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## **3.1a THE CHAIN OF CAUSATION**

# Class Discussion Topic #1



## Chain of Causation –



- *Our survival is dependent upon growing the business.*
- *Our business growth is largely determined by customer satisfaction.*
- *Customer satisfaction is governed by quality, price and delivery.*
- *Quality, price and delivery are controlled by process capability.*
- *Our process capability is greatly limited by variation [and waste].*
- *Process variation [and waste] lead to an increase in defects, cost and cycle time.*
- *To eliminate variation [and waste], we must apply the right knowledge.*
- *In order to apply the right knowledge, we must first acquire it.*
- *To acquire new knowledge means that we must have the will to survive.*

# The Chain of Causation



## Posted by a student:

*“Can be read in three different ways. Each has a different lesson that can be learned by a different audience”.*

1. The first method to traverse the chain is top down.

- This orientation speaks to **strategic planning** in the management of an organization.
- It starts with the **main purpose of a business, increasing value**, and links that to **customer satisfaction**.
- It then continues to delve deeper into the organization to determine **how to start planning** to achieve that satisfaction **leading to an increase in value**.
- Leaders can use the chain to develop plans for their organization that will truly benefit their goals.



# The Chain of Causation

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2. The second method is to travel from the bottom up.
  - This path shows an **individual** how they can **successful contribute to an organization** that will benefit both the individual as well as the organization.
  - An **engineer** starting in an organization can see that in order to advance their career and create for value for the company they need to start with **acquiring new skills and knowledge**.
  - With these new tools they can look to eliminate waste whether that is in a manufacturing process improvement or a better business process.



# The Chain of Causation



3. The final way to view the chain is as a circle or loop.
- This demonstrates the **never ending cycle of continuous improvement.**
  - Once you accomplish one step there is always another to conquer next.
  - The best individuals, processes, and organizations **continually work through this cycle to evolve and improve.**
  - Only through continued reflection and study of where we are can we hope to find the route to get to where we want, or need, to be.

