

Kaizen and the Art of Motorcycle Maintenance

By Pete Kastner

In 1974, Robert Pirsig published a book about the metaphysics of quality entitled *Zen and the Art of Motorcycle Maintenance*. This book relates a father's journey, delivering ideas of quality, philosophy and formal dialogue against the backdrop of a good old American road trip with his son, all from the seat of a motorcycle. His allegory for process and quality are profound yet simply related and provide a wonderful vehicle, so to speak, for discussing the nature of Kaizen or, the philosophy of continuous improvement.

For anyone who travels the open road through the various states of Quality, Six Sigma, when properly used and maintained, is the vehicle of choice – the motorcycle. Lean and fast, blazing along the highway of product cycles and deficiency, a set of tools strapped under your seat as you breeze from root cause to root cause like dusty little towns, the approach of Six Sigma is ideally suited for the trip. It allows one to see the world not in frames, as one would from behind the safe window of a car, but to be surrounded by the feeling and flow of the process as it rushes on by. And, like the disassembling of a motorcycle, the act of tearing apart a process in a short period of time and reforming it to run at full speed is equally alarming.

But it isn't for everyone, certainly not the faint of heart. After putting everything back together, one inevitably finds that extra bolt on the floor and is left wondering exactly how crucial it will prove as they kick away from the curb.

My most recent Six Sigma trip was a cross-country journey across the end-to-end (RPO) Recruitment Process Outsourcing Process for a Fortune 100 company. During the weeks on this winding RPO road, our team crossed through a number small process towns, found ourselves stranded between hypothesis and solution and enjoyed some truly incredible vistas that come only at dawn as one looks out from the top of a mountain of data.

The Long Haul

Driving change at a world-leading Fortune 100 company can be daunting as they typically move with all the grace and speed of my grandfather driving his '79 Cadillac during the first snowstorm of the year. While time may be a magic bullet for many RPO programs, we found it sometimes got trapped in the jack-knifed behemoth's wreckage and we had to lever it free. Thankfully our Six Sigma concepts allow us to be nimble enough to track and break down a client's process, to weave around third-party vendors for screening and department managers for timely closing of applicant offers which, even with the best tools and machines, can be a very formidable challenge for RPO providers and clients alike.

In fact, inputs from departments at the client that were neither aligned to the process nor developed to leverage cycle time impacted many of the metrics achieved from this project. Without the proper timing and alignment of these critical components, the process sputtered and died day after day. We used the highly granular data collected during the process realignment to retune hypothesis testing and navigate in tandem with Talent Management's remarkably prescient vision as it worked to collaborate with its sister departments to drive down cycle time.

The choices we made about the tools we used were very important. Our primary stakeholders were not belted in Six Sigma but used us as effective consultants to translate and leverage against those in their company who were. One of the benefits of Six Sigma is that, like any consultative tool, it takes a lot of the personal out of the change management process and allows for very data driven decisions to be made with short time to implement, particularly if both sides are dedicated to Six Sigma methodologies.

Chart 1 - Boxplot of Cycle Time Improvement

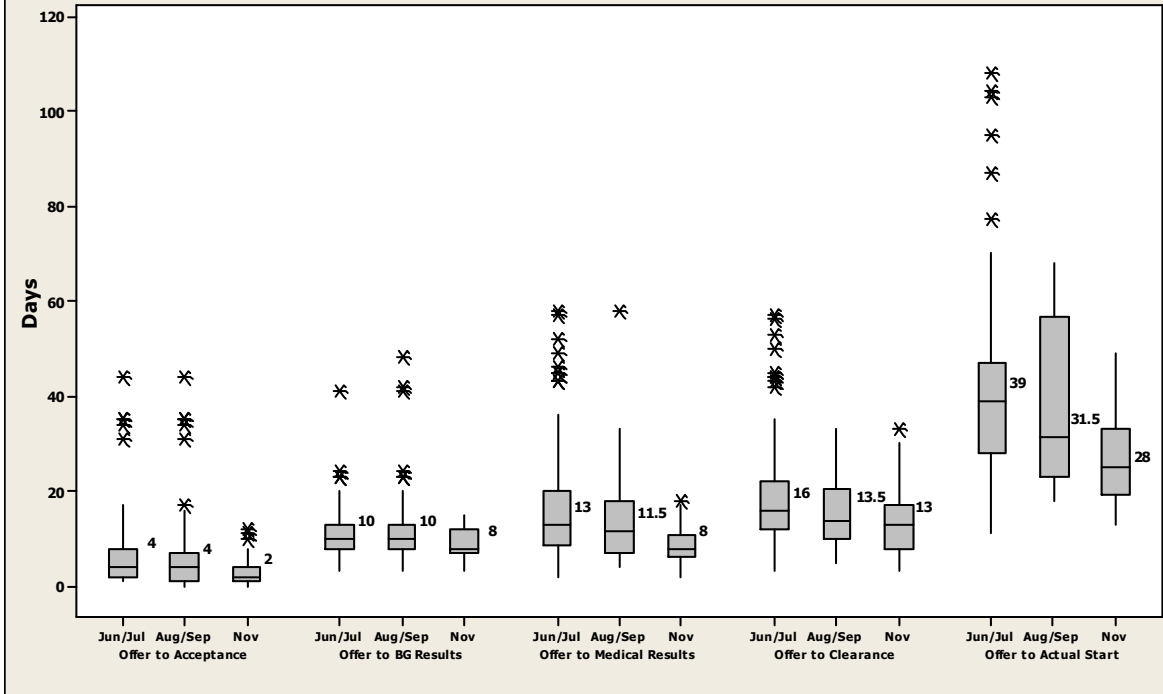
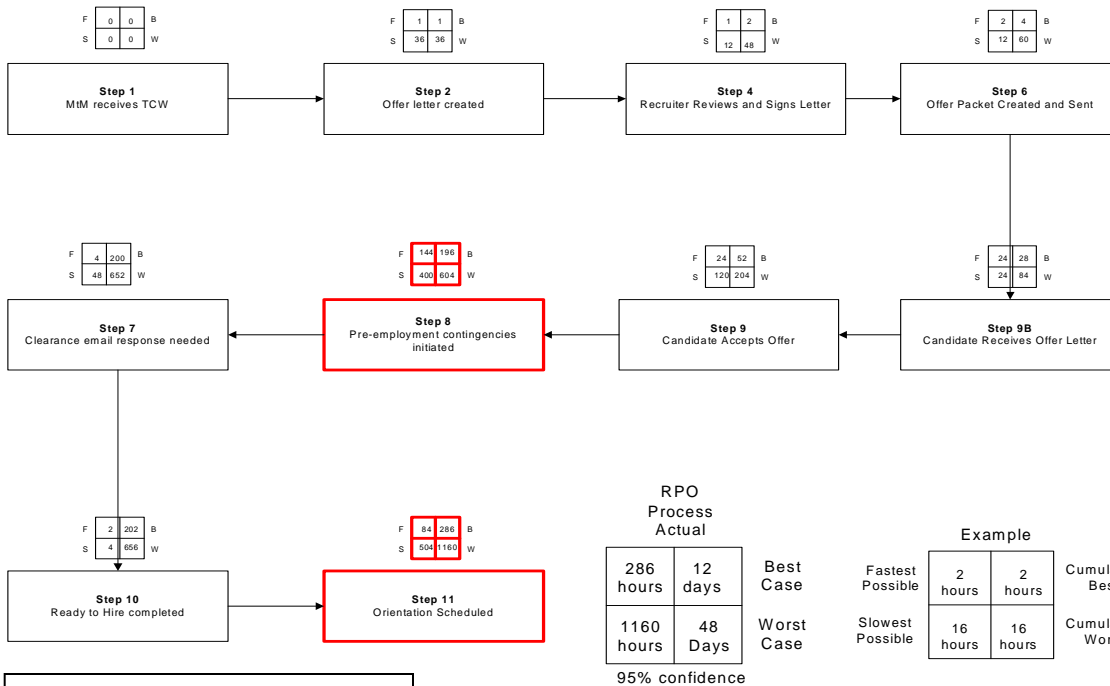


Chart 1: Boxplot of Cycle Time Improvement shows how tight control plans and dedication to driving cycle time can achieve a dramatic reduction in cycle times over a four month period. Shifts in applicant offer acceptance came from follow-up calls by the RPO services group a day after sending the offer to prompt a response. Aggressive management of

medical screening and regular feedback from client stakeholders to the background vendor about performance levels reduced variation and cycle time levels dramatically in those areas.

To meet aggressive goals generated from the benchmarks, the client's Talent Management group adjusted their internal processes to meet the needs of hiring managers and to keep up the level of excitement about new candidates coming on board all while reducing cost of vacancy.



Avoiding the traffic on the road

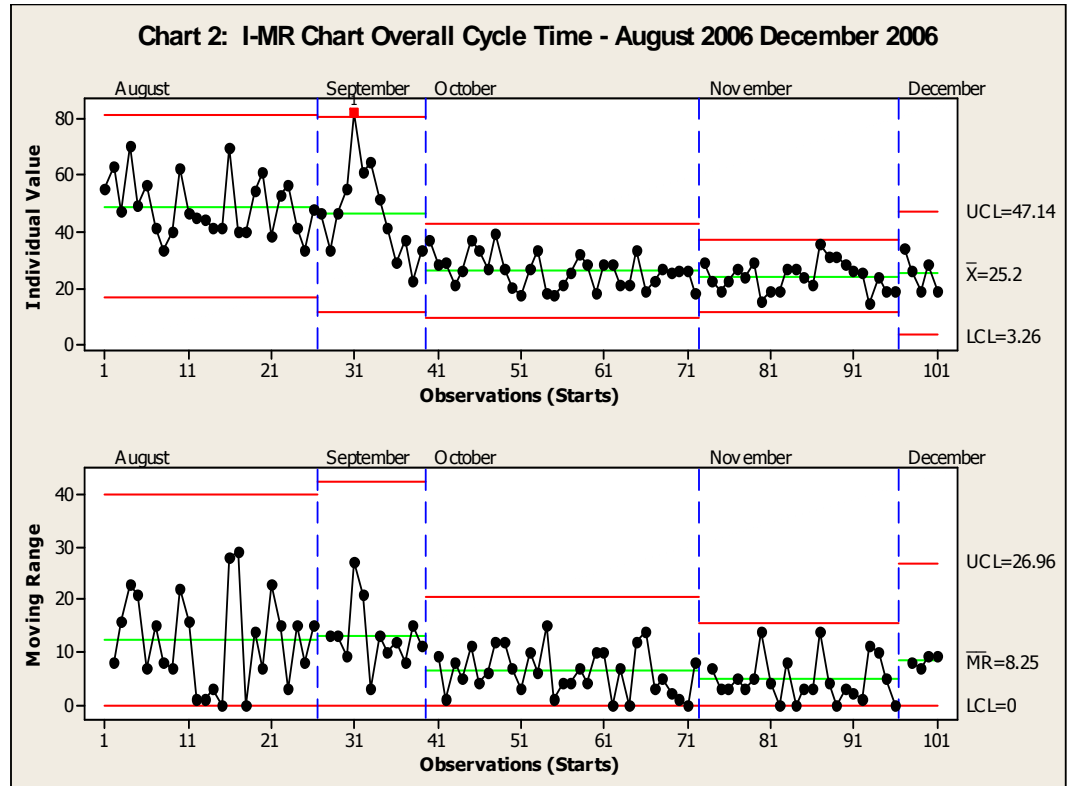
Using a combination of SIPOC process mapping and time breakdown methodology (in Diagram 1: Activity Network by Hour) to identify the earliest possible outcomes, benchmarks were established and the team was able to identify where the bottlenecks were and how that impacted

Diagram 1: Activity Network by Hour

RPO Process Actual		Example	
286 hours	12 days	2 hours	2 hours
1160 hours	48 Days	16 hours	16 hours
95% confidence		Fastest Possible	Cumulative Best
		Slowest Possible	Cumulative Worst

everything downstream. This allowed us, as their RPO provider, to reduce candidate on-boarding times and impact significantly the overall cycle time and variability of the process. This particularly fine tool is designed to be wielded with the brutal efficiency of Phaedrus' knife, separating the good from the bad, the here and there of the sands of minutiae we find in large RPO processes.

This tool culls the now and then into measurable time concepts so the truth is laid bare. In the world of RPO, cycle time is the fulcrum, Plato's dialectic to Aristotle's rhetoric. So, in our project this tool gave a very narrow focus after a quick mapping-out of what takes so long in the process. As the numbers and minutes defined in this process create a picture they also provide, as a course map, the driving force that propels your client. This allows one to then race ahead of them to test the road in advance of their travel. This also gives one the ability to highlight the processes and consultatively work around the politics in the room. In one example, the client was able to combine an offer mailing with another pre-employment mailing which has the potential to save them \$90,000 a year.



Riding under control

While the tinkering is constant with any high performance process or machine, once you've mastered its intricacies, come to understand its personality and taken it apart down to the last bolt, you'll find you have a cleaner, smoother ride than you ever thought possible. But with anything good, the maintenance is constant and a year's worth of work can be undone by a novice with the wrong tool and good intentions. We were able to see our progress over time (as shown in the *Chart 2: I-MR Chart Overall Cycle Time*) and it read like a map to our final destination. After reassembling the whole of the process, we found occasional bumps in the road and spikes in the throttle but the last few hundred miles were as smooth as silk.

Cost of Vacancy and Cycle Time

One of the largest factors impacted by cycle time reduction is the cost of vacancy. Cuts made in on-boarding time by a mean of 11 days from August to November of 2006 through the streamlining of the pre-employment screening, testing, and offer process, will save this client approximately \$38,500 per hire¹ if cycle times remain at current levels. During Q1 2007, the client hired 14 candidates in the related discipline with the calculated cost of vacancy above, which meant a soft cost savings of approximately \$539,000 for that group of candidates alone. The client has plans to hire more than 2,000

people in 2007, so the depth of their overall cost savings potential is highly significant and with continued performance at varied cost of vacancy will translate to soft cost savings in excess of \$15M in 2007.

Conclusion

Cycle time is a critical factor or Big Y in any RPO relationship. Using the tools of Six Sigma with the Kaizen mind frame we get better response from our high performance vehicle and everything it passes on its journey. As the pace of recruiting and business accelerates, the speed and agility gained from using the Six Sigma methodology and its associated toolset will give some companies in the RPO world an edge, greater control over process and an all-around more enjoyable ride to that destination called Profit.

About the Author: Pete Kastner is a Six Sigma Black Belt and managed the Recruitment Process Outsourcing program for a Momentum Fortune 100 client. Both Pete and Momentum focus on providing business consultation using Six Sigma methodologies to assist Momentum clients in improving recruitment ROI. Used correctly Six Sigma enables organizations to become more agile in responding to fluctuating market conditions thereby capturing the best talent in the most effective manner.

About Momentum.

Momentum is the Recruitment Process Outsourcing division of Volt Information Sciences, Inc. (NYSE: VOL). Volt is a \$2.3 billion provider of global infrastructure solutions in technology, knowledge-based services, and human capital resources for its FORTUNE 100 customer base. Momentum provides end to end RPO services for a Fortune 500 client base inclusive of both exempt and non exempt positions. Momentum has been named to the HRO Bakers Dozen RPO providers in both 2005 and 2006. Most notably in 2006 Momentum was named as one of six global Tier 1 RPO providers..

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