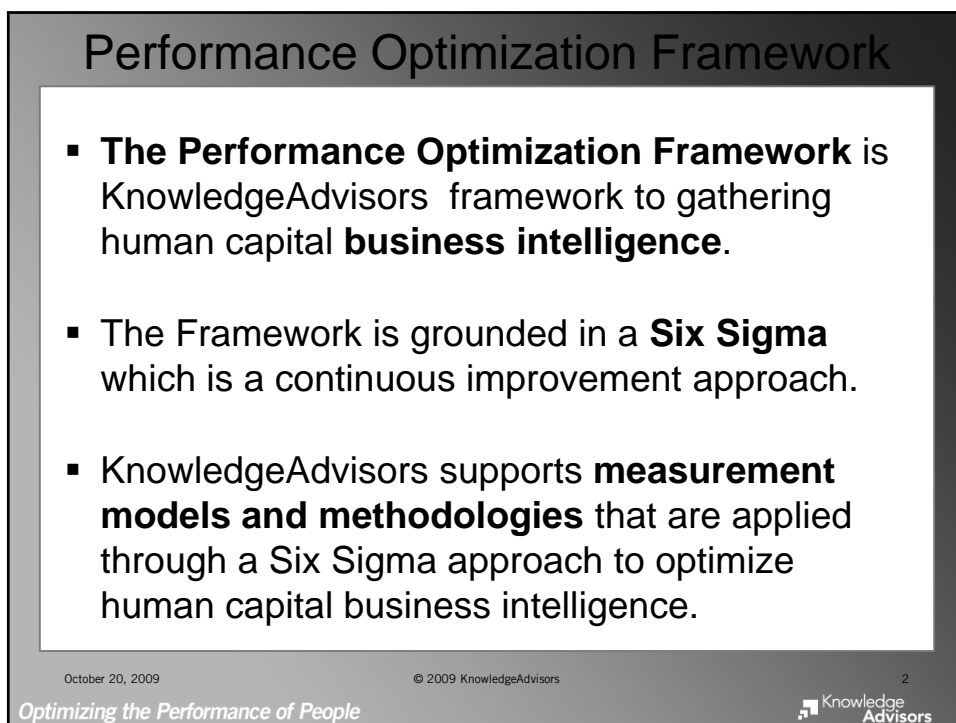
 **Performance Optimization Framework**

*Jeffrey Berk
Chief Operating Officer
KnowledgeAdvisors*


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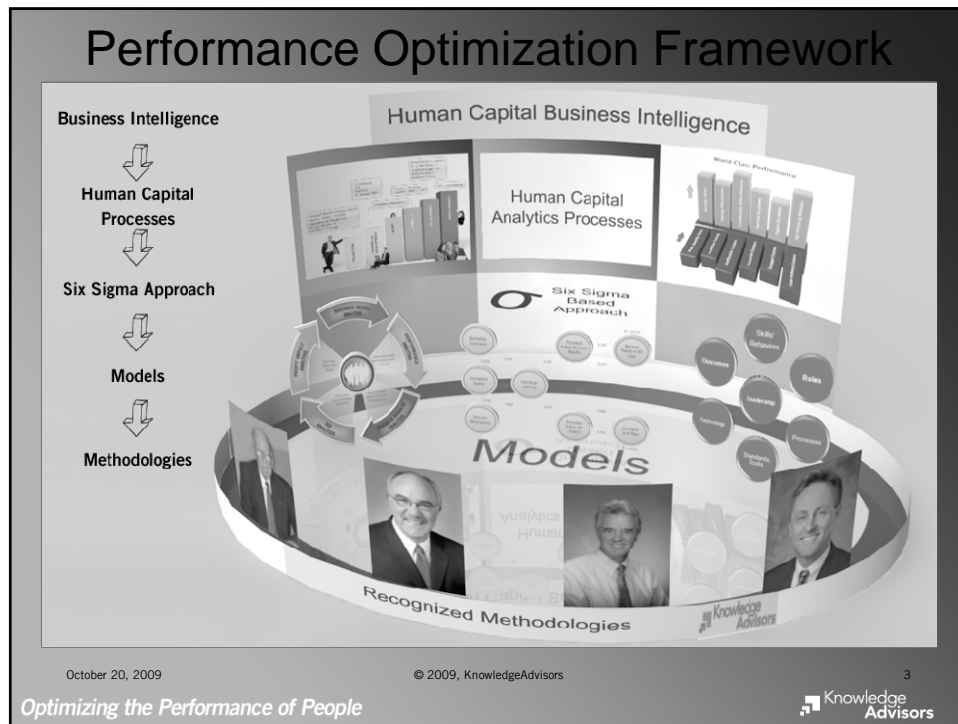


Performance Optimization Framework

- **The Performance Optimization Framework** is KnowledgeAdvisors framework to gathering human capital **business intelligence**.
- The Framework is grounded in a **Six Sigma** which is a continuous improvement approach.
- KnowledgeAdvisors supports **measurement models and methodologies** that are applied through a Six Sigma approach to optimize human capital business intelligence.

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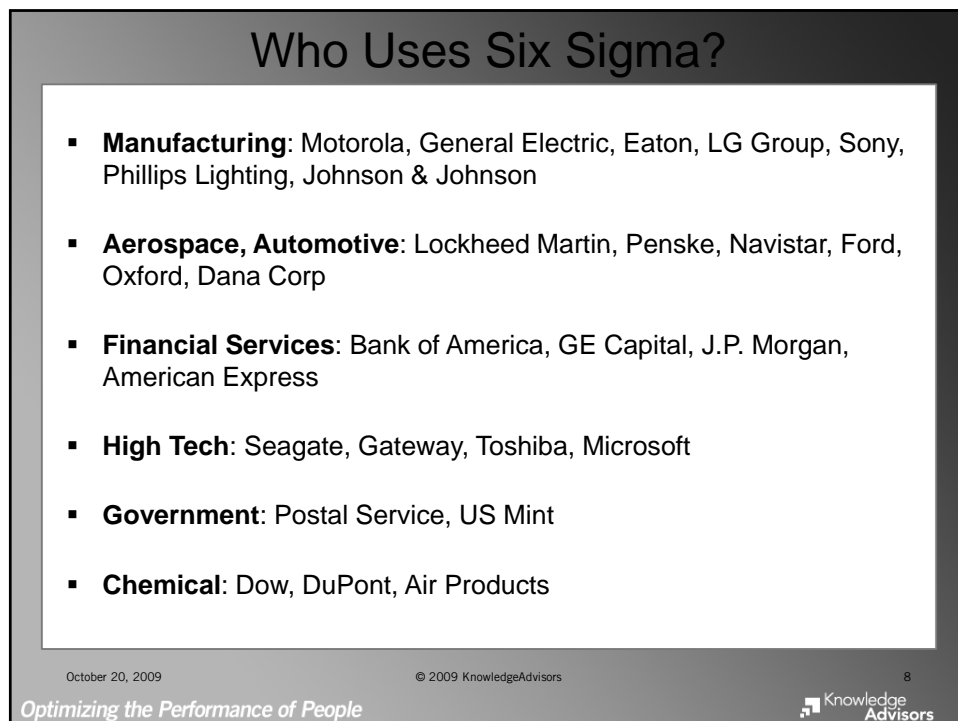
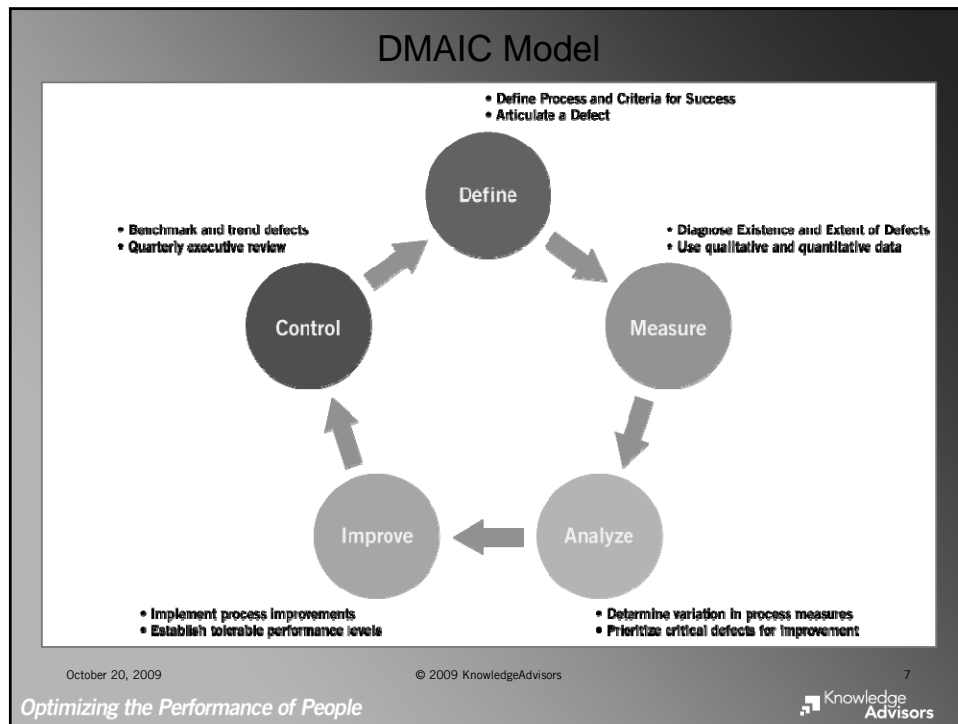


Six Sigma Approach to Performance Optimization

- A Greek letter that is a statistical unit of measurement to define the standard deviation of a population
- Six Sigma is 3.4 defects per million opportunities
- Successfully used as a performance management tool to achieve optimal levels of quality
- Six Sigma has 5 elements: Define, Measure, Analyze, Improve, Control
- Objective of Six Sigma is to deliver world-class performance, reliability and value by identifying defects and reducing process variation
- Effectively applying Six Sigma principles will optimize the practices, processes and systems to manage and develop employees

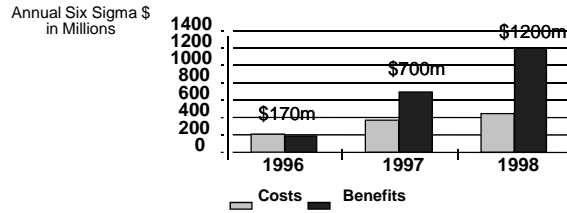
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The Power of Six Sigma

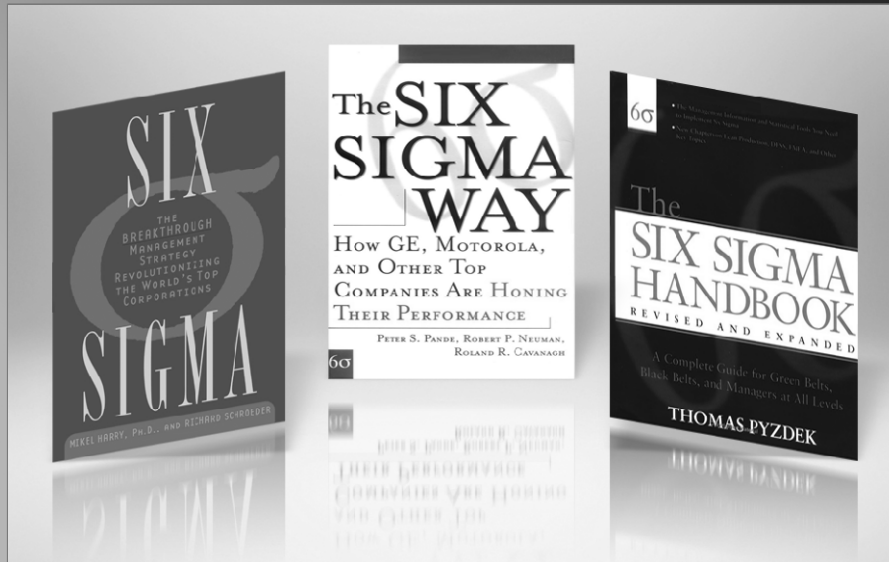
In GE's 1998 Annual Report they attributed \$1.2B profit to one strategic initiative - Six Sigma. This initiative was driving growth and cost reduction. In 1999, Six Sigma contributed over \$2.0 B profit with \$500,000 investment cost.



Source: 1998 GE Annual Report

“One thing that the great companies of the world have in common, regardless of the diversity of their industries, is a total focus on servicing customers. With Six Sigma as the enabler, we intend to meet that standard.” -- Jack Welch

Six Sigma Speaks to Senior Management



Why Apply Six Sigma to Talent Development?

- Optimizes investments in talent
- Extends beyond traditional measurement approaches
- Moves beyond ROI controversy
- Aligns with senior management thinking
- Integrates with business intelligence principles
- Leads to a high-performing workforce
- Forces the identification and reduction in defects
- Accelerates value creation

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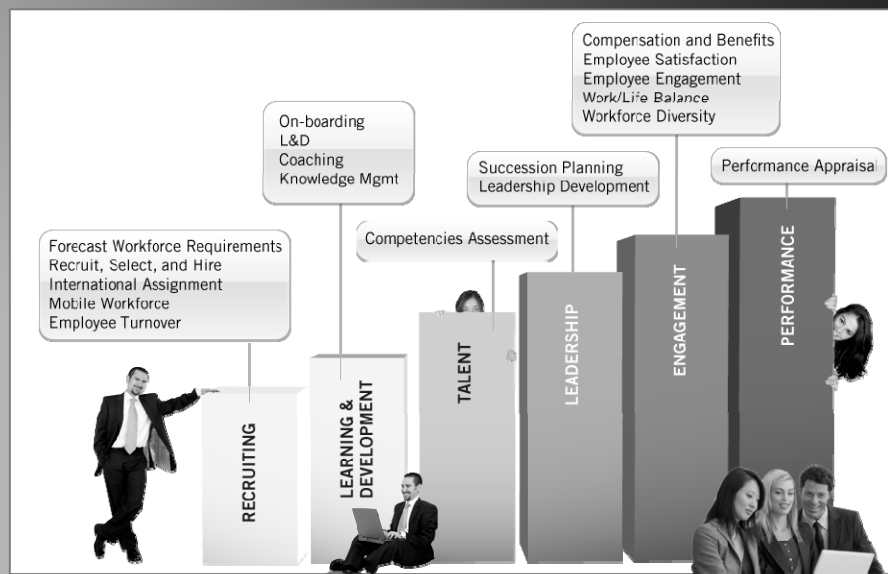
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Talent Development Processes



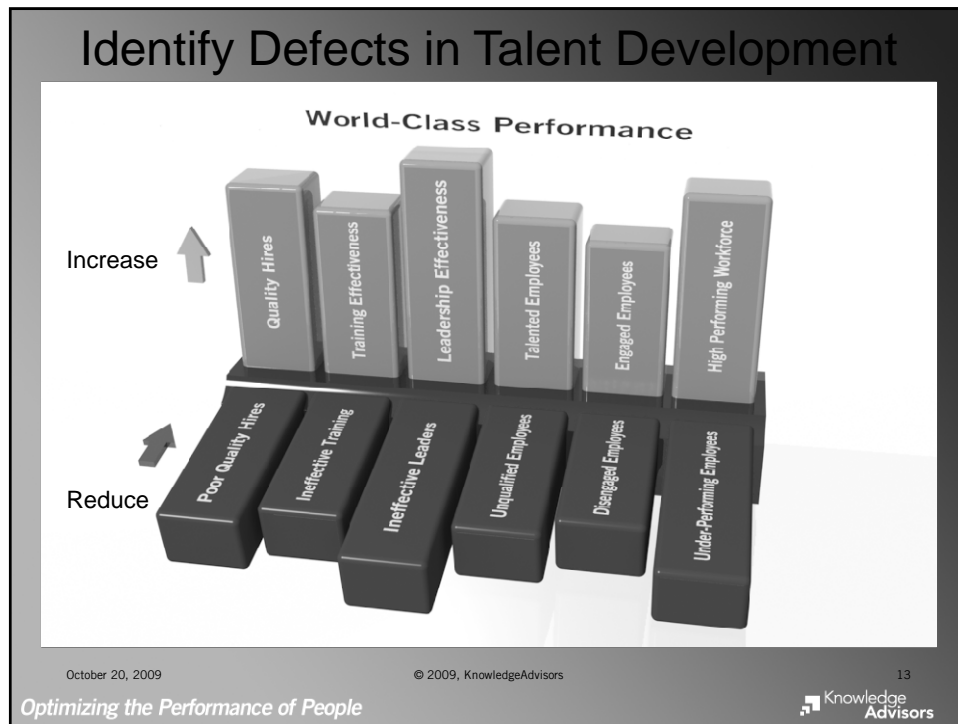
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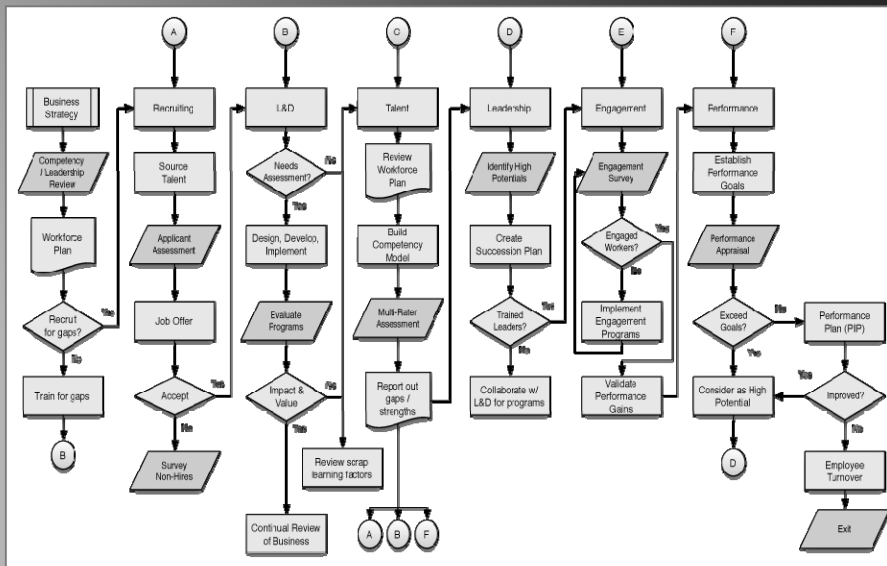
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Importance of Measurement in Talent Process



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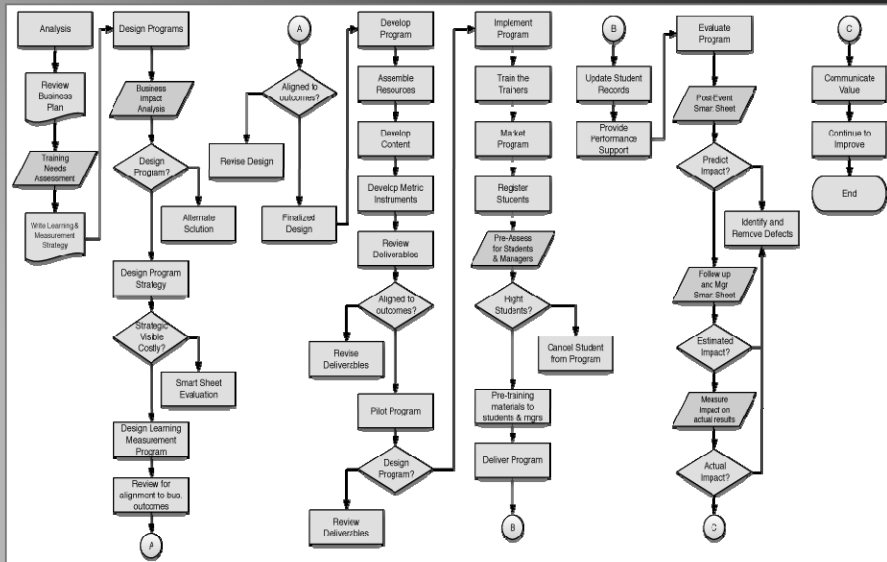
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Detailed Process Map for Learning & Development



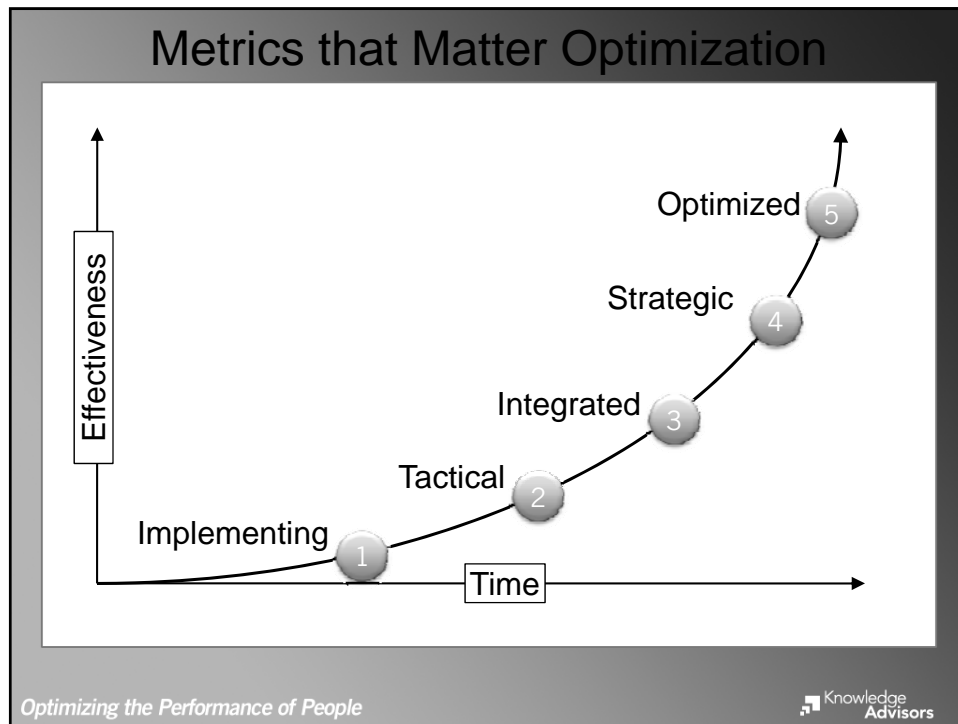
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Measurement Process Not a Project

- A process is a series of steps to convert inputs and activities to outputs and is continuous enduring over time
- A project is a temporary endeavor to achieve a specific output and has a start and stop
- A project can occur at any step in a process
- Sustainable talent development measurement is a process that is optimized with Six Sigma to ensure it functions as designed

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Measuring Talent Defects

1 Type your currency
2 Total cost of training
3 Scale used (put 7 if scale is 1-7)

Courseware Questions
The scope of the material was appropriate

Support Tools Questions
The participant materials have been useful
My manager and I set expectations
After training, my manager and I determined how to use training
I was provided with adequate resources to successfully apply training

FU ROI
Worthwhile in career
Worthwhile for my employer

Scrap learning

Total cost savings associated with change in scrap learning

USD	default
\$35,000	
7	

Baseline	Goal	Benchmark
5.9	5.5	5.9
5.2	5.5	5.2
4.5	5.0	4.7
4.3	5.6	4.3
5.3	5.4	5.3
5.7	5.4	5.7
5.8	6.2	5.8

Cost of Scrap Learning	
Baseline	44% \$15,544
Goal	41% \$14,472
Change	3% \$1,072

Total cost savings associated with change in scrap learning \$1,072

Based on statistically validated predictors of impact, calculates the current defect rate and analyzes potential reductions in defects.

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Reduce Defects Over Time

Quality Defects


Effectiveness Defects


Impact Defects

Results Defects

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