



## Improving Performance

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## Targeting EPPI – Tools & Techniques

### The Tools & Techniques of EPPI Stage 1 – Targeting EPPI

This quarterly column addresses the tools and techniques used in Stage 1 of **Enterprise Process Performance Improvement (EPPI)**: Stage 1 - Targeting EPPI. Some of these are more traditional and will be more familiar. The rest are the EPPI tools and techniques covered in prior columns.

As a quick refresher...

EPPI is a systems-engineering approach for mapping the enterprise's key systems and processes to identify and target business-critical performance improvement opportunities and better understand the interrelationships between processes before launching into expensive and time consuming improvement efforts.

Unfortunately, improvement efforts too often expand (necessarily but unanticipated) and involve more Investment than initially thought when the effort began. That destroys the initial schedules and costs as well as all return on investment (ROI) and economic value added (EVA<sup>®</sup>) projections. Targeting EPPI provides enterprise management with "command and control and empowerment" mechanisms to better ensure ROI and EVA by better anticipating all of the improvement complexity and by doing a better job predicting the total investment costs and the total returns.

There are two stages to EPPI:

**Stage 1 – Targeting EPPI**, quickly but systematically and systemically involves the right people in determining the probable causes for a performance problem or in determining the right processes and infrastructure needed to meet some opportunity, and then determining the plans, schedules, and the resourcing required to conduct the overall improvement effort in the next stage of EPPI. Stage 1 should be completed in a matter of a couple of weeks to a couple of months.

**Stage 2 – EPPI Intervention Initiatives**, where the significant investments are made for greater returns in specific, integrated improvement efforts. These efforts might first address the process itself, perhaps reengineering it, or leaning it, and/or getting it to some "sigma" level of statistical control. The effort might then include addressing the Human Asset Management Systems (HAMS) and/or the Environmental Asset Management Systems (EAMS), depending on what was uncovered in the Stage 1 efforts. EPPI Stage 2 efforts are typically much longer than EPPI Stage 2 efforts.

## The List of EPPI Stage 1 Tools and Techniques

In this column the terms “tools” and “techniques” are defined as follows:

- **Tool** – a device for capturing, analyzing, manipulating, and/or reporting data. Examples: a **Process Map**, or a **Storyboard**, or a **Business Plan Template**.
- **Technique** – an approach for using a tool. Examples: **Structured Brainstorming Session**, or **Individual Interview**, or **Web Survey**.

EPPI Stage 1 Tools include:

- **Improvement Charter**...for defining the Improvement Project’s Charter, Goals and Resource Budget, Milestone Schedules, etc.
- **Project Plan & Schedule**...for defining and clarifying the Improvement Project’s phases, tasks, assignments, and key, hard-scheduled dates.
- **Meeting Kick-Off Presentations**...for helping direct and control the meetings with the Analysis, Design and Implementation Planning Teams, and each of the 4 gate review meetings with Project Steering Team.
- **Enterprise Scorecards**...that state how the Enterprise, business units, functions and departments are doing against key strategic and operational metrics.
- **Stakeholder Surveys**...that report current needs and satisfaction as well as future (anticipated) needs and concerns from the perspectives of all Enterprise stakeholders.
- **Risk & Reward Assessments**...that document the data and recommendations regarding Enterprise risks and rewards for addressing current issues (both problems and opportunities).
- **Organization Relationship Maps**...that pictorially portray the flow of information and the flow of Outputs-as-Inputs between the Enterprise internal functions and their external customers and suppliers, as well as requirements or barriers from the other marketplace environmental factors, such as regulatory, financial markets, competition, etc. Created by and popularized by Geary A. Rummler, CPT, PhD.
- **EPPI Tier 1 View**...for defining those portions of the entire Enterprise Architecture involved in the process or processes being targeted for improvement, and specifying the core leadership and support systems’ s “process improvement targets” as well as those supportive, upstream processes that will also need to adjust/improve. Used to define both “as is” and “should be.” Covered in past columns.
- **EPPI Tier 2 Views**...for defining both the macro and micro details of the process and human performance requirements, for the targeted improvements. Used to define both “as is” and “should be.” Includes both **Process Maps** for mapping out the segments (Areas of Performance) of the process, and **Performance Models** for detailing the process outputs and their key measures, and related tasks performed for ideal performance; plus an initial gap analysis against that ideal. Covered in past columns.
- **EPPI Tier 3 Views**...for defining in detail the enabling human asset requirements and the enabling environmental asset requirements for the targeted improvements. Used to define both “as is” and “should be.” Includes **Enabler Matrices** for both the **Human Asset Requirements** and the **Environmental Asset Requirements**. Covered in past columns.
- **Existing System Assessments**...for determining relevant deficiencies of a system’s process or processes needing improvement in order to support the preliminary target’s improvement.

- **Existing System Process Improvement Specifications...** for defining the specific improvements of a leadership, support, or other core process or processes, in order to support the preliminary target's improvement.

**EPPI Stage 1 Techniques** that will be presented include

- **In-person Individual Interviews** with the “improvement owner” and other key stakeholders and project participants.
- **Phone Individual Interviews** with the “improvement owner” and other stakeholders and participants.
- **Phone Conference Call Group Interviews** with the “improvement owner” and other stakeholders and participants.
- **Structured Brainstorming Sessions** with the Analysis, Design and Intervention Initiative Planning Team participants.
- **Structured Group Review Meetings** with the Project Steering Team, including the “improvement owner” and all other key stakeholders.
- **Surveys** with the “improvement owner” and other stakeholders and participants.

The Tools and Techniques will be presented next within the framework of the 4 Phases of EPPI Stage 1 – Targeting Enterprise Process Performance Improvement.

#### Targeting EPPI Phases

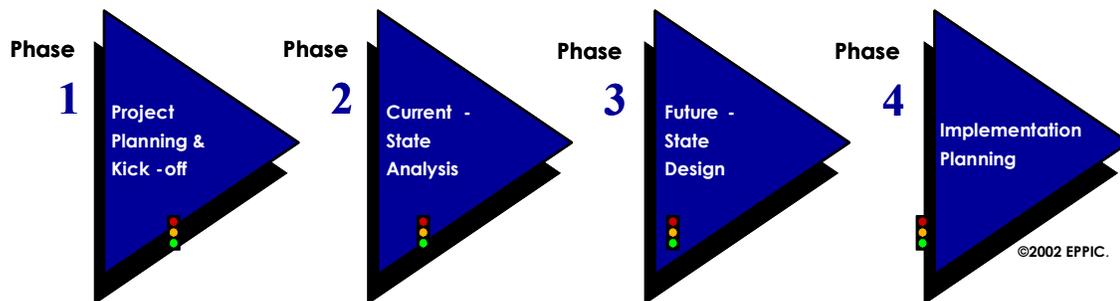


Figure 1. The 4 Phases of Stage 1 - Targeting EPPI

#### Phase 1 of Targeting EPPI

##### Stage 1 - Phase 1: Project Planning & Kick-Off

In this phase, an **Improvement Charter** is negotiated by the Targeting EPPI “Project Manager” after interacting with the key customer and various stakeholders in **In-person Individual Interviews**, **Phone Individual Interviews**, and perhaps **Phone Conference Call Group Interviews**; used to gather and clarify everyone’s expectations and constraints prior to the detailed planning of the Stage 1 effort completed in this phase.

The key customer and stakeholders use their insights from current results and trends from **Enterprise Scorecards** and **Stakeholder Surveys** and other sources, including **In-person Individual Interviews**, **Phone Individual Interviews**, and **Phone Conference Call Group Interviews**, to determine the need for any improvement efforts for current needs, or strategic-future needs.

The preliminary **EPPI Tier 1 Views** are prepared based on the various upfront **Interviews**, and is used during the planning efforts to determine which organizations within the Enterprise should be involved in which of the four phases. **EPPI Tier 1 Views** present an Enterprise Architecture of Functional/Departmental Systems and Processes. They are only done for those portions of the Enterprise that are directly involved in the targeted processes, or provide critical leadership and/or support for the targeted processes, and therefore may be in need of improvement themselves, as driven by the improvement effort requirements for the preliminary target. A Targeting EPPI **Project Plan & Schedule** is created next, along with the recruiting of a Project Steering Team (PST) by the logical owner for the improvement effort with support from the Targeting EPPI Project Manager.

The PST is oriented via a **Structured Group Review Meeting** using a specific **Meeting Kick-Off Presentation**, where key stakeholders are met with in a face-to-face meeting (if not, then at least synchronously) in order to review, discuss, debate the issues and the draft plan, and then to amend, approve, or reject the planned improvement effort. Additionally, initial **Risk & Reward Assessments** are also documented.

The last step is to handpick the Master Performers and other Subject Matter Experts for the Analysis Team for the next phase.

The typical cycle times for this first phase may be as short as 2-4 hours or as long as a week or two, depending on the logistics required and both distances between the key people needed and any difficulties in getting the meeting scheduled.

## Phase 2 of Targeting EPPI

### Stage 1 - Phase 2: Current State Analysis

In this phase, an **Analysis Team** of handpicked Master Performers and other Subject Matter Experts is oriented to the intended improvement effort using a specific **Meeting Kick-Off Presentation** and is facilitated through various **Structured Brainstorming Sessions** to produce **Organization Relationship Maps** and updates to the **EPPI Tier 1 View**, as well as to the **Tier 2 Views** that define the current state for the process and the human performance requirements of all of the processes targeted for improvement, plus a gap analysis.

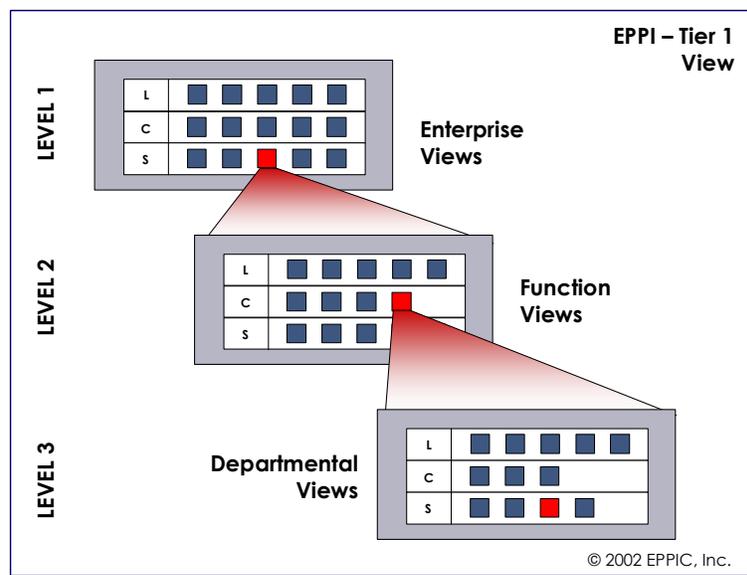


Figure 2. EPPI Tier 1 Views Facilitate Process Problem Solving “Drill Down”



Human Assets requirements fall into these 5 broad categories, each with its own set of sub-categories.

- Awareness/Knowledge/Skills
- Physical Attributes
- Psychological Attributes
- Intellectual Attributes
- Personal Values

Environmental Assets requirements fall into these 6 broad categories, each with its own set of sub-categories:

- Data & Information
- Materials & Supplies
- Tools & Equipment
- Facilities & Grounds
- Expense Budgets & Capital Budgets
- Culture & Consequences

The enabling assets are provisioned to the processes by either the Enterprise Human Asset Management Systems (HAMS) or the Environmental Asset Management Systems (EAMS). The HAMS and the EAMS are the EPPI structure for beginning the analysis of the “things” it takes to make the process happen. The HAMS and EAMS models were covered extensively in prior columns.

### HAMS – Human Asset Management Systems



### EAMS – Environmental Asset Management Systems



Figure 5. EPPI HAMS & EAMS – Enterprise Provisioning Systems

Those Enterprise provisioning systems, and their processes, are each assessed against the specifics of the Stakeholder Requirements *and* Desires. The following model guides the Analysis Team, composed of Master Performers and other Subject Matter Experts who can speak to these issues regarding the current and likely future requirements and desires. The Stakeholder Hierarchy model was covered extensively in a prior column.



Figure 6. the Stakeholder Hierarchy Facilitates Satisfaction & Issue Assessments

If desired and planned for up front, Analysis Review Teams (ARTs), of a few individuals, or of many others so as to extend the overall involvement in Analysis, can be included via a **Web Survey** and/or participation in **Structured Group Review Meetings** using a specific **Meeting Kick-Off Presentation**. If ART surveys or meetings are conducted the original Analysis Team should participate in a post-ART update of the analysis data for continuity and ownership purposes.

The data from the Analysis Team effort is reviewed with the **PST** via a **Structured Group Review Meeting** using a specific **Meeting Kick-Off Presentation**. Additionally, the initial **Risk & Reward Assessments** are also updated. The PST then amends, approves, or rejects the planned improvement efforts continuation. The last step is to handpick the Master Performers and other Subject Matter Experts for the Design Team for the next phase.

The typical cycle times for this second phase may be as short as two days or as long as a week or two, depending on the complexity of the issues, the logistics required and both distances between the key people needed and any difficulties in getting the meeting scheduled.

### Phase 3 of Targeting EPPI

#### Stage 1 - Phase 3: Future State Design

In this phase, a **Design Team** - a subset of the Analysis Team of handpicked Master Performers and other Subject Matter Experts, plus others as deemed essential, is oriented to the intended meeting efforts using a specific **Meeting Kick-Off Presentation** and is then facilitated through various **Structured Brainstorming Sessions** to produce future state versions of the **EPPI Tier Views: 1, 2 and 3**, plus **Existing System Process Improvement Specifications** in response to new criteria for the provisioning systems plus the **Existing System Assessments** done in the prior phase. Then all of the data produced is documented for review, critique, and updating efforts.

If desired and planned for up front accordingly, a Design Review Team (DRT) of a few or many others so as to extend the overall involvement can be included via a **Web Surveys** and/or participation in **Structured Group Review Meetings**, using a specific **Meeting Kick-Off Presentation**. If conducted, the original Design Team should participate in a post-DRT update to the design data, for continuity and ownership purposes.

The data from the Design Team effort is lastly reviewed with the **PST** via a **Structured Group Review Meeting** using a specific **Meeting Kick-Off Presentation**. Additionally, the initial **Risk & Reward Assessments** are also updated. They then amend, approve, or reject the planned improvement efforts continuation. The last step is to handpick the Master Performers and other Subject Matter Experts for the Implementation Planning Team for the next phase.

The typical cycle times for this third phase may be as short as 2 days or as long as 2 weeks, depending on the complexity of the issues, the logistics required and both distances between the key people needed and any difficulties in getting the meetings scheduled.

### Phase 4 of Targeting EPPI

#### Stage 1 - Phase 4: Implementation Planning

In this phase, an **Implementation Planning Team** plans specific implementations for any post-Targeting EPPI process improvement interventions—where the missing/deficient enablers are put in place/fixed, or the process is re-engineered and then the enablers are righted. This is where EPPI Stage 2 – EPPI Intervention Initiatives are planned.

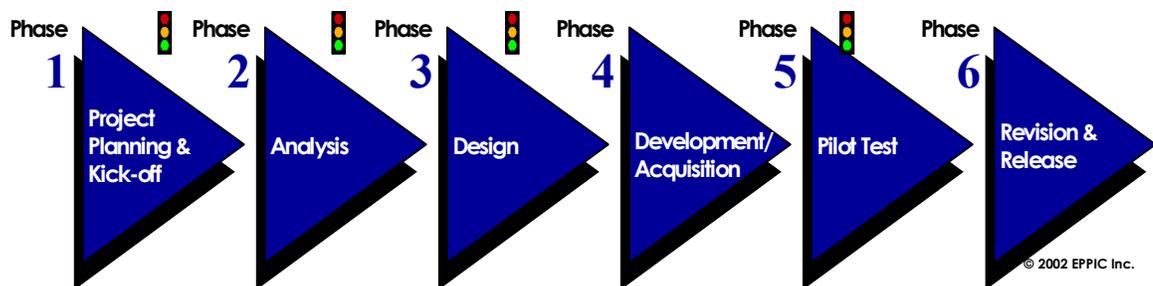


Figure 7. The 6 Phases of EPPI Stage 2: EPPI Intervention Initiatives

**N.B.** The 6 Phase model of EPPI II can be easily replaced with DMAIC or any other management directed, systematic, “gated” approach to process performance improvement. Or those segments of the Six Sigma approach or any other approach could be folded into the EPPI II framework of 6 phases with 5 gates up until “release” at which time ongoing operations picks up and monitoring against standard metrics begins. Either way...whichever gets the efforts done in an a politically acceptable manner.

This final phase of Stage 1 may need to plan multiple sets of EPPI Stage 2 project efforts, some of which may need integration efforts between them to ensure their effectiveness, post-rollout. For example, Figure 6 could represent Stage 2 efforts where A = Process Re-engineering, B = Development of IT tools, and C = development of new training for the tools in the new process.

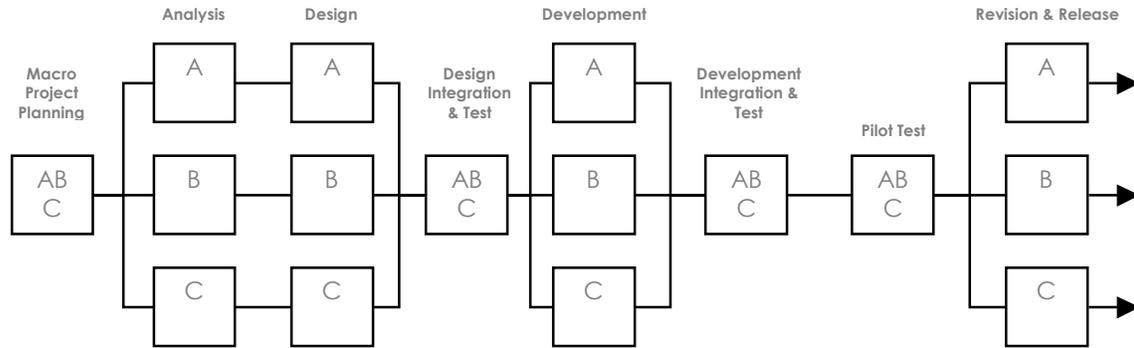


Figure 8. A More Complex EPPI Stage 2 Effort: EPPI Intervention Initiatives

The goal of Targeting EPPI is to get to this point, where a management controlled effort, involving significant empowerment of designated teams, quickly analyzes a problem/opportunity and designs high level solutions needed, and then plans the coordinated efforts for the multiple improvement initiatives needed to achieve whatever goals have been set out.

It is at this point that the “I” in ROI, the investments, can be better anticipated and where ROI can now truly be forecasted with more accuracy. Until this point ROI could not be estimated with any accuracy. Unless the Returns are so significant or the Risks are too great to tolerate, the total Investment cost might sink the ROI below your current corporate hurdle rate for ROI, or ROA, or RONA, etc.

And, just as in Phases 2 and 3 of Targeting EPPI, if desired and planned for up front accordingly, an Implementation Planning Review Team (IPRT) of a few individuals or many others, so as to appropriately extend the overall involvement in the improvement effort, can be included via **Web Surveys** and/or participation in **Structured Group Review Meetings**, using a specific **Meeting Kick-Off Presentation**.

And again, “if” conducted, the original Implementation Planning Team should participate in a post-IPRT update to the implementation plan data, for continuity and ownership purposes.

The data from the Implementation Planning Team effort is lastly reviewed with the **PST** via a **Structured Group Review Meeting** using a specific **Meeting Kick-Off Presentation**.

Additionally, the initial **Risk & Reward Assessments** are also updated. They then amend, approve, or reject the planned improvement efforts continuation in EPPI II.

As appropriate, the last step is to confirm the names submitted by the IPT or handpick the members of the new set of Project Steering Teams needed in EPPI II. And, as appropriate, this PST should handpick which of the Targeting efforts Master Performers and other Subject Matter Experts should be used in which downstream improvement effort in EPPI II.

The typical cycle times for this fourth phase may be as short as two weeks or as long as two months, depending on the complexity of the issues, the logistics required and both distances between the key people needed and any difficulties in getting the meetings scheduled.

## Summary

EPPI Stage 1 – Targeting EPPI, doesn’t self-declare its approach as Six Sigma, Lean, or TQM. It is (ultimately) improvement methodology neutral. But it proceeds with an eye toward the necessary intervention types, such as Lean, Six Sigma, QFD, training development, etc., that

may need to work in concert to be truly effective and to achieve the ideal performance being targeted.

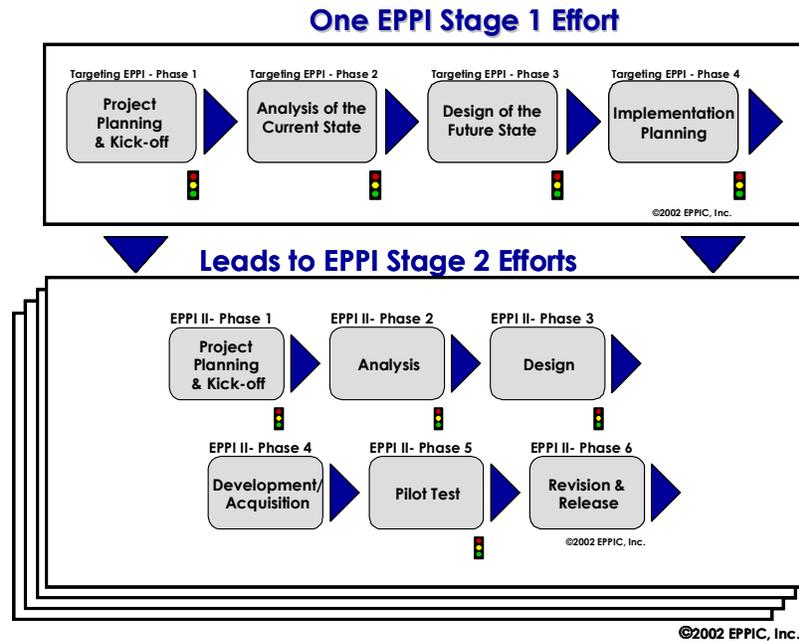


Figure 9. Targeting EPPI leads to multiple EPPI Intervention Initiatives

EPPI Stage 1 – Targeting EPPI is intended to do a quick set of analyses which various Master Performers and Subject matter Experts use to determine probable causes and fixes for identified problems and/or opportunities, and to specifically determine up front, any and all other “chain reaction improvements” that will be required of any leadership, support, or other core systems/processes elsewhere in the Enterprise, in order to support and realize the initially targeted improvement effort.

Note: This methodology is also partially covered in Chapter 11 of the 3<sup>rd</sup> edition of the *Handbook of Human Performance Technology* (2006).



## Future Columns

In the next column we'll cover the EPPI Stage 2 phases and teams, plus various tools/techniques from both my EPPI methods, and from more traditional improvement methodologies that might be

needed in a coordinated manner in order to achieve peak performance of the process, for significant ROI!

Until the next quarterly column in March 2007 ...*cheers!*

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