

Root cause analysis

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This article appeared on the OutSights website and shows two ways to look at the same problem. Scenario 2 uses root cause analysis.

Scenario # 1

The Plant Manager walked into the plant and found oil on the floor. He called the Foreman over and told him to have maintenance clean up the oil. The next day while the Plant Manager was in the same area of the plant he found oil on the floor again and he subsequently raked the Foreman over the coals for not following his directions from the day before. His parting words were to either get the oil cleaned up or he'd find someone that would.

Scenario # 2

The Plant Manager walked into the plant and found oil on the floor. He called the Foreman over and asked him why there was oil on the floor. The Foreman indicated that it was due to a leaky gasket in the pipe joint above. The Plant Manager then asked when the gasket had been replaced and the Foreman responded that Maintenance had installed 4 gaskets over the past few weeks and they each one seemed to leak. The Foreman also indicated that Maintenance had been talking to Purchasing about the gaskets because it seemed they were all bad. The Plant Manager then went to talk with Purchasing about the situation with the gaskets. The Purchasing Manager indicated that they had in fact received a bad batch of gaskets from the supplier. The Purchasing Manager also indicated that they had been trying for the past 2 months to try to get the supplier to make good on the last order of 5,000 gaskets that all seemed to be bad. The Plant Manager then asked the Purchasing Manager why they had purchased from this supplier if they were so disreputable and the Purchasing Manager said because they were the lowest bidder when quotes were received from various suppliers. The Plant Manager then asked the Purchasing Manager why they went with the lowest bidder and he indicated that was the direction he had received from the VP of Finance. The Plant Manager then went to talk to the VP of Finance about the situation. When the Plant Manager asked the VP of Finance why Purchasing had been directed to always take the lowest bidder the VP of Finance said, "Because you indicated that we had to be as cost conscious as possible!" and purchasing from the lowest bidder saves us lots of money. The Plant Manger was horrified when he realized that he was the reason there was oil on the plant floor. Bingo!

You may find scenario # 2 somewhat funny, and laugh at the situation. It would be better if the situation made you weep because it is often all so true in numerous variations on the same theme. Everyone in the organization doing their best to do the right things, and everything ends up messed up. The root cause of this whole situation is local optimization with no global thought involved.

Scenario # 2 also provides a good example of how one should proceed to do root cause analysis. One simply has to continue to ask "Why?" until the pattern completes and the cause of the difficulty in the situation becomes rather obvious.