Process Perspectives Newsletter

Welcome to this month's issue of the Process Perspectives Newsletter!

Our goal is to provide you with specific insights so you can help your organization progress on the road to Process Based Management (PBM).

In this issue, we review how important Process Teams are to your process improvement efforts, as well as your ability to manage processes on an ongoing basis. Our Quick Assessment results section shows the results of the question, "Our Process Teams are."

An area where our clients often look for help is in developing an approach they can use to improve their processes. In the last section, we talk about a basic approach we use to launch process improvement efforts. This is a great starting point for an organization. If you already have a standard process improvement approach you are on the right path.

Let us know if you have a specific topic you would like to see covered. Good luck with your process efforts, and stay the course!

Have a great holiday season, and a Happy New Year.

Pat Dowdle
Jerry Stevens
Process Strategy Group

Process Teams: A Key to Process Improvement

A key role in any improvement effort in your organization is the Process Team. As you identify a process for improvement and the business issues that need to be addressed, it is key to form a cross functional team to improve that process (as well as a Process Owner to oversee the process). This team is staffed by subject matter experts from the various functions that are impacted by the process. The process teams are led by a team leader, who could be a full time person.

When these teams are initially formed, their goal is to understand the process through mapping and analysis (using the improvement methodology that the organization follows) so they can address the
business issue on which the team was formed. Based on this understanding, and having identified the problems in the process through process analysis, the team will identify and implement improvements to the process. The team also puts in place process measures so the performance of the process can be monitored.

Completion of this first improvement project is where many process improvement efforts stop. A team will be formed to address one project, and then is dissolved. However, to manage the process, it is key to take this project into an ongoing monitoring and improvement loop and create a permanent process team. An ongoing role of the process team is to:

- Gather measures as well as other feedback on the process.
- Actively monitor the process measures to see how the process is performing.
- Design and implement process changes which are needed to achieve the targets set for the process measures. For example, if a measure of procurement is to pay 99% of all invoices to take advantage of discounts, and actual performance is at 80%, the team would identify and implement changes needed to reach the target.
- Include input from the Process Owner in the design of the process to address strategic goals or to meet changing customer requirements.

Since processes are how an organization provides products and services to its customers, it is key to monitor how well the process is meeting customer requirements and expectations. That reality requires the process teams to actively monitor the process, and make needed changes as required to keep customers satisfied. It is this continuous improvement mindset embraced by the process teams and guided by the process owner which allows organizations to continually meet customer expectations.

**PBM Quick Assessment Results**

This month we tabulated the responses from all participants who have completed the free Quick Assessment on this question: "Our Process Teams are..."

Responses indicate that only 10% have permanent teams from a cross section of the organization that are responsible for managing the process and leading ongoing improvement efforts. The existence of these permanent teams indicates that these organizations are managing their processes on an ongoing basis.

Another 24% have part time teams who review a process and monitor the process for future improvement efforts. Depending on the scope of the process, this may work to manage certain processes. For other processes, it may not provide enough resources to actively manage the process on an ongoing basis.

Many of the respondents (30%) have a cross functional group who is involved in a one time review and improvement effort. We see this often
Client Testimonial:
"As the CFO of a privately held distribution company with revenues of $340 million and operations in four states that wanted to design and implement a process management program, I turned to the Process Strategy Group to help us get started. We brought PSG in because of their wide-ranging experience in process management consulting (gained over many years in a variety of organizational settings). PSG created a training program for senior and mid-level managers that provided the foundation for our initiative. They helped us design a structure that was perfectly tailored to our company and followed up with timely advice and counsel as we set up our PM teams. Our first project out of the gate involved moving product overnight between five different warehouses in four different states to ensure next day delivery for our customers.

The result of our efforts was an annual savings in excess of $600,000 and a level of customer satisfaction that is hard to quantify. Using the concepts, tools and techniques taught to us by PSG, our process teams looked at a variety of issues in all parts of the company. The savings to our company over the first three years was $2,500,000 to $3,000,000. These were precisely the results we were looking for from our process management

in response to a business issue that needs to be resolved. As a one time effort, it will not result in long term improvement, or the process being managed.

The largest group (36%) indicated that they have department members improving a department process. Since a process does not occur in one department, they are improving their function only, with potentially a negative impact on the cross functional process.

Where would your organization fit into the chart below?

Our Process Teams are:

- The departments members who are improving a department process
- A cross functional group who is involved in a one time review and improvement effort
- Part time teams who review a process and monitor the process for future improvement efforts
- Permanent teams from a cross section of the organization that are responsible for managing the process and leading ongoing improvement efforts

Do Your Teams Follow a CI Approach?

Process Teams need to follow a continuous improvement approach. There are many approaches in the marketplace. Do you have a standard approach for your organization that is part of your toolkit?

Copyright © 2011 Process Strategy Group

Data as of 12/2011
If you have enjoyed this newsletter and have found value in the information, please send it along to others by clicking the link below.

We use a straightforward approach that facilitates your process team through the steps necessary to improve a process, which include:

- **Understand**
- **Measure**
- **Analyze**
- **Improve**

We can help your organization develop an effective approach to improve your processes. We have used this approach with our clients and have seen significant impact on process performance (check out our client profiles).

Save 50% Be one of the first 5 this month to try our FREE Quick Assessment and receive 50% off our Quick Assessment for an Organization. Use Promo code CC1520119.

You can learn more or take the PBM Quick Assessment at http://tiny.cc/CC1520119.