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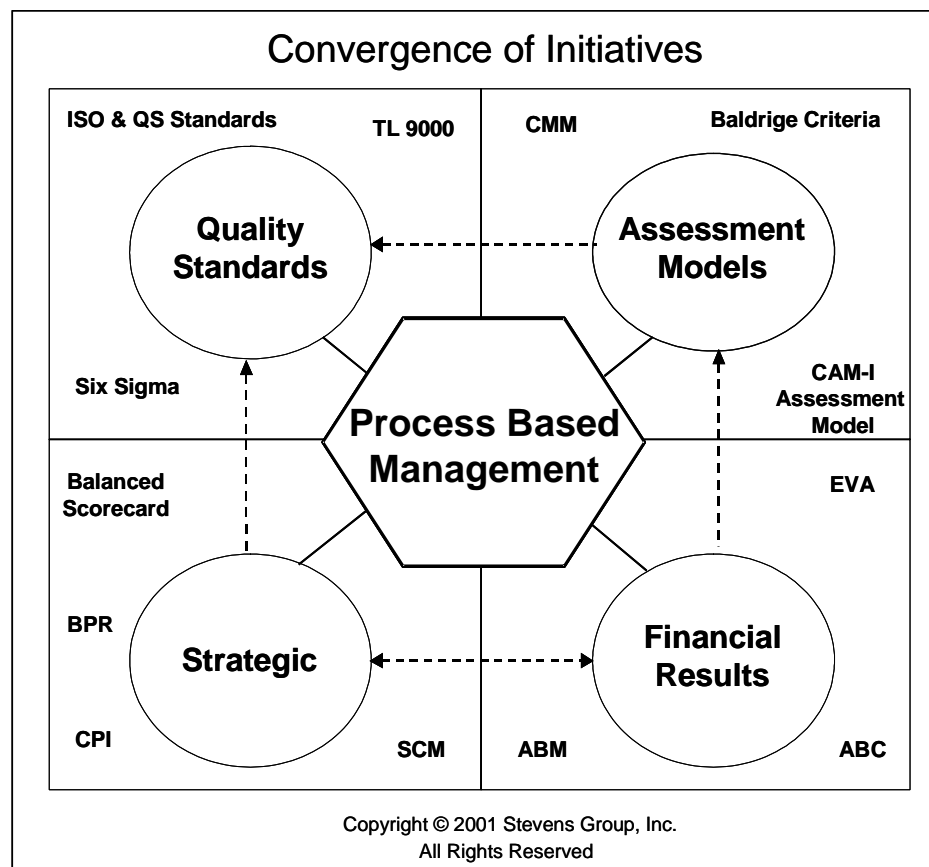
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Integration of Initiatives The Role of a Process Approach

Most organizations have realized the importance of managing processes, and have deployed various initiatives to improve their processes. This could include Six Sigma, Lean, Activity Based Management, Workout, and many other approaches (grouped as methods and Tools) which help organizations improve their processes.

An emerging trend in management tools is the convergence of different types of initiatives, methods and tools around Process Based Management, as depicted in Figure 1.

Figure 1 Convergence of Initiatives



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These initiatives have been viewed in the past as separate and distinct, typically deployed independent of one another. That is beginning to change. Look at what has taken place over the past decade:

- ISO 9000:2000 standard has incorporated customer satisfaction, process understanding and an improvement / assessment approach.
- Baldrige has moved toward “value creation” processes.
- Balanced Scorecard has one perspective focused entirely on processes.
- Six Sigma and Lean have come to the forefront as ways to improve process performance.
- Activity Based Management (ABM) is integrating activity based costing with process understanding and improvement.
- Supply Chain Management (SCM) is seen as a critical process for organizations to manage.

To enable the integration of these initiatives, Process Based Management (PBM) must be viewed as a long-term management strategy, not a tactical tool. While this convergence is subtle to most, we view the use of PBM as the strategic approach to managing and integrating these initiatives, which enables an organization to focus on changing the mindset instead of implementing independent initiatives.

The impact of having all employees and initiatives in an organization moving in the same direction is very powerful, and leads to superior performance. This occurs by aligning the resources in the organization, and eliminating overlap and the competition for resources that are trying to solve the same issues, but with different approaches. An organization needs a toolbox of method and tools that can be applied to solve problems. The key is to apply the right tool to solve the problem (the same tool will not solve every problem). The tools need to be integrated to take advantage of the capabilities of each tool, and to leverage the language of the organization.

On the other hand, there is a significant negative impact of not having initiatives integrated and aligned to business model and strategic direction of the organization. Alignment is how organizations move in the same direction. A good example is how GE focused on the “boundaryless” organization, Six Sigma, and digitization to align methodologies and tools. There are only a few critical areas that a company can focus on at any point in time. If an organization tries to focus on too many areas and initiatives, the result is confusion, overlap, and eventually

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gridlock. The key is to align initiatives, methods and tools so they are clearly linked to strategy and are consistent with the management model of the organization.

For example, a strategy may be to continually improve a company's product and service offerings to its targeted customers; this is consistent with a management approach of Process Based Management. When we look at improvement initiatives that are used by organizations, we would link the improvement initiatives in use to Process Based Management, as shown in Figure 1.

In this way, everyone in the organization can see how the methods and tools they are using support, and are aligned to, the management approach.

Process Based Management provides the framework to link these various initiatives, methods and tools together. Most of these have a process impact, or would greatly benefit from a process approach. Process Based Management as a management model is generic to industry; every industry would benefit to a certain degree from this approach.

How could you apply this in your organization?

- Do an inventory of all the initiatives currently underway.
- Identify how each of the initiatives supports the strategy of the organization
- Identify overlap between initiatives and how they could be better aligned

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