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A publication from Process Strategy Group

The Value of Improving and Managing Processes

What is a process?

A process is a combination of steps and activities that creates some output or result. It represents the flow of work and information through an organization. It is the mechanism for creating and delivering value to a customer.

Process and Department

Managing a Process is not the same as managing a function or department. Both are necessary to provide value to the end customer. However, in many organizations, we do not understand, improve or manage how we provide value to that end customer. The “How” is through Process.

What are some of the symptoms of a broken process?

Here are some symptoms of broken processes:

- Unhappy customers
- Some things just take too long
- Work was not done right the first time, hence there is rework, mistakes, scrap, waste
- Processes are not measured nor controlled
- Too many reviews and signoffs
- Exceptions, complexity, and special cases cause havoc
- Established procedures are circumvented to expedite work
- Management throws money at the problem, but it doesn't improve
- Management throws people at the problem, but it doesn't improve
- Finger-pointing and blaming between departments, mistrust between departments
- Conflicts arise between departments due to competing goals
- Constant fire fighting with some fires reoccurring
- Employee frustrations

What causes broken processes?

Structural causes

The functional nature of organizations breaks large processes into pieces and assigns them to departments. Often each department tries to optimize their piece of the process without knowing the consequences of this action on other departments. For instance, how many different software systems exist in your organization? Do they seamlessly share information? Probably not. Here we are sub-optimizing the whole (end-to-end process) by optimizing the pieces (departments.)

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Clarity of Roles and Responsibilities

No one is responsible for the coordination and performance of large cross-departmental processes. Hence, these larger processes can degrade due to lack of oversight.

Incomplete Measurement and Metrics

Often there are no adequate measurements to monitor the performance of large cross-departmental processes. We have lagging measures of what has happened, but not leading indicators of what is happening.

Lack of Knowledge

If there is not knowledge to document, analyze, improve, redesign, control, and monitor processes, then there will be quality, timeliness, customer satisfaction, and worker satisfaction issues. This knowledge can be gained in learning and applying any of the process improvement methods (such as TQM, Lean, and/or Six Sigma).

What are some of the characteristics of a managed process?

Here are some characteristics of a managed process:

- The process is the problem, not the people
- There is a clear understanding of how the process should perform and how it is measured
- Clear communication focused on the process across the process performers (and departments)
- Metrics monitor how the process is performing
- Action is quickly taken to address changes in process performance
- The process is continuously being improved based on customer and employee feedback
- Changes in customer requirements can be quickly evaluated and implemented
- Employees in the process understand how what they do provides value to the customer, which results in employee satisfaction

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Benefits of Managing Processes

Managing processes 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 improve and manage the processes in the organization, they can expect to see benefits in the following areas:

Customers

- 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
- Improved perception of the organization by the customer based on managing the customer touch points

Operations

- Process visibility, understanding and measures reveal improvement opportunities that result in increased productivity and reduced time to market
- Detailed understanding of how work is done captures organizational knowledge

Organizational Capability

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

Individuals

- 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”

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
- The management of a process based on customer needs and expectations allows the organization to match the process capability and output to what the customer is willing to pay

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Where Do You Start?

You focus on some area that is broken that is causing management frustration. This is a sure sign of a process problem. Use a basic process improvement approach to understand, analyze and improve the process. Show results from improving processes, and others will become interested in the approach that is being used. The value of managing processes will become clear as more processes are understood, analyzed and improved.

We can show you how to do this, so you can continue to improve other processes in the organization. We show you what works, and how to be successful.

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