While process improvement initiatives can vary greatly from business to business, they share at least one thing in common: the challenge of managing process variations. Process variations are in many ways the dirty little secret of process management. While process owners constantly preach the importance of process standardization, they know that the standard processes they are promoting do not actually meet the requirements of all of the teams who are expected to apply them.

Dealing with process variants is even more difficult in today’s global economy, as companies regularly do business in different states and across national borders. Operating in multiple markets with multiple regulatory environments, these companies are often required to customize their customer experience for each market they serve.

I distinctly recall my first experience with process variations. Working on a global accounting change program for an international airline, we were charged with creating a system for standardizing airline revenue processes. When the best-in-class processes we had developed were implemented, though, we immediately realized there wasn’t a single country that could apply the standardized processes we had created. Each region required the processes to be customized to meet their own local needs and regulations. That meant major headaches, major investments in time and energy, and major cost overruns, not to mention process inconsistencies and increasing complexity with every new variation we had to introduce.

Today, not much has changed. Managing process variations remains a huge problem for many organizations. It is still unnecessarily complex, costly, and inconsistent. It is also the reason why, as Steve Stanton, an analyst with FCB Partners, observes, “Ninety percent of the organizations I know have failed at standardization.”

Most organizations seem to respond to the problem of managing process variations in one of three ways, none of which are particularly successful –

1. They create standardized processes at a high-level only. This is the most common response for early maturity organizations. They tend to develop information at a high-level only. Lacking any detail, this information is kept at such a high level that it is of no real assistance. It fails to offer day-to-day process guidance or function as a platform from which to navigate future change.

2. They create mega-processes that include every possible variation. This is the most common response from technical teams and large transformation projects. Their attempt to tame complexity is to respond with detailed, technically correct process documents that apply approved process notation standards to every conceivable
situation. Unfortunately, this approach has a poor history of maintaining engagement from teams. This approach is not only difficult to comprehend it also stalls agility and future change because the process owners aren’t confident enough to apply their own changes and improvements.

3. They allow process owners to create their own individual variant processes. This approach is commonly found in businesses that are further along the process maturity curve. Rather than even attempt process standardization, they allow each business unit or team to have their own individual processes. These processes are owned, managed, and changed independently. As a result, they are also typically accompanied by the administrative and change management headaches you would expect from such an approach.

Despite the poor track record most businesses have in dealing with process variants, I continue to believe it is possible for companies to achieve the benefits of standardized processes across the entire organization, while simultaneously providing individual operations with the ability to control process variations as needed. To that end, seven underlying capabilities are required:

1. The ability to agree on the core or standard process, owned by global process owners. These form a platform from which to consider and measure local variations.

2. Local process variants should only be established off this standard process base, with any changes applied by variant experts and highlighted and visible against the core process.

3. The ability to compare and report on all the process variations that exist for each standard process. Doing so allows visibility for activities that have been added, removed, or changed, compared to the standard process.

4. When navigating to processes, business teams should be able to select the process variant they seek from a list or be routed automatically to their variant if they have a default location, product team, business unit, etc.

5. Any changes applied to the standard process by the global process owners should be notified to the applicable local process variant owners for their approval to merge into each variant process or to amend as necessary.

6. There should be a global reporting capability so that process champions can see the list of processes that exist for each variant type.

7. Process variant costing and timeframe tracking should calculate the difference in cost and time between variations and the standard process. This allows organizations to make informed decisions about whether to keep or eliminate process variations.
These capabilities will empower organizations to understand the extent of the variations they are managing, to control and report on them, and to challenge them. They will empower teams to be more agile, more flexible, and to customize (or eliminate) activities as they see fit because the process variations will exist in an environment over which they actually have clarity and control.

**Author**

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