Journey to Process Excellence: The Need for a Quality Model – and How to Get Started
What is the foundation of innovation?

Of course, you need visionary leaders, expert staff, and financial resources. They’re all important. But to sustain innovation, you will also need an excellent quality program. That’s especially true if you’ve identified big issues that you haven’t been able to solve with tactical solutions. Struggling with employee attrition? Customer satisfaction? Loyalty? Whether you’re trying to enhance a single process, a business function, or the entire enterprise, you can benefit from a systematic focus on continuous improvement.

As business process outsourcing (BPO) has evolved, innovation is now the challenge – for both suppliers and buyers. Whether a supplier is adding social media to its contact centers or a retailer is launching a new product line, organizations on both sides of the table are under pressure to improve their business processes, gain competitive advantage, and survive for the long term.

The market offers numerous quality models for consideration – from Six Sigma to ISO and everything in between. But how do you decide which methodology is the best fit for your business? Where do you start?

According to SPi Global, a BPO provider that specializes in customer relationship management and knowledge process outsourcing, a critical first step is to assess your organization’s level of quality maturity.

“Before embarking on a journey of continuous improvement, it’s important to understand where you are and where you want to go,” said Chilly Lopez, Vice President of Quality at SPi Global. “Have you defined your core product or service, its positioning in the marketplace, and your customers’ requirements? Do you have an established set of business processes and a system of performance metrics? You need to be clear on these before deploying a quality model. A self-assessment is a great way to get started.”
To begin the self-assessment, Lopez recommends some basic questions about the business case for quality, the organization’s cultural readiness, and the ability to sustain results.

**Ownership and accountability**

First, to begin assessing your business case for quality, consider the current level of ownership and accountability for process improvement. For example, how accountable is the management team on process improvement and performance metrics? Is process improvement built into employee scorecards? Do those scorecards reflect the key performance indicators (KPIs) that are critical to the business? What kind of day-to-day continuous improvement strategies are used by the middle managers who are closest to the process?

A Fortune 200 entertainment organization in the US began its quality journey with questions like these. The company hired SPI Global to help. It began with identifying long-term goals, short-term goals, and challenges. Then it went on to a deep analysis of the processes by which challenges were overcome. There were also detailed observations of day-to-day business, going through process maps, conducting interviews and walkthroughs.

The company had numerous projects and training programs for quality. And yet, there was no improvement. Two reasons:

1. The projects failed to elicit the involvement and commitment of the staff and management.
2. The outcomes of the projects were not included in the employees’ scorecard, which made employees think that the projects were unimportant or not important enough.

A two-pronged strategy changed things:

a. **Designing a balanced scorecard** – Human Resources and their Business Leaders designed a scorecard that factored in Process Improvement as a key metric for all employees.

b. **Assisting in the deployment of the Continuous Improvement System** – This helped the organization identify projects, implement them, and measure the results. All members of the organization - from the staff level to the executives – played a key role in every project.

“It’s critical to incorporate the company’s metrics in your Balanced Scorecard and other performance management systems,” Lopez said. “And no matter what path you take on your quality journey, you should also have some practical tools for process improvement. In other words, you may not necessarily need to deploy a large-scale initiative and certify everyone in Six Sigma. But you do need a practical toolbox of quality strategies that your managers can use from one day to the next.”
Alignment to strategic objectives

Another part of assessing the business case for quality is considering how well quality is aligned to the business. For example, if your organization has a quality team, are they partners in developing business strategy? Are the initiatives of the quality team aligned with the strategic priorities of the business?

Similarly, do your process owners reach out to the quality team to address critical business issues? This far-seeing engagement by process owners is a key indicator of relevance. However, if you’re just getting started on a quality initiative, you may need to build the business case among your internal customers, helping them realize the need for a quality model to address their issues in operations.

At SPi Global, for example, the quality team meets twice a year with every single business unit to review performance. The quality methodology is then applied to stimulate further improvement. In this way, process owners view this approach to quality management as an enabler of strategic objectives.

“Your quality team may have to solicit the business units and the process owners for opportunities to apply the concepts of process improvement,” Lopez said. “But eventually they will be the ones reaching out to you. Once they understand the value of the quality program, they will want to use your quality methodology to improve their processes.”

Another important question: Are process improvement initiatives tied directly to the KPIs of the process owners? In a contact center, these might include caller satisfaction or call-handling times. In human resources, the focus might be on turnaround times for employee services. No matter what process owners are measuring, the quality team has to be aligned in order to be relevant.

The ROI of process improvement

A lot of times, companies struggle to build the business case for process improvement because they can’t translate the impact to dollars. Does your quality team have a strategic partnership with the finance team to validate the impact? Do you have a process for reporting the results of process improvement?

Lopez said one way to start measuring ROI is to work with the finance team to determine the impact of critical processes that are not working. Employee attrition, for example, ties directly to costs for recruitment and training. Or, if you’re a BPO service provider, you may be incurring financial penalties because you’re not meeting certain client metrics. These kinds of costs are quantifiable losses to the company.

“This type of ROI assessment can help illuminate potential areas of investment for your quality program,” Lopez said. “Do you want to invest in employee training? Bring in consultants to help you? Investments in quality can drive big financial returns – such as increased employee retention, reduced client penalties, or higher sales from improved customer satisfaction and loyalty.”
One effective way to do this is to partner with the finance team in multiple levels. In SPi Global, training and certifying a number finance leaders as Six Sigma Greenbelts, for example, led to a better appreciation of the monetary and non-monetary benefits of Lean Six Sigma. The finance team became part of a process of identifying projects, and validating potential costs, savings, and revenues. They also reviewed results.

One company got its finance team to help with a project to improve the uptime of its site server cooling system. It seemed like an insignificant project. But it was discovered that the cooling system affected the work of the Operations team and their service level agreements, or SLAs. With the help of the finance team, the company eliminated possible penalties every month and greatly reduced maintenance costs due to annual breakages.

Building culture

Ultimately, continuous improvement won’t work without the employee culture to support it. And though many companies say they want to empower employees to participate in positive change, they often don’t have the right engagement strategies in place.

For example, do you have venues enabling all employees to participate in process improvement? Consider using the intranet, town hall meetings, or other high-visibility methods to collect employee suggestions, reward the best ideas, and convert them into quality projects.

Another consideration: How much participation do you get from the rank and file when you have a process improvement initiative? Whether you’re trying to improve a payroll process or reduce costs throughout the business, there has to be an incentive for participation – from management to the front line. What’s in it for them? To elevate employees’ perception of process improvement, Lopez said, it’s important to brand the program in an engaging way, promote it, and make it relevant to them.

It was important to create a marketing plan that targeted all levels. Aside from the obvious Lean Sigma Project leaders-to-be, working with the corporate communications team can help create an awareness campaign to generate excitement across the enterprise. Stories of successful individuals and employees in the organization can inspire. This will encourage everyone to be centers of excellence through their process improvement ideas. Sharing ideas through roving process improvement booths and the intranet can help, too.

How about celebrating with employees who contribute innovative suggestions by having special events and town hall gatherings? There are many creative ways to reward them.

Self-assessment questions:

- Do you offer ways for employees to participate in process improvement?
- How much employee participation do you get on process improvement initiatives?
- Are employees rewarded for their participation?
Sustaining results

Even after the launch of a process improvement project, problems sometimes recur, and companies can fall into a vicious cycle of endless action plans. Are you able to sustain the results from your improvement initiatives? How often do problems recur?

“It’s a good idea to replicate every single improvement project and share best practices,” Lopez said. “For example, if you come up with a great quality project in one part of the business, you may be able to replicate it in another – so you don’t have to reinvent the wheel throughout the organization. This kind of replication is also a way to standardize your global operations.”

However, when it comes to process replication, Lopez cautioned that it’s usually best to start with a small pilot project – especially if the process affects different functions or geographies.

Once you introduce or replicate a process, what do you do to ensure its stability? How do you institutionalize the process so it stays in effect long after your project team is gone? Lopez recommends documenting the process so every new employee understands it, regularly auditing the process for compliance, and incorporating the process in the company’s Balanced Scorecard or other performance management systems.

Finally, part of sustaining quality results is considering what’s next. That is, if you’re a mature quality organization and you’ve already deployed a quality model such as Six Sigma or COPC, how do you take it to the next level? Should you introduce an additional model? Are there emerging technologies – such as social media for the sharing of best practices – that you can use?

“Depending on your organization, you may want to combine two quality models,” Lopez said. “In the BPO industry, for example, the two most complementary models are Six Sigma and ISO, because where one ends, the other begins. In addition, though Six Sigma is traditionally used by manufacturing companies, it’s also becoming popular in healthcare and other industries – for both customer care and back-office processes.”

Sustaining the results is a challenge. After establishing ownership and accountability, alignment with strategic objectives, establishing ROI, building a culture for quality, you need to have effective and sustainable tools for monitoring projects and documenting them for easy reference. A repository of solutions of the closed projects can help. These solutions can then be shared across Business Leaders and process owners so they can be replicated in other areas or improved on for better results. They can be shared, if needed, by project mentors to their project leaders. This will guarantee that the wheel is not reinvented unnecessarily.

Annual quality awards will also lend prestige to the quality program. Recognizing the gains of these projects and the effort given by the team will motivate other employees with their own projects.
Next steps: launching the quality journey

Once you complete your self-assessment on quality maturity, determining where you are and where you want to go, then you’re ready to launch the continuous improvement journey. Whether you’re focusing on contact centers or another part of the business, SPi Global offers an end-to-end quality solution that helps companies design and execute quality programs.

Called SPIQ, the solution takes clients through three playing fields: intelligence, improvement and innovation. The intelligence stage is about gathering insights, from monitoring customer interactions to analyzing drivers of satisfaction. In the improvement stage, SPi Global turns the data into valuable information that can drive process improvement, including the selection and implementation of a quality model. And for those organizations that want to use their quality program for innovation in products and services, SPi Global can help with that too.

“To ensure long-term success and competitive advantage, the first step is a solid foundation in quality,” Lopez said. “When you have a strong quality program backed by a system of metrics, you can compare the state of your business with the performance of your processes – and then bridge the gap to drive efficiency, savings, and revenues. Ultimately, quality is the gateway to continuous improvement and process excellence.”

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About SPi Global

SPi Global, BPO Company of the Year in the 2011 International ICT Awards, is a leading globally recognized, full-service BPO provider with 30 offices and facilities around the world, including the US, Netherlands, Philippines, India, Vietnam, and Australia. It has over 18,000 employees delivering a wide range of solutions in Customer Relationship Management, Content, and Healthcare.

SPi Global is a wholly owned subsidiary of the Philippine Long Distance Telephone Company (PLDT), the leading telecommunications company in the Philippines. PLDT is listed on the Philippine Stock Exchange (PSE:TEL), and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:PHI).

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