



NAC Executive Insights

Continuous Performance Improvement: Detailed Work Processes – Plan

Key Points

- Addresses the Plan stage of Continuous Performance Improvement, the first stage in a Quality Management Plan-Do-Check-Act cycle, to be used in conjunction with companion Executive Insights examining the other stages of CPIP.
- Details the Plan stage as comprised of four principal processes: strategic planning, operational planning, management, and personnel management, which provide a starting point for organizations and can be modified to reflect specific industry and company needs.
- 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 Plan stage of Continuous Performance Improvement Processes, complemented by a series of Executive Insights providing flow charts 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:

- Strategic Planning Management System (Figure 1)
- Operational Planning Management System (Figure 2)
- Management Sub-systems
 - Administration (Figure 3A)
 - Financial (Figure 3B)
- Personnel Management Sub-system
 - Compensate/Discipline Resources (Figure 4A)
 - Hiring (figure 4B)
 - Identify Resource Requirements (Figure 4C)
 - Individual Development Plans (Figure 4D)
 - Resource Availability Assurance (Figure 4E)
 - Succession Planning (Figure 4F)
 - Training and Education (Figure 4G)
 - Personnel Qualification (Figure 4H)

Plan

The Plan phase of continuous performance improvement incorporates five principal management systems that encompass 12 distinct processes illustrated by the flow charts in this Executive Insight.

Strategic Planning (Figure 1) begins with defining expectations, the vision of what is to be achieved, and the principle strategic thrusts to be pursued. As with all strategic business objectives, these are articulated, agreed upon, and continuously communicated to the team in the form of performance expectations. This process directs a team onto other necessary work processes described in this and companion Executive Insights. Strategic Planning has a multi-year time horizon and is complemented by the annual focus of Operational Planning.

Operational Planning (Figure 2) translates the intent of the Strategic Planning process into annual operating plans that apply processes in companion Executive Insights to actualize the plans. Key to both Strategic and Operational Planning are agreement, documentation, and clear performance expectations.

Management is comprised of the two principal sub-systems. Figure 3A addresses Administration and Figure 3B addresses the Financial sub-system. The Administration sub-system flows from the administrative requirements implicit in the strategic plan, operational plan, and other administrative requirements. These are documented, prioritized, and capital and expense requirement delineated. The Financial sub-system is closely linked with strategic and operational planning and provides a foundation for revenue expectations and capital needs. These undergo a series of reviews and adjustments and culminate in final Board approval, which is documented and communicated.

Personnel Management is the fourth system integral to the Plan stage, and is comprised of the eight distinct sub-systems illustrated in Figures 4A through 4H. These sub-systems encompass Compensate/Discipline, Hiring, Identify Resource Requirements, Individual Development Plans, Resource Availability Assurance, Succession Planning, Training and Education, and Personnel Qualification. The extent of these sub-system descriptions reflects the concept that people are ultimately a business's principal asset.

Conclusion

The 12 processes that comprise the Plan 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 Do, Check, and Act stages of Continuous Performance Improvement.

Figure 1

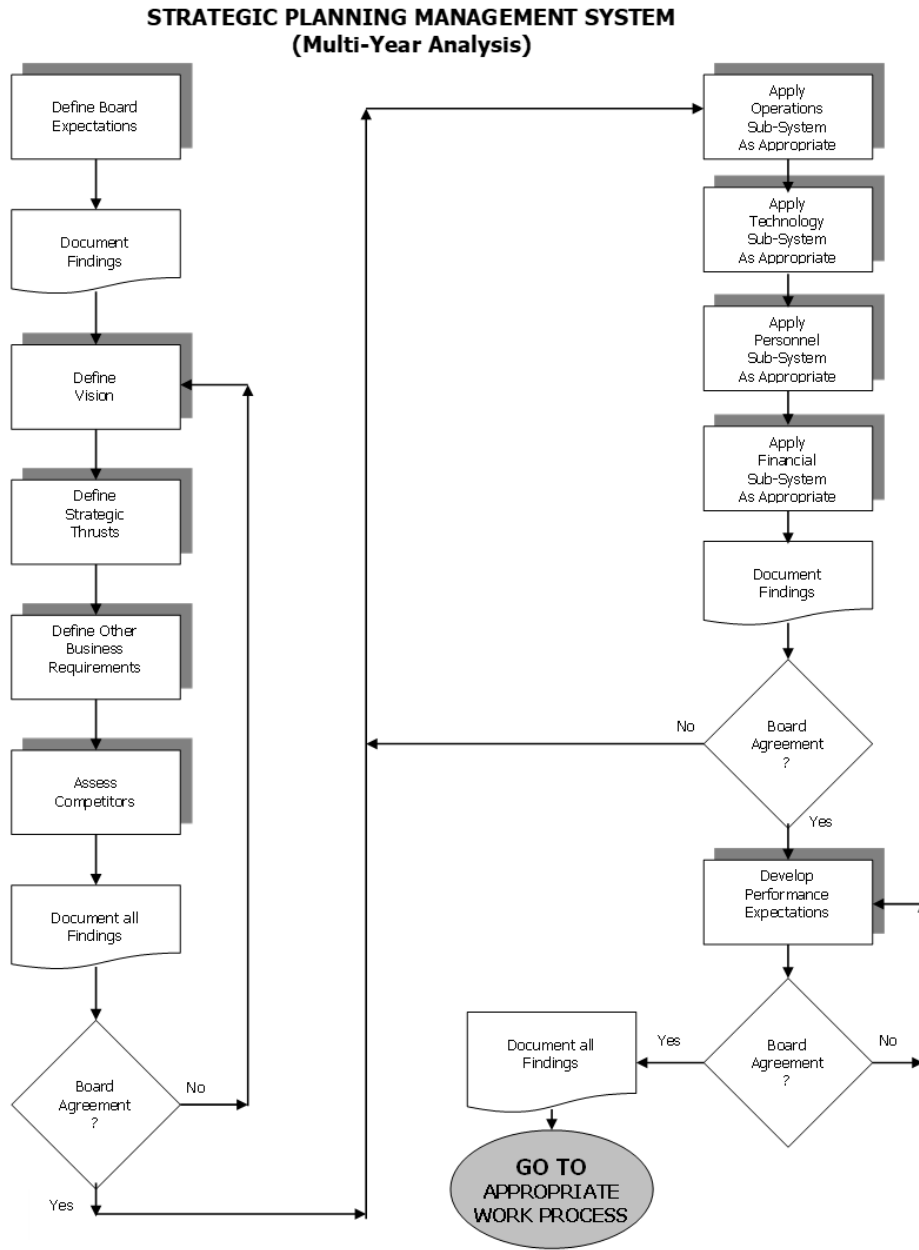


Figure 2

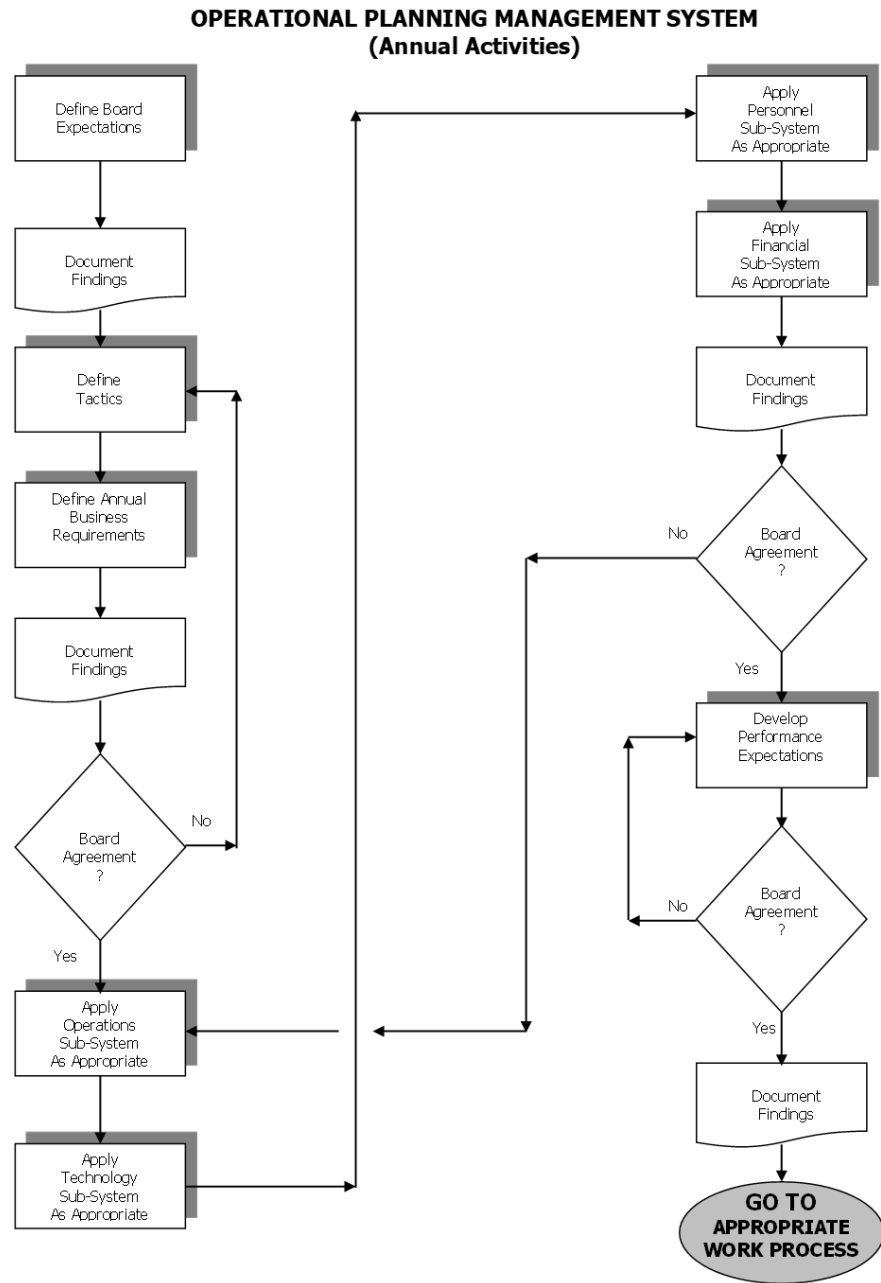


Figure 3A

MANAGEMENT SUB-SYSTEM: ADMINISTRATION

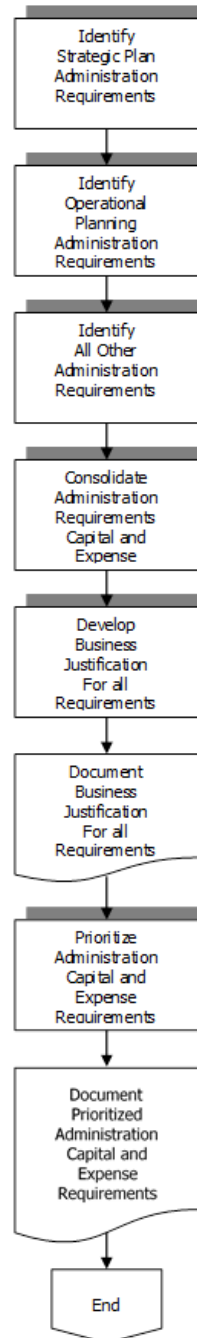


Figure 3B

MANAGEMENT SUB-SYSTEM: FINANCIAL

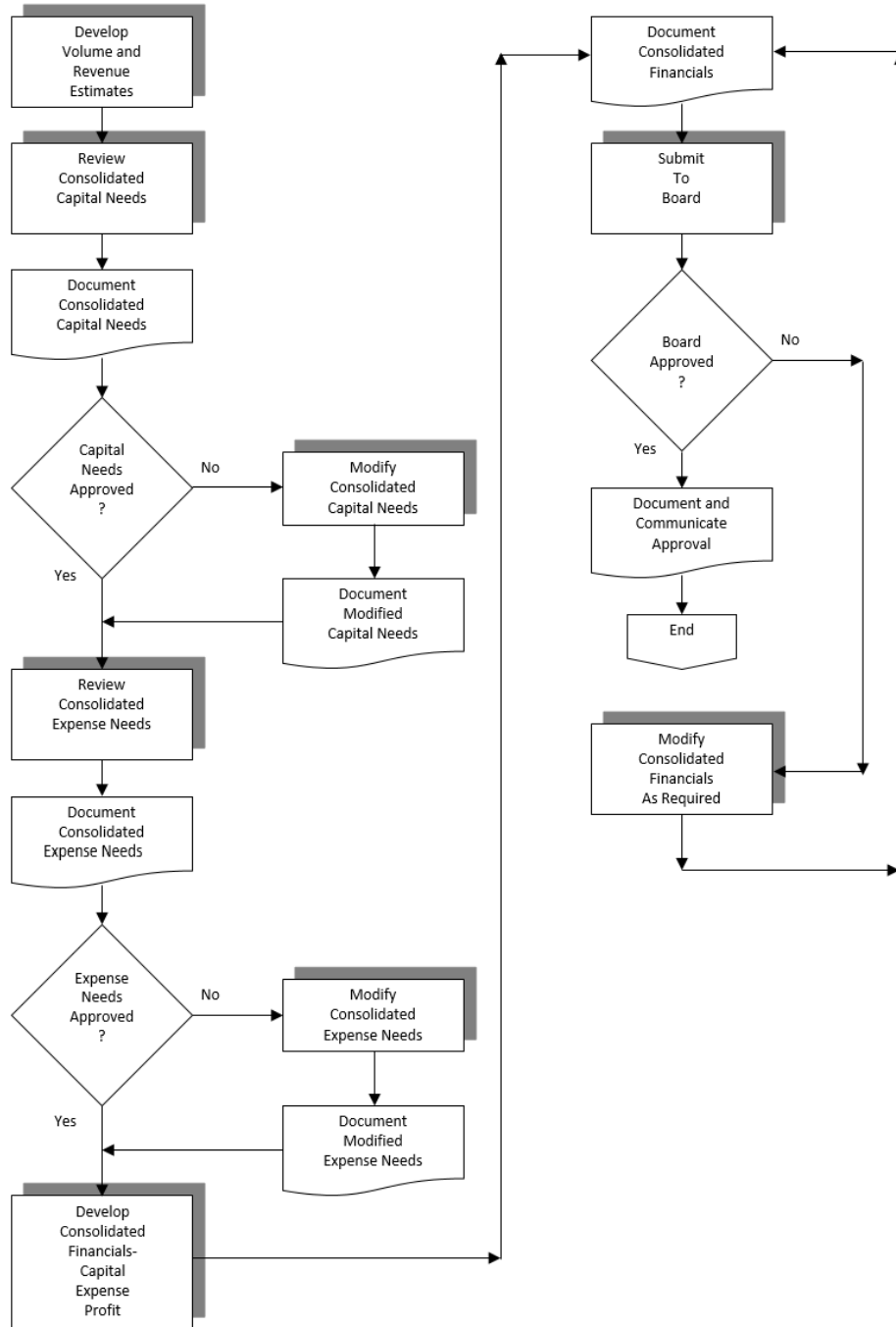


Figure 4A

**PERSONNEL MANAGEMENT SUB-SYSTEM:
COMPENSATE/DISCIPLINE RESOURCES**

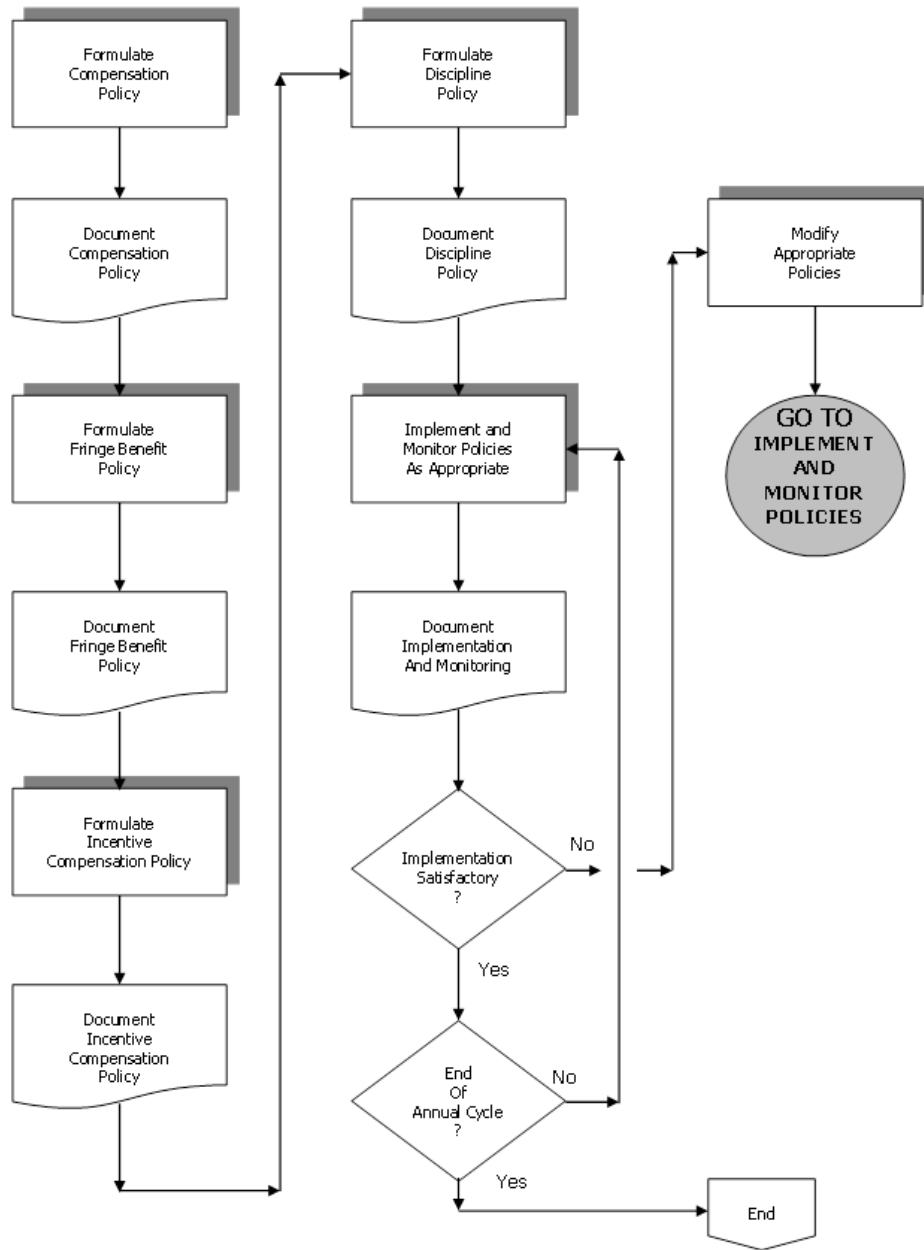


Figure 4B

PERSONNEL MANAGEMENT SUB-SYSTEM: HIRING

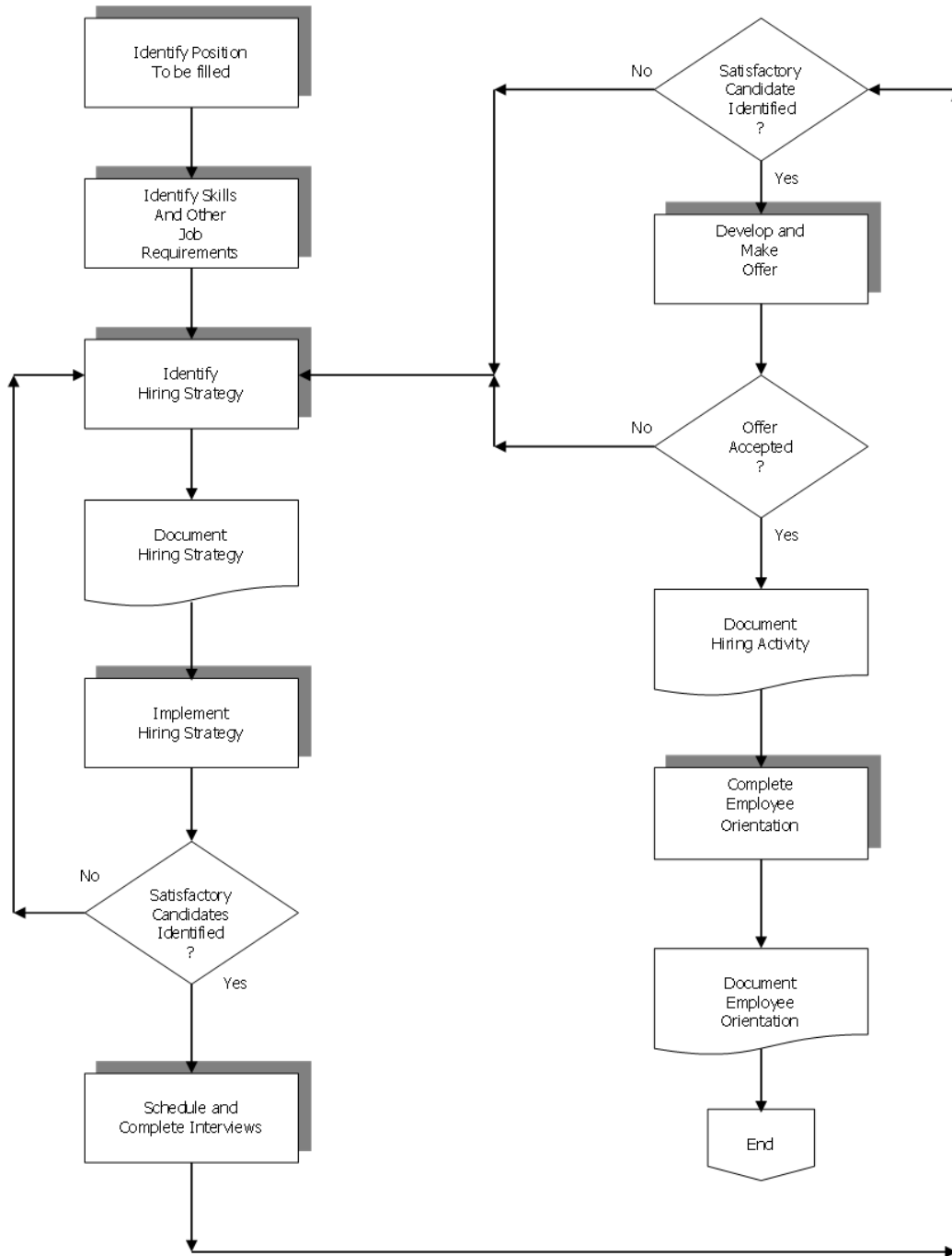


Figure 4C

**PERSONNEL MANAGEMENT SUB-SYSTEM:
IDENTIFY RESOURCE REQUIREMENTS
(Company and Contractor)**

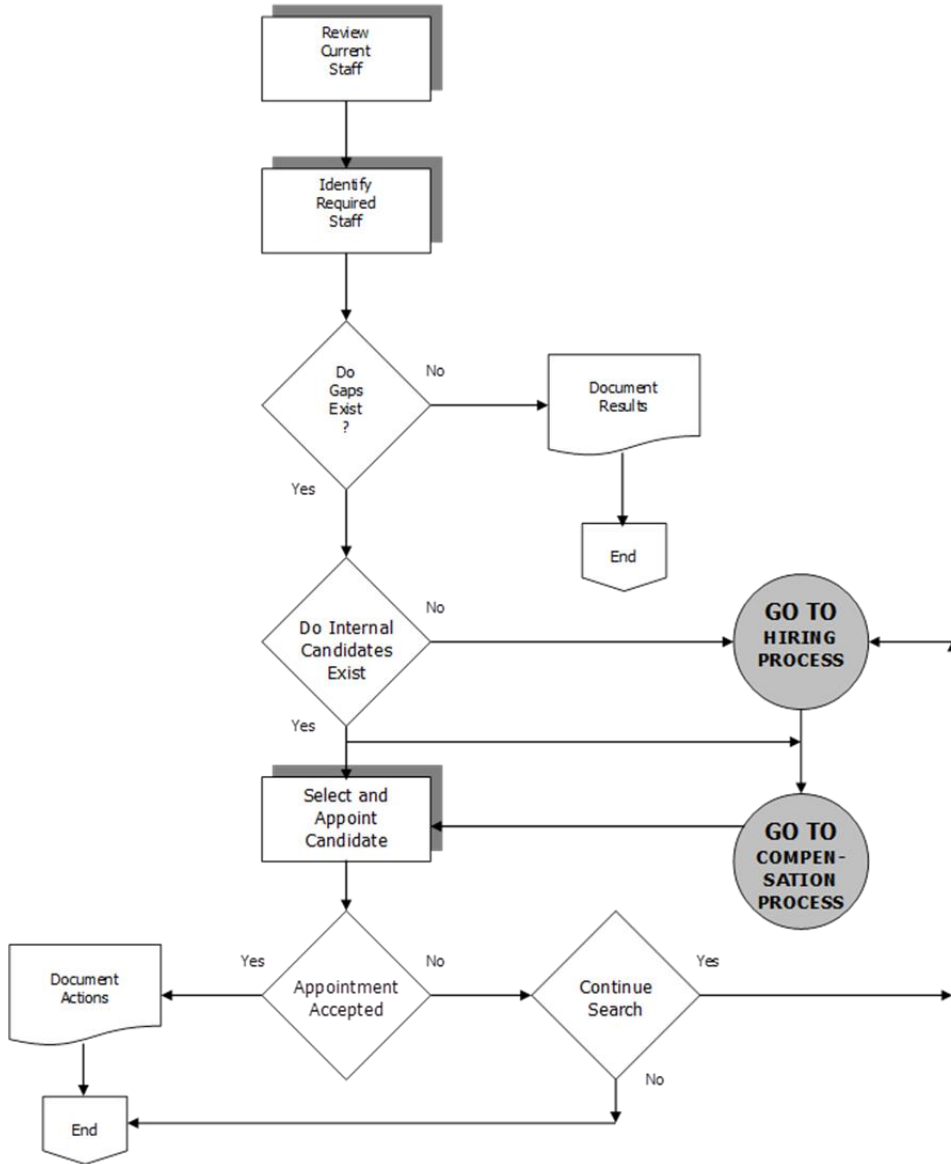


Figure 4D

**PERSONNEL MANAGEMENT SUB-SYSTEM:
INDIVIDUAL DEVELOPMENT PLANS**

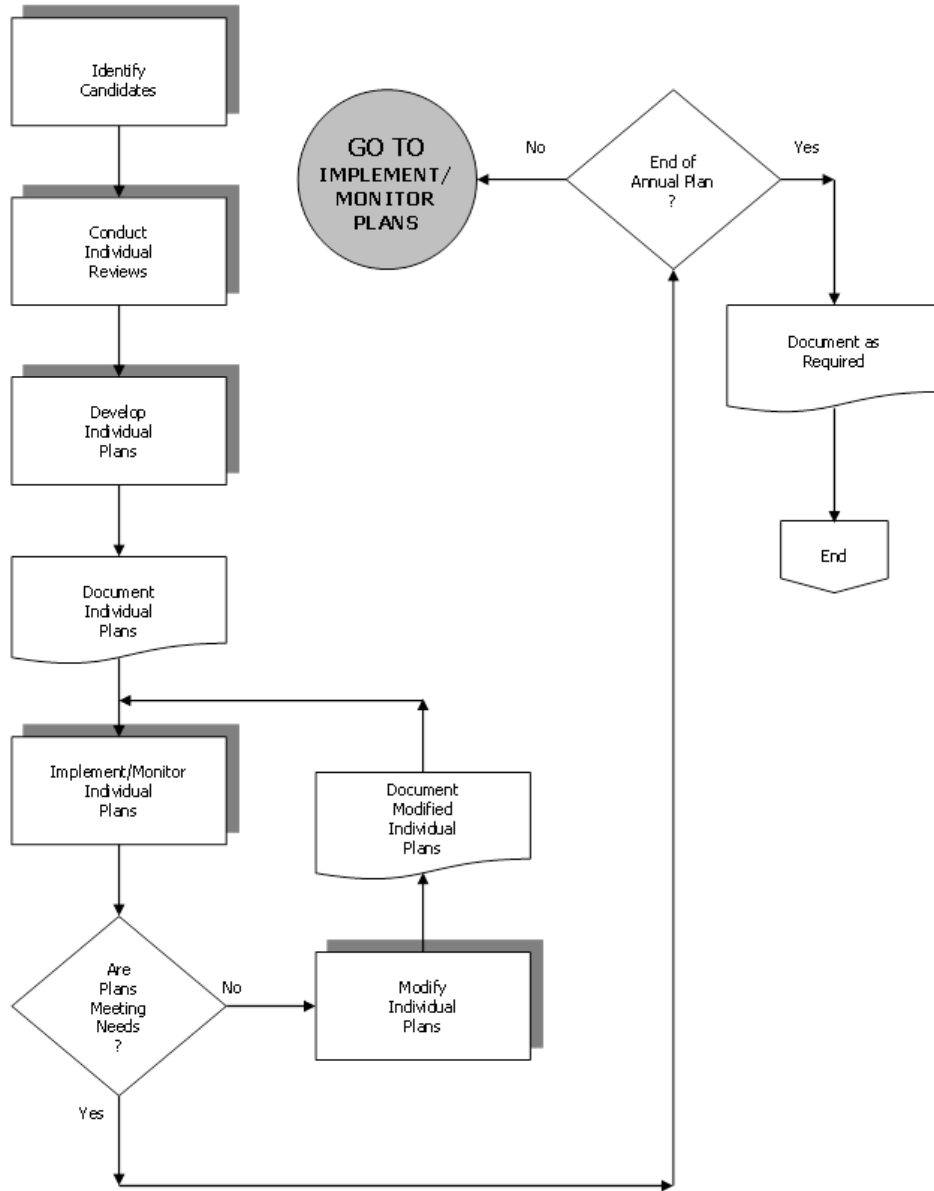


Figure 4D – Supplement

INDIVIDUAL DEVELOPMENT PLANS

NAME:

CURRENT POSITION: _____ **TIME IN POSITION:** _____

ASSIGNMENT HISTORY:

POTENTIAL CANDIDATE FOR FOLLOWING POSITIONS:

DESIRABLE SEQUENCE OF ASSIGNMENTS:

IDENTIFICATION OF SPECIFIC TRAINING, EDUCATION, QUALIFICATIONS:

Figure 4E

**PERSONNEL MANAGEMENT SUB-SYSTEM:
RESOURCE AVAILABILITY ASSURANCE**

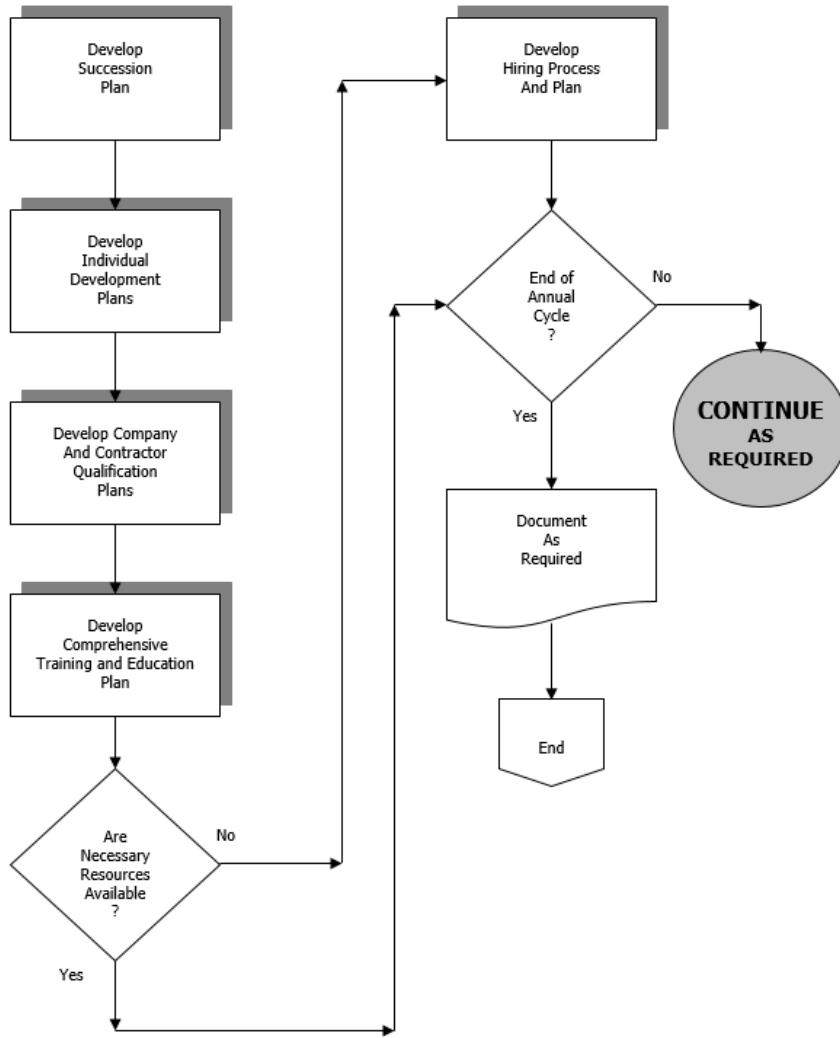


Figure 4F

**PERSONNEL MANAGEMENT SUB-SYSTEM:
SUCCESSION PLANNING**

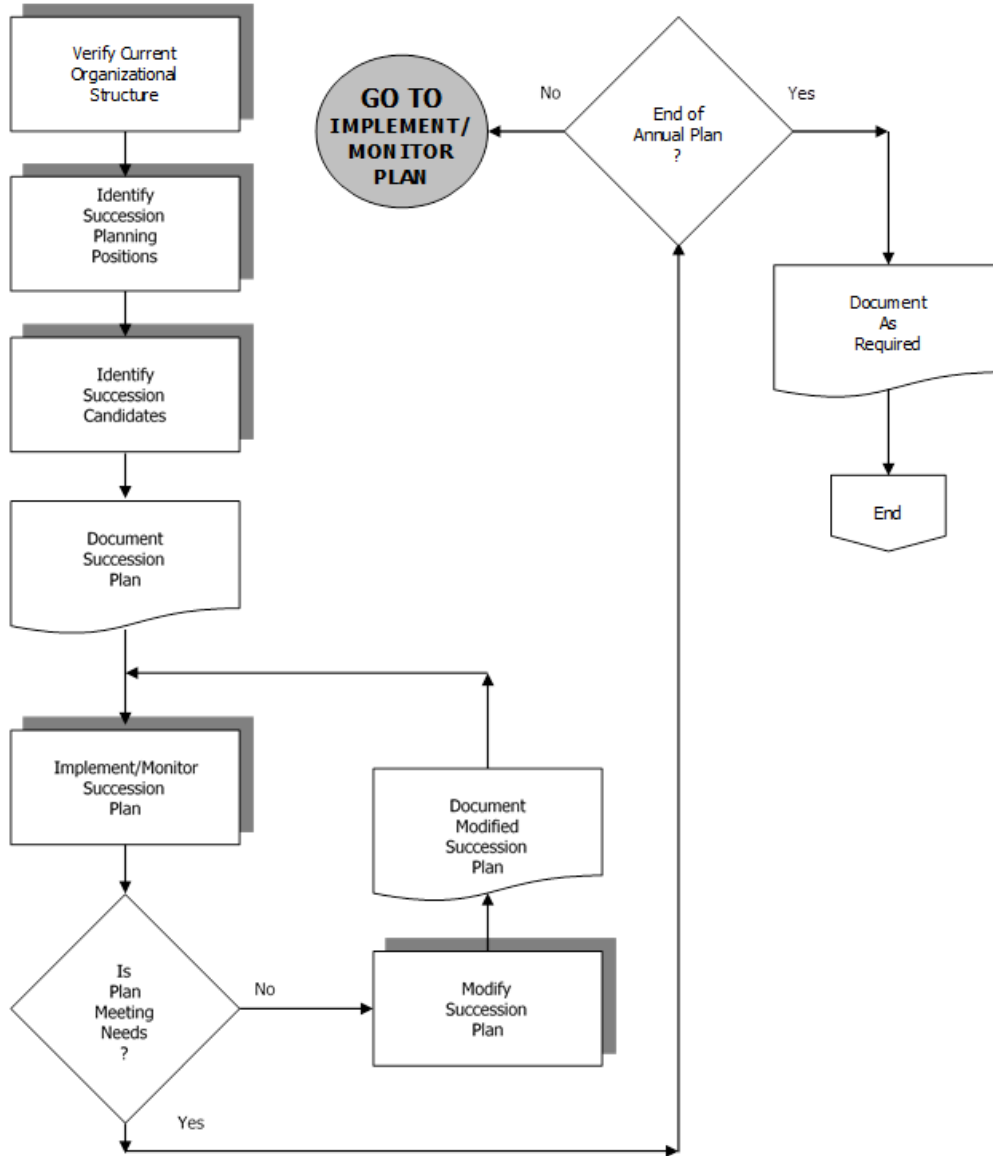


Figure 4F - Supplement

SUCCESSION PLANNING

POSITION: _____

DATE: _____

TIME IN CURRENT POSITION	NAME	DATE AVAILABLE FOR RE-ASSIGNMENT	AGE
	Incumbent		
	Candidate No. 1		
	Candidate No. 2		
	Candidate No. 3		
	Candidate No. 4		

Figure 4G

**PERSONNEL MANAGEMENT SUB-SYSTEM:
TRAINING AND EDUCATION (T/E)**

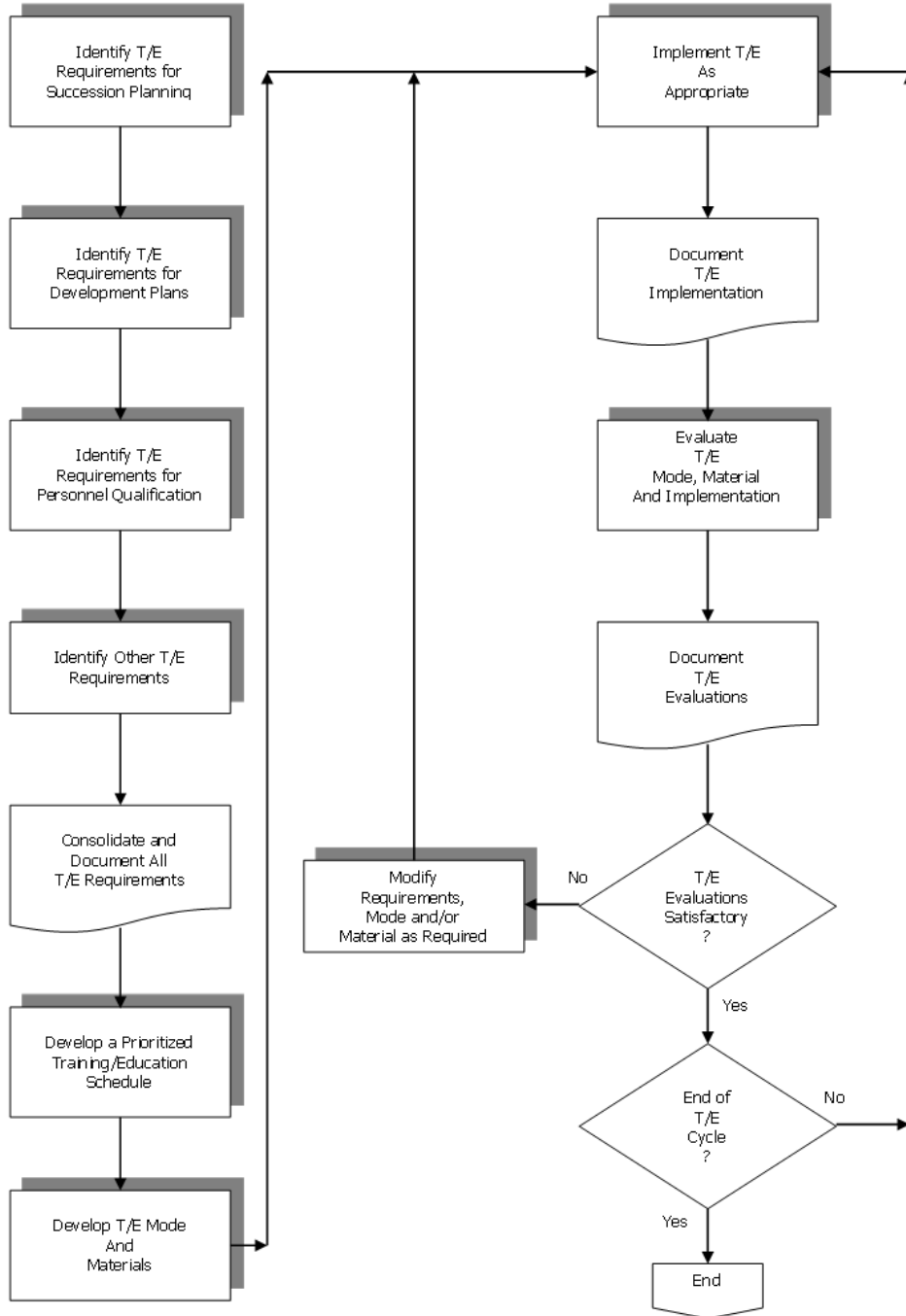
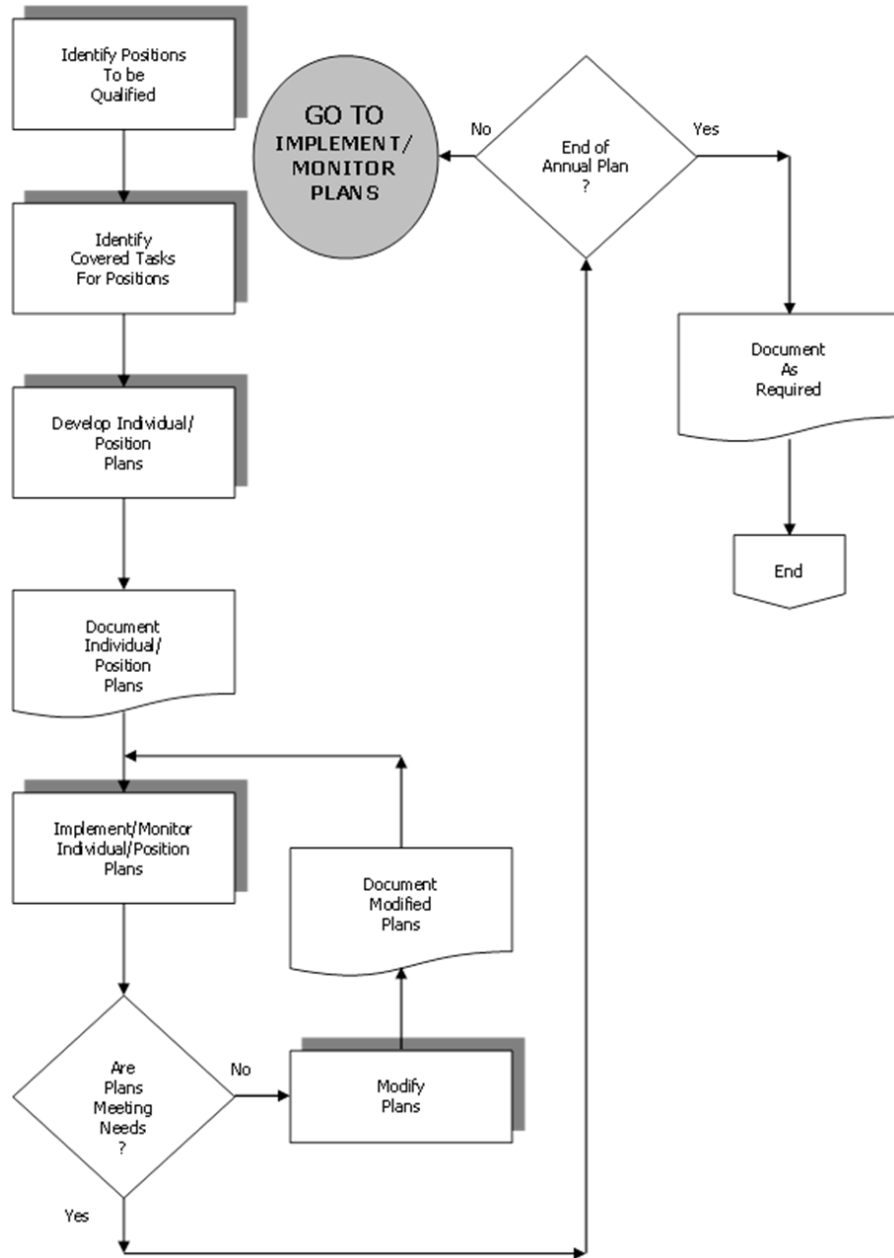


Figure 4H

**PERSONNEL MANAGEMENT SUB-SYSTEM:
PERSONNEL QUALIFICATION**



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.

Although the author and NAC have made every effort to ensure accuracy and completeness of the advice or information presented within, NAC and the author assume no responsibility for any errors, inaccuracies, omissions or inconsistencies it may contain, or for any results obtained from the use of this information. The information is provided on an "as is" basis with no guarantees of completeness, accuracy, usefulness or timeliness, and without any warranties of any kind whatsoever, express or implied. Reliance on any information provided by NAC or the author is solely at your own risk.