



HumanThink Consultancy



Tools for Your Business

PDSA Cycle – Continuous Improvement

Couple of words about continuous improvement

When I think about the reason of why we've founded Human Think, my mind goes to continuous improvement.

Continuous improvement is the frame where competitive advantage is built. In fact, a sustainable competitive advantage means improving continuously, your product or service, basing your decisions on customers' feedbacks.

Continuous improvement has many perks; it brings more value to the environment, it brings more value to your company (namely profits), it makes your team more engaged and finally it's simply fun.

Today we're talking about PDSA cycle, one of the most important tools that helps to implement a continuous improvement culture in your company. In any case don't worry, since this subject is very important, most of our manuals will be developed around the culture of continuous improvement.

We'll be back to PDSA cycle in few lines. First, I wanted to clarify a point: Why if the culture of continuous improvement is so effective it is not that frequently used by everybody? – Continuous improvement itself is not the most difficult thing in the world. However, it is more difficult for managers to change their mindset.



Managers / team leaders must be **brave** to trust and give full authority to act to their teams within the boundaries of a guidance. Their job is more about keeping good vibes than managing people's actions – giving a strategic view and serving the team rather than being served.

Leaders must transmit **humbleness** to understand that complains and negative feedbacks are gifts. Teams must be **data oriented** and **customer oriented** there's no space for assumptions! There isn't any final point, improvement is a **continuous, infinite** and fun game that consists of experiments, involvement and emotions.

Take your time

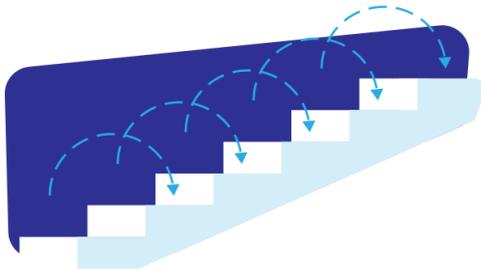
Remember this equation: BIG CHANGES = FAILURE!



Take your time, small improvements are powerful. Innovation passes through a huge quantity of small actions. Business is a marathon not a sprint. It's about resilience, doing small things over and over again. It is about understanding what's more valuable for your customer.

The problem with big changes is that they are expensive and take so much time that when you're done with them you may discover that the key factors for your customers have changed!

PDSA Cycle is a Tool for Continuous Improvement



The **Plan Do Study Adjust** cycle (A.K.A. PDCA or Deming cycle) is an iterative framework that leads you to processes and products improvements.

This tool is split in four sections: **Plan** is when you understand the problem and plan all the actions, **Do** is when you experiment, redefine and implement your ideas, **Study** is when you see how these new implementations work in the actual world and finally **Adjust** is when you make the new process stable and train all the

organisation to use it.

After the cycle two things can happen: (1) the target is achieved – in this case you just celebrate, set new targets and repeat the cycle. (2) the new target is not achieved – in this case you have a new definitions of problem that might be improved by repeating the cycle again.

In order to make this more practical we will use a practical example:

KeepItWarm Inc. produces heating systems for big complexes. They struggle to develop a quick budget quotation.

Plan

During this phase the key idea is to understand the problem and develop countermeasures. You've to define what is the problem and to split it in many small problems that need to be solved. You should understand what the current performances are and set the targets. Finally, you have to understand the causes of the problems and identify your future actions.

Now let's see what our imaginary company does.

KeepItWarm Inc. understands that the problem of quoting quickly is not about the expertise of people but more about the availability of documents coming from previous projects. They see that the communication flow is mainly verbal, and that the information is not equally known by all team members.

They see that it finally takes about the same time to make a budget and a binding quotation 3-4 weeks. Since the customers are asking more and more budgetary quotations. The response time they want to achieve is 4 days.

They plan to implement a standard folder system for all the company linked to an excel database. They create a Scrum team to work on a specific heating system type using 25 (older) projects to reorganize. (We will write about SCRUM teams in the future, you just should know that they're completely autonomous: from budgeting to selling, from marketing to purchasing and engineering. They can do everything that is needed to finish the project).



Do

After the planning phase, we've got to do some real job. We should develop our actions fast. An aim is to focus on what gives more value to the project and release products as soon as we can in order to test and



get some data to redefine them later. Once we get to the desired point, we implement those solutions.

KeepItWarm Inc. has implemented every single task. They could do so because they were quoting during the whole process (this is very important for Continuous Improvement) and they could see how those implementations worked. Thanks to this they redefined some of their proposals and within 3 weeks they

could implement those solutions to a wider team (they didn't implement it to the whole company because they wanted to be sure that it worked good with some people not involved in the project).

Study

During this phase the only thing you should do is to see if it works smoothly and naturally, to do that you shouldn't rely on your assuming or feelings. Instead you should measure it and use the feedback of your customers.

Our friends from KeepItWarm Inc. have studied three main points:

- Time of Quotation;
- Quality of Quotation;
- Sales engineers' stress.



They've discovered that the quotation time was far from the target but has still decreased - 1,5 weeks. Employees were less stressed out because they could find documents faster and they had more time for more important projects. Their only problem was that the budget quotation was 5% to 7% higher than it should.

Adjust

Finally, what you should do is to make it become a standard. Implementing some final adjustments, some performance indicators, etc. Another important thing is to choose a person responsible for a process. If



you've achieved the target you can start thinking how to improve the process again. If not, keep repeating the cycle till you hit the target.

The team at KeepItWarm Inc. has decided not to implement the new process to all the company because it would be too expensive and they're still far from the target. They'll do another cycle and see what happens.

After few cycles and around 10 months they develop an automated system that supports all the company in decision making. Now they can give a budget quotation within 4 days what means that they can handle 4 times more projects!

Conclusion

With a mixture of experience, creativity, data, trust and the PDSA cycle you can make big changes and develop a competitive advantage.

The most important things in continuous improvement are trust and an ability to make it a part of your routine.

It's you who makes decisions. Remember about the tools and experts that are ready to support you. Keep in mind that continuous improvement (in its wider meaning) is the key of a sustainable competitive advantage and finally a better world.

Contacts

For more content and manuals don't forget to follow us on our social media:

And if you want to implement those rules and start the journey to a sustainable competitive advantage, contact US:



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