

A Methodology for
Determining the
Organization's
Readiness for
Process
Improvement



Aldo Dagnino
ABB Inc.
**US Corporate Research
Center
Raleigh, NC**



Presentation Contents

- Introduction to ABB
- ABB Process Improvement Initiative
- Definition of Change Readiness
- Motivation for Change
- Relevant Stakeholders
- Organizational Infrastructure for Change
- Evaluating Change Readiness



Introduction to ABB

- ABB is a multi-national power and automation technologies corporation that develops products, such as robots, instruments, power delivery components, and monitoring and control systems.
- ABB's customers include industrial companies such as power companies, process industries, and manufacturing plants.
- Beginning in 1999, ABB expanded its corporate strategy to include capabilities for enabling the horizontal and vertical integration of systems, as well as integration of other vendors' products.



ABB's Organizational Structure

- Power Technologies Division

- Power Systems
- Medium-Voltage Products
- High Voltage Products
- Transformers
- Utility Automation Systems



- Automation Technologies Division

- Automation Products
- Manufacturing Automation
- Process Automation



ASPI - CEPG Mission

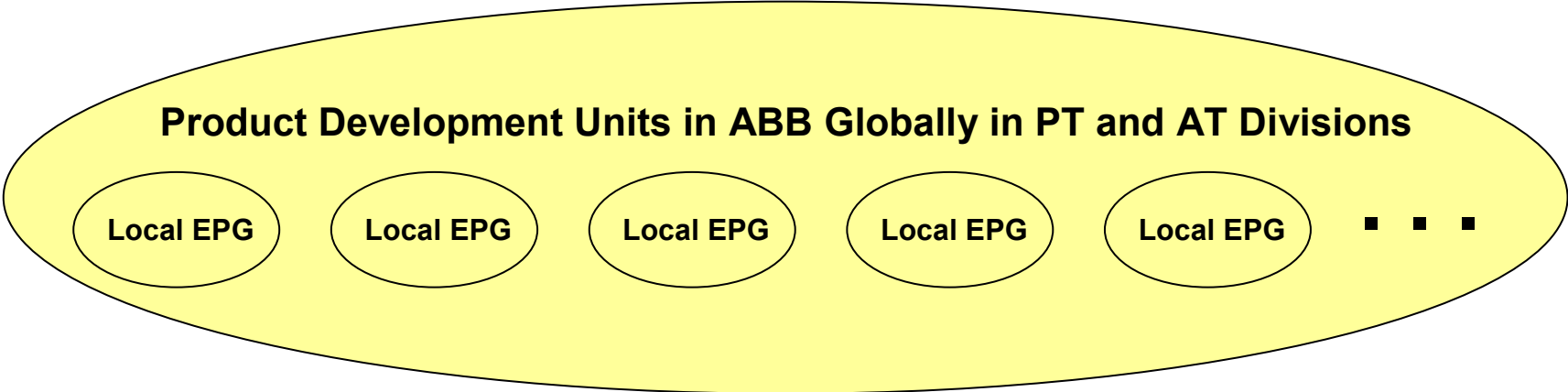
- To assist ABB organizations to improve their product development processes by implementing a sustained continuous process improvement culture using the Capability Maturity Model Integration (CMMI)



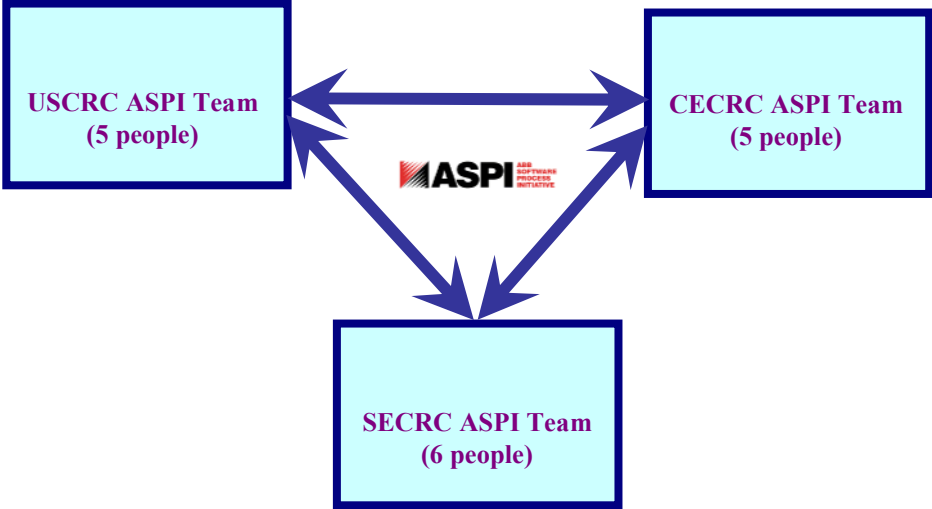
- This mission is achieved by employing:
 - The **Capability Maturity Model Integration (CMMI)** and **IDEAL Model** for continuous process improvement



ASPI Support

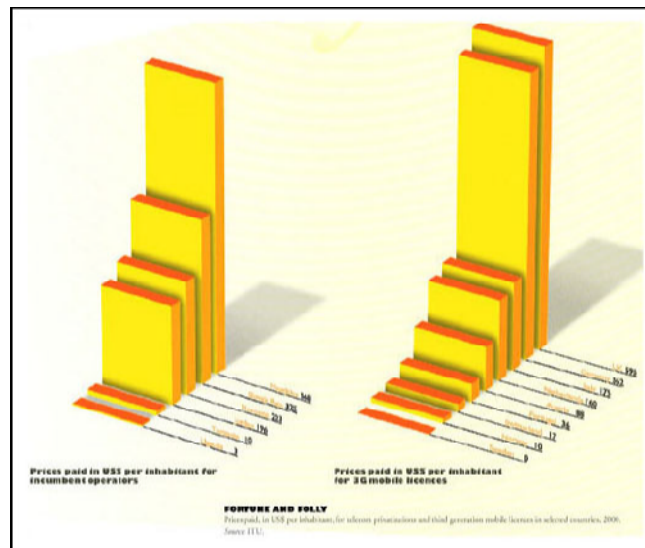


Support ABB Development Units in the Continuous Improvement of their Product Development Processes



Implementing Continuous Process Improvement at ABB

- Define organization's yearly Business Goals
- Define Process Improvement Plan (PIP)
- Conduct CMMI Appraisal
- Develop Strategic Action Plan (SAP) prioritizing process improvement activities using Business Goals
- Implement PIP and SAP
- Monitor ROI
- Re-start cycle

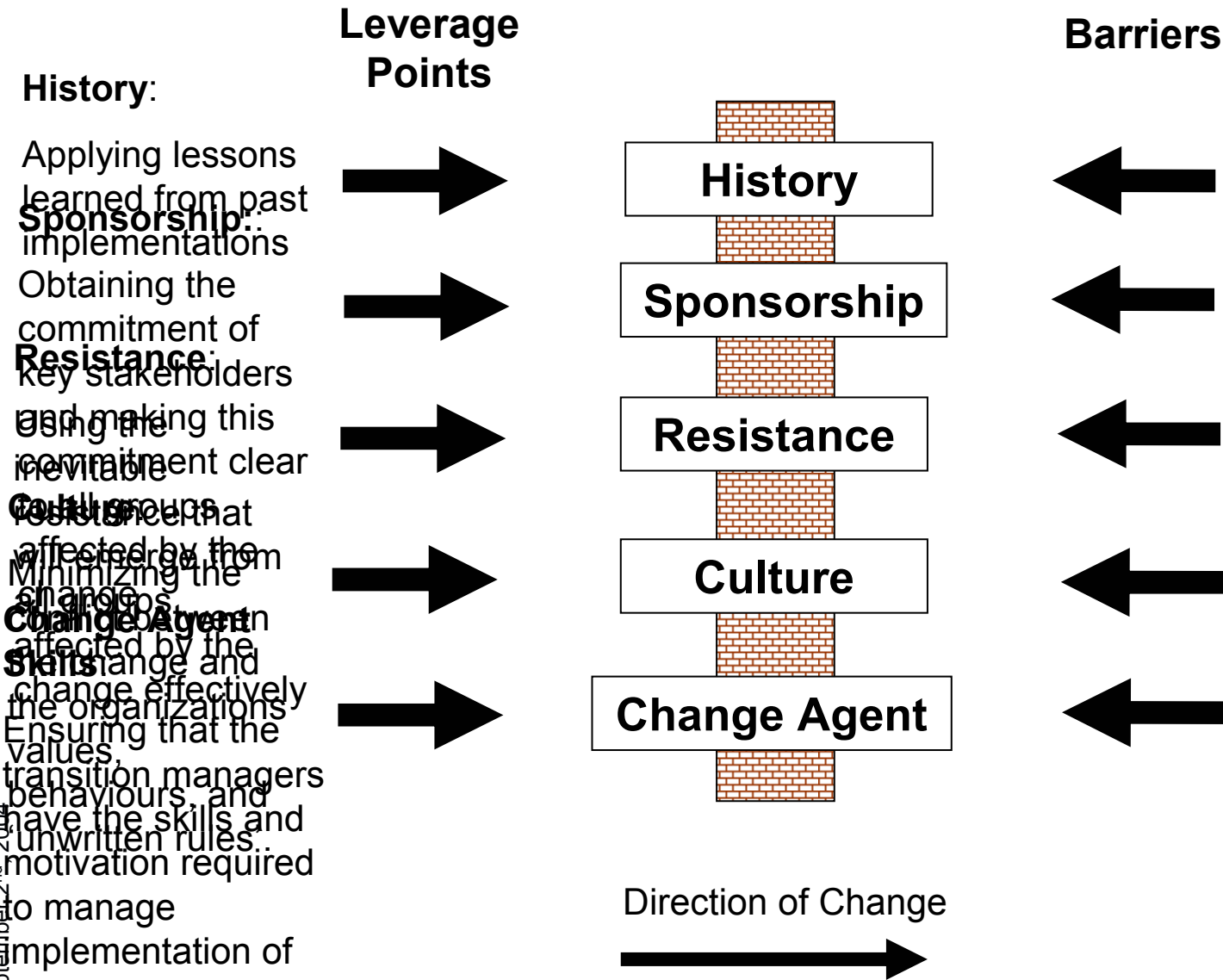


Organizational Change Readiness

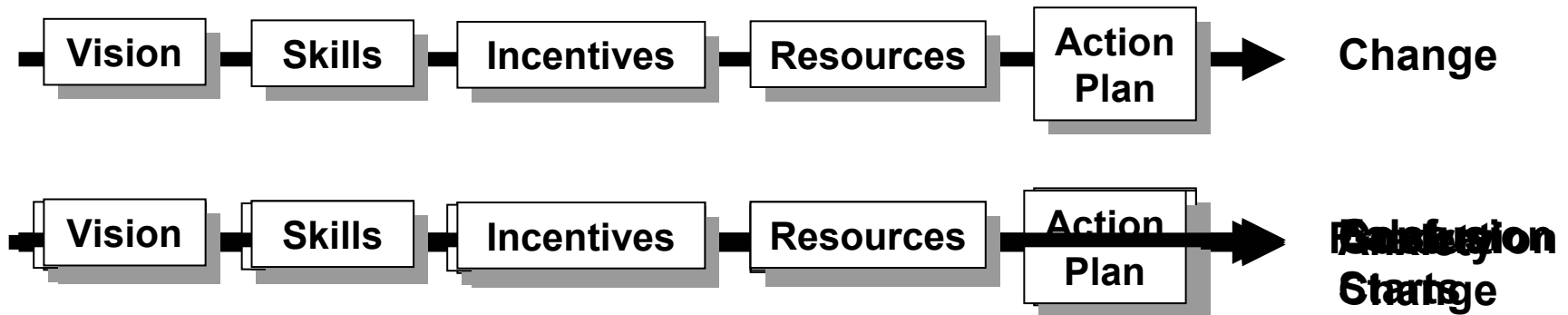
- Capability that an organization possesses to adopt new behavior to respond to new challenges in its operational environment
- Change means replacing which is established in favor of something new
- Change occurs in an organization when any part of the organizational system is altered or replaced



MTC: Forces in Change



MTC: Managing Complex Change



Relevant Stakeholders in Process Improvement Projects

- Sponsor of Improvement Activity
- Change Agent
- Affected Organization



Sponsor

- The sponsor in a process improvement project is a decision maker that has resource ownership for product development and process improvement
 - Sometimes it is difficult to identify who the real Sponsor is
 - Sponsor has many responsibilities
 - Sponsor is interested in the “bottom line”
 - The Sponsor can be the “Engaged” type or the “Disengaged” type
 - The Sponsor should be the Leader for change
 - Shows visible commitment to process improvement
 - Puts incentives or dis-incentives in place for behavioral change

Change Agent

- Is the person that will lead the process improvement project and make it successful

- Different types of Change Agents
 - Traditional
 - Focuses on the delivery
 - Facilitator
 - Emphasizes transfer of change to stakeholders
 - Advocator
 - Is a true champion of change

Commitment

- Commitment is a pact that is freely assumed, visible, and expected to be kept by all parties (CMU/SEI-94-HB-1, Appendix 6)
- Commitment Types (Abrahamsson, 2001)
 - Affective Commitment
 - Continuance Commitment
 - Normative Commitment



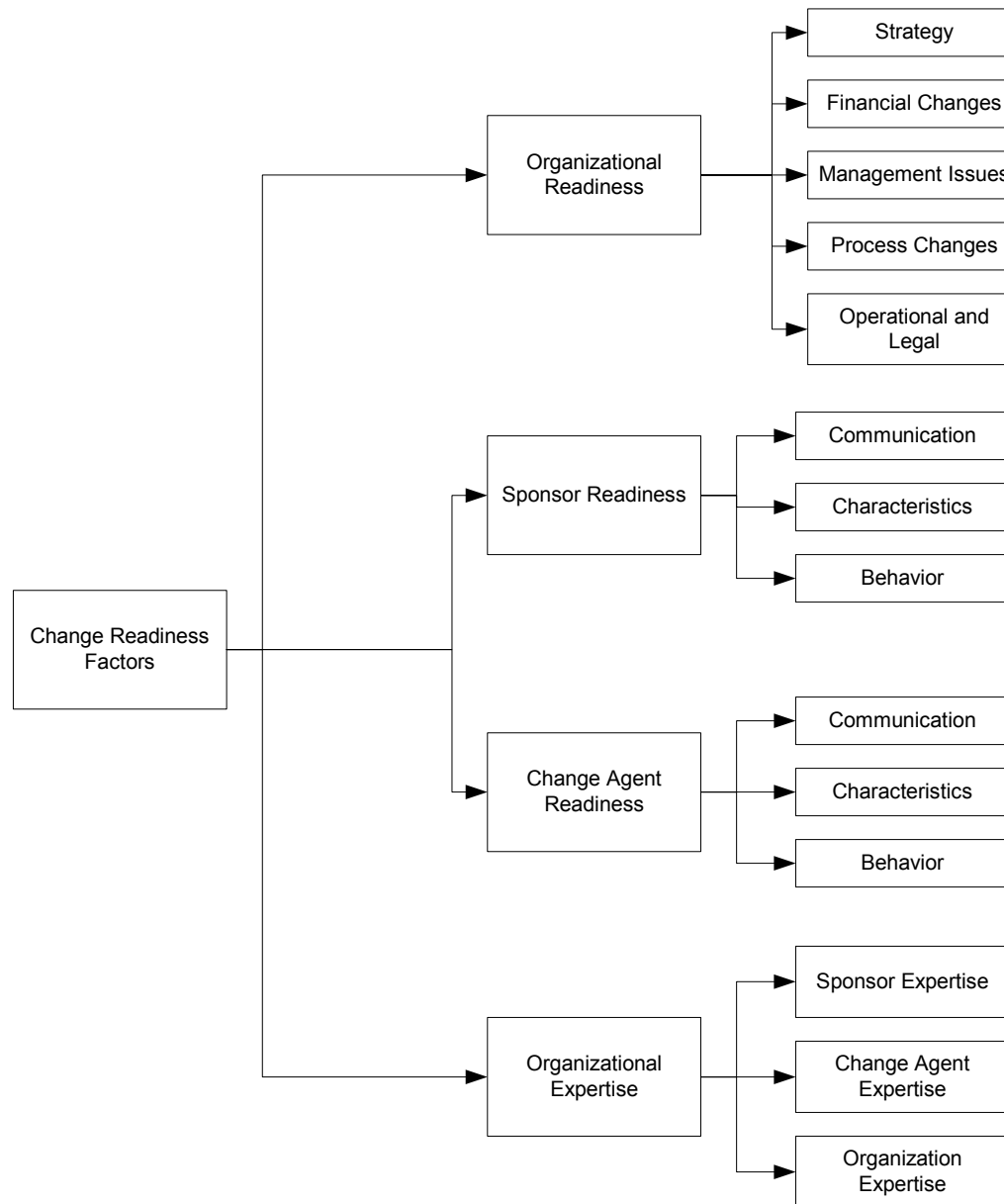
Sponsor

- Communicate to the organization ownership of change
- Select and empower qualified Change Agent
- Work with Change Agent
- Establish an infrastructure for change with incentives
- Commit resources
- Model any changes in behavior
- Continue to communicate

Change Agent

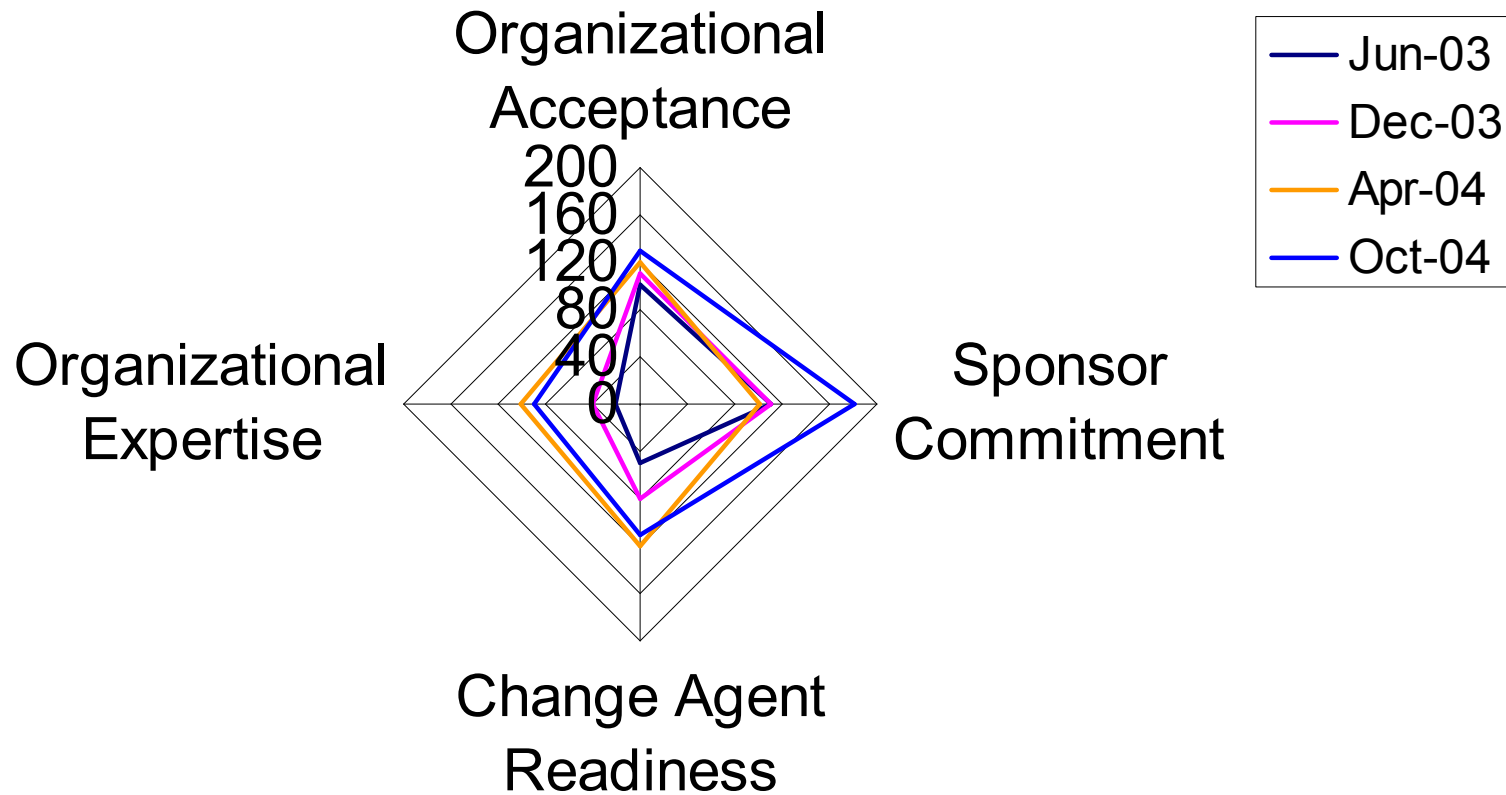
- Work with Sponsor
- Manage process improvement project
 - Build support across the organization for process improvement project
 - Assist affected people in organization
- Collect and consolidate data needed to monitor progress
- Report progress to sponsors
- Identify sources of resistance

A Model for Monitoring Readiness



Monitoring Readiness for Process Improvement

Sample Organizational Readiness Chart



Lessons Learned

- Sponsors
 - Limited time and attention span
 - Have enormous pressure to show economic benefits
 - Sometimes difficult to identify the real sponsor
 - Sometimes are not aware their need for training in CI Management
 - No time for training
 - Need to continuously communicate
 - Change positions often
 - Needs to align incentives to reward process improvement
 - Needs to align process improvement to business goals
 - Needs to make his/her direct reports responsible for process improvement



. . . Lessons Learned

- Change Agents
 - Not easy to find
 - It is not an attractive role
 - Need to have back-ups
 - Needs to proactively update the Sponsor
 - Needs to proactively communicate to the organization
 - Needs to act as the project leader for the process improvement project
 - Continuous monitoring of the organizational readiness allows to take corrective actions and maintain the process improvement project moving forward

- Organization
 - Organizational infrastructure for process improvement needs special attention to be created and maintained
 - Continuous training required
 - Process improvement project needs to be visible



Questions ?

ABB

