Define 8 - Project Selection

Introduction

As discussed in our lectures, potential projects can come from many sources. Consider your prime beneficiaries of defect reduction projects are your customers, both internal and external, what can they tell you about your products? What are they already telling you, either through formal or informal channels? What are your non-customers telling you? Often, our non-customers can tell us more about why they don't source from us, than our current customers.

Your suppliers, both internal (your colleagues) and external play an ever-increasing role in the performance of your product, what can you learn from them?

What are your organisation's strategic plans? Are there opportunities to align to the strategic intent of your organization? Are there projects that are currently running that you could engage with, where other aspects have been highlighted for future work?

How do your competitors operate in your sector? Are there activities that they are delivering or considering that could inform and cause a change for your organization?

Benefits of this work?

Once we have identified an area or piece of work, what is the deficiency you want to remove, or the improvement you want to make?

If you succeed, what would be the value or potential savings you will achieve? Can you identify the 'return on investment' for this activity, and what is the payback period likely to be? Does this fit with the organizational requirements?

Project Viability Matrix

Moodle File; MADE DMAIC Project Viability Matrix.xlsx

At this point, it might be worth starting to consider the Project Viability Matrix. The 15 items to consider could be weighted according to your own organizational and sector requirements.

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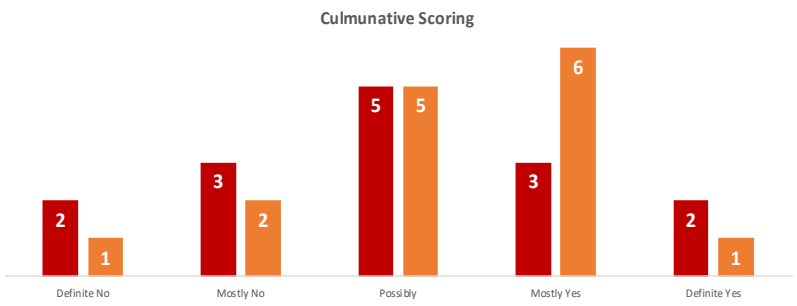
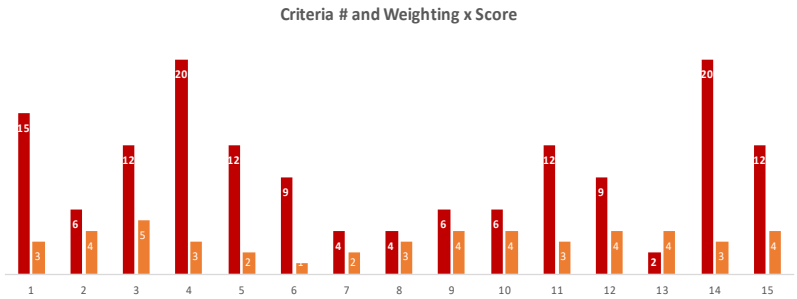
Criteria #	Description	Weighting	Project 1	Project 2
1	Are customers (internal or external) dissatisfied or defecting?	3	5	3
2	Is the process relatively stable?	3	2	4
3	Is the specific defect (defined by customer) known?	4	3	5
4	Is data related to the defect available or collectable?	5	4	3
5	Is the solution not obvious?	3	4	2
6	Are the expected benefits significant enough?	3	3	1
7	Will service and / or quality be noticeably improved?	2	2	2
8	Does the project have Champion and Sponsor support?	4	1	3
9	Is the project aligned with departmental or company goals?	3	2	4
10	Can the project be completed in the next 32 weeks?	2	3	4
11	Considering the risk, is there a good probability of implementation?	4	3	3
12	Will the solution likely involve little or no capital investment?	3	3	4
13	Are the necessary team members available to support the project?	2	1	4
14	Is the ability to make change in the process largely in our control?	4	5	3
15	Will the solution likely not involve redesign of the process?	3	4	4
Weighted Scores			**49.7**	**52.3**





Value Stream Mapping

Moodle File; Analyse 1 - VSM - Notes.pdf

If we were to Value Stream Map the '*Current State'* and '*Ideal State'* or '*Future States'*, this could identify key areas of opportunity for Kaizen 'bursts' to improve the *'Current State'*

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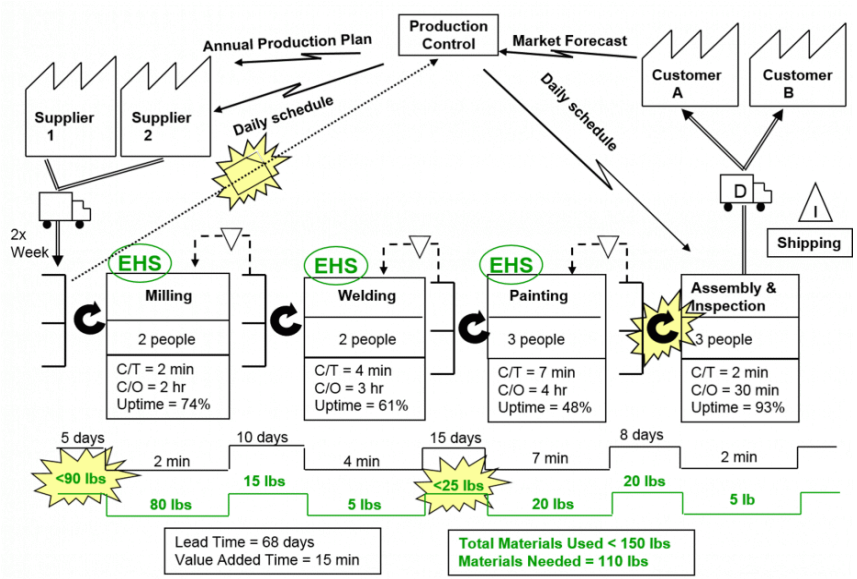

Project Charter

Moodle File; MADE DMAIC Project Charter Template.xlsx

Once you have selected your project, the next step will be to start scoping your Project Charter. Once there is a draft of this available, we can review this.

STAKEHOLDERS ANALYSIS

NAME OF STAKEHOLDERS/ROLE	EXPECTATIONS FROM PROJECT	HOW THEY BENEFIT	KEY MAJOR ISSUES
Name of the stakeholder you need to get buy-in from	*What are their expectations from the project/process you are pursuing*	*What benefits will they see – you could give examples*	*What are the stakeholders issues – how could you negate these once known?*

Problem Statement and Area of Opportunity

"We are having trouble with 'X' product which we cannot make enough of to satisfy our customer"

Problem Statement and Area of Opportunity

Perhaps the following template can help articulate and define a particular problem area?

During January to March (Q1) *(Period of time for baseline performance)* the on-time delivery *(Primary business measure)* for

Bottling 'X' product *(A key business process)* was 78%. *(Baseline performance)*

This gap of 17% *(Business objective target vs. baseline)*

from 95% *(Business objective)* represents £32,000 *(Cost impact of gap)* of cost impact.

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Problem Statement and area of Opportunity

Voice of the Customer: *"Again, XYZ Manufacturing's product costs are higher than your competitors. This is the reason you weren't competitive with this latest quotation."*

Y (Product costs too high) = f (Material Costs too high + Process costs too high + Profit margins too high)

Y (Process Costs too high) = f (Incorrect product routing + Incorrect assumptions in product routing + Incorrect processes considered + Non-optimised Processes)

Y (Incorrect assumptions in product routing)

Business Need and Justification

Of 20 quotations submitted to customers from January 2019 to December 2019, 8 were unsuccessful due to product costs too high. 40% unsuccessful in 12 months. Reduce this to 10%.

Risks and Issues

Assumptions and Dependencies

Project Ownership / Approval

Project Manager	Paul Dombey	**Project Champion**	Florence Dombey	**Approval Date**	
Project Number		**Process Owner**	John Carker		

Financial Benefits / Timing

Financial Benefits	Goal	Actual
Incremental Sales	+30%	
Profitability (% OI)	+12%	
Payback Period (yrs)		
Annual Savings	£180k	

Estimated Expenses / Investment	Goal	Actual
Expenses Incremental to Operating Budget		
Capital	Zero	
Other; 1.0FTE required. (4 people)	£60k	

Schedule	Goal	Actual
Measure	31-Dec-20	
Analyse	1-Feb-21	
Improve	15-Mar-21	
Control	16-Apr-21	

Project Team

Supplier Representatives		
Name	Supplier	Title

Internal Team		
Name	Function	Role
Paul Dombey	Sales	
Parker Peps	Finance	
Louisa Bagstock	Process	
Lucretia Tox	Quality	
Polly Toodle	Logistics	

Customer Representatives		
Name	Cust.	Title

Final thoughts

If you can choose your project wisely, and align it to organisational stakeholders' requirements, you'll reap rewarding results and the organisation will benefit. We've seen many examples of this through previous part-time student studies, and these students have gone on and used these tools and techniques in further projects.

Bibliography

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- Within your area of expertise and area of influence
- Want to go narrow and deep rather than wide and shallow:-
- A particular product within a family, maybe biggest defect rate, lowest margin etc.
- Timeframe within 4 months (up to June)
- Reinforce the weekly learning and give an improvement within your designated area

No lecture 17th March – suggest you use this time to develop project charter