Overcoming the Challenge of Real Processes Execution

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Idea in brief

- **Well-designed, effective, and efficient business processes are vital to** any high-performing organization only if they are really executed.

- We suggest ensuring sustained and real execution of processes by the people at all organizational levels by a lean and consistent method. **Our proposed approach will help you do this and unlock the full potential of really executed business processes.**

- Our **case** study – presented in a separate article – features the approach and the positive effects of sustained process execution.

Management Summary

To take advantage of effective business process management, organizations increasingly need a much better understanding of real operative process execution (versus "conceptual" execution) in order to reduce the waste of their effort, time, and energy.

On the one hand, a great number of companies suffer from too many business processes that are poorly executed or not executed at all. On the other hand, most executing entities of those organizations are overwhelmed by too many parallel inputs – sometimes even contradicting each other – which they have to handle.

This chicken-and-egg problem can be resolved with the help of a methodology for management of sustained process execution presented in this paper. A subsequent article features a case study describing its application and its positive effects on an organization's performance obtained in course of a process improvement initiative at a large international company.

The reality of process execution

The challenge

As a management discipline, Business Process Management (BPM) has been around for more than two decades, and still its effective application in companies has been seriously hampered by a number of misconceptions. To name a few of them: "Standard processes constrain people's creativity and lower motivation," "A good IT-tool will make BPM work," or "Process design counts for half-success of a BPM endeavor."

At the same time, the "people in the trenches" of an organization mostly share another – not entirely groundless – misperception.. For them, BPM might appear as a sophisticated science, remote from their everyday business: There are some "experts" in the headquarters who create some process flows, compare "best practices," and then disseminate the new process schemes throughout the company.

Moreover, such process definitions are not always delivered as process flows or easy-to-understand process documentations, but very often as policies, guidelines, initiatives, project deliverables, etc. Why is all that important? Because at the end of the day all these documents determine – intentionally or incidentally – process steps that people are supposed to follow.

What is wrong with that?

The more process-instruction kind of input the responsible people get, the less time and energy they can spend on value generating activities.

We did the math once at the subsidiary of a client's organization and counted the number of parallel initiatives, new policies, guidelines, and projects that influenced the process steps to be

executed by the people. The result was striking: more than 30 change-causing inputs at the same time!

All these inputs came from a number of different headquarter departments all over the world. The mentioned subsidary had about 50 employees who were expected to run their business and generate results. Now, guess what was their typical (and smart!) reaction? They ignored half of the input, looked at another 25%, and perhaps tried to follow the rest – sometimes too late and with arguable results. In our experience this conduct is typical for all organization's entities in similar situations. **Figure 1** illustrates the effect of performance dissipation due to business processes executed poorly or not at all.

Figure 1. Discrepancy between expected and real business performance due to non-executed processes

Having understood this, would you now wonder about the reasons for the poor process compliance in organizations? In fact, the reality is even more complex. Beside the purely quantitative aspect, there is another important issue: The people in the headquarters and other overhead departments might even ignore the "real reality" in different locations of the organization they manage. By "***real reality***" I mean the evidence that is created by the local people, the way they "live" the processes. The opposite is "***conceptual reality,"*** which is normally the PowerPoint or conceptions' universe. The latter presumes a "truth" that quite often does not last for long: in fact, only as long as you don't ask just one employee to describe what he or she is really doing when executing a certain process (or process step).

The consequences

What are the implications of management based on the "conceptual reality" that does not match the "real reality"? (According to my observation, this is an issue in most organizations.) There are no implications as long as nothing changes and there are no reporting or compliance requirements in place. Since I have never seen such an organization the answer is

The implications of lacking awareness about real process execution are tremendous and clearly negative for the organization's performance.

Here are the main consequences:

> ➢ **A significant amount of resources is wasted** in the headquarters and overhead departments to develop changes, initiatives, and projects that end up unrealized in many entities.

> ➢ People in the local units have two options: either **they lose the business focus** by following all new inputs in parallel; or they have to ignore some of the input. The first results directly in lower business performance; the latter in compliance risks.

> ➢ **Lose of control:** The decoupling between assumption and reality can develop over years so that at the end of the day the headquarters manage and drive the whole organization based on a wrong perception: they initiate changes that were already

executed or are already in place. Moreover, the leadership team does not start important projects because the managers assume a different reality. Sometimes Human Resource incentive systems for managers promote such a culture of "better-not-looking-into-reality."

By the way, all the described challenges deal with people's behavior in organizations and have not much to do with the IT infrastructure. **In fact, the mismatch between perception and reality can even be worsened by good IT systems** since simplified management reports (and those reports have always to be simplified) can strengthen the "dream" that everything is under control.

How to overcome the challenge of real execution

The methodology for sustained process execution

To overcome the above challenges you first have to control all initiatives, policies, projects, guidelines, etc., from the viewpoint of the receiving entity, e.g. a local subsidiary. Make a portfolio and prioritize realistically.

Second – and that is even more essential – you need to know what is going on in the reality of local entities. I am rather a pacifist but there is a military statement to the point: "You cannot win a war if you do not know what's really going on in the trenches, at the frontline."

Third, you need to manage the knowledge over time, because reality is continuously changing. That has nothing to do with "big brother" activities but with a continuous approach of "look, listen, and care, and follow-through."

Practically, this implies regular measurement of process execution maturity in local units. Finally, you need to provide an ongoing implementation support for all subsidiaries by building a platform for expertise exchange and cross-fertilization.

And last, but not least, the approach must not be another initiative on top of the others. Instead, it has to be a method that is perceived by the local entities as help for running their business more successfully and increasing employee satisfaction.

Considering all of those parameters, the proposed and applied methodology embodies a **cycle of on-site activities** ensuring effective process management and including the following:

1) On-site review workshop for collaborative assessment and best practice development, with the help of process map and maturity table.

2) Standardized assessment report (including maturity level assessment and specific recommendations).

3) Action plan (with each action linked with process execution steps, assigned with priority, effort, and due date, and an action owner).

4) Continuous follow up (to assess the action plan execution and detect the need for support from the headquarters team).

Figure 2 summarizes the methodology and presents the cycle of on-site activities for enforcement of real process execution.

Figure 2. Methodology for sustained process execution as a cycle of on-site activities

This relatively simple framework can significantly change your organization toward better compliance, higher predictability, better business results, higher agility, and customer satisfaction – to name just a few positive effects. One key here is to talk to the employees who really execute the process steps, not their managers, and to manage the four elements as a continuous endeavor. I recommend running the full cycle for each organization's entity at least once a year, and in dynamic environments more often. Another key is the consequence and consistency in following up the actions and providing onsite support.

Lean, simple, consistent, to the point, and of real help for the process performing people are the key success factors for this methodology.

A case study

Will be described in a separate article.

Author

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Volkmar has more than 20 years of international professional experience as business process principal, senior business analyst, controller, consultant, and IT expert in large companies such as SAP and Siemens. Most recently, he managed financial steering and on-site process reviews in more than 15 European countries and set up business process management programs in Japan, US and Latin America.

His motto in life: Let's walk the talk!