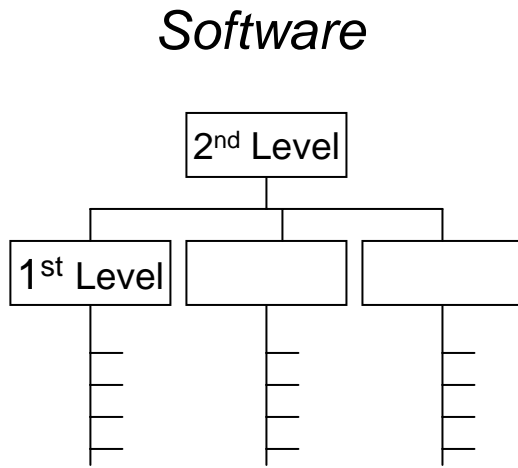


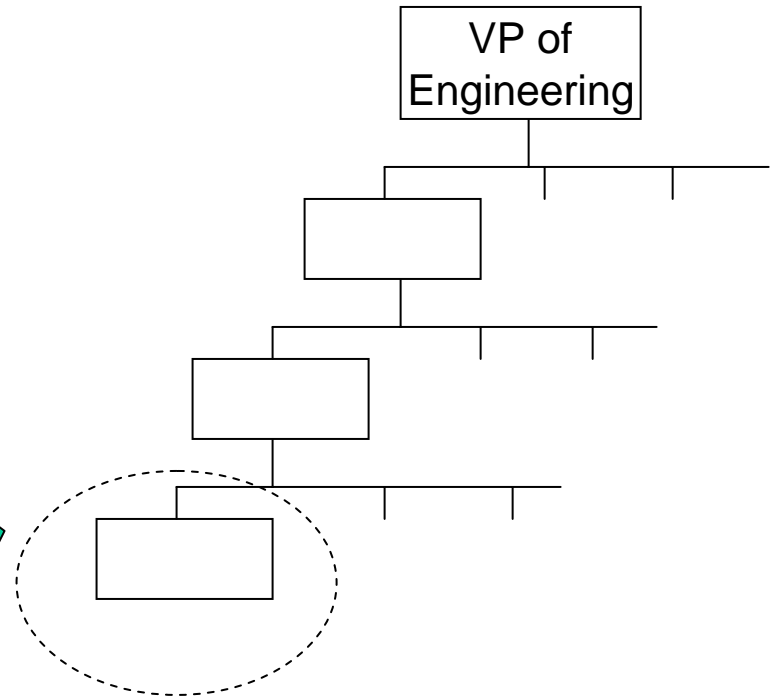
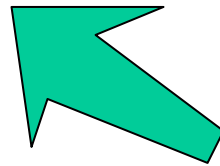
Experience of Changing a Large Organization

George Yamamura
September 2004

Improving a Large Organization



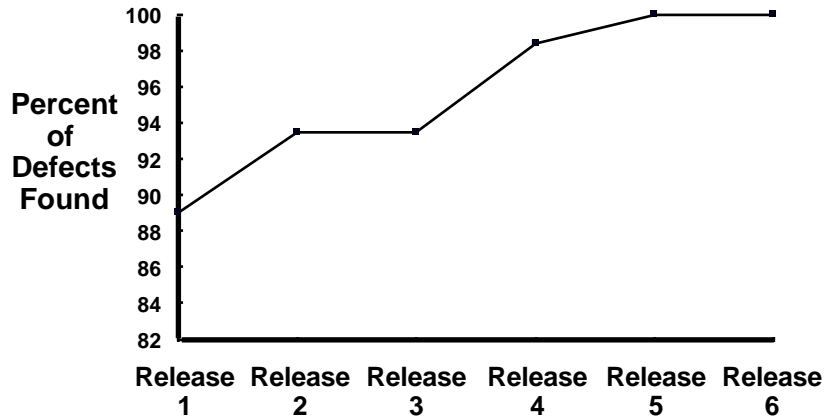
50-100 Employees



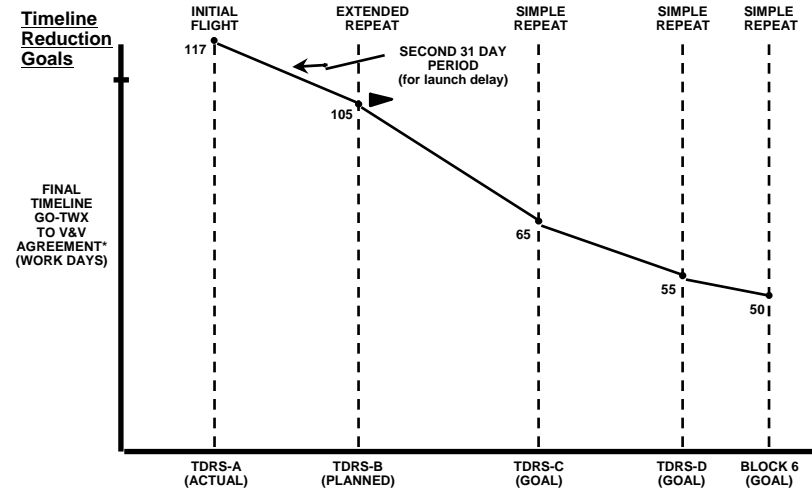
18,000 Employees

Achieved Significant Results (Software Organization)

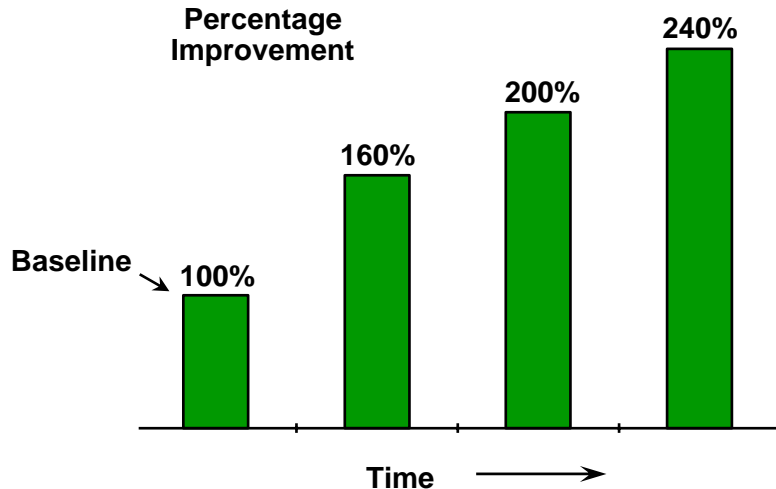
Quality



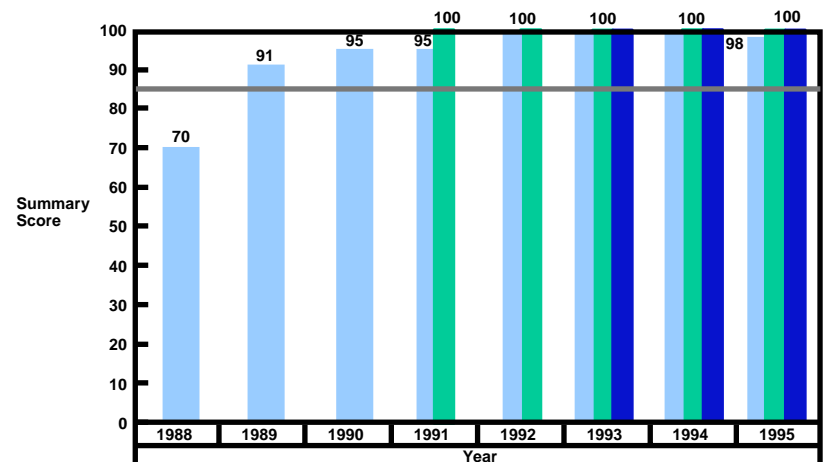
Cycle Time Reduction



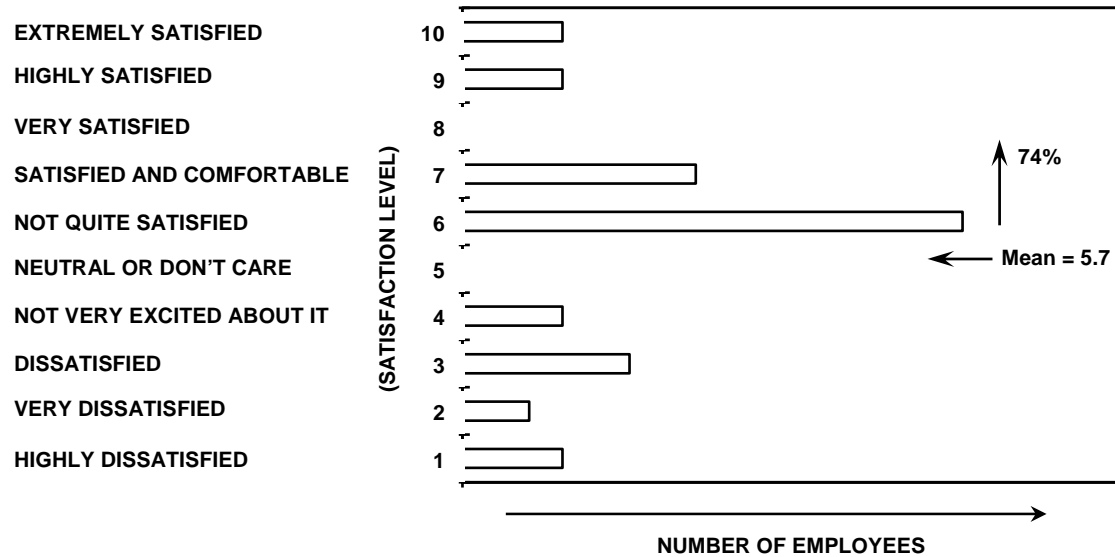
Productivity



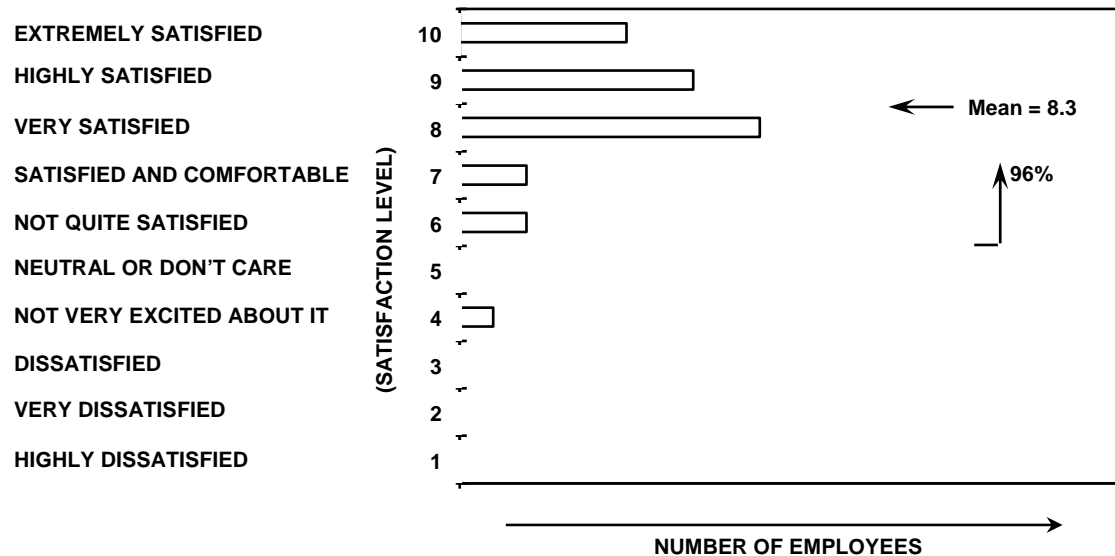
Customer Satisfaction



Employee Satisfaction Increased (Software Organization)



Before Process Improvement Activities



After Process Improvement Activities

Our Goals

Focus on: Quality

Processes

Skills development

- 100% Increase in productivity
- 40% cost reduction
- 30% increase in morale

Our Plan

Primary focus

- Change by engaging employees
- Improve leadership effectiveness
- Improve employee utilization

Tactics

- Formal engagement activities
- Consistent use of Performance Management
- Survey employee satisfaction

Employee Questionnaire

1. What is your current job satisfaction level?

1. 10 Extremely satisfied
- 9 Highly satisfied
- 8 Very satisfied
- 7 Satisfied
- 6 Not quite satisfied
- 5 Neutral/ don't care
- 4 Not very excited
- 3 Dissatisfied
- 2 Very dissatisfied
- 1 Highly dissatisfied

2. What is most important to you about your job?

2. Achievement & Recognition -(driven by accomplishment)
- Advancement & Growth -(desire growth potential)
- Relationships -(team dynamics is important)
- Salary -(only pay matters)
- Security -(regular income is most critical)
- Supervision -(work for someone I respect)
- Work Assignment & Responsibility -(must love my work)
- Work Environment -(need nice work area)
-

3. What are the biggest issues or greatest barriers to improving your organization?

3. a. _____
- b. _____
- c. _____
- _____

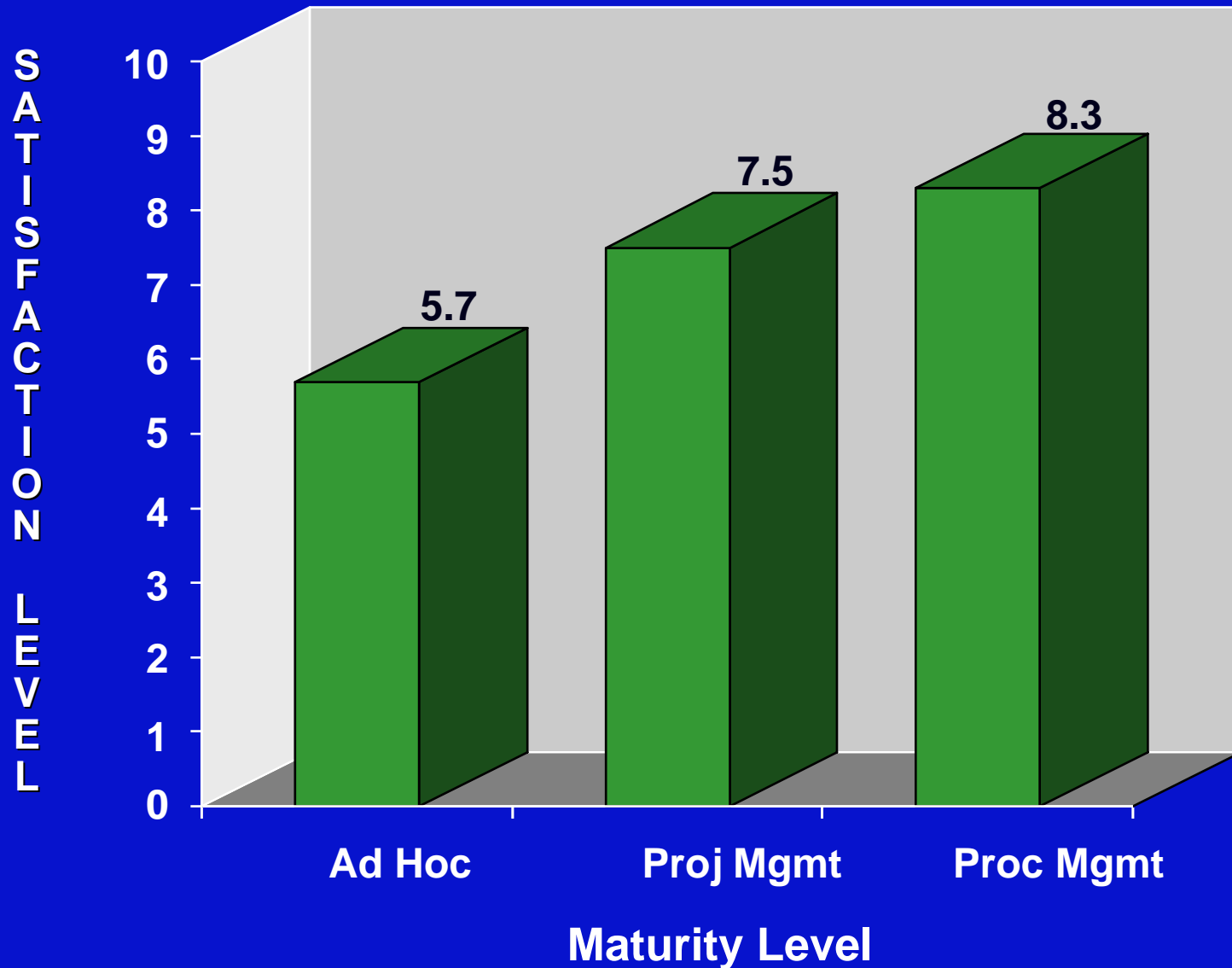
Approach

- Initially, communicate with employees
- Increase the trust between company and employees
- Engage the employees
 - Open process, share ideas
 - Communicate, provide feedback
- Improve utilization, make best use of skills

Implementation

- Conduct quarterly all-managers meetings
- Use web and e-mail response and feedback
- Managers accountable for own plan and action
- Held all-team meetings
- Identify and train support team members
- Select a key status metric: employee satisfaction

Employee Satisfaction Increased with Maturity Level

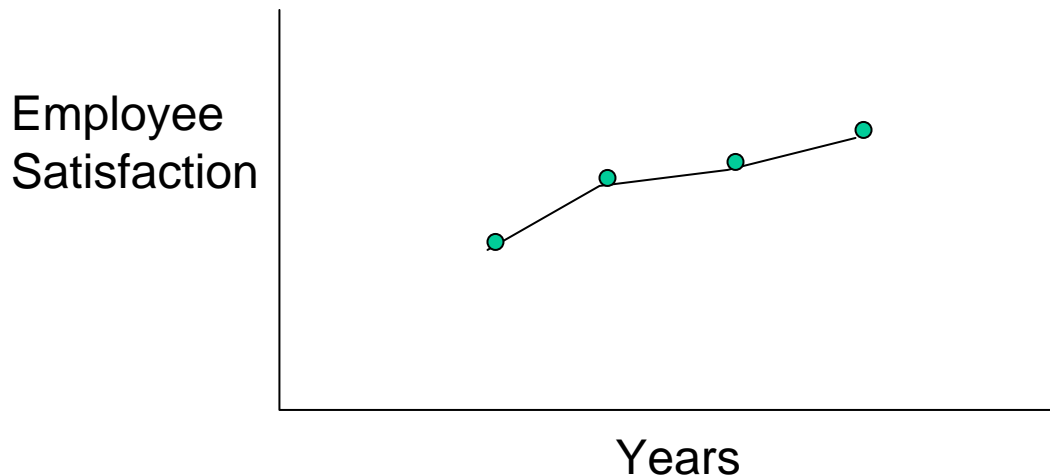


Lessons Learned

- Some goals were unrealistic and needed to be changed
- Most improvement changes identified by employees were beyond their control to change
 - Keep focus on local issues
 - Did improve employee relations
- First level managers must be as committed to change as the senior management

Benefits Achieved After 3 Years

- Reduced overhead 4%
- Overall 10% productivity increase
- Increased employee satisfaction 13%



Summary

- Slow progress, takes more time
- Requires strong management focus
- Overall steady improvement
- Still have work to do
- Stay the course