Business Improvement Practitioner Standards

Content

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1. Foreword

With change the only constant and the speed of change accelerating for all organisations, an effective business improvement community is more crucial than ever for organisations to survive and thrive. Given that, it is perhaps ironic that this community, focussed as it is on improving performance, should not have a system to define, review and continuously improve its own professional standards and practice. Indeed, the CQI believes that a lack of consistency in determining practitioner competency levels, with a lack of independence, impartiality and integrity in the governance of business improvement practitioner standards is making the sourcing of these skills inefficient for employers. This in turn makes differentiation difficult for practitioners and impedes the development of the practice of improvement.

Therefore, this green paper seeks views on three areas:

- Firstly, on the need for improved governance of business improvement practitioner competences and professional standards.

- Secondly, on the need specifically for industry – and practitioner-supported Lean and Six Sigma education standards.

- And thirdly, on the need for the certification of Lean and Six Sigma professionals that evidences the above.

The CQI will use responses from employers, practitioners, education providers and the government to inform our review of the *Improvement* element of the *CQI Competency Framework*.

This important work takes place in the context of our Royal Charter, in which the government charges the CQI with "advancing education in, knowledge of, and the practice of quality in industry," and with reference to the *CQI Competency Framework*, which defines the remit of the quality profession as *Governance, Assurance, Improvement*, supported by understanding of *Context* and the *Leadership* behaviours required to lead change and improvement.

Vincent Desmond
Acting Chief Executive, the Chartered Quality Institute.

2. How to respond

This paper sets out the challenges facing business improvement professionals, their employers and other stakeholders, as the CQI sees it.

We would like to invite any interested parties to comment and contribute to this debate by completing a short survey at: **surveymonkey.co.uk/r/I-in-GAI-Greenpaper**

The survey will close on Friday 24 February 2017.

Feedback will be taken into consideration by the CQI when determining any plans in the future.

3. The business improvement practitioner landscape

Background

The quality toolkit has long included tools designed to support the identification and resolution of business problems, eg the Gaussian Function developed in the 1790s and the Gant Chart and SPC Chart developed around 1920. However, it wasn't until the 1980s that Motorola established Six Sigma as a method (and some say a philosophy) to systematically reduce variation and, by doing so, to eliminate defects in processes. While the reduction of variation, or the improvement of sigma levels, is a prime way of improving processes, there are circumstances where the reduction of waste, or the identification of the value stream for the customer, is what is needed. The Lean System provides a solution in these circumstances. The origins of Lean thinking can easily be traced to the Toyota Production System in the 1930s but it was thoroughly described for the first time in the book *The Machine That Changed the World (1990)* by James P Womack, Daniel Roos and Daniel T Jones. Interestingly, while tools to support project management have been around for a considerable time, it was 1989 before PRINCE was established and was not until 1996 that the more successful PRINCE2 was launched.

Since the 1990s these more sophisticated methods of process improvement or advanced problem solving have become extremely widespread, to the point where most large organisations and many smaller ones have some degree of Lean/Six Sigma (LSS) competency in place.

Use of LSS grew in the 1990s and 2000s, spawned by large companies such as Motorola, Toyota, GE, Allied Signal and Marconi. These enterprises were large enough to establish their own training programmes and typically started with existing employees. Taking the example of Six Sigma, a fairly typical approach would be to train a large percentage of the organisation in a basic understanding of problem solving to White or Yellow Belt level (one to three days) with those people having an aptitude being trained to Green Belt level (three to eight days) so as to be able to lead the simpler projects. A Black Belt would support up to 20 Green Belts in addition to managing fairly complex projects of their own and might have up to four weeks training (including detailed statistical techniques). Finally, a seasoned Black Belt might receive more training and become a Master Black Belt, supporting up to 20 Black Belts and possibly also managing an overall improvement programme. There was a lot of variation in the number of belts that an organisation would put in place but it was not uncommon for five to 10 per cent of the staff to receive Green Belt training and one per cent to be nominated as Black Belt.

These large organisations not only ran their own training programmes in-house, they would typically also run a certification system for their belts. Some simply involving passing exams, others requiring the inclusion of completed projects, sometimes requiring that the belts were full-time positions, some requiring evidence of coaching/mentoring capability. The adopters would each define their own unique system of tracking benefits and many would adapt the standard DMAIC or DMADV methodologies to their own specific requirements eg Alstom used DMAICCSC with additional emphasis on standardise and close.

The problem that needs to be addressed

So, a system designed to reduce variation fast became one where the training, the job profile, the certification, the tracking of benefits and the improvement system itself varied.

Over time LSS was adopted by more and more companies, sometimes as a requirement was passed along a supply chain. As smaller companies adopted the system they were unable to provide the resources necessary to develop their own training courses and a number of training providers stepped into this void. Consultancies also started to offer services in setting up LSS systems for their clients and also in providing belts, typically Black or Master Black Belts, on an interim basis to kick-start the systems for their customers.

People working full time in LSS found that their skills were transferable between sectors. Many had started their work in a traditional industry but by the early 2000s LSS was comprehensively adopted by the financial services sector and the rewards there were higher. Training providers found that they not only needed to provide courses and skills, they also needed to provide some sort of endorsement of the competency of the people they trained and hence set up certification schemes typically based on passing online exams, although some also required interviews and evidence of completed projects (particularly at Black and Master Black levels). These schemes were mainly operated by the organisations who designed and delivered the training so the higher their pass rate the more likely they were to attract people to book onto their courses.

Over time this proliferation of approaches has meant that almost all stakeholders are confused about how to make staffing decisions for LSS.

- **Employers** wishing to implement a LSS system cannot be certain as to the experience or skills of people they are hiring. There is a myriad of organisations offering certification but in many instances this is no more than an alumnus of people who have attended a common training course. Green Belts from some providers may actually have higher levels of competence and will have been more rigorously assessed than Black Belts from others, resulting in the need for recruiting companies to resort to running in-house assessment centres to support their efforts as a way of levelling the playing field and reducing the likelihood of making costly, poor, recruitment decisions. Additionally, if a supplier says it is deploying Six Sigma how can a customer be sure of what this means?
- **Business improvement professionals** also suffer. Those who are proven, with many successful projects under their belt, and who have developed many junior belts, cannot easily differentiate themselves from someone who has bought a training course, passed an online exam and paid to join a register managed by the same provider. The higher your level of belt the more difficult it is. Consequently, what driver is there for professional standards to be maintained, let alone developed?
- **Training providers** are also disadvantaged, particularly the good ones. What chance is there for one to be able to sell a five-day Green Belt course with an exam after the successful completion of a project, when someone else will be offering a much cheaper three-day course with an online exam that can be sat immediately upon completion of the course?
- And a similar situation exists for **business improvement consultancies**. How can you sell an experienced Black Belt to a client as a project manager when another consultancy can provide a less capable, but 'certified' belt, at a much lower cost?

It is possible, of course, for the diligent and discerning manager to spot differences in experience between belts, but when you are faced with the CVs of 20 Black Belts, each of whom has had a completely different route to becoming a belt and each of whom has been endorsed by a different organisation (none of which you have heard of) things are a lot harder. Add to this the fact that many of the organisations appear to be conflicted, as they have designed and run the training followed by setting the exam, determining the pass mark and then compiling a register of practitioners, it is not hard to see why the system doesn't work for employers, professionals, training providers or business improvement consultancies. At least not for the good ones. It works perfectly well for those who are not good.

Within this context and with the lack of good governance for the development and improvement of professional standards for this area there is significant inconsistency. In addition, with no mechanism for the ongoing review and improvement of professional standards, emergent aspects such as the change management, people and culture are not consistency captured within the discipline.

If this persists, business improvement systems and the Lean Six Sigma profession will falter.

A solution

A solution is relatively simple in principle: a system of governance with independence, integrity and impartiality.

1. For there to be a process for establishing, reviewing and improving a set of complementary professional standards for both business improvement professionals and training providers which is managed by a third party independent of commercial aspects of training, consulting etc.

2. For there to be a process for the recognition of courses that meet these standards which is independent of the commercial aspect of training and consulting.

3. For there to be a process for the competence assessment and certification of professionals which is independent of training delivery and supports continuing professional development resulting from point one.

Benefits

Training providers would be able to deliver certified training that meets a known criteria, meaning that delegates and employers could buy with confidence and to differentiate themselves based on service rather than price, setting apart the good from the bad.

Professionals would be able to provide clear demonstration of ongoing competence based on agreed professional standards and benefit from a wider community of practice.

Employers would be able to buy training and professional competence with increased confidence and remove the need for completing their own costly assessments.

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The CQI and business improvement

The CQI has set the standards for quality professionals since 1919 and this important work takes place in the context of our Royal Charter, in which the government charges the CQI with "advancing education in, knowledge of, and the practice of quality in industry".

We already have an established mechanism to set, maintain, improve and measure professional standards. These then inform the establishment and maintenance of training provision as well as the professional assessment of individual competence against a global standard.

In consultation with industry and practitioners the CQI has determined the attributes and competencies that quality professionals should evidence. We have created a competency framework aimed at supporting both employers and individuals in improving skills and supporting training providers and recruitment agencies in dealing with the scarcity and reliability of the supply of skills.

The CQI Competency Framework classifies skills in five areas, namely *Governance, Assurance* and *Improvement*, supported by the understanding of *Context* and by the application of *Leadership.*
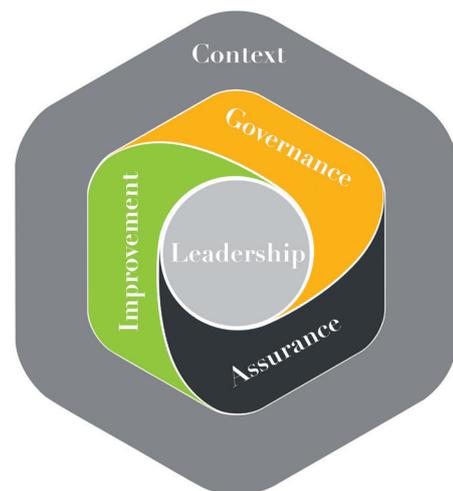
The CQI Competency Framework supports:

a. A learning and development framework delivered by more than 100 CQI approved providers delivering training in more than 100 countries

b. Professional recognition for 20,000 members in more than 120 countries, inducing both quality professional members to Chartered status and, through IRCA, its specialist certified management systems auditors.

With regards to the Competency Framework, the CQI considers that:

a. On a specialist improvement professional level, there is currently no professional body providing a benchmark for standards. Providing an independent service to manage professional standards, offering a community of practice and professional recognition under the chartered body charged with promoting education in this area will address this problem.

b. On an organisational level there is currently a disconnect between governance, assurance and improvement in too many organisations. Bringing the business improvement professional community together with the governance and assurance communities will be a step forward in addressing this situation.

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On the practice of business improvement, the background section of this paper focuses on Lean and Six Sigma as these have become the measure of competence. However, this is limiting as it focuses on the quantitative elements of improvement when many of the practical problems facing organisations are to do with people and process, rather than data and statistics. Through the Competency Framework the CQI considers the wider scope of this discipline. It acknowledges that business improvement includes change, project and programme management, and the link with strategy and risk, which are all areas which will need to be considered in due course.

The CQI is uniquely placed to provide a governance structure for business improvement that clarifies the market, recognises competence and provides confidence.