Satisfying Policy Is A Source of Problems

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A simple way to identify the opportunities to make your organization operate more efficiently, with less wasted time and energy and money, is to seek out the connections between policy and process, and then simplify.

One phrase that I often repeat is, “Policy begets waste”. It’s true that I am one of those personalities who prefer to rely on the better judgment of people than on a big book of rules to ensure the right thing is done. That is a preference, not factual operational truth.

Regardless of our preferences, we can’t always avoid policy. Sometimes it is desired, and sometimes it is absolutely necessary. Regardless of our preferences, I have also observed that much of the waste and run-around that we create for ourselves occurs when we find ourselves faced with satisfying or, more often, trying to prove that we have satisfied policy.

Perhaps the reader will also observe that the work we find least gratifying, most wasteful, and most often circumvented because of the previous two, is the work we do to document or otherwise prove that we have satisfied some rule. It goes further than just being an annoying process, it often negatively affects morale, especially when personnel try to avoid it and leaders are forced to “bird dog” the process to ensure the rules are followed. Personnel and leaders alike despise such activity.

Thus, the phenomenon becomes an obvious opportunity for us to quickly and relatively easily improve our business performance and morale, which easily addressed with Lean, Six Sigma, or any number of improvement methodologies. We don’t need to be experts in those methods to attack and eliminate problems and waste associated with policy.

To solve various problems, we only need to simplify the means by which we satisfy policy. The easier it is the fewer problems we will have.

I’ve already stated that my favorite method for simplifying the policy challenge is to eliminate the policy. That philosophy doesn’t suit everyone, and it isn’t always practical. Some policies are necessary for us to operate in our chosen industry.

Let’s look at a real example of how policy and problems relate.

A manufacturer of products here in the U.S. must certify its product according to national and international regulations in order to sell it. Naturally, significant testing and analysis is performed on the product to achieve the certification. In addition, stringent quality control is necessary to ensure that the configuration of the product does not vary in any way that would violate the certification. This alone should be

enough for us to imagine the processes inspired to satisfy policy. In this case, certification.

Now, enter a problem. The business has a shortage of a particular fastener, a screw, which is called out in the product's configuration. Lead-time for getting more of the screw into the supply is five weeks. (If you are picking your jaw up off of your desk, I had a similar reaction) It is obviously intolerable, for everyone involved, to allow a shortage of screws to hold up production for five weeks.

Lean, Six Sigma, and common sense all dictate that we should look into the root cause of why we find ourselves in a situation where a fastener is five weeks out of supply and holding up production in the first place. Yes, we should do this, but that is not the problem that needs to be solved in a single day or a single hour. The problem to solve at the moment is how to complete production of the product right now.

We are not going to hold up production for five weeks because of a screw, especially when we have another one in-hand that will do the job. We can be in production in a matter of minutes if we just change the work order to use a different screw, "different" meaning it may be the same or similar in every functional way except for the part number. The solution isn't that hard, except for the policy.

If the product uses a different part number, then technically, the configuration is changed. How do we go about documenting the configuration? What testing or analysis is required to prove that the new configuration also meets the certification requirement? If the fastener merely attaches an aesthetic element, it may not be too difficult. In this real example, the screw attaches a significant safety feature. It's structurally critical and very important to the certification of the product. An undocumented configuration change could cause substantial unpleasantness with authorities or customers and could jeopardize the business.

Doing the work to satisfy the certification qualification and documenting it, involves a large number of experts, authorizations, and signatures, and cannot be done in just a few minutes. Thus, we have a screw and a policy working hand-in-hand to create a great deal of waste for this business. If this kind of thing happens only once in a great while, we might not worry too much about it. However, I have witnessed that while the specific example described might not happen every day, people doing extra work or circumventing inglorious work because of policy, has happened many times on a daily basis in a typical business. I'll bet the reader has too.

Let me lay out the complexity of the various processes so we can see it. I leave it to the reader's imagination to provide some relative perspective of the problem. The policy on top inspires each of the processes subsequent below, each lower one being a byproduct of the one above. This should look familiar to most manufacturers:

- Certification
  - Testing and qualification
    - Configuration documentation
      - Engineering Change process

Work order process

To solve the immediate problem and get back into production is simple. We change the work order on the production floor to pull a different part out of supply. However, doing so to satisfy the certification, must trigger a series of corrections and actions that work back up the “waterfall” or process chain.

To document the change to the configuration, the Engineering Change process must be enacted to change the documented configuration to also include the alternate part number. That change must be approved according to the certification regulations, which will require some investigation and report, at the least, to prove that the alternate part number is equally functional and doesn’t alter the performance of the product.

If a business can do each of these steps in a few minutes, then there really is no problem. If like many businesses, the Engineering Change process takes days, the analysis waits for experts to free up time and the research requires numerous phone calls to suppliers for data or information, which turn into messages and waiting and emails and waiting, and then final approvals wait around for managers to read, understand, and finally approve the changes. The waste in time and energy can be substantial.

If the discipline in a business is very high, the above mess will be conducted according to policy, and it will take days or weeks to execute. Morale will be low. If the discipline in a business is low, someone will change a work order and either out of ignorance, spite for inefficiency, or simply out of desire not to participate in such absurd nonsense, will not trigger the Engineering Change process. Morale may or may not be higher, but the risk to the business is great.

So, the key to eliminating both the risk and the pain is to simplify our ability to satisfy the policy. We must try to make it possible to make the necessary change and satisfy policy within just a few minutes. There are many ways to go about it.

- We can streamline each step of the “waterfall” so that they can be done in minutes by simplifying red-tape, forms, ensuring immediate access to signature authority, or having easily searchable records of data on interchangeable components.
- We can eliminate processes by proactively identifying when they are necessary and when they are not (often with identification of critical components and dimensions on drawings).
- We can proactively identify interchangeable components on drawings before they are released, including performance specifications, to facilitate the necessity to accept alternatives in a pinch.
- Some sophisticated Enterprise Resource Planning systems or Manufacturing Resource Planning systems can automate much of the process, automatically triggering the Engineering Change process and paging cell phones or instant message boards for signature authority.

These make just a short handful of strategies. We can do them all if we choose. The goal, regardless of the method, is to make it so simple to satisfy policy that such can be done in a few minutes. Not only does this solve the types of problems described in the example above, it makes everyday processes much simpler and more efficient. If we can rectify an emergency in just a few minutes, then we can satisfy the policy every time, every day, in just a few minutes also. Congratulations, business just got a lot easier and more efficient, and morale is up too.

Don't get me wrong; we should also proactively prevent the emergencies like five weeks without a supply of critical components. That discipline is not in dispute. I only want to point out and provide an explanation that our policies make great places to focus the magnifying glass we use to identify waste.

The many business and process improvement methodologies out there have various ways of identifying and attacking inefficiency. In addition to the ones you are already using, examine your means of satisfying policy, any and all policies. If they are time-consuming and painful, they are wasteful. Make an effort to simplify the processes to satisfy policy into exercises that take just a few minutes and your business will be very efficient. It's not a guarded secret or great mystery. It's just an easy place to look for waste.

Stay wise, friends.

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