

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

Why They Fail

Why over 90% of continuous
improvement efforts either fail
or quit within 18 months

...and the
Simple Key
to Success



By **Kevin Clay**,
Master Black Belt, President of Six Sigma Development Solutions, Inc.
Providing Operational Excellence to Companies across the Globe

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Website for “Why they Fail.”

www.sixsigma.com/why-they-fail

Six Sigma Development Solutions, Inc.

Providing “Operational Excellence” for Organizations across the Globe

www.sixsigmadsi.com

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

Table of Contents

- [Introduction](#)
- Stats on Failure
- How They Have Failed
 - Scenario #1: Our executives don't have time for "executive training." They support the effort, so do we really need the training.
 - Scenario #2: We want to train a Green Belt to be our CI person (and single-handedly) save the world.
 - Scenario #3: "When you expect the plumber to build the house" (leadership expect someone internally to lead a deployment although they have no clue how to deploy).
 - Scenario #4: It is a myth that CI's role is to Improve processes!
 - Scenario #5: When continuous improvement becomes the leadership's "new toy."
 - Scenario #6: We need a quick fix.
- Why Do So Many Continuous Improvement Efforts Fail?
 - Reason #1: Executive buy-in is just “lip service” (i.e., support for continuous improvement efforts is expressed in words but not backed by actions).
 - Reason #2: Leadership trains a single employee (or a small group) to be the companies “go-to” department for improving processes.
 - Reason #3: Leadership expects the newly trained Lean Six Sigma Green Belt or Black Belt to deploy continuous improvement in the company.

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

- Reason #4: Leadership expects their newly trained Lean Six Sigma Green Belt or Black Belt to be the “company problem solver.”
- Reason #5: The belt becomes a tool of leadership reacting to the a.) “pains” that they presently feel and b.) leadership agenda.
- How Not to Fail: Build a Sustainable Continuous Improvement Deployment?
 - Seven (7) steps to build the foundation for a sustainable continuous improvement (Lean Six Sigma) deployment.
 - Step #1: Building the plan
 - Step #2: Buy-in of the company’s leadership
 - Step #3: Identify the continuous improvement deployment owner
 - Step #4: The company (as a whole) must have a concrete understanding of site/departmental/organizational KPIs
 - Step #5: Train “champions” to be the project managers and cheerleaders at the site/business unit/department level
 - Step #6: A project hopper should exist, so everyone can have the opportunity to identify problems
 - Step #7: Training the masses
- The Most Important and Simple Key to Success (KPIs)!
 - Ineffective targets (or KPIs) usually fall into one of three categories:
 - Fuzzy target(s)
 - No target(s) (or not knowing that there is a target)

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

- Wrong target(s)
- Too many targets
 - What makes good targets (or KPIs)?
 - Why are targets (or KPIs) important to a continuous improvement effort?
 - How can KPIs help maintain a sustainable continuous improvement effort?
- The Continuous Improvement Project Hopper:
 - Let me tell you a story where a company ignored the Voice of the Operator (and the company paid for it significantly).
 - How do you capture the Voice of the Operator?
- What are the Results of Building a Sustainable Continuous Improvement Culture?
- Conclusion
- About the Author

Abbreviations used in this book:

- | | |
|--|---|
| • SME – Subject Matter Experts | • ERP – Enterprise Resource Planning |
| • KPI – Key Performance Indicator | • MRP – Materials Resource Planning |
| • MBB – Master Black Belt | • OPEX – Operational Excellence |
| • CI – Continuous Improvement | • VSM – Value Stream Map |
| • CPI – Continuous Process Improvement | • DMAIC – Define, Measure, Analyze, Improve and Control |
| • BELT – Refers to a Green or Black Belt | • SSDSI – Six Sigma Development Solutions, Inc. |
| • ROI – Return on Investment | |

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

Introduction

This book is not for the "easily offended." I have been engaged with hundreds of companies and have seen a plethora of epic failures in their attempts to start a continuous improvement program. In my classes, I use the saying, "common sense is not very common," and I rarely see common sense when building the culture of continuous improvement. In this book, I am going to show you how companies fail (and most do), and I am going to show you the simple key to success.

If you are reading this, you probably belong to one of three groups:

- You have been tasked by your company to implement a continuous improvement program, and you have no idea how. Don't worry, we would show you how not to fail.
- You have implemented a continuous improvement program, and it has failed. We would show you where you went wrong and how to fix your deployment.
- You are interested in how to implement a continuous improvement program for your organization and had the epiphany: "I have little experience and may need some help."

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

Stats on Failure

How often do continuous improvement efforts fail?

A Fortune magazine article stated, “... of 58 large companies that have announced Six Sigma programs, 91% have trailed the S&P 500.” (https://en.wikipedia.org/wiki/Six_Sigma)

Aerofil Technology’s President Pat Bergin stated in the company’s August 12, 2010 press release regarding Lean Six Sigma, “Out of every 100 companies who undertake this process, 96 either fail or quit within 18 months.” (<https://sixsigmafails.com/>)

How They Have Failed

How do companies **FAIL** at deploying a **sustainable** continuous improvement effort?

Have you ever bought a treadmill or a stationary bike, took diet pills, or registered for any of the popular diet programs in the hope of losing weight?

The results were most likely:

- a machine that sat in the corner of your bedroom and became a place to hang your clothes;
- a half-used bottle of diet pills that found a permanent home in the medicine cabinet; or
- in some cases, you found some success losing the weight, but was short-lived.

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

In this case, why did you fail?

- Reason #1: You wanted the quick fix.
- Reason #2: You did not change your habits.

I am going to give you six (6) common scenarios in which companies fail to deploy a sustainable continuous improvement effort. If your company has failed in the past, one or more of these scenarios is most likely the reason.

- Scenario #1: Our executives don't have time for "executive training." They support the effort, so do we really need the training?
- Scenario #2: We want to train a Green Belt to be our CI person (and single-handedly) save the world.
- Scenario #3: "When you expect the plumber to build the house" (leadership expects someone internally to lead a deployment although they have no clue how to deploy).
- Scenario #4: It is a myth that the CI's role is to improve processes!
- Scenario #5: When continuous improvement becomes leadership's "new toy."
- Scenario #6: We need a quick fix.

Scenario #1: Our executives don't have time for executive training. They support the effort, so do we really need the training?

I can't tell you how many times I have heard this statement when discussing a Lean Six Sigma deployment proposal with a potential customer. This is the first clue that the company's efforts would likely fail.

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

I also hear other excuses for not formally training the executives like:

- “One of our executives is a ‘Black Belt’ and would support our efforts, so we don’t see the need to educate the other executives.”
- “I (the newly trained Green Belt continuous improvement manager) have been chosen by our company to champion the efforts and report to the executives, so we don’t really need an executive training.”
- “We have given the executives a brief (less than 1 hour) overview of Lean Six Sigma so we can skip the executive training.”

My team has one key metric to gauge the success of a deployment, and that metric is the engagement of the company’s leaders. The more the leaders are engaged, supportive, and accountable, the better the chance of a sustainable deployment.

When executives do not “buy-in” to a continuous improvement program and are not educated as to their roles in continuous process improvement (or CPI), what is the result?

- **Turf wars** – When executives do not see a continuous process improvement program as essential, the leader’s agenda takes precedence. And when a belt is engaged in solving a process problem and that problem impedes on a leader’s agenda, the company’s leaders would trump the continuous process improvement project. However, if the leaders go through an effective executive training, they would learn that each continuous process improvement project is prioritized to the company’s metrics of success (or KPIs) and that when the

“Why They Fail”

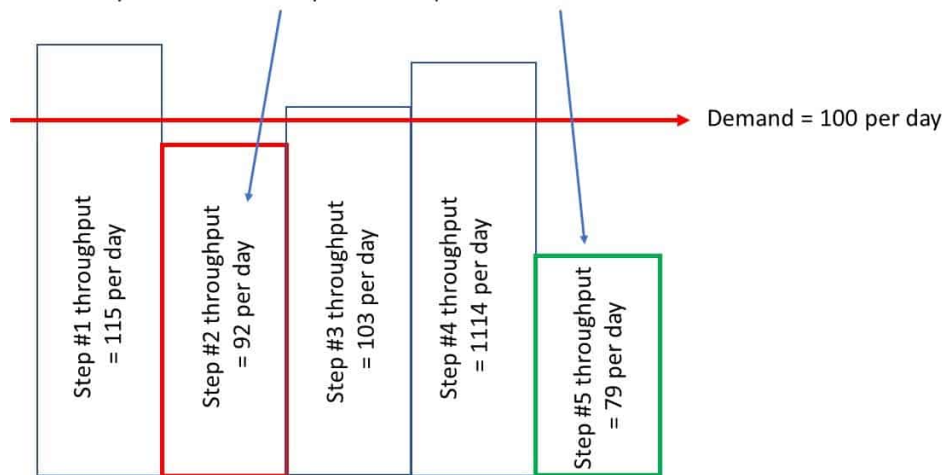
Why Continuous Improvement Efforts Fail and the Simple Key to Success

leader impedes on a continuous process improvement project, they are preventing the improvement of the KPIs.

- **Sub-optimization** – When executives do not see an executive training as necessary, they are unable to identify continuous process improvement projects. I have been in countless companies, where the Green Belts and the Black Belts become the “new toys” to the company’s leaders. Projects are arbitrarily identified by the leaders based on where the present “pain” is experienced. Unfortunately, that “pain” in most cases is not the constraint in the overall system. The belt may solve the problem in that step of the process, but in the overall system, there is no improvement in the company’s ability to produce.

An example of sub-optimization:

Company focuses on Step #2 because that is where they see the problem. But increasing throughput of Step #2 will have no effect on the system because they did not improve the constraint.



These effects (turf wars and sub optimization) quickly lead to the failure of a continuous process improvement program.

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

Executive training is the cornerstone in the foundation for a sustainable continuous process improvement program. Without bought-in and educated leaders, the efforts would quickly lose focus when the continuous improvement program generates little ROI.

About the Author



Kevin Clay, President, and CEO of Six Sigma Development Solutions, Inc., is a Six Sigma Master Black Belt and a Lean Master Practitioner. He has over 15 years of experience working with companies all over the globe, implementing operational excellence into their organization.

Kevin and his family live in Puerto Vallarta, Mexico, where his three young daughters have become not only bi-lingual but also bi-cultural.

When Kevin is not training in some location around the globe, he spends his time watching his daughters (the Archer, the Gymnast, and the Yoga Queen) as he totes his laptop to their events to multi-task. You might catch Kevin and his wife at night on a date in the Malecon at Devil’s Bar or Cafe de Olla. He and his family like to spend time on their boat watching the Humpback whales, dolphins, and giant sea turtles that roam Banderas Bay.

“Why They Fail”

Why Continuous Improvement Efforts Fail and the Simple Key to Success

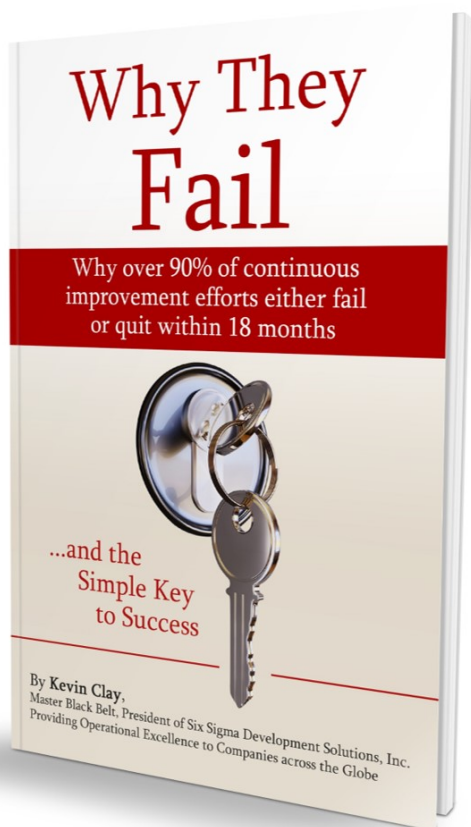
Why should you read “Why they Fail?”

In this book you will learn the reason why 90% of Continuous Improvement Efforts (like Lean and Six Sigma) either Fail or Quit within 18 months.

I will show you how companies fail to build a sustainable effort and what the ensuing failure looks like.

Then I will show you the Simple Key to Successfully Building a Continuous Improvement Culture.

If you want to build a sustainable continuous improvement culture in your organization, **READ THIS BOOK!**



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