

## Establish clear and explicit common goals (Rows of the QFD)

The single most important factor in effective teamwork is having a clear and shared objective. It is the crucial factor that differentiates teams from committees. In a committee, each participant has their own responsibilities or goals, which are more important to that person than the work of the committee. Progress is made by finding routes that don't unduly compromise each member's agenda. A team is formed when the members are able to wholeheartedly commit to a common goal that is more important than their personal agendas. Individual objectives become whatever will progress the common goal. Unfortunately a lot of management teams are really committees.

The rows of a QFD provide a means to ensure that the goals of the organisation are clear, agreed, unambiguous, and used to drive all activity within the organisation.

In Chapter 2 we looked at how Why-How charting<sup>1</sup> could be used to develop a clear understanding of an organisation's goals, and at how the chart could be translated into an effective set of objectives. In this chapter we look at how those objectives can be further refined to provide a clear focus for the team and its work on QFD.

There are three steps which help to ensure that whatever objectives have been set out of the Why-How chart are unambiguous. These are:

- make sure that the objectives are few in number, ideally less than ten

<sup>1</sup> The Why-How chart provides an excellent basis for identifying a balanced set of organisational objectives, but it is not the only means. Other methods include reconsidering existing objectives, or brainstorming a list of objectives onto yellow sticky-notes and then grouping them down into a limited number of top-level objectives for your organisation.



Objectives are not fate; they are direction. They are not commands; they are commitments. They do not determine the future; they are a means to mobilise the resources and energies of the business for the making of the future.

Peter F Drucker  
Management Consultant & Writer  
in People & Performance  
(Harper & Row, 1977)

## Chapter 7

Over coffee Richard asked, as casually as he could: “Have you submitted your initial report to Cyrus yet?”

“No, not yet, but he will be expecting it soon. I’ll pull together something for early next week. Do you want to see it before it goes?”

Richard was taken aback. The offer seemed genuine and he could not detect any sarcasm. “What? See your report to Cyrus?”

Lucy laughed. “You really don’t get it do you? I am on your side!” Richard looked sceptical.

“Look at it from my point of view,” she said. “I love this job. I love waltzing into a company. I love making a difference. And I love waltzing back out again knowing that I have.”

She paused for a second, “Okay, and yes, I love the paycheques too. But to be able to do that I have to work with the management team. If I damage or destroy them, I either don’t get to waltz back out or I don’t get to make the difference, at least not in the way I want to. The only exception to that is where the MD is a complete dunderhead, and fortunately for me, Cylek doesn’t seem to appoint any of those.” Then she scrutinised his head with mock seriousness, and said: “Unless ...”

Richard laughed.

“It really is important to me, Richard, that we work as a team. We do have the same objective. We both want to see Gloucester’s performance dramatically improve, yes?”

Richard looked at her carefully, and felt she was being sincere and open. He nodded.

“And, actually, we both have the same process for achieving that goal. We both believe that it is by improving the management practices, and we both agree that QFD seems to be the best opportunity for beginning to do that. So now that’s two hurdles out of the way – we agree on the goal and the means.”

Lucy paused and took a sip of her coffee.

- define clear measures of success to describe what progress means against each objective
- specify numeric targets for each measure, so that the magnitude of the objective is clear.

These points are expanded below.

### Limiting the number of objectives

The greater the number of objectives, the more difficult it is to keep them all in mind, and yet that is what a team must do. If there are too many objectives, then members of the group will tend to focus on some and forget others, and this can have uncontrolled, and therefore unfortunate, consequences. If they are selected with care, it is possible to describe all that an organisation is trying to do in five to ten objectives, and seven is about the limit of most people's easy retention. If you have too many objectives, you should consider redefining and regrouping them until you have a practical number. Reference to a Why-How chart will help to ensure that there is no loss of quality in this process.

### Establishing measures

Objectives can remain remarkably ambiguous and woolly until they are described in terms of the measurable impact that achieving them will have. Unfortunately, developing appropriate measures for business operations is one activity that organisations tend to find exceedingly painful.

There is something about the combination of the creativity that it requires, and the judgement it implies, that makes the task seem almost impossible. As the mind seeks to free itself to find new possibilities, our internal critic is thinking how the measure could be misused if applied to us personally. The result tends to be a prolonged silence.

That which can be measured is known, but if you cannot measure something, if you cannot express it in numbers, then your knowledge is of a meagre and unsatisfactory kind.

Lord Kelvin  
British Physicist

Which is the tallest figure?  
Without measurement to guide us, our frames of reference and past experience can influence us to judge things inaccurately.



“The only other things that could stop us being a team is if we get our roles confused, or if we just can’t get on. As for the roles, well we’re working on those, but from my perspective your role is sacrosanct, and I’m here simply to assist you in implementing change. And as for getting on together, well frankly I’d rather have someone give me paper cuts and rub lemon juice into them!”

Richard smiled lopsidedly, and wondered if Lucy was reflecting back to their initial meeting. “Yes, I’m sorry about last Monday morning!” he said sheepishly.

Lucy laughed back at him.

“I think we’ll get along just fine, but I know that trust is a major part of that, and so everything I send to Cyrus you get to see. That is actually part of my agreement with him for doing this work. I love helping people and I hate politics. Cyrus knows that the day he asks me to do the dirty on one of his people is the day he finds another consultant.” She paused, and then continued: “But to be fair, I think Cyrus thinks that way too!”

It was 11pm and the evening was coming to an end. They had come up with a very good programme for the first QFD meeting, and Lucy had greatly improved Richard’s ideas on how to arrange things. He had built more trust in her, and he thought he had presented a more accurate impression of himself. The environment away from the office had been very relaxing, and let’s face it, the company had been delightful.

As Richard lay in bed that night, he replayed the evening in his mind.

In his mind, the ambitious, political harlot had been replaced by a caring, enthusiastic woman. In his mind, the scheming enemy had been replaced by an intelligent ally. In his mind, the sterile target of his resentment had been transformed into an attractive soul mate.

It was true, they had so much in common it was uncanny. Here was a woman who not only understood and appreciated his dreams, she also had the ability to help him achieve them. And on top of that, she was distinctly sexy.

Richard couldn’t remember enjoying an evening so much in years. In his imagination, the management consultant was transformed into the subject of his fantasies, and his hand stole down toward the waistband of his boxer shorts.

The key to developing good measures lies in separating the creative from the critical, and applying them at different times. The competition question<sup>1</sup> provides one mechanism for doing this.



Evaluating the extremes of performance of fictitious organisations can illuminate useful measures of performance.

It achieves this by invoking a fictitious third party, and thereby frees the individual to be more objective. Other similar mechanisms can be found in the Guide to Measurement,<sup>2</sup> one example of which is illustrated on the right.

In each case the result is usually both creative and objective, and the next step is simply to apply the critical. This can be achieved by asking in what way the conclusions apply to you in your particular situation. This question enables the group to refine such measures before they accept them as valid evaluators of their efforts, but in many cases the team will adopt most of their conclusions.

Where a group is less inhibited in considering objective self evaluation, the Why-How chart becomes a useful device for thinking through potential measures. By looking at why an objective exists we gain insight as to how we might measure whether it has been successful.

## Setting targets

Establishing measures helps to clarify what is meant by the words of the objective. They describe the dimensions along which success will be judged. Setting targets on those dimensions is equally critical to a complete understanding of the objective. For instance, a target of 'increase output by 5%' requires a totally

What would a company look, feel and work like if its human resource function...	
...worked very well?	...worked very poorly?
Happy people	Discontent
Low turnover	Waves of people leaving
Leaving for more senior roles	Leaving for similar roles
Competence growth	Steady or declining competence
Lots of ideas	Few suggestions

<sup>1</sup> See page 56.

<sup>2</sup> See Appendix 7.

Richard was astonished when early next morning Lucy had delivered, what she called, a session plan for the upcoming QFD meeting. On the plan each of the sessions they had agreed were clearly detailed, together with their objectives, the processes that were to be followed and any inputs or outputs involved. The session plan was four pages long, and he reasoned Lucy must have been up half the night producing it. Down the left-hand margin she had initialled who was doing which session, exactly as they had agreed over their late dinner. On impulse he reached into his desk drawer and pulled out the five line agenda he had originally developed for the meeting and held it against the session plan. Then he shook his head slightly, and with amusement, crumpled the agenda in his hand, and threw it in the bin.

In the top right-hand corner of the session plan Lucy had scribbled an internal telephone number. He presumed it was hers. It was certainly a number in the accounts department where he had asked Helen to find Lucy a desk, well away from where she might eavesdrop on the real issues.

He thought back to the affinity he had felt with her the evening before. Was the scribbled telephone number an encouragement to call? He wanted to. He pictured her in his mind, and how the candlelight had sparkled in her eyes and reflected enticingly from her lip gloss. He felt a strange tightness of anticipation in his chest as he picked up the telephone and dialled her number. The pressure increased as he heard the ringing tone in the receiver.

“Lucy Derring!”

“Hi Lucy, it’s Richard. Did you get ANY sleep last night?”

Lucy laughed. “Good morning Richard. I just claimed some credit back from my jet lag. How are you this morning?”

“I’m very well,” Richard replied. “Just a little astonished. Do you do this for all your meetings?”

“Most of them,” affirmed Lucy. “At the end of the day, effective meetings can make a huge difference to the end result, and they are practically impossible to rework when they are producing the wrong result. A carefully planned process might look like an expensive overhead but



different strategy to one of 'increase output by 500%'.

The targets, in large part, define whether the approach taken needs to be incremental or radical; whether we are talking about evolution or revolution.

The key to setting effective targets is to identify in which places you want to focus your revolution, and in which places you are happy for evolution.

Revolution (major increases in performance) requires creativity and innovation to achieve it. Creativity and innovation are, by their very nature, risky and time consuming. Every item of creativity you require increases your chances of failure. Where one innovation relies on another for success, your risks are compounded. Rolls Royce discovered this principle on the RB211 engine to the cost of their entire business.<sup>1</sup> Innovation is necessary for transformational performance, but it should be used frugally, and focused on where it has the greatest leverage.

When you have identified which objectives should have stretch targets, and which should not, the next step is to have the team agree what the actual targets should be. The clothes-line method, as described on the right, is an excellent method of exploring all the arguments, and reaching consensus on the final targets, based on those arguments.

It is essentially a physical number line, along which people can stand to indicate where they would like a target to be set. One end of the number line may be current performance (say 50) and the other end may be global best practice, or a different value depending on the highest aspiration in the room (say 100).

<sup>1</sup> The RB211 was a radical jet-engine development in the 1960s. Sadly the extent of innovation compounded the risks, and the cost and time implications bankrupted Rolls-Royce.



The concept of number is the obvious distinction between the beast and the man. Thanks to number, the cry becomes song, noise acquired rhythm, the spring is transformed into a dance, force becomes dynamic, and outlines [become] figures.

Joseph Marie d Maistre  
French philosopher and statesman.



#### Target setting process (clothes-line method):

Everybody considers what target they would set and writes it clearly on a card provided

We identify the highest and the lowest and peg them on the clothes-line, others peg their cards at appropriate points in between

Everyone stands where they currently believe the target should be

We hear the arguments for and against the extremes, and people move up and down the line (to different target values) as they are swayed by the arguments they hear

After five minutes, or after all the arguments are heard, we take the point at which most people are standing.

it is actually a very valuable investment. See what you think after the meeting on Monday.”

Richard could see her point, but he could not see himself buying into that sort of effort. Then on impulse he said: “Are you free for lunch today?”

“Sure,” she said.

“I just wanted to run back through your plan, and check I fully understand it.”

“Yeah, fine,” she responded.

“Okay, see you at 12.30 in the canteen,” he said, and put the telephone back on its rest.

Richard sat and stared into space for a moment. He didn't really need to run through the plan, it was all perfectly clear, but there was a strange desire in him, almost a compulsion, to see Lucy again. It was the same feeling he'd had when he started dating Laura. It was weird how he felt nervous. A bit like a schoolboy.

A slight sense of guilt developed, and he dismissed it with rationality. It is not like I am breaking any rules, and he focused on Laura, and then he focused on the rules.

And then he let his mind drift onto breaking the rules, and as it drifted back on to Lucy his pulse quickened. He caught himself, and blinked and cleared his head.

What an awful name, the thought, 'Loo Sea'. He accentuated the syllables for effect, then focused back on the report in front of him.



The canteen seemed unusually busy for a Friday. Tray in hand, Deborah scanned the ranks of pale green tables for a set of friendly faces to join for lunch. She spotted Richard and Lucy chatting happily in the corner. Intrigued she walked over to join them. The relaxed style of their conversation seemed quite at odds to the vibes she had picked up earlier in the week.

“So what are you two plotting?” she challenged jokingly.

“Lucy's trying to convince me I need a clothes-line!” responded Richard.

Somebody standing half way along such a line would then be reflecting a proposed target half way between the two (say 75), and that person may move up and down the line as influenced by hearing the arguments of those stood at different positions.

When well facilitated, the targets tend to be ambitious, practical and, most importantly, have the buy-in of the whole team.

### Weighting the objectives

The steps outlined above will do much to clarify exactly what you mean by your objectives, however, in separating the objectives from the Why-How chart and placing them into the QFD there is a real danger that we begin to lose sight of their context, and therefore their relative importance to the overall goal.

The QFD, however, provides a means to reflect that relative importance and to use it to influence priorities within the grid. The weighting column is used to rank the importance of the objectives on a scale of five to one - five being the most important and one the least.

The importance, like most aspects of the QFD, is best determined by objective and open discussion. Weightings<sup>1</sup> can be defined by working through the objectives one by one, and ranking each on the scale of one to five through consensus, guided by the relationships in the Why-How chart. But we have found that it often works better in practice to identify the most and least important objectives first, and then to use this as a scale to rank the next.

In the finished QFD, the weighting will be used to help prioritise the efforts of your team in making things happen.

<sup>1</sup> More sophisticated mechanisms of weighting can be found in Appendix 5

	Wt.	
Address new market areas	3	[
Provide excellent customer service	5	[
Build leadership in platform technology	4	[
Reduce production and delivery lead times	2	[
Maximise asset utilisation (incl. IPR)	3	[
Reduce unit production costs	4	[
Build effective supplier partnerships	4	[

Deborah maintained her quizzical expression as she slid her tray out from under her plate.

Lucy clarified. “It’s a means of getting a group to agree performance targets. In essence it is a human number line.”

Deborah looked even more intrigued, so Lucy continued “Basically we run a length of string across a room and peg numbers to it to create a scale. People then go and stand under the number they want the target to be. Everybody then puts forward their reasons, and people move up and down the scale as they feel influenced by the arguments they hear. The idea is that once everybody has had their say, people will have taken on board the balance of the arguments, and will have tended to group themselves under the most appropriate target value. It might sound a little strange but it works surprisingly well.”

“Sounds fun,” said Deborah, who had a liking for anything new or different.

“Okay,” said Richard, “we’ll have the clothes-line! Will I be able to use it to agree the weighting of the objectives as well?”

“I don’t see why not,” replied Lucy.