

Process Based Management Assessment



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Congratulations – You have made the realization that your organization is ready to move beyond just managing individual processes and become process-based!

This guide has been designed to provide you insight into how a PBM Assessment can be used to evaluate the progress and roadblocks your organization is encountering in becoming process based.

Many organizations attempt to **prescribe**, without a proper **diagnosis**, a specific approach or tool which they believe will enable a successful change in the mindset and structure of an organization towards process-based thinking. You would not go to the doctor and receive a prescription without first being assessed of your symptoms – that would be life threatening!

Our comprehensive and robust Process Based Management (PBM) **Assessment and Implementation Roadmap** has been designed to enable organizations to effectively **diagnose** their progress in implementing process-based thinking and to develop a “**prescription**” for successful implementation.

The assessment is the diagnostic that analyzes what stage of PBM an organization is at, and what gaps exist in implementing PBM. The assessment criteria is linked to specific Roadmap steps, so that any gaps the assessment identifies will point directly to individual Roadmap items to be used in building action plans. After developing and implementing action plans, an organization would then reassess to determine the success of the Roadmap steps and identify any additional gaps. Typically a reassessment would occur at 12-18 months, depending on the speed at which an organization wants to pursue PBM.

Although other types of assessment exist today, none have tied the results back to specific, prescriptive steps that an organization would take to address gaps. The power of the PBM Assessment and Roadmap is the ability to give organizations a mechanism to “kick-start” its efforts at implementing PBM.

Why do an Assessment?

All too often organizations will attempt to change the mindset and culture without fully understanding the current state, which leads to disconnected management approaches. By first conducting an assessment (either internally or via a 3rd party) an organization can gain the following:

- Enlist and secure management support
- Establish a baseline
- Create actionable plans
- Leverage Strengths
- Identify and address Gaps
- Engage staff in adapting to new process culture
- Alignment of strategy to process

The decision to pursue Process Based Management must involve substantial strategic discussion. Ultimately, the degree to which Process Based Management supports accomplishing the organization’s strategic objectives determines the extent to which it should be implemented. An assessment is the starting point for these discussions.

PBM Assessment Introduction

To benefit from a PBM Assessment, an organization should be on the journey to becoming process based. If they are not on the journey, the Implementation Roadmap would provide the detail path to starting the process based effort.

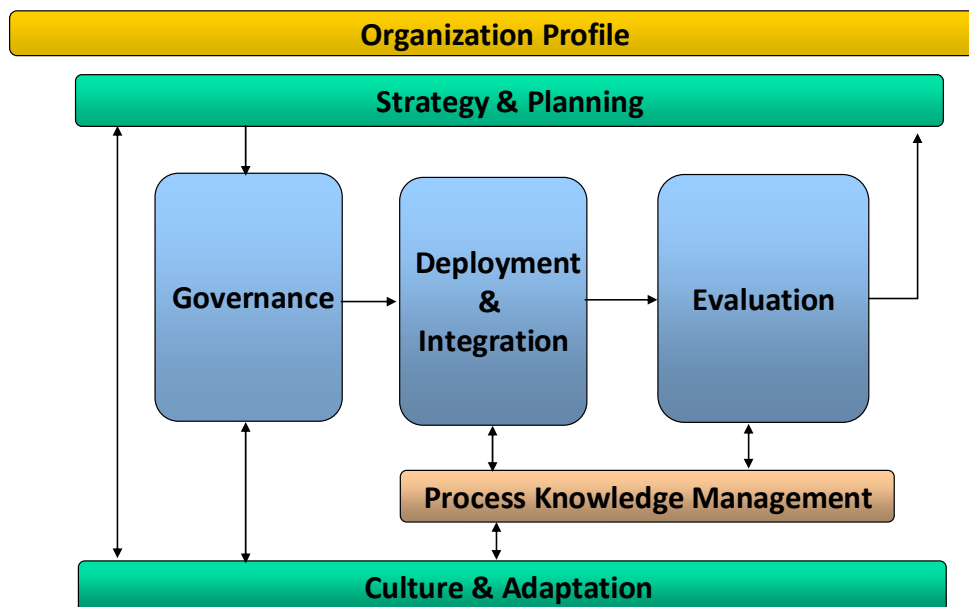
We would consider an organization on the journey if these 3 criteria are met:

- The organization is improving processes.
- There are business drivers that require the organization to become process based.
- A process advocate is in place at the right level of the organization.

The Assessment establishes a baseline, determines what elements of Process Based Management exist within the enterprise, and assesses the elements' levels of performance or success. As shown in Figure 1, the Assessment begins with an Organizational Profile, which provides a snapshot of key components of the organization's process efforts, current methods and tools used, the operating environment, and challenges faced in implementing Process Based Management. It also reviews, in detail, the extent to which Process Based Management is implemented in six areas of the Assessment:

- Strategy & Planning
- Governance
- Deployment & Integration
- Evaluation
- Process Knowledge Management; and
- Culture & Adaptation

Process Based Management Assessment Categories



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Figure 1 – Process Based Management Assessment Categories

Fully implementing the structures and systems required to optimize Process Based Management requires commitment and significant dedication from employees at all levels, sustained through a period of many years. The detailed steps for becoming a process based organization are described in the PBM Implementation Roadmap (Figure 2). The Roadmap includes over 100 detailed steps an organization would address as they move along the 7 stages of the Roadmap. The Assessment will identify which steps in the Roadmap need to be addressed by the organization. For more detail on the Roadmap, see www.processstrategygroup.com/Services.html.

PBM Roadmap Stages and Pathways

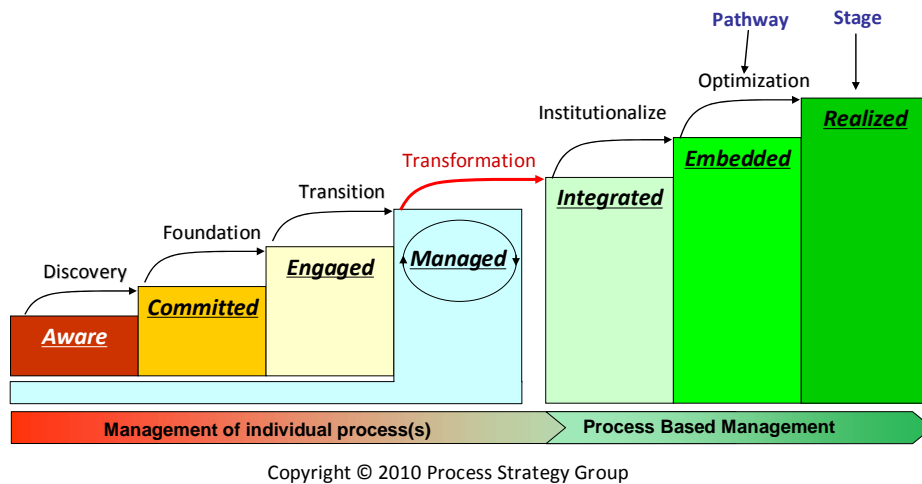


Figure 2: PBM Implementation Roadmap

Two types of assessments

Process Strategy Group uses two types of assessments; however, both cover the same six Categories (i.e., Strategy & Planning; Governance; Deployment & Integration; Evaluation; Process Knowledge Management; and Culture & Adaptation). The Managing Processes Assessment covers the first 4 stages and the Full PBM Assessment covers all 7 stages of the Roadmap.

The Organizational Profile, which is submitted in advance of the assessment, provides the review team with direction on whether the “Managing Processes” or the “Full PBM” assessment is appropriate. Since an organization may only be beginning its journey on the road to becoming process based, the idea behind the two types of assessments is to avoid organizations trying to address assessment questions that may not be relevant to its current situation.

Most organizations would begin with the Managing Processes assessment. This assessment typically takes an organization 20-40 person-hours to complete. The results of the Managing Processes assessment provides focused feedback on the critical steps required to move the organization toward PBM (to managing across process).

The Full PBM assessment addresses all seven stages: Aware, Committed, Engaged, Managed, Integrated, Embedded, and Realized. The Full PBM assessment provides value to those organizations that have a pervasive PBM mindset and infrastructure, and are managing their portfolio of processes.

These two assessments allow an organization to assess and improve its efforts toward implementing PBM.

The PBM Assessment process

The process for conducting a PBM assessment follows a similar process as a Baldrige assessment, see Figure 2. The PBM assessment is different in that prescriptive feedback is provided to the assessment organization via the PBM Roadmap.

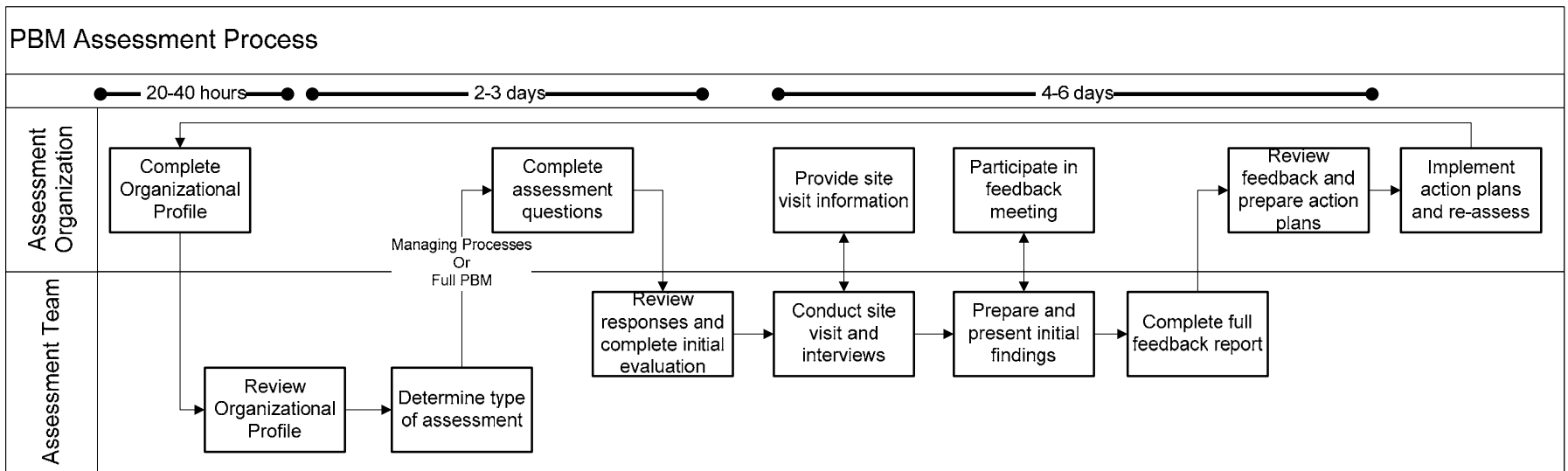


Figure 2 – PBM Assessment Process

<u>Step / Task Name</u>	<u>Description</u>	<u>Role</u>
Complete Organizational Profile	The assessment organization completes the Organizational Profile and provides the information to the Assessment team. The responses to the criteria aid in determining the scope of the assessment and the question set that is appropriate for the organization.	Assessment Organization
Review Organizational Profile	The Assessment Team will review the organizational profile for completeness.	Assessment Team
Determine type of assessment	<p>The responses to the organizational profile are evaluated to determine the question set that the organization should complete. Two different sets of questions are available:</p> <p>1) Managing Processes - This question set focuses on organizations that are managing either a single process or a set of processes and have not crossed the chasm to Full PBM. Organizations that are just beginning their journey would use this question set.</p> <p>2) Full PBM - This question set includes all the PBM criteria and focuses on an organization that is past managing individual processes and is deploying PBM.</p>	Assessment Team
Complete assessment questions	The organization completes the appropriate question set and provides responses to the examiner team.	Assessment Organization
Review responses and complete initial evaluation	The assessment team reviews the information provided by the assessment organization and identifies their initial strengths, opportunities for improvement and any site visit issues. The team leader also prepares the site visit plan and schedules with the assessment organization the individual(s) to interview while on site.	Assessment Team
Provide site visit information	The organization provides additional information to the assessment team via interviews and information requests.	Assessment Organization

<u>Step / Task Name</u>	<u>Description</u>	<u>Role</u>
Conduct site visit and interviews	The assessment team conducts on site interviews to verify and clarify any issues or questions based on the responses. The team also refines strengths, opportunities for improvement and the scores for each PBM category based on results of interviews and additional information provided by the organization.	Assessment Team
Participate in feedback meeting	The organization's management team and assessment participants are provided a feedback presentation.	Assessment Organization
Prepare and present initial findings	The assessment team develops an initial feedback presentation highlighting the key findings from the site visit along with preliminary scoring range. A feedback presentation is provided to the organization's management team and assessment participants.	Assessment Team
Complete full feedback report	The assessment team finalizes its evaluation off-site and provides a full feedback report to the organization.	Assessment Team
Review feedback and prepare action plans	The feedback report is used to develop a set of action plans to address the identified opportunities for improvement.	Assessment Organization
Implement action plans and re-assess	The organization will implement identified action plans and monitor progress. Determine timeframe for re-assessing its PBM efforts.	Assessment Organization

Results (Output) from a PBM Assessment

Organizations completing the assessment process can expect the following benefits:

- **Alignment** –Organizations can better understand how their different initiatives align with an overall PBM approach. The assessment will indicate initiatives that can be leveraged into a PBM strategy.
- **Communication** – Employees and management gain an increased awareness of process thinking by participating in the assessment interviews and feedback sessions. The assessment process opens new lines of communication between individuals across the enterprise.
- **Mindset Shift** – Driving change in an individual’s thinking requires the organization to change its mindset and philosophy. Conducting and implementing recommendations from an assessment demonstrates the organization’s willingness to change and move toward PBM.
- **Engagement** – Engaging individuals in the assessment process and the implementation of the resulting recommendations empowers them with a sense of ownership and being part of the solution.
- **Insight** – An assessment provides valuable insight to the management team of the strengths of their PBM implementation efforts, and what opportunities for improvement exist.
- **Feedback** – A comprehensive feedback report gives specific identifiable actions that will improve an organization’s success in implementing PBM.
- **Baseline** – Without a baseline of current PBM efforts, an organization will blindly be searching for the direction that will serve them best.
- **Focus, Direction and Velocity** – Conducting an assessment helps focus an organization on those items that are most critical to successfully implementing PBM. By implementing recommendations from an assessment, an organization can increase its velocity in achieving a process-based culture.

The overall purpose of an assessment is to evaluate an organization’s progress against a standard set of criteria for implementing PBM. An assessment should not be used as a compliance check; instead, it should give an organization insight into its areas of strengths, and its opportunities for improving PBM efforts.

Benefits of Process Based Management (PBM)

PBM provides a structured approach for an organization to change the way they manage and how they provide value to customers, stakeholders and employees. As organizations move along their journey in implementing PBM they can expect to see benefits in the following areas:

Customer Service

- Improvements in customer service from aligning process capabilities to customer needs and expectations.
- Organizations that focus on processes provide the customer an easy way to do business with them
- Repeat business driven by aligning process capabilities with customer needs

Operational Improvement

- Process visibility, understanding and measures reveal improvement opportunities that result in increased productivity and reduced time to market

Organizational Capability

- Cross departmental communications are improved with a focus on end-to-end processes
- Exchange of customer and process information promotes process innovations

Individual Empowerment

- Employees understand their role in the overall process and are able to provide valuable feedback and improvement opportunities.
- A process focused employee base promotes a sense of empowerment and ownership to transform behavior from “who caused the error” to “how can the process be changed to prevent the error”

Improved Results

- Managing and improving processes enables organizations to better manage overall costs and minimize non value activities.
- A focus on end-to-end processes reduces handoffs and improves overall process cycle time

Let our experts aid you in your Process Based Management efforts and implementation by contacting us at www.ProcessStrategyGroup.com/Contact_Us.html.