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Six Sigma, SCOR and Human Performance Improvement

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There are lots of different ways of thinking about business process change, and many different solutions. This is one of the reasons we created Business Process Trends in the first place - we wanted to provide managers with information regarding the range of options available to them. That said, some of the differences are real and others are more a matter of history and semantics. One distinction, for example, divides those who want to improve a process by completely automating it, and those who want to improve a process by placing the emphasis on improving the performance of the employees and managers responsible for implementing the process.

When you focus on this distinction - automation versus human performance improvement - you naturally begin to divide up the methodologies and technologies that support one approach or the other, and you ask yourself if the secondary distinctions are equally important. For example, we would suggest that some of the best known approaches to human performance improvement are Six Sigma, the Supply Chain Council's SCOR methodology, and the International Society for Performance Improvement's Human Performance Technology (HPT).

Six Sigma is a methodology that comes out of the Quality Control tradition. It was originally developed at Motorola and has since spread to many other companies. As it has grown, Six Sigma has expanded its goals and absorbed new techniques. The original focus, and still the major focus at most companies, is on improving existing processes. The emphasis is on identifying a process that can be improved, measuring how people do one or a set of tasks, and then working to improve the performance. Statistical tools are used to measure performance and results. Most efforts focus on performance that makes a difference to customers. Although some Six Sigma efforts are very different, the majority are narrowly focused on existing processes and succeed by getting people to perform more efficiently and more consistently. Most Six Sigma efforts take about 3-4 months, excluding the ongoing monitoring that is instituted to report and maintain the results. The Six Sigma methodology places a lot of emphasis on creating a change infrastructure. Division managers agree to assign set numbers of people to the Six Sigma effort and companies routinely pay tens of thousands of dollars to train black and green belts to head and support Six Sigma teams. The teams themselves usually involve the managers and employees who actually do the work. Although there is no central control over the Six Sigma movement, Motorola, General Electric, and the American Society for Quality (ASQ) serve as centers for Six Sigma standards.

The Supply Chain Council (SCC) is an 800 company consortium that has spent the past several years developing a systematic methodology for improving Supply Chain processes. Their methodology is called SCOR. Most SCC members are senior supply chain managers and SCOR is very much in the tradition of a manager's association. In essence, SCOR is a top-down approach that begins with a precise vocabulary that is used to describe supply chain processes. Three levels of supply chain processes are defined. Each process or activity at each level has associated measures that practitioners can use to determine how one organization's supply chain processes compare with those of others. Working with SCOR, a group of supply chain managers can describe the supply chain of a large company in a matter of days. The SCOR methodology does not go below three levels, leaving companies to develop specific, extended solutions for themselves, although the SCC does document best practices that members have found useful. Some of the solutions involve automation, but most involve ways of organizing the process and managing the employees involved in implementation. SCOR puts considerable emphasis on the relationship between a supply chain process and the associated process that managers employ when they plan and manage the supply chain process. In other words, whenever a SCOR team decides they have a SOURCE process, they must also define the associated PLAN SOURCE process that will regulate the SOURCE process.

The International Society for Performance Improvement (ISPI) began as a group of professionals interested in applying psychological principles to the design of instructional materials for schools and for business. Today the ISPI has evolved to include the management and improvement of human performance in organizations. As a generalization, ISPI practitioners are housed in the training departments of most organizations, although there are notable exceptions. ISPI is fortunate to have several very bright members who have created an applied technology for improving employee performance. One notable pioneer in this area is Dr. Geary Rummler, who created many of the concepts that everyone engaged in business process change now takes for granted. Dr. Rummler published his well-known book, *Improving Performance*, with his business partner, Alan Brache, in 1990. This was, we believe, the first book to provide a consistent approach to conceptualizing organizations as systems with processes, analyzing these processes and breaking them down into sub-processes and activities, and then associating jobs and human performers with the activities. When you review the whole range of business process books published in the Eighties and Nineties, none so consistently stresses the role employees play in successful processes. Most of the other gurus associated with business process change move from processes to automation and IT, while Rummler consistently moves from processes to the people who perform the processes and how they are managed, motivated, trained and supported as they do their jobs. ISPI has generalized the work of Rummler, and others, and created a systematic approach to analyzing human performance problems and designing solutions.

Unlike Six Sigma that focuses on specific process improvement opportunities, or SCOR, which focuses on high-level supply chain

design and measurement issues, HPT provides a generic set of tools and a methodology for analyzing employee problems and improving human performance.

Given this brief overview, what are the possibilities for synergies? As pragmatists, we'd begin by suggesting that Six Sigma has a broader base of practitioners than either SCOR or HPT. If we wanted to make changes in the human performance of an organization that practiced Six Sigma, we'd try to figure out how to work through the Six Sigma professionals that are already in place.

There is a strong case for SCOR and Six Sigma practitioners working together on supply chain improvement. In essence, SCOR provides a high level analysis of the supply chain and suggests where the problems and opportunities for improvement lie. SCOR analysts are well positioned to point to places where Six Sigma could be effectively applied. SCOR also provides a nice way for Six Sigma practitioners to link specific measures to broad SCOR measures that are usually tied directly to the organization's financial statements. There is positive synergy between these two methodologies since SCOR focuses on high level analysis and redesign and Six Sigma is primarily focused on sub-processes and activities that SCOR does not touch, beyond suggesting best practices.

There are already a number of efforts at individual companies to combine SCOR and Six Sigma projects, and the SCC has a task force considering how the two approaches can be better aligned.

Combining ISPI's HPT with Six Sigma and SCOR is more problematical. ISPI doesn't emphasize precise measurement as much as it emphasizes the systems approach and analysis. In essence, HPT draws its vocabulary from psychology, while Six Sigma draws its vocabulary from Quality Control theory. And, while SCOR is focused on Supply Chains, and Six Sigma is focused on more narrowly defined projects, HPT tends to think in terms of general systems and changes in employee or managerial performance. If one stresses the entire HPT approach and contrasts it with the Six Sigma or the SCOR approach, one runs into vocabulary problems that make communication difficult. There is much that is valuable in HPT and it would likely serve everyone's interests if ISPI were to look into packaging the various HPT tools for use with Six Sigma teams. Six Sigma, SCOR and HPT are all powerful change agents. Each has its niche, but each could easily be used in conjunction with the others to create much more effective business process change programs.

We will follow this closely and, hopefully, we'll be able to report on some synergistic efforts and their results in the near future.

Til' next time,

Paul Harmon