Standard Operating Procedures

A3 - Continuous Improvement Project Reporting Tool

SOP0010 V3

August 2020

Standard Operating Procedure

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Background

Today's business world is fast paced, with a multitude of information coming at people constantly throughout the business day. Effective problem solving and project control are critical to ensuring your limited time and resources are being used appropriately.

Effective problem solving can best be achieved through utilizing a proven approach that validates that your improvements are being realized and are sustained for the long term.

Without an effective problem-solving approach, continuous improvement project leaders risk implementing solutions that do not address the root cause of the identified problem. When this occurs, there is a high risk that the problem will reoccur in the future.

A3 Continuous Improvement Project reporting Tool

The A3 Continuous Improvement Project Reporting Tool is an excellent tool to help guide the problem-solving efforts and ensure project control throughout the life of a project. It provides a simple and standardized approach for systematically guiding problem-solving activities through a structured approach. The A3 utilizes the Edward Deming Plan-Do-Check-Act methodology to help guide the improvement efforts and to control the flow of the project. The A3 is also an excellent tool for providing overall project status to project stakeholders.

The A3 provides a step-by-step guide for problem solving and provides evidence that the improvement efforts are attaining the planned improvement results. The A3 is an effective tool for sharing project status and providing interim results.

Standard Operating Procedure

1. An A3 should be maintained for all projects.

2. The A3 should be maintained by the project manager.

3. Steps for maintaining the A3:

   a. DEFINE the Problem through a Problem Statement - when a goal or objective is not being met, you have a problem. The Problem Statement is a description of what goal is not being met (e.g. reduce defects in assemble resulting from …, improve shipping performance by …,)

   b. DEFINE the current performance to understanding the Current State- what are the current state processes and current state performance. Document the current state process utilizing value stream mapping and/or process mapping. Document the current state results in a graphical format.

      You can embed relevant documents and charts in the A3 form for easy reference.

Embedding Documents – How to

- On the Menu at the top of the spreadsheet, click **Insert**.
- Click on **Text**, then click **Object**
- Click **Create from File**
- Browse to select the file

- Click the checkbox **Link to file** (If you want to always open the latest version of the source file).
- Click the checkbox **Display as Icon**
- Click **Change Icon**
- Enter a short meaningful caption to replace the filename as the displayed text.
- Click **OK** to close the Change Icon dialog
- Click **OK** to embed the file.

c. MEASURE – What are the baseline metrics and the targeted improvement goals.

d. ANALYZE - Conduct root cause analyses to determine potential reasons of the problem (fishbone, 5 whys, etc.)

e. ANALYZE – Develop countermeasures - Countermeasures are the changes to be made to the process that will address the identified root cause(s).

f. ANALYZE – Develop a future state – how is the process expected to work in the future. What are the specific improvements/changes to the current state process and the planned results.

g. IMPROVE – Improvement Plan - The improvement plan should include the list of actions that need to be completed to implement the countermeasures. The improvement plan should include a list of specific tasks to be completed to realize the target condition, the individual responsible for each task, and the due date. (Who's doing what by when). Utilize the Action Plan Register for this activity.

h. IMPROVE – Stakeholder plan – A plan to incorporate stakeholder input and feedback into the improvement plan should be developed. Develop a communications plan to support the implementation.

i. IMPROVE – Implementation – Implement the improvement plans.

j. CONTROL – Evaluate the results against the planned outcomes. What other opportunities exist. Are there any unresolved issues. After evaluating the results make appropriate adjustments, if necessary. If expected results not achieved, redefine the problem and repeat steps. If expected results achieved, implement ongoing monitoring for sustainability.

4. Completed A3s should be retained as per company document retention policies. It is recommended that completed A3s be retained for at least 1 year to allow for integration with internal performance management practices.

Printing Instructions

- The A3 form can be printed as two 8 ½ x 11 pages in portrait, or one 11 x 17 page in landscape.
- For printing as two pages 8 ½ x 11 pages, scale to fit 1 page wide and 2 pages long.
- For printing as one 11 x 17 page, scale to fit on one page after selecting the proper paper size.

Outcomes

The A3 can assist in the monitoring and managing the continuous improvement projects. A3s can prevent symptoms of problems from being addressed rather than root cause(s) of a problem.

This tool can increase project effectiveness and accountability among team members, resulting in stronger teams and higher performance levels.

Sample A3 Form

Please see the following pages.

Download the Form at: https://ssiconsulting.ca/free-tools/

Continuous Improvement Project Reporting Tool - Part 1

Please refer to Standard Operating Procedures **SOP0010 – A3 Continuous Improvement Project Reporting Tool** at **https://ssiconsulting.ca/free-tools/** for instructions and a completed sample.

Company Name:	ABC Company		Date:	2020-08-10
Department:	Operations		Version:	1

PROBLEM STATEMENT: What problem are you trying to solve?

It currently takes at least 4 days and reviews by 4 different people to get standard pricing approved for our regular customers because each project is considered a custom project by our Operations Department.

DEFINE: What is the business case for solving the problem?

Our existing 'regular' customer, XYZ provide us with a steady stream of business as a sub-contractor to them. They don't see their projects as custom or one-off's and as a result, they get very frustrated by the time delay in getting pricing approvals, especially for project similar to those we have done before for them.

This results in XYZ being slow in responding to their own customers with pricing, which frustrates their customers and makes XYZ look bad in their client's eyes.

We can be seen as 'heros' by improving our picing process so we can provide pricing approvals in hours instead of days.

The added benefit for us would be freeing-up time for the people currently involved in our internal pricing process.

MEASURE: Describe the current-state process and current results.

XYZ currently contacts our Client Manager and provides the specifications for the project. The Client Manager completes a Spec-Sheet and sends it back toXYZ for confirmation the specs are correct. The Client Manager then sends the Spec-Sheet to our Director of Operations for review and pricing calculations. Given the number of projects currently on the go and the other issues they have to deal with, this can take between 2 days and a week and often requires several reminders from the Client Manager.

Once pricing has been received from the Director of Ops, a formal proposal is written by the Client Manager and sent to the Director of Operations for their approval (to ensure no costly errors have been made).

The Proposal is then sent to XYZ for their review and approval. XYZ then calculates their pricing and presents that to their client. If their client balks at the price and XYZ comes back to us for pricing adjustments (happens approx. 70% of the time), the above process is repeated (as many times as it takes). When a price and scope are finally agreed upon, the project proceeds. On very large, complex projects, this pricing process can take months.

ANALYZE: What are the identified root causes for the problem?

Lack of agreed upon standards for scope and price.

Continuous Improvement Project Reporting Tool - Part 2

VALUE STREAM: Value stream that the problem is being worked on.

VSM - Current

VSM - Proposed

IMPROVE: What is the plan to get there?

Period of time: Day **Week** - Month (Circle 1)

Goals	Activities	1	2	3	4	5	6	7	8	9	10	11	12
Identify Standard Scope	Review historical Spec-Sheets to identify a standard scope that covers approx. 80% of our projects. (Client Manager)	x	x	x									
Identify Standard pricing	Review historical pricing of the standard scope elements. (Client Manager)	x	x	x									
Agree on 'Standards' Internally	Dir of Ops to review and agree on standards elements for scope and pricing elements using IF - THEN approach… if this is the scope of an element, then this is the price.				x								
Agree on Standards with Client	Client Manager & Dir of Ops to meet with Client to review proposed scope and pricing of elements.					x							
Get approval of all parties	Once all parties have reviewed and signed-off on the new standards and pricing, a Standards Document will be created.						x	x					
Develop a pricing Tool	An Excel based pricing tool will be developed to reflect the standards to enable the client to scope and price their own projects without the for coming to us for confirmation and approval as they negotiate with their client.								x	x			

Control: Results / Future Recommendations

Projects using the new Standards and associated pricing tool will be tracked against historical projects of similar scope and pricing for a profitability comparison, including time previously spent on pricing projects.

As new customer requirements come up, they will be evaluated by a Client representative, our Client Manager and the Dir of Ops for possible inclusion in the pricing tool.

The Operations department will be able to develop standardized templates, tools and processes to further improve delivery times and profitability.

Signature	Role	Date
Ted Tokker	Project Manager (Client Manager)	2020-08-10
Ted Tokker	Document Author	2020-08-10
Jerri Caan	Director of Operations	2020-08-18
Trevor Opolus	VP Development & Operations	2020-08-20