

Overcoming the Challenge of Real Processes Execution – A Business Case

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Management Summary

This business case is the continuation of the Article, “Overcoming the Challenge of Real Process Execution,” (published on BPTrends.com in October 2009). It describes how the approach presented in that Article helped an international organization increase its level of control and predictability through improved real process execution in its local entities.

The key added value is that this reality-proven approach is not just another conceptual initiative but a lean methodology for driving concepts into effective execution by the people performing processes at all levels of organization. The outlined business case shows also how a little investment can bring immediate positive results.

The Business Case

How can an approach to real process execution be realized with sustainable impact, while avoiding any conceptual overkill? Here is a concrete case: A large organization (listed at the NYSE) realized that it faced a significant challenge of predicting its business numbers; the local subsidiaries in Europe (more than 15) had difficulty delivering reliable forecasts to the regional headquarters. Even worse, the quarterly results were negatively impacted by unexpected business developments and high risks. The regional leadership team of the respective business units decided to depart from the usual path of putting more pressure on the subsidiaries to increase their reliability (e.g., by adjusting the reward systems), but rather to investigate the root causes of the phenomenon.

First, occasional business reviews led to the conclusion that the company’s business processes were not really applied in the way they should have been. That issue was quickly identified as one of major triggers of the high business volatility.

We set up a small team that performed process assessments with a few subsidiaries (the ones with the most burning business issues) and identified four key challenges for the local staff:

- Too many parallel initiatives with the problem of prioritization kept people busy at the cost of value-adding activity.
- A significant share of those initiatives, processes, policies, etc., were simply not understood (for content and for language reasons).
- The (officially) “implemented” processes were not always executed as intended. Among the subsidiaries, the maturities with respect to business process execution differed substantially. (Note: This “execution maturity” goes beyond the well-known BPM maturity by assessing the real execution of process steps and whole processes.)
- The local teams appreciated and perceived it as significant help that – first time ever – someone from the headquarter looked at their real processes and tried to understand the issues they were dealing with. Previously, this missing management on the process level resulted in an attitude like: “We can do whatever we want – Nobody cares!”

As a result of these and other trouble spots, we set up an innovative approach with the goal to anchor standardized business processes in the local entities and drive sustained real process execution. Our methodology was based on local assessments and included the following components:

- Regional standard process design as a backbone for all assessments.

- Repository of all relevant policies, guidelines, templates, etc., which represent very often the “process reality” in a subsidiary due to missing or non-understood process documentations.
- Process execution assessment, which was conducted on-site, at the local entity level, by interviewing the real process performers, not their managers.
- Implementation support aimed at attaining higher process execution maturity levels.
- Governance framework to sustainably manage the four components above simultaneously in all regional subsidiaries.

Through systematic execution of this framework we achieved the following:

- The leadership teams and employees in all countries recognized the **positive impact of business processes and the real execution of all defined process steps**.
- The regional management understood the difference between the launched initiatives, their local “implementation,” and the real execution by the employees. **New initiatives were launched more carefully**, and the BPM team accompanied their execution.
- The countries improved their process execution maturity level, resulting in **more compliance, more alignment, more efficiency and effectiveness, and more control**.
- **Best practices** were identified and could be leveraged with more ease by other subsidiaries.

Conclusions

This business case shows that it is possible to bring perception and reality closer together, even in complex and dynamic organizations. The presented methodology allowed us to establish a sustainable link between the two. However, it clearly requires some investment, and the leadership team needs to deeply support the endeavor. Some of the delivered values to the organization are

- A lean implementation of business process management (instead of conceptual overkills)
- A continuous link between regional or global leadership teams and their local counterparts in terms of operational management
- Higher motivation of local staff and leadership teams due to a more streamlined input of new initiatives from headquarter departments
- Higher predictability of business results and more transparency of business processes
- “Real” best practice sharing (in contrast to the “conceptual” best practice implementations that die too often before or directly after go-life)

As a summary, the described approach and responsible team could be seen as the “third” link between business entities and headquarter departments, where the first two links are business leadership and financial controlling. This third connection of real business process management is perhaps the most powerful and sustainable one, and it delivers value to all parties at the same time.

Author

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