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

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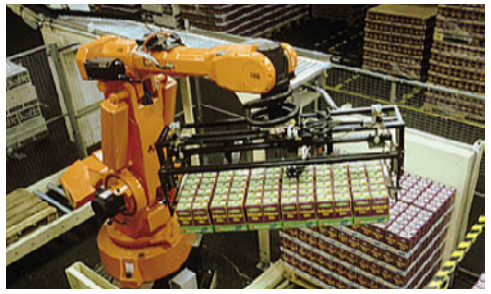
Introduction to ABB

- 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.



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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

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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

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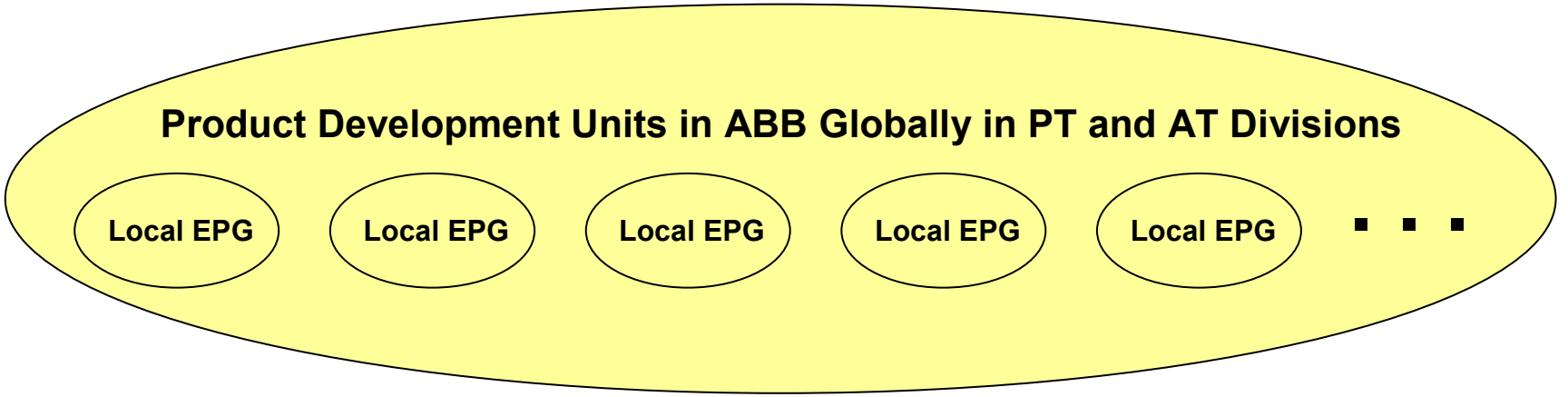
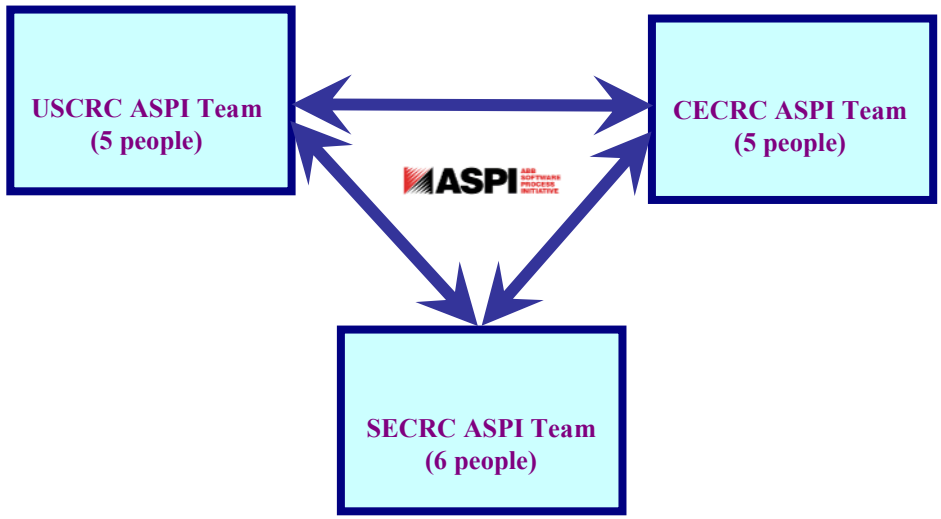
ASPI Support



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



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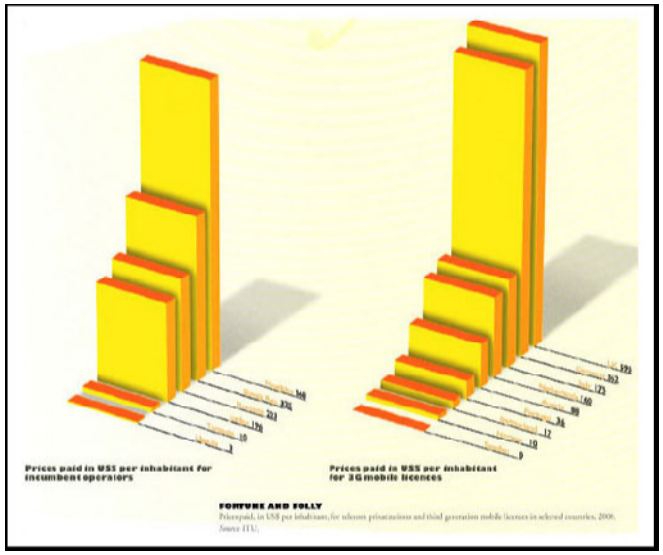
Implementing Continuous Process Improvement at ABB

- 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



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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

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MTC: Forces in Change

History:

Applying lessons learned from past implementations

Sponsorship:

Obtaining the commitment of key stakeholders and making this commitment clear

Resistance:

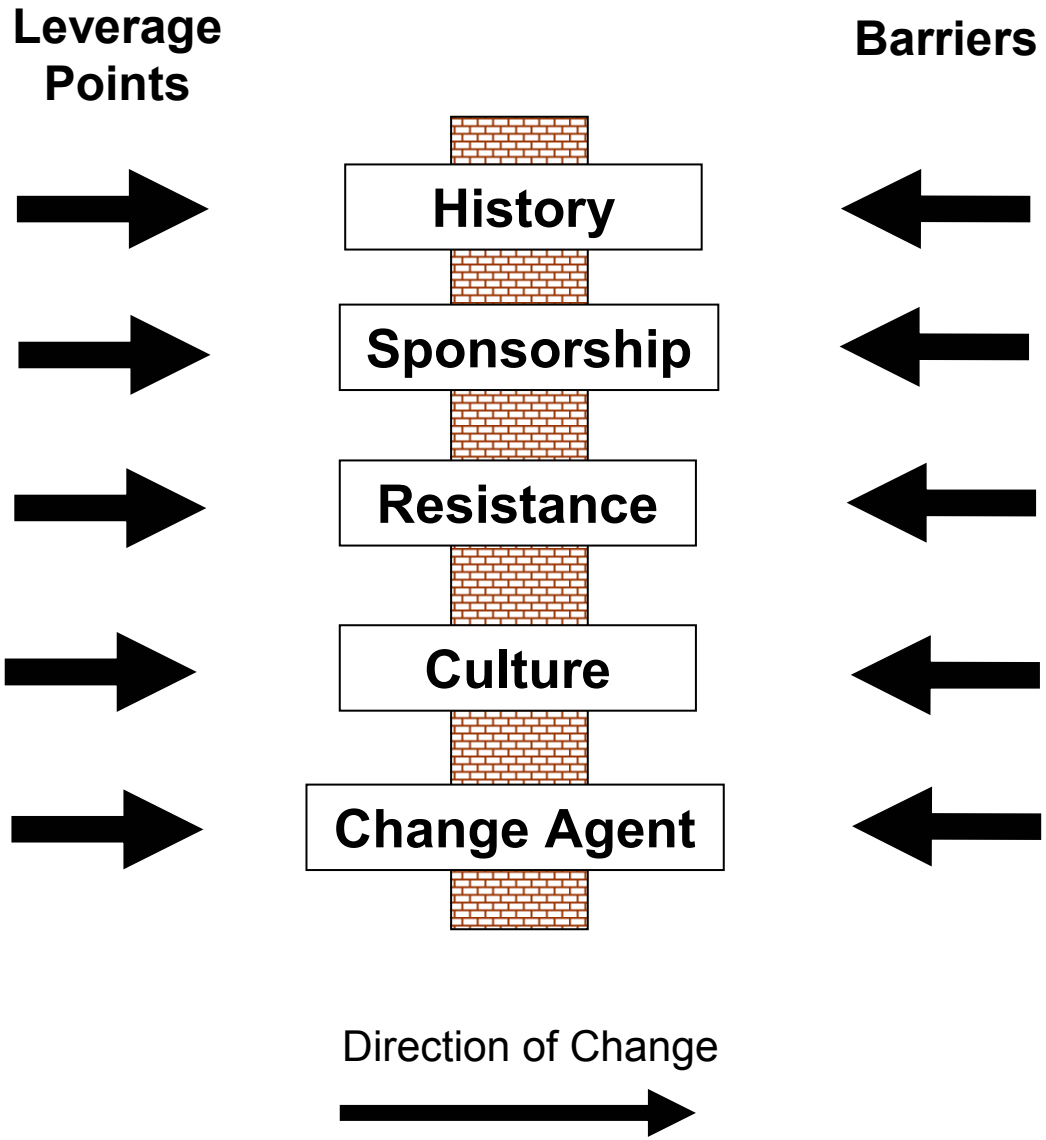
Using the inevitable resistance that will emerge from all groups

Culture:

Minimizing the change, and approach affected by the change and the organizations

Change Agent Skills:

Ensuring that the transition managers have the skills and motivation required to manage implementation of the change.



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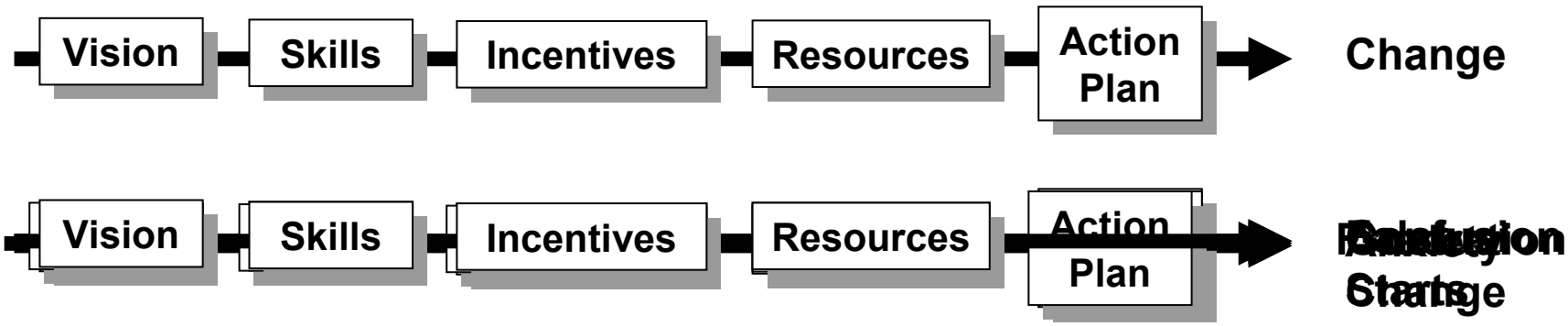
MTC: Managing Complex Change



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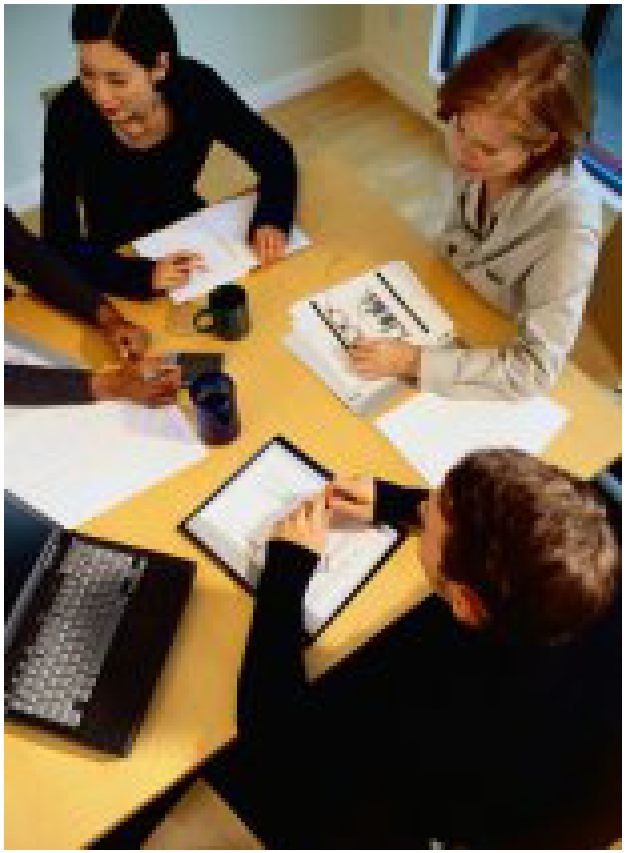
Relevant Stakeholders in Process Improvement Projects

- Sponsor of Improvement Activity
- Change Agent
- Affected Organization



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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

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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

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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

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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

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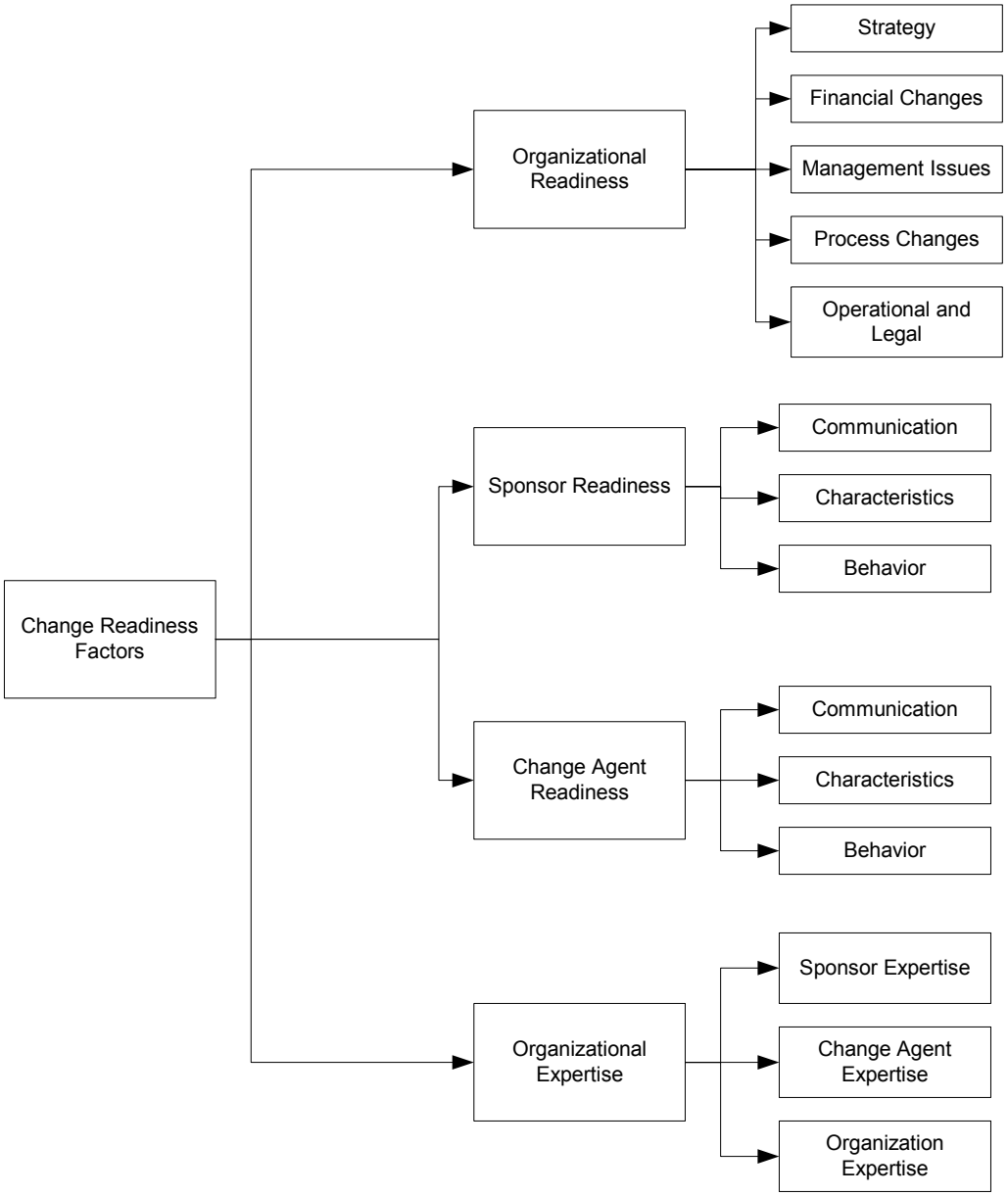
A Model for Monitoring Readiness



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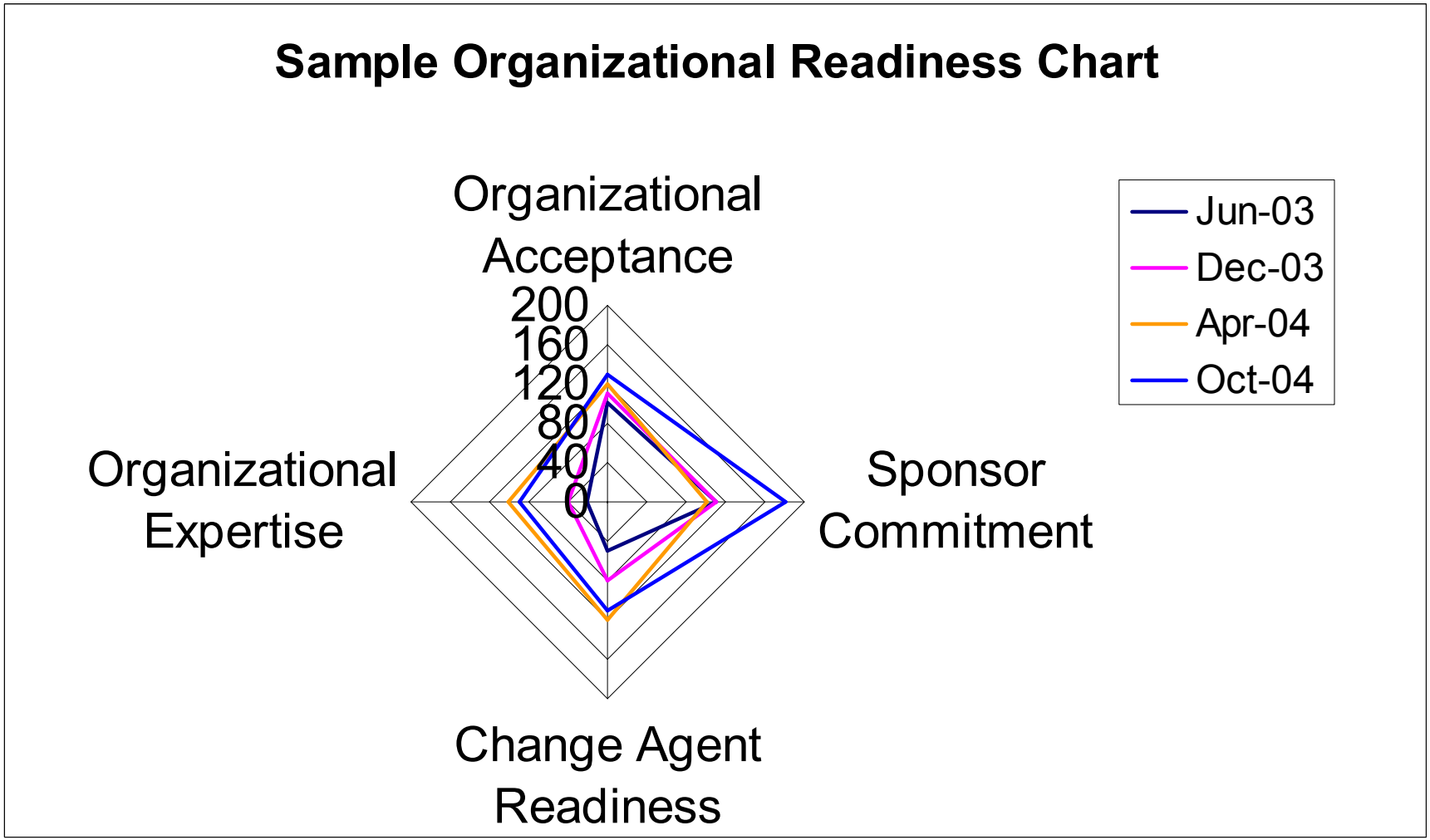
Monitoring Readiness for Process Improvement



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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

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. . . 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

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Questions ?

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