

APPENDIX A

The Improvement Compass Toolkit

Turning Value, Friction, and Net Improvement into Practice

The Improvement Compass becomes useful when it helps people evaluate a decision, see friction that has become normal, challenge a control or investment, prioritize improvement, or build the framework into everyday work.

Use these tools individually or together. Use the smallest tool that reveals the problem. The purpose is better visibility, not more documentation.

Tool	Use When
Tool A Decision Worksheet	An important decision deserves a structured net-improvement review.
Tool B Organizational Friction Audit	You need to see where work is losing value or accumulating friction.
Tool C Policy, Control & Investment Review	A policy, control, or investment may create lasting system effects.
Tool D Friction Prioritization Map	Several problems compete for attention and you need to determine what matters most.
Tool E Friction Pattern Library	You need help recognizing recurring forms of organizational friction.
Tool F Implementation Guide	You want MBFC + SH to become part of normal organizational behavior.

THE MBFC + SH DECISION TEST

PROPOSED DECISION

Evaluate the *likely* impact across all six dimensions.

MORE



What is the net impact?

++ + 0 - --

○ — ○ — ○ — ○ — ○ —

BETTER



What is the net impact?

++ + 0 - --

○ — ○ — ○ — ○ — ○ —

FASTER



What is the net impact?

++ + 0 - --

○ — ○ — ○ — ○ — ○ —

CHEAPER



What is the net impact?

++ + 0 - --

○ — ○ — ○ — ○ — ○ —

SAFER



What is the net impact?

++ + 0 - --

○ — ○ — ○ — ○ — ○ —

HAPPIER



What is the net impact?

++ + 0 - --

○ — ○ — ○ — ○ — ○ —

NET IMPROVEMENT?



Do the benefits outweigh the friction?

The objective is Net Improvement.

Create more value. Reduce more friction. Move in the right direction.

Tool A — Decision Worksheet

Use when: An important decision deserves deliberate evaluation before action.

Decision / Proposal: _____

Decision Owner: _____

1. Value Impact

Dimension	Ask	Impact
More	Will this increase output, capacity, throughput, or useful results?	– 0 +
Better	Will this improve quality, consistency, accuracy, or reliability?	– 0 +
Faster	Will this improve flow, speed, cycle time, or responsiveness?	– 0 +
Cheaper	Will this reduce total cost without shifting cost elsewhere?	– 0 +
Safer	Will this reduce meaningful operational, financial, safety, or compliance risk?	– 0 +
Happier	Will this improve the experience of employees, customers, or stakeholders?	– 0 +

2. Friction Impact

Friction	Ask	Impact
Waste	What non-value work will this create or remove?	↑ 0 ↓
Defects	What errors, rework, or inconsistency will this create or remove?	↑ 0 ↓
Delays	What waiting, bottlenecks, or slower decisions will this create or remove?	↑ 0 ↓
Excess Cost	What cost without proportional value will this create or remove?	↑ 0 ↓
Risk	What exposure will this create, reduce, or shift?	↑ 0 ↓
Frustration	What confusion, burden, resistance, or poor experience will this create or remove?	↑ 0 ↓

3. Tradeoffs and Assumptions

Question	Response
What are the primary expected benefits?	
What are we giving up or making worse?	
What must be true for this to work?	
What could go wrong?	
What else changes if this is implemented?	

4. Verification

Question	Response
What should happen if our reasoning is correct?	
How will net improvement be measured?	
When will results be reviewed?	
Who owns follow-up?	
What would cause us to reconsider?	

Final test: *Does this move us in the right direction?*

Tool B — Organizational Friction Audit

Use when: Recurring problems, workarounds, waiting, rework, or frustration suggest the organization is absorbing friction that has become difficult to see.

Observe the work as it actually operates before evaluating why.

Look For	Ask
Stops and waiting	Where does work stop moving? What is it waiting for?
Rework and defects	Where is work repeated, corrected, or returned?
Handoffs	Where does ownership become unclear or information get lost?
Workarounds	Where do people bypass the intended process to get work done?
Accumulated steps	Which activities exist because they were added long ago?
Human friction	Where do confusion, burden, resistance, or recurring complaints appear?

Necessary or Accumulated?: Not all friction should disappear. Some friction protects the system. To determine whether friction still earns its cost, ask:

- What problem was it intended to solve?
- Does that problem still exist?
- What would happen if the friction were reduced or removed?

Necessary Friction	Accumulated Friction
Protects the system or improves outcomes	Persists because it was never reconsidered
Supports safety, quality, compliance, or meaningful risk reduction	Adds effort without proportional value
Should be maintained, improved, or simplified	Should be challenged, redesigned, or removed

Use the following table for the most important friction identified:

	Friction 1	Friction 2	Friction 3
Friction Point			
Why Does It Exist?			
Still Necessary?			
MBFC + SH Impact			

Fresh Start question: *If this did not already exist, would we create it today?*

Tool C — Policy, Control & Investment Review

Use when: A policy, control, or capital investment will persist, affect multiple parts of the organization, or create continuing cost, risk, complexity, or behavior.

Review	Questions
Purpose	What problem or opportunity is this intended to address? Does it still exist at the same level?
Value	Which of More, Better, Faster, Cheaper, Safer, or Happier are expected to improve or worsen?
Friction	What Waste, Defects, Delays, Excess Cost, Risk, or Frustration will be created or reduced?
Effectiveness	What evidence shows it produces the intended result?
Alternatives	Could the same objective be achieved with less friction?
Fresh Start	If this did not already exist, would we create or approve it today?

Capital Investment Lens

For capital investments, also ask:

Review	Question
Constraint	What constraint or limitation does the investment remove?
Utilization	Will the added capacity or capability actually be used?
Total Cost	What acquisition, operating, maintenance, training, and support costs follow?
Alternatives	Could the same result be achieved without the investment?
Flexibility	Does the investment increase or reduce future options?
System Effect	Where might the investment create new constraints, dependencies, or friction?

Net system test: *Does the expected system benefit exceed the friction required to achieve and sustain it?*

Tool D — Friction Prioritization Map

Use when: Many problems are visible but time, attention, and resources are limited.

Not all friction deserves equal attention. High-visibility problems are not necessarily high-leverage problems.

Consider impact, frequency, reach, effort, and the amount of other friction that could disappear if the problem is addressed.

Friction Point	Impact	Frequency	Reach	Effort	Leverage
	Low Mod High	Low Mod High	Local Broad	Low Mod High	Low Mod High
	Low Mod High	Low Mod High	Local Broad	Low Mod High	Low Mod High
	Low Mod High	Low Mod High	Local Broad	Low Mod High	Low Mod High
	Low Mod High	Low Mod High	Local Broad	Low Mod High	Low Mod High

Favor opportunities that occur frequently, affect multiple outcomes or people, and reduce several forms of friction at once.

Do not remove friction merely because it is visible. Some friction earns its cost by protecting quality, safety, compliance, or other important outcomes.

Tool E — Friction Pattern Library

Use when: Friction is present but its underlying pattern is not yet clear.

Pattern	Common Signals	Question
Process Friction	Excess approvals, repeated entry, manual handoffs, obsolete steps, movement, unclear ownership, recurring workarounds	If designed from scratch today, would the process look the same—or could the same outcome be achieved with fewer steps, handoffs, or delays?
Decision Friction	Approval inflation, unclear authority, escalation loops, meeting overload, delayed decisions, reconsideration, missing criteria	Does the value of the decision justify the effort required to make it, and is the decision being made at the right level?
Information Friction	Multiple versions, disconnected systems, manual reconciliation, duplicate reporting, inaccessible, outdated, incomplete, or mistrusted data	Can the person making the decision see the information that matters, trust it, and access it when needed?
Control Friction	Duplicated reviews, controls with unclear purpose, temporary fixes made permanent, outdated requirements, unnecessary documentation, excessive approvals, controls that persist after the original risk changes	Does the control reduce enough risk to justify the time, cost, complexity, and friction it creates?
Coordination Friction	Too many handoffs, unclear ownership, competing priorities, repeated follow-up, duplicated effort, dropped responsibilities, dependence on individuals, misaligned incentives	Where does responsibility become discontinuous—and what happens when work crosses that boundary?
Human Friction	Confusion, avoidable frustration, low trust, unclear expectations, conflicting incentives, recurring complaints, workarounds and system avoidance, unnecessary cognitive burden	What is the system repeatedly asking people to tolerate, compensate for, remember, or work around?

The categories are prompts, not diagnoses. A single problem may contain several forms of friction.

Tool F — Implementation Guide

Use when: The objective is to make MBFC + SH part of normal organizational behavior rather than a separate improvement program.

#	Stage	Action
1.	Shared Language	Use More, Better, Faster, Cheaper, Safer, Happier and the six friction categories in real conversations.
2.	Existing Decisions	Apply the framework first to active projects, pending approvals, and recurring operational issues.
3.	Meeting Behavior	Clarify the outcome, surface tradeoffs, and ask where friction may move before deciding.
4.	Lightweight Tools	Introduce only the tool needed for the problem. Avoid documentation for its own sake.
5.	Feedback Loops	Compare expected outcomes with what actually happened and identify unintended friction.
6.	Leadership Reinforcement	Reward system-level thinking, revisit assumptions, and model willingness to change when evidence changes.

Common Failure Modes

Failure Mode	What It Looks Like
Training mindset	Treating MBFC + SH as a course, workshop, or periodic initiative rather than a way of thinking and working embedded in everyday decisions
Tool overload	Introducing more worksheets, documentation, meetings, approvals, and process than the problem requires, creating new friction in the name of improvement
Compliance mindset	Using the framework to enforce preferred answers, justify decisions already made, or demonstrate compliance rather than encourage better questions and improve judgment
Limited application	Applying the framework only to large projects or formal decisions while overlooking the recurring choices and activities that shape organizational performance
Missing feedback	Declaring completion without comparing expected outcomes with actual results, identifying unintended consequences, or learning from what happened

The framework becomes useful when the language begins appearing naturally in decisions and conversations without requiring a formal MBFC + SH exercise.

Questions Worth Asking

No tool is necessary for every decision. Sometimes a few questions are enough.

1. What problem are we actually trying to solve?
2. What outcome or value are we trying to create?
3. What friction will this create, reduce, or move elsewhere?
4. What are we gaining—and what are we giving up?
5. What must be true for this to work?
6. What else changes if we do this?
7. How will we know whether it worked?
8. What would cause us to reconsider?

Final Thought

MBFC + SH is not a scorecard for maximizing every desirable outcome or eliminating every form of friction. Tradeoffs are unavoidable. Controls can be valuable. Complexity can be necessary. Risk can justify additional effort.

The purpose of these tools is to make those tradeoffs visible enough to evaluate deliberately. Use the smallest tool that improves the decision, then return attention to the work.

The Improvement Compass ultimately asks one question: Does this move us in the right direction?

