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# Process Management



## **Processes are the 'lifeblood' of an organization - the way all work gets done.**

*A competitive process is one that maximizes the value of the product to the customer and the organization. A malfunctioning process will inhibit the ability of your team and organization to be successful.*

*As leaders we must recognize that the more complex a process is, the greater the likelihood of problems.*

### **Why Process Orientation?**

A process is a series of activities that transforms an input into a new output. Processes interconnect, so that one affects the other.

As leaders, we must ensure that the work is done correctly. It is essential to know the process well, understand and support the people working within it, and have the technical skills required to monitor and improve the process.

Without paying attention to processes, we risk:

- losing touch with customers
- responding too slowly to changes
- missing opportunities for improvement
- perpetuating obsolete approaches
- lower productivity
- loss of product or service quality
- going out of business

### **Successful Processes**

Although most types of work are done through processes, these are often not planned or designed, and as

a result have many problems. Processes should be efficient and effective:

**Efficient:** accomplish the desired result with minimum usage of resources while not compromising on quality

**Effective:** achieve the desired result, as defined by customer needs, business realities and stakeholder expectations

### **Managing Processes**

Process improvement is a key part of process management. A process manager must be able to assist employees in monitoring and producing results supporting the end product. A manager should know the process and be able to trace a problem to its source and assess its impact on the outcome.

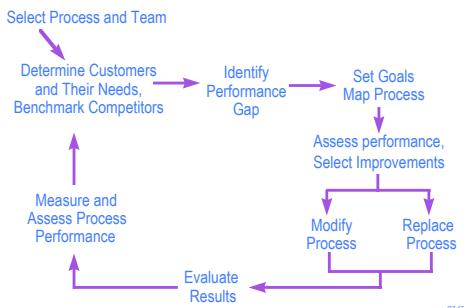
Managing a process includes:

- ensuring the team knows the process
- securing resources for the process
- coaching and guiding team members
- ensuring all members understand their roles and responsibilities

- establishing relevant performance measures for the team
- establishing meaningful process measures directly linked to the product and its quality
- regularly reviewing the process for problems
- implementing positive changes
- managing process issues

### **Process Improvement vs Reengineering**

#### **Process Improvement Cycle**



Process Improvement is continuous, incremental changes to a work process, based on ongoing feedback from customers and input from people executing the process. Quality initiatives such as CQI and TQM focus team members on the

customer and help bring about process improvement.

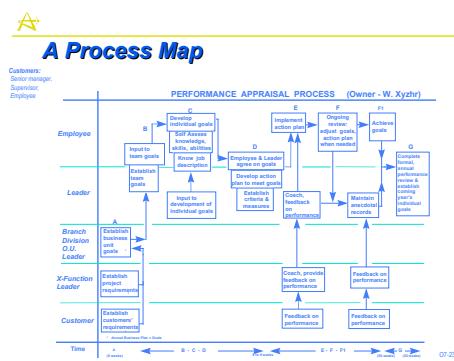
The preceding diagram illustrates the typical process improvement cycle. At one point, a decision must be made - whether to modify or improve the process, or to replace the process - that is, to reengineer.

Reengineering is fundamental rethinking and radical redesign of a process, in order to achieve dramatic business results. As you can see in the cycle map, reengineering is a part of process improvement, and after the reengineering effort is complete, you must move into process improvement mode to maintain the new process.

Other key differences: Reengineering tends to be driven top-down while process improvement is bottom-up. Reengineering tends to focus on specific key business processes while process improvement should be applied across the organization.

## Process Mapping

Whether you are reengineering or process improving, a process map is a basic and important tool. Maps can be made on paper, or by using software packages, and show clearly how the work flows. They include information on activities, sequence, connections, concurrent activities, who is involved, timings, inputs and outputs for each step, customers, and final deliverables. A process must be initiated by a customer and deliver something to that customer. If there is no customer, it should not be done.



The most common mistakes in process mapping are:

- confusing functions with processes
- being too introspective
- failing to specify inputs and outputs
- drawing boxes first
- using inappropriate names
- expecting to get it right immediately

Process mapping is not easy. It is accomplished only through hard work and persistence. In spite of this, the process map is the greatest means you can use to enable an understanding of your process and clear identification of its faults.

## Process Review and Redesign

A process that is believed to be good, or at its best, is potentially in trouble. The goal of any process review is to eliminate any steps that do not add value for the customer or the business.

The most common reasons for faulty processes are: too many signatures and controls, too many hand-offs and unnecessary transfers, duplication of effort, activities that do not add value, uncorrected errors, lack of cooperation between functions in the process, and lack of knowledge of the process.

When reviewing a process for problems, the 6-point checklist can be used as a guide, as asking who, why,

how much, what, when. It is important to ask as many questions as possible, to be certain you leave no stone unturned.

You must look for information on goals of the project, customers, project specifics, technology, value-adding steps, volume and frequency of work, timing, costs, errors, quality, organizations and groups involved, job definitions, skills and knowledge required, underlying assumptions, performance inadequacies, warning signs and trends.

Data for process review can be obtained through interviews with managers, customers, key players, actual experience working in the process, or observation.

Once data is compiled, decisions must be made about what redesign steps should be taken. The most common redesign patterns are: relocating work to or from customers, minimizing the number of connections, reordering steps, integrating and compressing tasks, centralizing or decentralizing, eliminating intermediaries and non-value-adding work, making decisions earlier or later in the process, increasing or decreasing the range of alternatives.

Throughout all of this - it is important to focus on the customer, performance measures, increasing value, and keeping things simple.

## The Redesign Mindset

- think: customer customer customer!
- focus on leverage points
- increase value
- ask: "Is it worth it?"
- emphasize simplicity
- apply the right performance measures
- pursue the ideal
- test the limits
- treat problems as design issues
- avoid the familiar



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