



NAC Executive Insights

Continuous Performance Improvement: Detailed Work Processes – Act

Key Points

- Addresses the Act stage of Continuous Performance Improvement, the fourth stage in a Plan-Do-Check-Act process, to be used in conjunction with companion Executive Insights examining the other stages of CPIP.
- Details the Act stage as comprised of six principal processes: incident investigation, response plan development, response plan implementation, progress tracking and documentation, management of change, and performance measurement.
- Provides flow charts with a clear guide to each process and a starting point for adaptation and implementation.

Introduction

This Executive Insight provides a detailed look at the Act stage of Continuous Performance Improvement Processes, complemented by a series of Executive Insights providing flowcharts for each of the various processes employed as part of a Plan-Do-Check-Act system. These Executive Insights reflects the author's experience both in industry executive roles as well as consulting in this area.

This Executive Insight examines:

- Incident Investigation Management System (Figure 1)
- System to Develop Response Plan (Figure 2)
- System to Implement Response Plans (Figure 3)
- System to Track and Document Progress (Figure 4)
- Management of Change System (Figure 5)
- Performance Measurement System (Figure 6)

Act

The Act phase of continuous performance improvement incorporates six principal management systems that encompass six distinct processes illustrated by the flowcharts in this Executive Insight.

The **Incident Investigation Management System** (Figure 1) leads an incident investigation from initial documentation of an incident through selection and chartering an investigation team that will conduct

both a general and root cause analysis of the incident. The team identifies changes required and documents and communicates action to be taken.

The **System to Develop Response Plan** (Figure 2) identifies the tasks to be undertaken with related performance expectations and metrics. The flowchart illustrates the activities associated with assigning responsibility, authority and accountability and the development of the required timetables. While applied to commodity movements in this example, the process is more broadly applicable to the analysis of any incident. In the example, responses to regulatory agencies are key.

The **System to Implement Response Plans** (Figure 3) emphasizes that the availability of needed resources and achievement of tasks on schedule are key considerations in this process.

The **System to Track and Document Progress** (Figure 4) is widely applicable through all four stages of the Plan-Do-Check-Act process. Metrics established at the Plan stage now come full circle.

Management of Change (Figure 5) is a key aspect of continuous performance improvement. Identifying the required changes and the objectives such changes are meant to achieve must be clearly spelled out. As shown in the flowchart, planning for change and the change process must be done carefully and not abbreviated. All change processes go through beginnings, middles, and ends that are reflected in the flowchart. From a performance standpoint, the outcome of any change must be satisfactory and positively contribute to continuous performance improvement.

The **Performance Measurement System** (Figure 6) leads through a series of steps to achieve satisfactory outcomes:

- Reviewing all goal setting initiatives
- Defining expectations and critical success factors
- Identifying measures to meet expectations and aggregating
- Developing cascading processes
- Tracking the various measures, reviewing trends and assessing effectiveness

Conclusion

The six processes that comprise the Act stage of Continuous Performance Improvement Processes provide a starting point for organizations. These are broadly applicable and can be modified to reflect specific industry and company needs. Companion Executive Insights describe the Plan, Do, and Check stages of Continuous Performance Improvement.

Figure 1

INCIDENT INVESTIGATION MANAGEMENT SYSTEM
(Including Business and Operational Incidents and Near Misses)

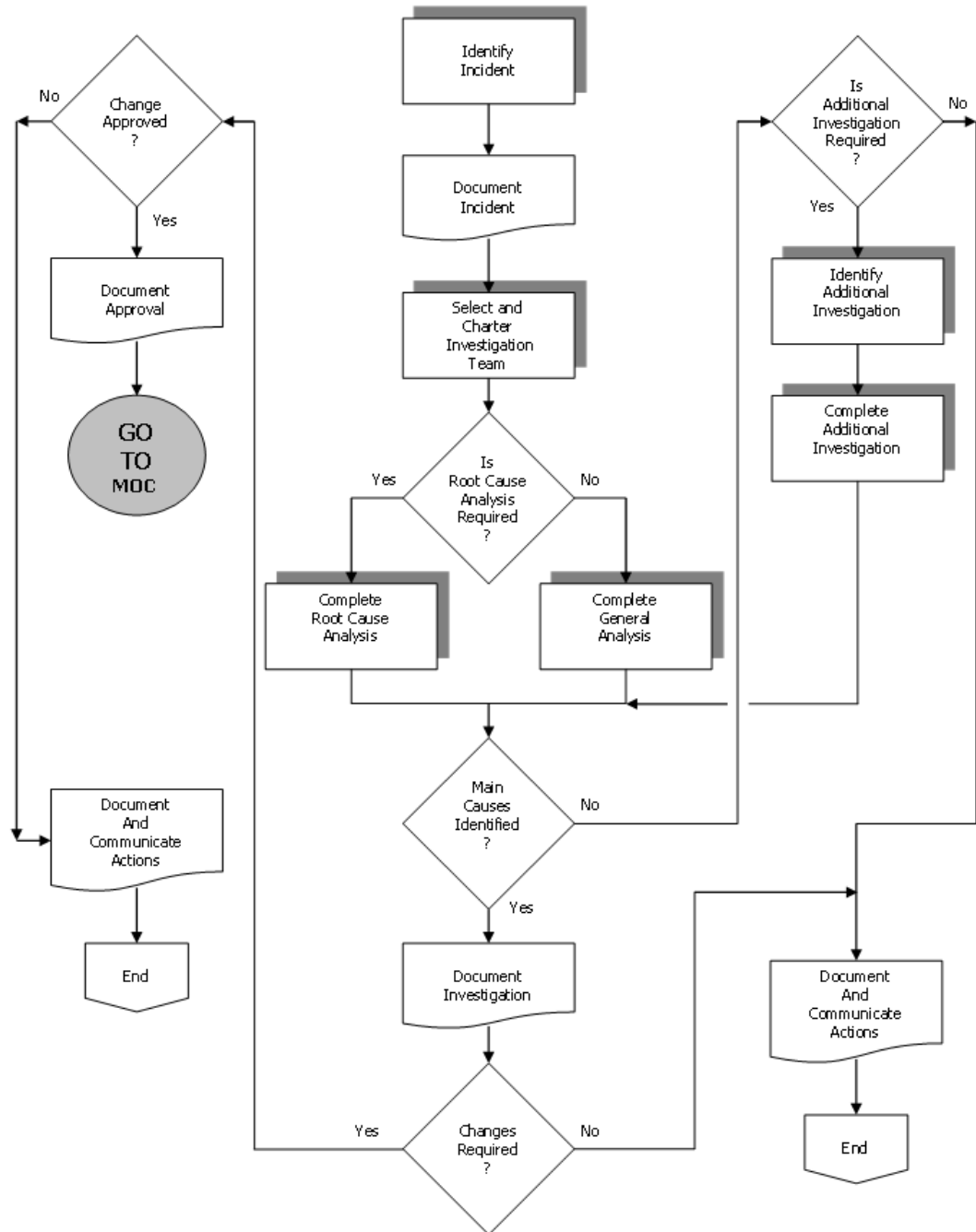


Figure 2

SYSTEM TO DEVELOP RESPONSE PLAN

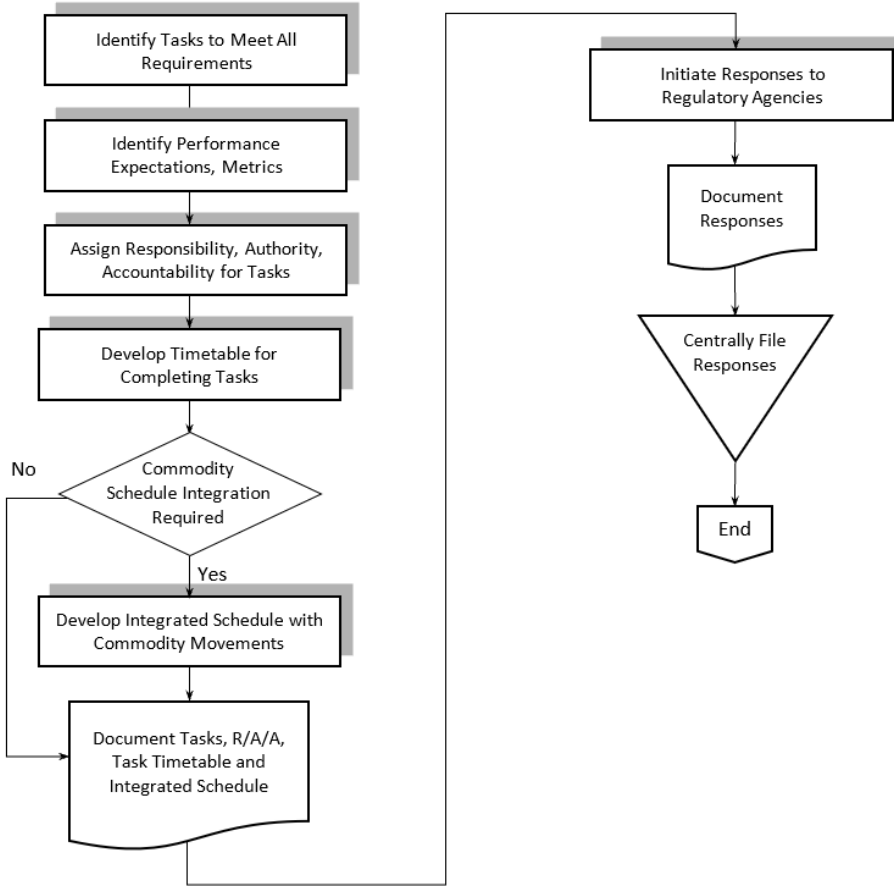


Figure 3

SYSTEM TO IMPLEMENT RESPONSE PLAN

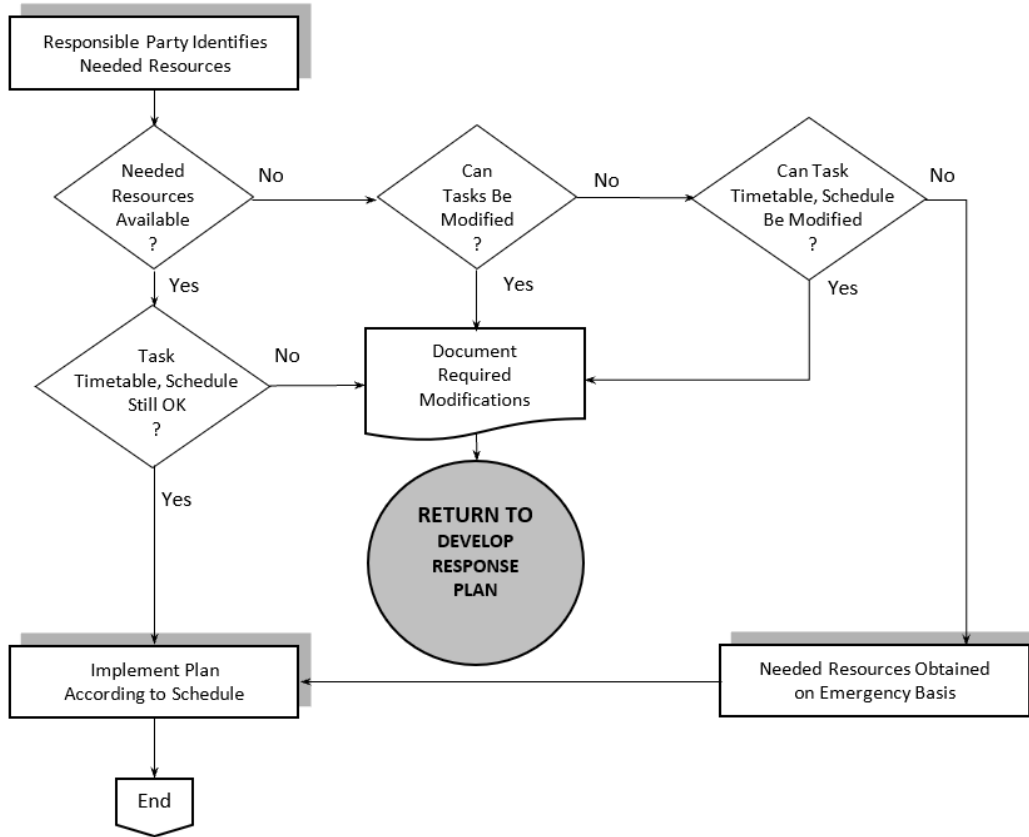


Figure 4

SYSTEM TO TRACK AND DOCUMENT PROGRESS

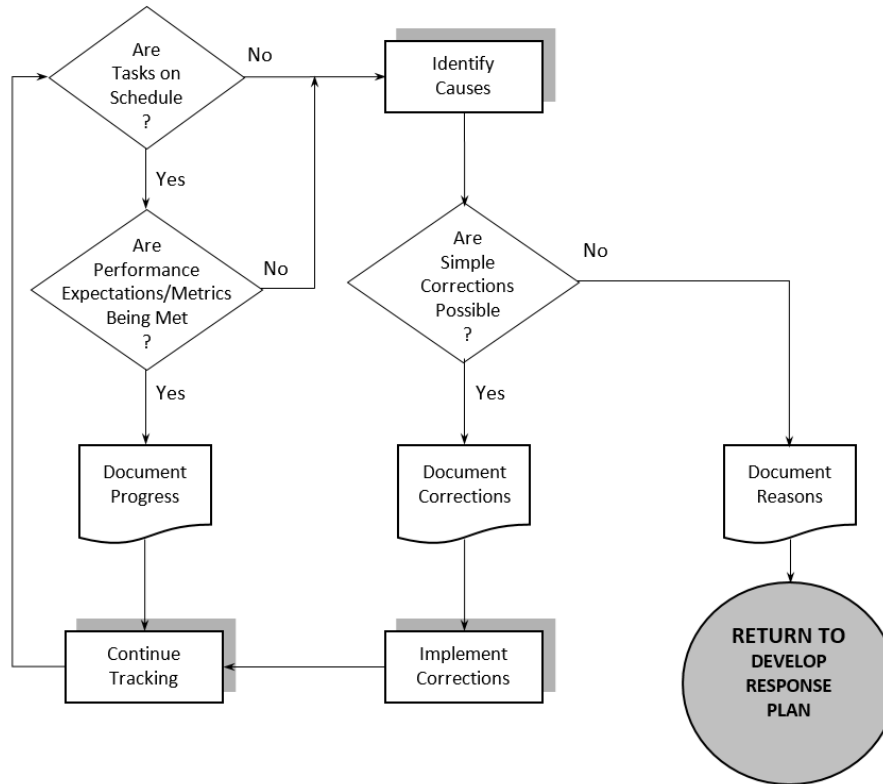


Figure 5

MANAGEMENT OF CHANGE SYSTEM

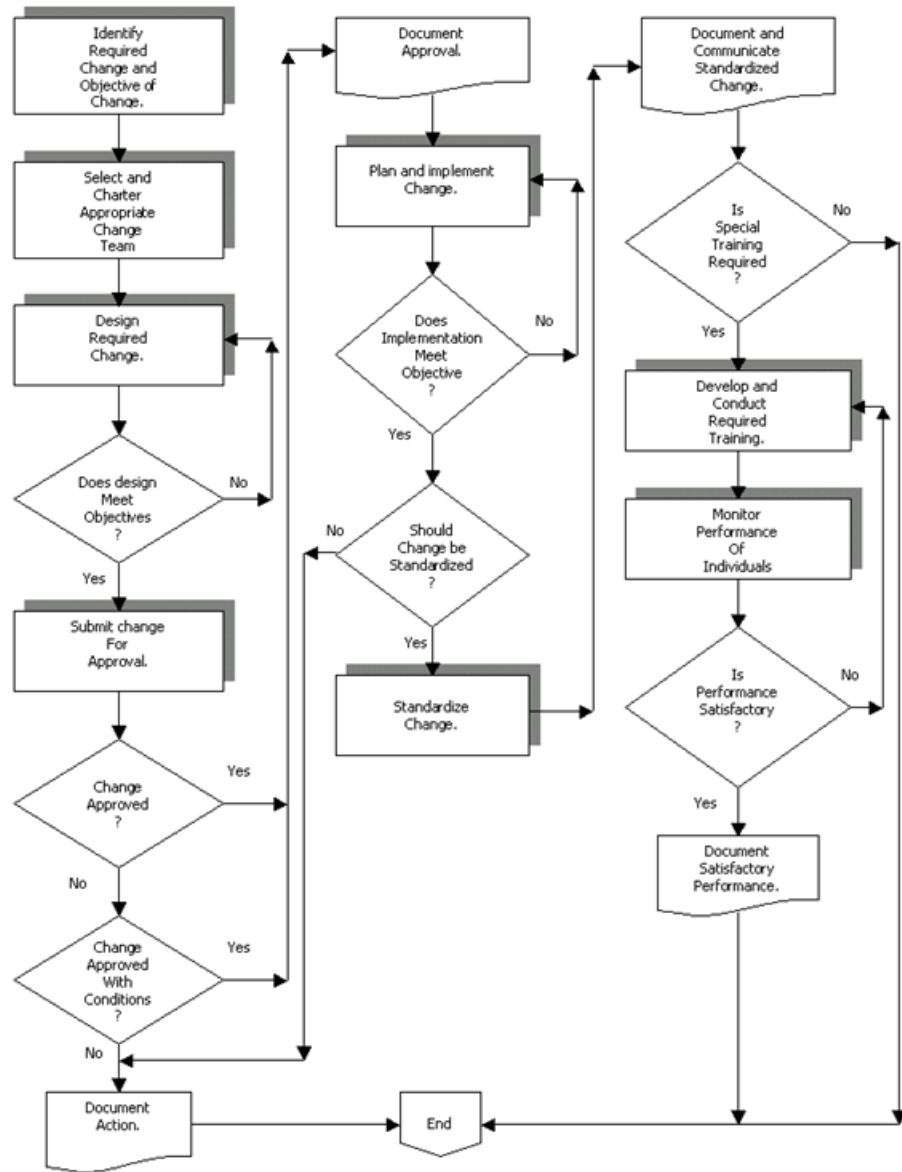
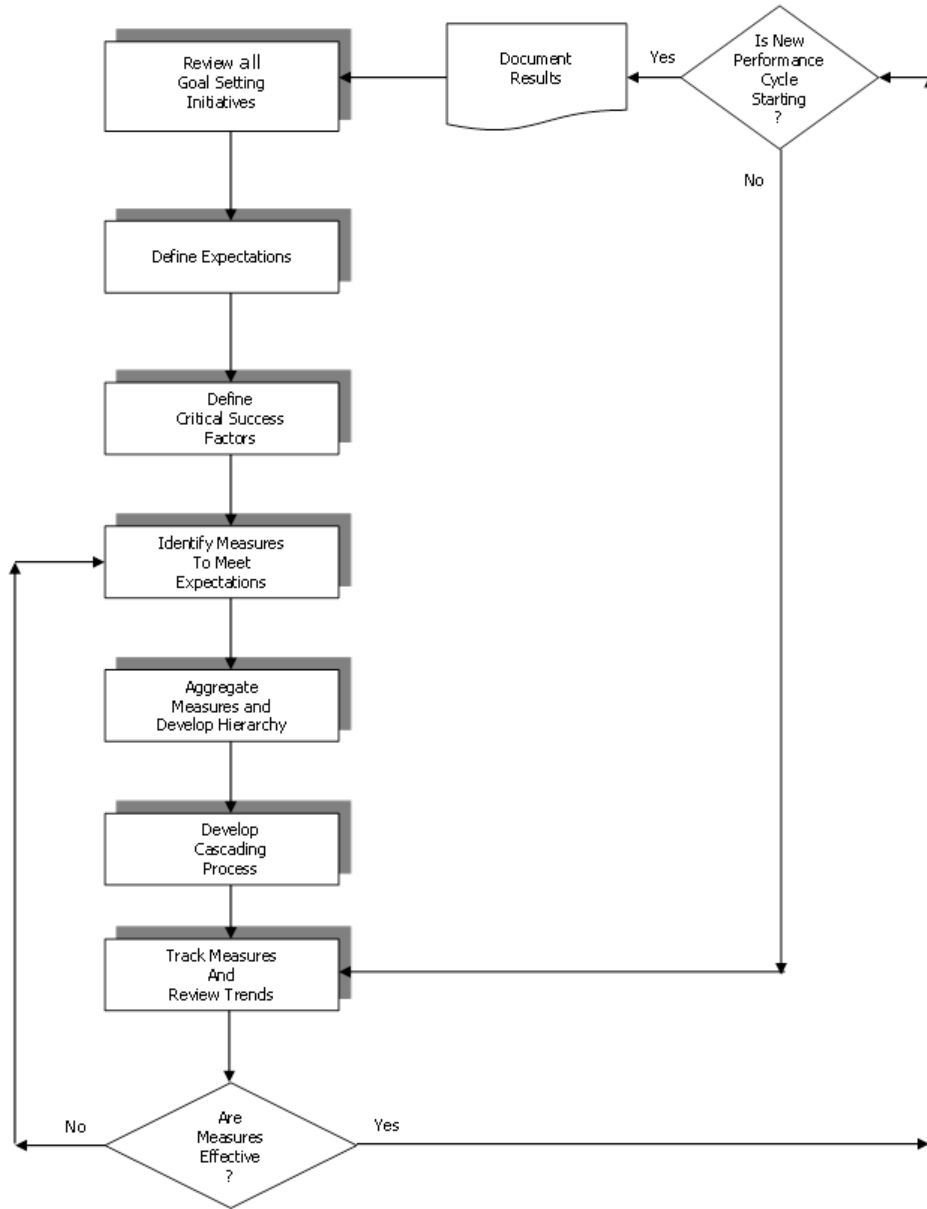


Figure 6

PERFORMANCE MEASUREMENT SYSTEM



About the Author

Joseph W. (Joe) Martinelli is a charter member of the National Academy of Construction. He was president of Chevron Pipe Line Company before forming Performance Improvement Consultants in 1998, now PiPRO. Previously, he was the general manager of Chevron's Engineering Technology Department, vice president of Petro-Canada, and held numerous domestic and international positions with Gulf Oil. He is a former chairman of the Construction Industry Institute (CII) and was a Baldrige Quality Award examiner for three years.

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