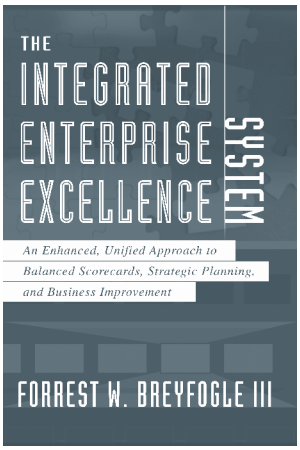
Book Review

By Robert Spencer

The Integrated Enterprise Excellence System: An Enhanced, Unified Approach to Balanced Scorecards, Strategic Planning, and Business Improvement.
Forrest Breyfogle III
Austin, TX: Citius Publishing, 2008



Projects well begun generally finish up well done…

This is the second in a series of book reviews exploring the Integrated Enterprise Excellence (I double E) system developed by Forrest Breyfogle. IEE is a powerful business system with the detailed execution templates needed to effectively implement Lean Six Sigma tools for maximum success. This review will focus on three major topics from the book, which I believe set Breyfogle apart from the many other authors who offer business improvement strategies.

Why Traditional Business Systems Can Stimulate the Wrong Behavior

Breyfogle uses real-life examples to show how Lean and Six Sigma tools can have less-than-desired impacts and even result in no measurable benefits. While Lean Six Sigma teams may be well equipped in terms of skills and experience, the early benefits from studies taking advantage of "low hanging fruit" improvements give way to the effects of unclear goals and lack of understanding of the best metrics to monitor the overall performance of the business. The result is a "push" system where the LSS team seeks out studies based on their interpretation of the organization's strategic plan.

Breyfogle emphasizes that organizations benefit when they create and use an IEE value chain as a foundation in their business. An IEE value chain provides an accurate picture of what an organization does, and how well it is executing its functions relative to quality, cost, and time. A unique aspect of the IEE value chain is that organizational performance metrics are tracked using a 30,000-foot-level reporting methodology, where more often than not predictive statements can be made about functional performance. An IEE value chain provides an accurate picture of what the organization as a whole is doing, and how well it is performing.

With wisely created predictive performance metrics that are reported using an IEE value chain, organizations are better equipped to determine what metrics need to be strategically improved so that the enterprise as a whole benefits. With this approach, metric improvement needs create a "pull" system for process improvement efforts. IEE provides a system whereby management at all levels sees a need and asks for analysis and a plan for quality improvement. In this pull system everybody knows what their role is in promoting success of their business (more truly satisfied customers and more revenue).

Transitioning from "Problem of the Day" Firefighting to Knowing What to Measure and How to Practice Fire Prevention

We have all seen the master firefighter in action. Invariably the "first in and last out," always on the move, quick to assign fault, and always prepared with an elaborate "story" to explain in detail why a problem happened. The firefighter does not understand what Deming taught us about "common cause" variability and "special cause" variability. A focus on month-over-month and year-to-year comparisons further exacerbates the confusion the firefighter introduces in efforts to fix quality problems.

In the IEE system the expectation is to collect data over extended time periods and not limit analyses to monthly and yearly reporting periods. A new way of thinking is required to establish metrics that transcend the traditional business reporting cycles. A long-term perspective seeks to understand metrics that are not at the whim of short-lasting practices (for example, quarterly sales quotas) but rather indicative of what the organization is capable of doing in the long run without the influence of system idiosyncrasies (I like the way Breyfogle refers to these events as "perturbations").

The firefighter's tool kit does not contain root cause analysis, corrective and preventive action, or failure modes and effect analysis—just hot air. One of the worst firefighter tools is the Red-Yellow-Green scorecard that focuses on dates (start, milestone, and finish) that are attributive data. There is seldom a concern for how much early or late, and why the date was missed; just the fact that a date was missed.

Well-chosen metrics within an IEE system encourage a Six Sigma DMAIC analysis within the PDCA scientific method. These tools are capable of finding the root causes and designing a solution that can be implemented, monitored, evaluated for

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successful impact, and purposely modified if necessary. Everyone in an IEE system knows what matters most to the company and, more importantly, what their personal commitment and contribution is to the success of products and services and the profitability of the entire organization.

Moving from a Functional Orientation to a Culture That Embraces Enterprise Analytics, Scorecards, and Performance Dashboards

Breyfogle introduces the concept of the "Cost Of Doing Nothing Differently" or CODND. Many organizations have implemented traditional business systems that reward functional (silo) accomplishments. Requests for process improvements typically come through a push system that seeks functional leaders who sense an opportunity to improve performance within their area of authority. In this scenario, there is usually little consideration for the overall priority for process improvement effort, or any analysis of the impact of improving a specific process in one function without evaluating what might happen in other processes in other functions.

IEE avoids this problem of not understanding the benefits and potential drawbacks of making a process improvement in one part of the business without understanding first how performance of that particular process works with other processes in the business. IEE requires analysis and selection of metrics that accurately track overall business performance and seeks to understand the consistency of these metrics over extended time periods. When long-term consistency in performance exists (the process is in statistical control or is "stable") then a recent period of stability can be used to make accurate predictions of future performance. These accurate predictions are invaluable in making realistic forecasts and in determining when and how to further improve the process and what impact the improvement can be expected to have on workload, scheduling, and profit.

As far back as the 1970s federal guidelines on "evidence-based outcome evaluation" were presented in funding authorizations for social programs. We now understand these guidelines were the early foundation for what we now know as "data-driven decision making." IEE brings on the next level of sophistication in evidence-based and data-driven management analysis and decision making. IEE presents the entire sequence of templates and specific measurement, management, and Lean Six Sigma analysis tools to be successful in understanding business processes and how best to maximize the application of Lean Six Sigma to continuously improve business performance.

Each of Breyfogle's books includes references to his other IEE texts for specific explanations and examples of all tools, techniques, and strategies presented. I have chosen a chronological review of his texts, but a reader can jump in anywhere in the set of books and begin to increase understanding of a more efficient and more effective way to conduct business process improvement from the perspective of the quality management professional.

I encourage you to obtain the book being reviewed here, or any one of Breyfogle's other books listed in the Winter 2014 *Quality Management Forum*. Just be sure to allow extra shelf space since you will want to add more books on IEE to your library.

Robert Spencer is the editor of the Quality Management Forum.