



PROCESS-BASED MANAGEMENT:

Process organizations focus on how things happen and how to make them happen better from the customer's perspective.
Process performance measures are critical and must be synchronized with process maturity.

THE ROAD TO EXCELLENCE

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Today, organizations face unprecedented challenges in terms of diversity and magnitude coupled with downward price pressures and aggressive financial expectations.

It is imperative that organizations change and evolve in ways that address these pressures. During the past two decades, there has been an explosion of new tools (TQM, Time-Based Management, Six Sigma, Activity-Based Management, Process Reengineering, Theory of Constraints, ISO 9000 and 14000, and the Balanced Scorecard, to name a few). While many of these methodologies have process-foci, they are poorly linked to one another and to strategy. In addition, they usually focus only on one process rather than managing the entire organization from a process perspective.

Functionally focused organizations are often ineffective and inefficient when work must be coordinated across traditional functional boundaries because the needs of the customer are often secondary to the goals of each functional area. This encourages functional silos and limits the creation of value within the organization. Worse still, the customer may be ignored. Successful management must be developed and framed within the context of an organization-wide management system. Organizations are groups of processes and they need to be better managed in order to survive and prosper in this business climate.

This leads us to process-based management, an evolving management model that addresses many of the challenges facing organizations today. Process-based management is predicated on how organizations provide products and services to customers, and the intense focus on the customer that is required in today's business world. It represents a major mindset shift in how organizations are managed. The process management interest group at CAM-I has been researching the development of process management since 1994. This article is an update on our findings.

Process management

Process management focuses on five activities that promote long-term value creation for the organization.

Promoting a Process-Based Culture. Culture is how an organization operates. It is a mindset that permeates the organization and governs how people act. It focuses on how all employees think and approach their jobs. They do not even have to think about it; it is just how things are done.

Managing End-to-End Business Processes. The key is "end-to-end." This cross-functional, horizontal view focuses on how organizations improve cost and time and provide quality products and services to customers. However, most organizations do not manage their cross-functional processes and