



# **The Break Points Tool Kit**

**Version 1.0**

**International Process and Performance Institute**

## Purpose of the Break Points Tool Kit

The purpose of the **Break Points Tool Kit** is to give you an actionable approach to Reducing Costs in your organization through the Identification and Elimination of Causes of Work.

Most process improvement techniques focus on only a small portion of the improvement potential in every process... *the tip of the iceberg if you will.*

How big is the opportunity resting out of our sight, hidden below the waterline of current process improvement practices?

Recent research shows that as much as 70 to 90 percent of the work people do on a daily basis comes directly from Causes of Work and this work is NOT part of the "job" for which these people were hired! Instead, this is non-value added work that takes away from people's ability to do their job.

Does this sound familiar? Can you identify places in your work or life where these Causes of Work are distracting you from what you really want to be doing?

Are you required to fill out this form, check up on that order, follow-up on those activities, fix the thing that is broken, find what got lost, or explain why this was done that way?

Do you get tasked with finding the answer, knowing the rules, going to meetings (because), pushing something through, chasing down what really happened, explaining why you did this or that? The list goes on and on but you shouldn't need to look very far in any part of your life to find all kinds of examples of non-value add work you are doing every single day!

The Break Points Toolkit explicitly targets these "hidden" wasters of time and money. Causes of Work are the "rest of the iceberg" for process improvement that, when addressed, lead to dramatic process improvement results regardless of what kind of process is involved or what kind of organization the process is in.

Can you imagine reducing the costs of your operations by 20%, 30%, 40% or even more than 50%?

That is the size of the prize the Break Points Toolkit targets – *the rest of the non-value added work iceberg.*

## **Reducing Costs by Identifying and Eliminating the Sources of Non-Value Added Work**

Non value-added work is consuming up to 90% of your employees' time. Yet many of the approaches to increasing utilization are producing little benefit and may even be contributing to the problem. Yet there is a much easier and direct way to identify the causes of this non value-added work in your organization so that you can start eliminating them today!

A Google search on "non value added work" turns up over 85 million matches. It's an issue we are all very aware of, one that is a source of continuing frustration because most often when we act to increase our utilization somehow the numbers *never* seem to hit the bottom line.

*So what we are doing isn't working.*

We need something different, something that works. Perhaps there is a statistical method or scientific formula that will help us break through this success barrier?

Actually, all you need is a simple technique that allows you to identify the source of the non value-added work so that it can then be removed!

It's kind of like a tumor. Before X-Rays, Sonograms, and MRIs, it wasn't easy to identify a tumor in the human body. With these tools many tumors are now very easy to identify. They stand out like a sore thumb.

For non-value added work our diagnostic machine is Break Points. They are the number one cause of work in organizations everywhere and yet most of the time we aren't even aware that we should be looking for them.

Like those advanced medical diagnostic machines, using Break Points as our "cause of work diagnostic machine" makes it easy to identify the sources of non-value added work.

And once we have identified them we can take action to eliminate them.

*How big is the size of the prize?*

A variety of studies exist that place the percentage of time the average employee spends on non-value added work at 40% to 90%. Regardless of where you fall on that scale one thing is obvious...

Identifying and eliminating the causes of non-value added work presents an opportunity for cost reduction of at least 40%. And that's a prize worth pursuing.

## Understanding and Identifying Break Points

What are Break Points?

Any point within a process where work is handed off is a Break Point. There are four main types of Break Points:

- 1) person to person
- 2) person to system
- 3) system to person
- 4) system to system.

Break Points are places where stuff goes wrong more often than any place else. Handoffs fail, work is incomplete, and stuff gets duplicated in a cycle that produces a perpetual drain on the organization's resources.

Like the baton hand-off in Track and Field relay races; if something happens at the hand-off, something unplanned, the next runner must stop running and deal with the resulting issue.

They can't continue with the race, which is their professional skill, until they have dealt with the failed hand-off. So when something unexpected happens at a hand-off we must stop what we are doing and perform an activity that is nothing to do with our professional skill.

What could go wrong at a Break Point?

For the relay team, the runner waiting for the baton could start too early, either runner could drop the baton, the runner receiving the baton could start too late, either runner could use the wrong hand\*, the baton could be slick for some reason causing it to slip... *you get the point.*

\*Many Break Points cause work when the patterns we (people) are used to get changed for any reason. People always create patterns of work behavior. It makes it much easier for us to do things that have repetition. The patterns we're talking about are not documented anywhere, they are the naturally evolving patterns people in our organizations create to help them do their work.

But these patterns are often violated. For example: a new person is involved (they don't know the existing pattern), someone is using a different software program, somebody changed a form or document, a new policy went into place requiring people to follow a business rule in how they do a more generic activity like making a request or sending an email, someone's job changed slightly and they have created a new personal work pattern, a new manager comes in, etc, etc, etc.

*And Break Points are all around you.*

To identify with the concept of Break Points (BP) all you have to do is think about the work you do on a daily basis. How much of that work is caused by Break Points?

Think about it.

Do you follow up on others to ensure that activities they are responsible for are being done in a timely manner so you can get your primary work done?

Any time we “check” on something, we are doing so because a Break Point exists.

Do you ever need to “fight a fire”?

Every “fire” exists because of a Break Point, Moment of Truth or Business Rule.

What about meetings? Do you have meetings in order to get everyone “on the same page”?

Many meetings exist solely to coordinate and communicate the actions that need to be taken in response to “break downs” from Break Points and Moments of Truth.

How many actions do you take to confirm something got done, has been completed or to check on something to make sure it is in a particular place, with a particular person, etc?

Actions taken to confirm other actions are behaviors that arise from failures that have occurred in the past (we have learned our lesson) at Break Points and Moments of Truth.

How many times have you had to fill out one or more forms to “document” the fact that something got done?

Documenting normal work is a behavior spawned by process failure at one or more Break Points as a means to “reduce” the number of failures that don’t get “caught.” (This is called fixing the effect – which always leads to the creation of more Causes of Work.)

Remember, any place that a hand-off occurs for any interaction between any combination of people and systems, a Break Point exists.

## **The Five Step Plan to Reducing Costs through the Elimination of Causes of Work**

What do you need to know to put this strategy to work for you? It's simple. You are only five steps away from identifying the causes of work in your organization then eliminating them. You need to have a target, Break Points identified, Actions identified, Cost/Benefit Assessment and your Cost Reduction Plan.

### **The Five Steps for Reducing Costs**

#### **Describe your Target**

The target is the "area" we are seeking to improve. Most often this would be thought of in terms of a "process" but there is no restriction on how we define the target areas we are working on.

#### **Identify Break Points**

For the target area, all of the Break Points that exist need to be identified. They also need to be described well enough that we (and others) can easily recognize them at any time.

#### **Describe your Actions**

Describing your actions is the way you clearly identify the steps you could take to eliminate causes of work. By identifying Actions and the number of Break Points each Action will eliminate, the benefit from each Action becomes clear.

#### **Do the Cost and Benefit Assessment**

The Cost and Benefit assessment adds several items that are important in helping us build our Cost Reduction Plan. What we need to know is: How Much? How Long? How Beneficial?

#### **Build your Cost Reduction Plan**

Using the Cost and Benefit assessment we can now build our Cost Reduction Plan. We do this by choosing which Actions are to be taken, and the order they are taken in.

## Step 1 – The Target Area

Describe your Target Area, ideally in terms that are understandable to others in your organization. Your Target Area will often be a “process,” as this is one of the most common terms used in describing the work people do.

## Step 2 – Identify Break Points

For the target area, identify each of the Break Points that exist within it, then record them in a descriptive enough way that others (and you if you come back later) will immediately know what you mean.

*Note – You may struggle with this; it is not something we commonly have done in the past. Do your best to identify the Break Points in your target area and enough information will be available for you to build your cost reduction plan.*

Make sure you follow the instructions we’ve provided in identifying the Break Points in the target area. Getting this right will play a very big part in determining the degree of benefit achieved.

Also, make sure you write them in a descriptive enough way that you can come back a day, a week or a month later and know what each Break Point is...

**You’ll be tempted to shortcut this – but DON’T.**

**Enter this information into your template.**

## Step 3 – Describe your Actions

You are now ready to describe Actions that can be taken to eliminate Break Points. You have the Break Points documented, now what would it take to eliminate some of them from your target area?

For each Action you identify you need to know what the Action is (describe it) and what Break Points it eliminates. Most often Actions will eliminate multiple Break Points.

The number of Actions you identify and describe will depend on many factors. Try and get as many good Actions as you can, doing so will help you create the most beneficial cost reduction plan.

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## Step 4 – Do the Cost and Benefit Assessment

What else do we need to know? We need to place our Actions into perspective, which we do by answering three questions:

*How Much? How Long? How Beneficial?*

“How Much” is the cost (time, expense) of taking the Action? It’s best to judge cost by using the three categories of High, Medium and Low\*.

“How Long” should be expressed in days, weeks or possibly months – but never years. Because eliminating causes of work is actually much easier (and less complicated) than fixing effects, most Actions will take 90 days or less\*

(\*many Actions will take less than 30 days to complete).

“How Beneficial” is the number of Break Points that would be eliminated combined with our judgment of the overall benefit of the Action. It’s also best to judge benefit as High, Medium or Low.

\* The use of the High, Medium and Low scale plays an important psychological role in this technique. We really don’t need more detail than this to know which Actions we should take. By choosing to do a more detailed cost/benefit analysis we will create more work and distract ourselves from the goal – which is eliminating costs!

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## Step 5 – Build your Cost Reduction Plan

Choosing which Actions are to be taken should be pretty obvious at this point. From the information already gathered we can see which Actions have the most “bang for the buck.” But for the order of the Actions it’s important to create a mix that makes it easy for us to be successful on a regular basis.

Try starting with a “quick win” to get people enthused about the plan. Mix other “quick wins” into the plan to create “breathers.”

Also consider prioritizing an Action that addresses glaring issues – those we all know are “not right.” Doing this communicates your understanding of the people in your organization and your empathy with their concerns.

Number your Actions in the order in which you want them to be taken. Use the same number for Actions that should be taken simultaneously.

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## The Break Points Tool Kit Template

Identify your Target Area -

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Identify the Break Points in the Target Area -

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## The Cost Reduction Plan

Priority	Action	Break Points Eliminated	Time to Improve	Cost (H,M,L)	Benefit (H,M,L)

Describe your results – (optional: useful for Success Stories and validation)

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