for the system (what, why, when, where, how, who)
- Develop Project Plan with Quality Council as project control group
- Go for it....

## **7. Establish internal monitoring & review**

- Establish process management as primary function for all managers
- Ensure all management reporting is based on process performance

## 8. Procure external assurance

- External assurance can be obtained from..
- ISO 9001 certification, but use a industry leader CB and select auditors on the basis of relevant technical experience . Vitally, pay for a sensible time allowance.
  - Operational review by an independent industry body yet to be established (if the idea is worth pursuing)
  - PwC external audit & review
  - OAG (do they do work upon request?)
  - NZBEF – Business Excellence Awards (probably the most ambitious, actually)



# Thank you

*Look all around, there's nothin' but blue skies*

*Look straight ahead, nothin' but blue skies....*

*I can see clearly now the rain is gone...*

*Johnny Nash...*