



CONTINUOUS IMPROVEMENT

Using a project log during your organization's lean journey provides a reliable database for analytics and metrics and greatly assists your continuous improvement team and your lean organization.

PROJECT LOG

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When a team completes a continuous improvement project, everyone feels a sense of pride and joy in having done good work for other team members and for the organization. As the lean journey continues, the question becomes: How do we learn from our mistakes to become better and faster? The best way to do this is through project documentation for everyone to see — with a project log. This is an important task not utilized by many lean and non-lean organizations and will provide many benefits to the organization.

As record-keepers of financial data, accountants are best suited to assist lean team members in documenting both the financial and nonfinancial data of the project. This is due to the neutral status of accounting within an organization, as a result of not directly benefitting from the project's performance through a project-performance bonus. Also, the accountant is perfectly suited to understand and calculate the direct and indirect impact of the project on the organization by having the ability to review the financial data in micro- and macro-views. Thus, any correlated financial impact will be gathered by the accountant and properly recorded.

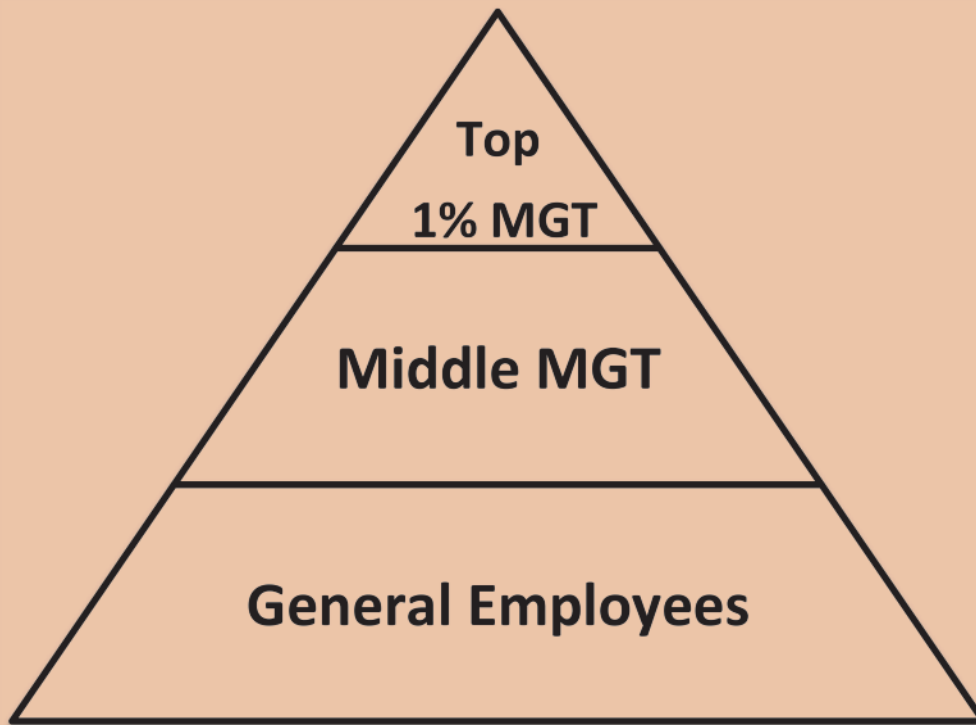
Keeping in the spirit of continuous improvement throughout the organization, documenting the lean continuous improvement projects will collect knowledge and insights from the project team in a centralized database. In real time, organization team members can learn from past projects to develop a project profile for either specific or general types of projects to be completed. This knowledge can be used to assist with current project duration, forecasting team member skills, and future resource requirements, as well as predicting the future types of projects to be completed and their financial impact on the organization.

The first lesson is the true spirit of lean, which starts with logging the voice of the customer. This is the process of communication with give-and-take to ensure that requirements and expectations are clearly defined, documented, and understood by all parties involved. The log will allow for segmenting the data by the customer or by the individual aspects of the customer's voice. An example would be including the critical-to-success factor: cost, demand, or quality.

The next lesson to be learned is the overall lean assessment of the organization. With all the data collected from continuous improvement projects, a quick

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EXHIBIT 1 Who Initiated the Project Idea?



and easy assessment of the data will reveal if the organization is at an appropriate lean stage in its organizational maturity/life cycle for specific lean tool and process improvement initiatives. This can be indicated by using various analytics or metrics. Some examples include how team members are using their lean skills and tools, trend analysis on projects and team members, financial impact of segmented lean projects, cumulative impact of all projects, and additional information from other departments, such as the project hours and expenditures for the federal research and development (R&D) tax credit.

When establishing the database for the continuous improvement project log (CIPL), a good rule is to start with more, rather than with less. I provided some guidelines to assist with extracting details from the project teams to demonstrate the true impact of centralization that will benefit the organization. The first step is to identify who initiated the project idea. This is important information to collect

because, in a lean organization, we want the ideas to flow from the foundation of the organization bottom-up and then top-down. Thus, if your organization is lean, you will experience a greater portion of projects originating from the pyramid's base than from the top 1 percent of management (see Exhibit 1). This relates to the 14 principles of lean from the Toyota Production System (TPS), as shown in Exhibit 2 in my article in the January/February 2016 issue of *Cost Management*, which every organization needs to build their own teams, and allows for the team members closest to the customer to initiate process improvements.¹ The base has more people by quantity than top management, so by pure numbers, the foundation will provide more continuous improvement projects than top management and will produce a more favorable financial impact for the organization.

The next step is to list who participated in the team. This can provide significant insight into the metrics in a

EXHIBIT 2 STAR Method

EFFECTIVE STORY TELLING: direct, logical, meaningful, and personalized

S	T	A	R
Situation	Task	Action	Results
Provide context and BACKGROUND	Describe problem and CHALLENGES	Explain WHAT YOU DID and how	State BENEFITS, savings, rewards, etc.
"Our customers complained..."	"We faced supply chain shortages ..."	"We solved ..." "I calculated ..."	"The financial impact of ..."

Do not think of new details as you answer: SAY what you had planned for and END

variety of ways. Looking at the data according to department, we can see the participation percentage across the organization. This can assist in determining whether the organization needs to allocate resources differently or help particular departments with increased participation. Also, reviewing the participation profile by department may identify more resource allocation issues that can be aided with problem solving (i.e., is it the same across all departments?). We can review participation within each department using some of the human resources categories, such as job description, seniority, education level, and demographics.

By looking at the hours and dollars expended, we can determine the complexity level of the project. The profiles for both hours and expenditures can provide more accurate forecasting of future project goals, durations, and resources needed for best results and for specific profiles of the team for effective team management. The hours for individual team members can produce a list of top performers with continuous improvement projects and, as indicated previously, provide a list of all the qual-

ified hours and expenditures for federal R&D tax credit.

Listing the STAR method (see Exhibit 2) in the project log will provide easy and standard reporting of project detail that is familiar to the team members, thanks to its universal approach in many functional areas. STAR is an acronym for situation, task, action, and result. it can be broken down as:

- Situation: This is the goal and problem statement for the project;
- Task: This details the assignments according to team member;
- Action: This refers to lean tools used during the project; and
- Result: This is the conclusion and financial impact of the project, which makes the project results transparent for everyone to see.

We can review the project's financial impact to assess the most effective and efficient uses of resources and to understand how to prioritize and apply for future projects. The financial impact can also be correlated by department, person, task, idea generator, etc., for additional analysis. Thus, we can view the results from the voice of the customer through the idea generation stage. This

can be a very powerful document for identifying future projects and resource allocation.

It is important to consider the lean tools utilized during the project. This consideration can verify that your teams are utilizing all the tools of the Lean Six Sigma toolkit — define, measure, analyze, improve, and control by project and by team member. We do not want to use the same tools to fix every problem (i.e., become a one-trick pony). With analytics and metrics, we can review the trends of the types of tools used and provide organization-wide training to assist current and future teams in installing lean solutions in an effective and efficient manner. We can also determine the tools not being used and ask why we are not exploring such opportunities. There are many aspects in this area to consider that could provide many benefits to an organization.

By initiating a CIPL, your organization will progress in its lean journey. This will give you a reliable database that provides analytics and metrics for your continuous improvement team and your lean organization. This is a better measure than a lean assessment because it is a formalized process for the organization that avoids the subjective critique of the lean process and aligns with TPS and the 14 principles of lean. The result is an organization capable of learning by means of relentless reflection and continuous improvement. Tasking the accountant with the project record-keeping will provide a neutral and financially understanding party to identify the project benefits and provide a database for future projects to utilize. ■

NOTES

¹Kapanowski, G., Lean fundamentals for accountants, *Cost Management* 30 (Jan/Feb 2016): 5–14.