

Improving Performance

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Year 2 Kick-Off

This quarterly column continues a second year, presenting a set of HPT (Human Performance Technology) models and tools that I use in my consulting practice. The focus is on optimizing human performance within enterprise processes for ROI – not just because it can be done. My EPPI models and tools are both process centric and human performance centric. EPPI is Enterprise Process Performance Improvement. The goal is to achieve Peak Performance.

Peak Performance is when the right “human assets” and the right “environmental assets” are in balance, performing in an appropriately designed “process” – appropriate in terms of being able to meet the varied requirements of its many stakeholders. See Figure 1 for an example of the EPPI categorizations of Stakeholders. There are other versions of this framework.

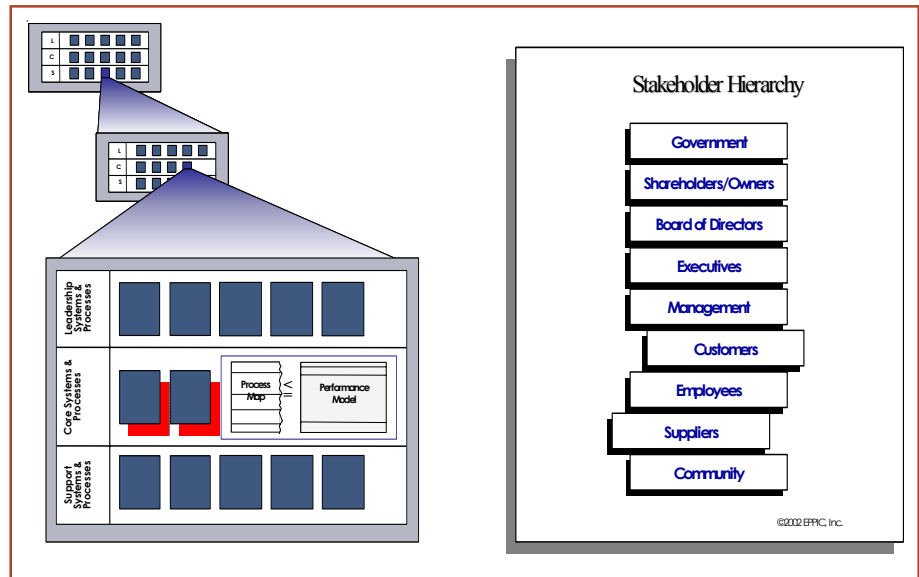


Figure 1. Enterprise Processes and Their Potential Stakeholders

The first year of columns, in 2005, focused on deriving the human asset enablers, using an upfront Performance Modeling effort with Master Performers to define peak performance quickly, and to conduct a quick, current-state gap analysis.

Human assets are described in terms of task capability on the Performance Model, and on the Enabler Matrices in terms of required:

- Awareness/Knowledge/Skill
- Physical attributes
- Psychological attributes
- Intellectual attributes
- Personal values

This second year of columns starts with a look at the enabling “environmental asset components” of peak performance, according to the EPPI model, and of the scalability of the EPPI model-set.

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If the enterprise process were a play, and the humans were the actors, then the environmental assets would be the theater, the seating, concessions, tickets, programs, stage, costumes, and props necessary for the conduct of the play. Peak Performance will result from a balance of a good play, good actors, and good environmental assets. The old three legged stool.

The three legs of Peak Performance are represented in the EPPI Tier 3 View in Figure 2:

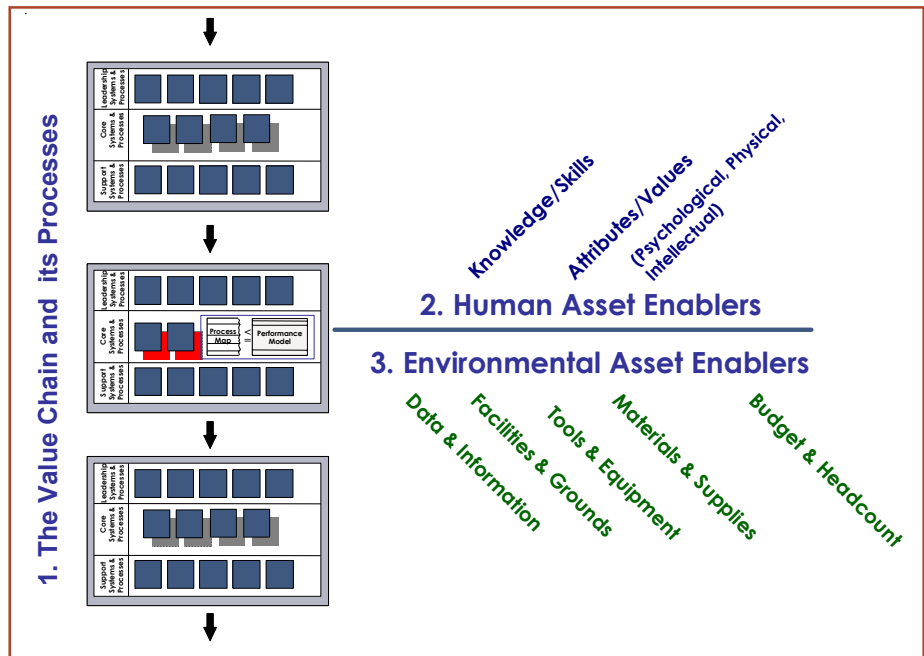


Figure 2. EPPI Tier 3 View.

In another part of the EPPI model-set are the HAMS and EAMS. HAMS – Human Asset Management Systems are those enterprise systems/processes that address the human requirements of the process or process-set, and the EAMS – Environmental Asset Management Systems – are those enterprise systems/processes that address the non-human requirements of the process or processes. Figure 3 shows the three areas of analysis focus in EPPI.

EAMS – Environmental Asset Management Systems

The EAMS – Environmental Assets Management Systems – enable humans to bring processes to life. To paraphrase Don Tosti from his excellent BPTrends white paper on Human Performance Technology (Feb. 2006), these are the “props” and “stage” needed by the human “actor” to put on the scripted process “play.”

EAMS – Environmental Asset Management Systems are those enterprise systems and processes that attend to provisioning the right environmental supports at the right time and right place, regarding the environmental support item assets of the following types:

- Data/information
- Tools/equipment
- Materials/supplies
- Facilities/grounds
- Budget/headcount
- Culture/consequences (+/-)



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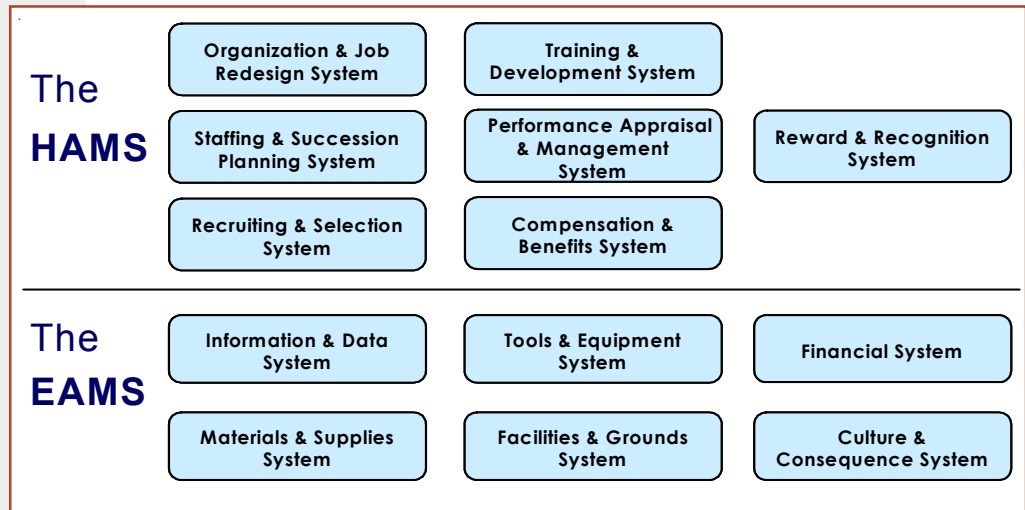


Figure 3. The Human Assets Management Systems and the Environmental Assets Management Systems

These EAMS are enterprise systems and processes providing the process with “all things non-human.”

Processes must have an appropriate balance between the human assets and the environmental assets in order to be efficient and effective. A strength in one element can often offset a weakness in another and create balance. We don't believe that there is only “one answer” to any process improvement challenge.

Unlike HAMS, which are most often “owed” by your HR-type function and participated in by each organization within the enterprise, EAMS are “owned” by a wide variety of enterprise functions and departments. This makes their coordination and balance more difficult than for the HAMS in your attempts to achieve peak performance.

For example, “Data/Information” might seem “at first blush” to be the province of the MIS/IT group, but, upon closer examination, this category of environmental asset should also include work instructions, departmental policies, and all sorts of raw and processed data in the collective departmental paper and electronic files.

The EAMS for Data/Information include processes and outputs from a very diverse set of enterprise organizations. For example: IT, Engineering, Procedures, Legal, Labor Relations, and other departments might be involved in provisioning the data/information needs for any single process.

In fact, each of the 6 EAMS categories will almost always need to be addressed by multiple functions/departments, as in the “Data/Information” example above. Again, this simply makes it more complicated to address and coordinate, but not impossible.



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The EPPI Enabler Matrices capture the analysis data, which was systematically derived from the Performance Models and/or Process Maps. An example Enabler Matrices for one of the EAMS categories is shown in Figure 4.

The Environmental Asset Management Systems

The following EAMS are needed to ensure the proper provisioning of environmental assets to the right process, in the right quantity and quality, and at the right time.

Data/Information Systems

This EAM system responds to the needs of the process, reflected in the EPPI analysis data, by providing non-human “data/information” assets of the following type/nature:

- Strategic Plans
- Operational Plans
- Policies
- Procedures
- Work orders/instructions
- Safety Guidelines
- Legal Guidelines
- Customer Satisfaction data results and interpretation

Targeting EPPI: High-performing Call Centers

Data/Information Matrix

D/I: 22. Data/Information Category

| D/I Items | | Link to Area of Performance | | | | | | | | | | | | Present/Address P/A | Criticality H/M/L | Difficulty H/M/L | Volatility H/M/L | Extent H/M/L | Prev. Source | | | | | | | | | | | | | |
|---------------------------------------|-----|-----------------------------|----|----|----|----|----|---|----|----|----|----|---|---------------------|-------------------|------------------|------------------|--------------|--------------|----|----|----|----|---|--|---|---|---|---|---|---|--|
| | | L1 | L2 | L3 | L4 | L5 | L6 | - | C1 | C2 | C3 | C4 | - | | | | | | | S1 | S2 | S3 | S4 | - | | | | | | | | |
| External Hiring Policies | 509 | | | | | | | | | | | | | | | X | | | | | | | | | | A | H | L | L | M | | |
| Regional Area Mobility Plan (RAMP) | 510 | | | | | | | | | | | | | | | | X | | | | | | | | | | A | H | L | L | H | |
| Contracts | 511 | | | X | X | | | X | X | X | | | | | | X | | | | | | | | | | | P | | | | | |
| Tariffs | 512 | | | X | | | | X | X | | | | | | | | | | | | | | | | | | P | | | | | |
| FMLA | 513 | | | X | X | | | X | | X | | | | | | X | | | | | | | | | | | P | | | | | |
| TPV/FCC/EAS/Mandated Scripts | 514 | | | | | | | X | X | X | | | | | | X | | | | | | | | | | | P | | | | | |
| ADA/EEO | 515 | | | X | X | | | X | X | | | | | | | X | | | | | | | | | | | P | | | | | |
| Service Level Requirements | 516 | | | | X | | | X | X | | | | | | | | | | | | | | | | | | P | | | | | |
| OSHA | 517 | | | X | | | | X | X | X | | | | | | X | | | | | | | | | | | P | | | | | |
| State Laws: Wage | 518 | | | | | | | X | | | | | | | | X | | | | | | | | | | | P | | | | | |
| State Laws Monitoring | 519 | | | | | | | | X | | | | | | | | | | | | | | | | | | P | | | | | |
| National Labor Relations Board (NLRB) | 520 | | | | | | | | X | | | | | | | X | | | | | | | | | | | P | | | | | |

Areas of Performance:

| | | | | | |
|---|--|--|---------------------------|--------------------------------------|---|
| L1 = Stakeholder Relationship Management & Governance | L3 = Operations Planning & Management | L5 = Process Improvement Planning & Management | C2 = Work Assigning | S2 = Human Assets Management | Criticality, Difficulty, Volatility, Extent |
| L2 = Strategic Planning & Management | L4 = Results Measurement Planning & Management | L6 = Communications Planning & Management | C3 = Work Monitoring | S3 = Environmental Assets Management | H = High |
| | | | C4 = Work Troubleshooting | S4 = Special Assignments | M = Medium |
| | | | C1 = Work Planning | | L = Low |

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Figure 3. Example page of an Enabler Matrices for Data/Information

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- Employee Satisfaction Survey results and interpretation
- Raw and processed data specific to the targeted process' outputs and tasks
- Etc.

Determining the specifics of your enabling "Data/Information" requirements for a process or a set of processes can be complex. The first thing is to determine what the process needs, who should provision it, and how the provisioning system should be measured, given its importance/criticality to enterprise results.

All "data/information" are not equal in terms of their impact in achieving peak performance. Determining which are most critical in terms of the balance required with all other assets, human and environmental, is key.

Materials/Supplies Systems

This EAM system responds to the needs of the process, reflected in the EPPI analysis data, by providing non-human "materials/supplies" assets of the following type/nature:

- Brochures/Sales Literature
- Paper
- Printer cartridges
- Pens, Pencils
- Other process consumables (sub-assemblies, chemicals, nuts and bolts, etc.)
- Forms
- Templates
- Etc.

Materials and supplies are typically much easier to determine than data/information, even in complex processes, as is determining who should provision them, and how the provisioning should be measured, given its importance/criticality to the enterprise.

And...all "materials/supplies" are also not equal in terms of their impact in achieving peak performance. Determine which are most critical and assess the adequacy and assuredness of their provisioning systems.

Tools/Equipment Systems

This EAM system responds to the needs of the process, reflected in the EPPI analysis data, by providing non-human "tools/equipment" assets of the following type/nature:

- | | |
|------------------------|-----------------|
| ▪ Cars/trucks/vehicles | ▪ Printers |
| ▪ Trailers | ▪ Copy machines |
| ▪ Overhead cranes | ▪ Phones |
| ▪ Heavy machinery | ▪ Fax |
| ▪ Fork lifts | ▪ Video Players |
| ▪ Computers | ▪ Cameras |
| | ▪ Etc. |



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Tools and equipment are typically easier to determine than data/information – as is determining who should provision them, and how that provisioning should be measured, given its importance/criticality to the enterprise.

Again...all “tools/equipment” are also not equal in terms of their impact in achieving peak performance. Determine which are most critical and assess the adequacy and assuredness of their provisioning systems.

Budget/Headcount Systems

This EAM system responds to the financial and staffing needs of the process, reflected in the EPPI analysis data, by providing non-human “budget/headcount” assets of the following type/nature:

- Capital budgets
- Reserve budgets
- Operational budgets
- Headcount/Staff budgets
- Outsourcing budget
- Etc.

The budget and headcount requirements of a process or set of processes are typically easier to determine than the data/information requirements – as is determining who should provision them, and how that provisioning should be measured given its importance/criticality to the enterprise.

In this EAM category, determine which are appropriate given the targeted process improvement, and assess the adequacy and assuredness of their provisioning systems. And pay attention to future needs, if predictable.

Facilities/Grounds Systems

This EAM system responds to needs of the process, reflected in the EPPI analysis data, by providing non-human “facilities/ground” assets of the following type/nature:

- Office Building
- Parking Lot
- Office spaces
- Conference rooms
- Storage rooms
- Restrooms
- Water Lines
- Gas Lines
- T-1 Lines/DSL
- Phone System
- Lighting
- Receiving Dock ramps
- Etc.

These are typically fairly easy to determine, based on adequate details about the process itself and other insights such as its projected work volume and variability. And not all Facilities/Grounds are equally critical to the needs of the processes. Determine which are most critical and assess the adequacy and assuredness of their provisioning systems.

Culture/Consequences Systems

This EAM system responds to needs of the process, reflected in the EPPI analysis data, by providing non-human “culture” and “consequences” assets of the following type/nature:

- Open or Closed Door Culture
- Customer and Supplier or Self Orientation
- People First or Business First



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- Punishing good performance with more work or providing real incentives
- Rewarding everyone equally or differentiating based on an equitable approach
- Team and/or individual incentives and combinations as needed
- Etc.

For the individual performer or team or department, function, business unit, enterprise and industry, “culture” is established by the consequences applied by and from “above,” as depicted by the Stakeholder model in Figure 1.

Not by the words from the entity’s stakeholders, but by their deeds and the consequences of those deeds.

Enterprise leaders and management have a responsibility to establish the appropriate internal culture via a balance of consequences, positive and negative, large and small, guided by the probability and severity of ALL of the risks and rewards involved for the enterprise related to the targeted process.

Consequences – the rewards and punishments – the reinforcers or extinguishers of behaviors and cognition, whether stated or not, whether formal or not. Of course, the more immediate and sure the consequence, the more effective. Hence, the hot-stove-top lesson’s effectiveness. And the lesser effectiveness, for many young people, of the Surgeon General’s warnings regarding the perils of smoking.

The reality of the culture of a society or an enterprise lies in what is really rewarded and punished. To turn-a-phrase from the late W. Edwards Deming: “80% of the solution is within management’s control...*for they control the consequences.*”

Environmental Asset Management Systems Summary

Processes must have the right balance of human assets and environmental assets. The EAMS in EPPI exist to properly provision those non-human assets to the right process, in the right quantity and quality, and at the right time.

It’s still all about the process first – first, the process must be designed to meet the balanced requirements of its many stakeholders.

And that process design must be properly provisioned with the right balance of human and non-human/environmental resources. Without the right balance, the process will not be properly resourced, and peak performance will not be achieved.

The EPPI model in Figure 5 shows the links of the enabler data on the right, to the processes in the middle, to the enterprise organization on the left.

And as with many models, this one is one part of a larger model as well as a representation of many additional micro models. Scaleable up and down.

It’s scaleable upwards from a portion of a process, to a single process, to a bundle of processes (a System), to a department’s worth of systems/processes, to the function, unit, enterprise, and value chain.



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And scalable downwards to an individual process...and to the team and individual contributor outputs, tasks and all of the enablers.

Why? Getting one's own hands, mind, and heart wrapped around process and processes is hard enough. But getting enough of "everyone else concerned" on "one page" is extremely difficult without a shared, common vision/understanding of the process. Mind numbing data charts don't always communicate well with all audiences.

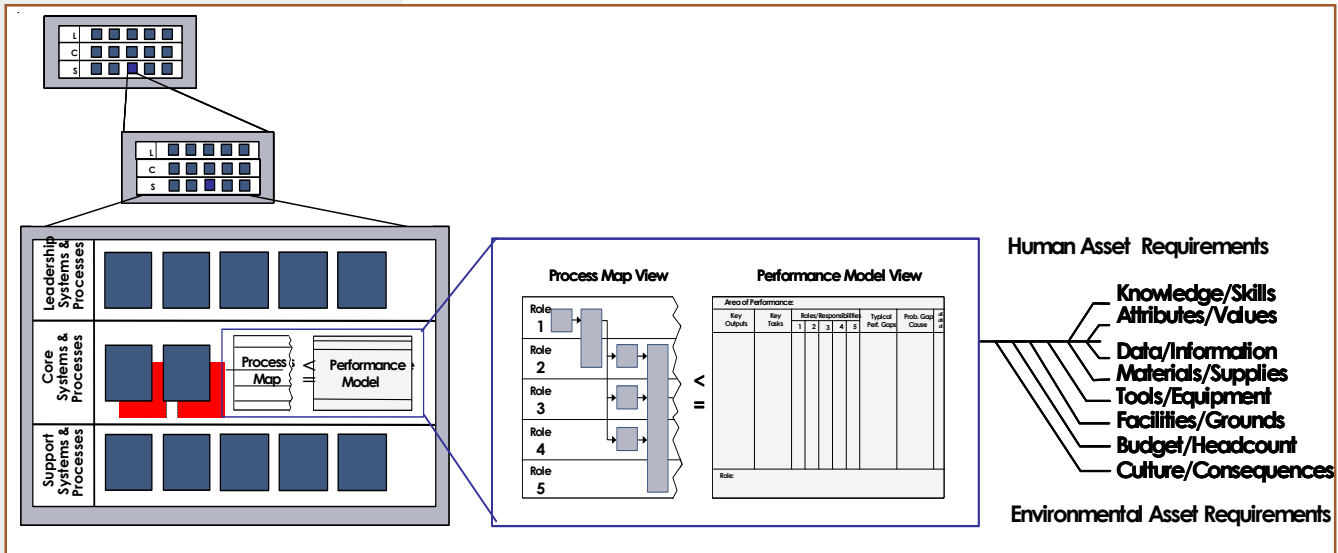


Figure 5. The Scalable EPPI Model

Too often in process improvement efforts we are competing with everyone's personal mental models. Talk about variance to be reduced!

The trick, I believe, is to engage all key stakeholders in creating a scaleable model and data set that encapsulates all key items/issues from those stakeholders. And if you can't zoom in or zoom out using your "model" to show them exactly where their issue items are within a greater context, you probably can't get very far in sustentative improvement efforts with them.

Another purpose of the EPPI model is to frame all of the data for all of the variables in a rationale, scaleable, usable manner. Then all that's typically left to debate is why "someone's pet issue" isn't on the model that shows up first in any presentation.

Scaling Up with EPPI

From the Process Map/Performance Model level view, Tier 2 in my EPPI models set, we can scale up from an individual performer or team view of process performance, to a department or functional view, or an enterprise view for a total systems view. See Figure 6.

In my work I am often taking a systems view of departmental/functional processes. An example would be the Performance Modeling of the entire Sales Function,



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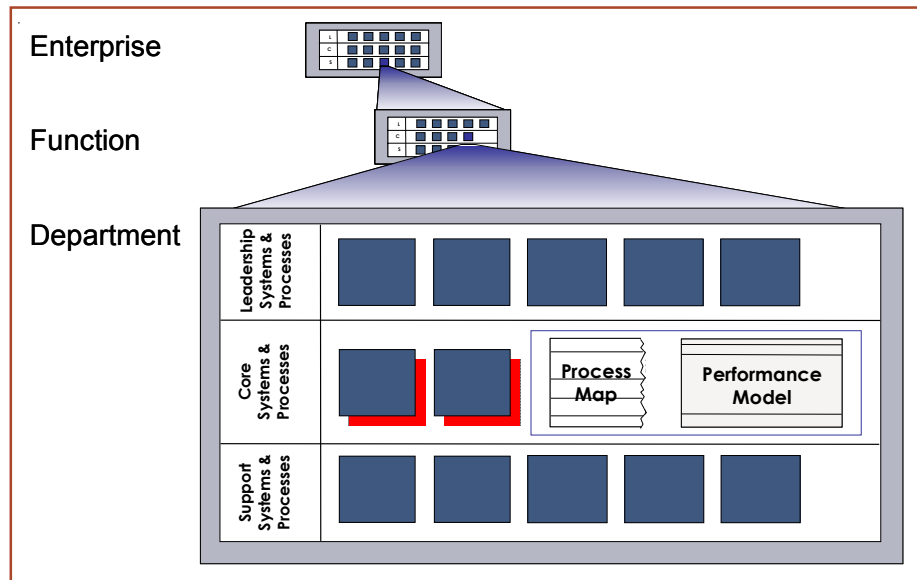


Figure 6. EPPI Tier 1 View Framework

which would then capture all of the processes that involve the Sales function, including those processes that they own and those where they are “simply one of the other process participants” in a process owned by some other department/function.

An example of a process view of departmental/function is Performance Modeling the New Product Development process and capturing the performance and enablers for every job title involved, regardless of their home geography/function/department/team or job title variance.

Scaling Down with EPPI

Scaling down brings us to the Tier 3 View of EPPI, which are the processes and the enablers. See Figure 7. EPPI breaks these enablers into two groupings, all things human and all things non-human:

- Human Assets
- Environmental Assets

Figure 8 frames the EPPI view of the two major systems-sets for provisioning the right human assets and environmental assets at the right time, in the right quantity, at the right place, at the right investment cost.

Summary

The Environmental Asset Management Systems exist to provision non-human assets to the processes in balance with the human assets to fulfill the requirements of the process.

The EPPI models offer a scalable data-scheme for understanding human performance within the context of process, scalable from one single process to all processes for a departmental, a function, a business unit, or for the entire enterprise.



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I believe that data-driven improvement approaches need to help people first to see the differences and similarities in the current state, to help them see and appreciate the feasibility and level-of-effort “investment” required to improve and/or common-ize Level 1-type processes across several value chains within an enterprise. Only then can any projected ROI be realistic.

Until the next quarterly column this summer...cheers!

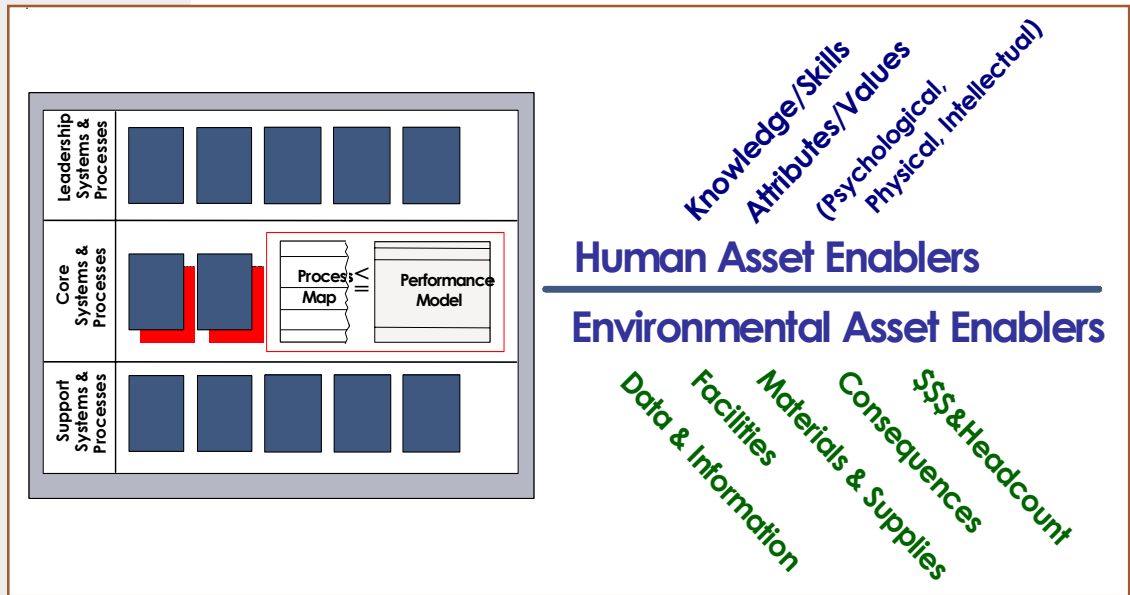


Figure 7. EPPI Tier 3 – A Twist on the Ishikawa Diagram

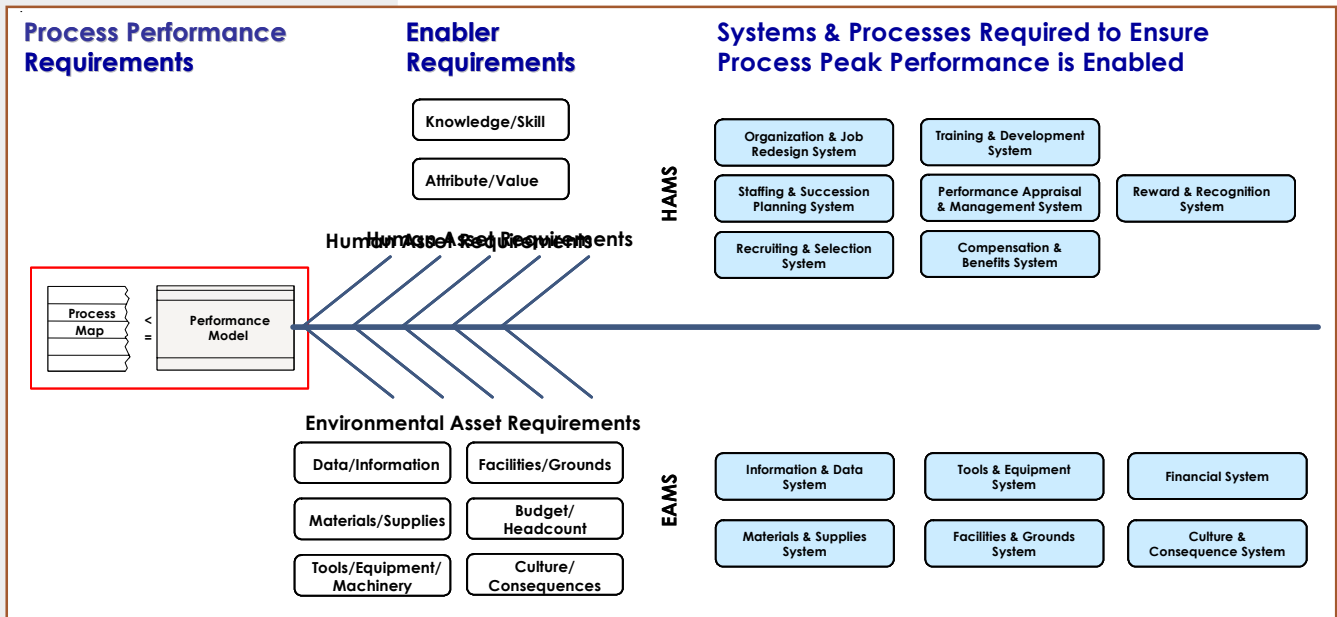


Figure 8. The EAMS and HAMS Provision the Human and Non-Human Assets Necessary to Enable the Processes