BPTrends
BUSINESS PROCESS TRENDS

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Business Process Problems

Business process improvement is a complex undertaking. In previous Advisors I have described some of the different traditions that guide business process practitioners. The three major schools include Lean-Six Sigma, a tradition derived from quality control, Information Technology (IT), a tradition that emphasizes software automation and decision support, and the Management tradition that emphasizes managing business processes to improve corporate performance. Each tradition emphasizes different things, but they share the common goal of improving the ways organizations structure and manage processes to create shareholder value.

We've recently read several articles defining the kinds of things that process practitioners ought to be aware of and identifying the competencies that process practitioners ought to have. I've decided to offer my own list. In fact, I am using a model that I and my colleagues at BPTrends Associates use in our training and consulting practice, so it really represents the collective wisdom of a team of consultants, all of whom have been working at process change for decades. As with the different traditions, different BPTrends Associates consultants emphasize different aspects of the whole, depending on the maturity of the client, or the particular problems a given client is struggling with. Figure 1, however, is designed to capture all the elements that one might want to consider.

If you want to generalize this a bit, you can forget business process practitioners, and simply ask what levers a manager needs to control if he or she is to improve the process he or she manages. It comes to the same thing: How can you improve the way work is done?

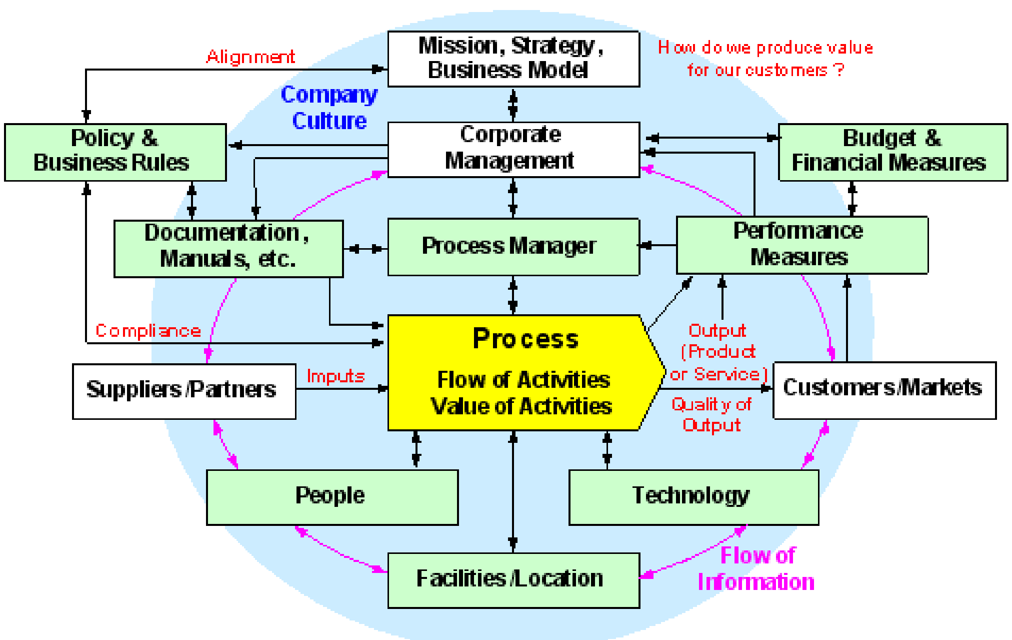

Figure 1. Sources of process problems.

Let's start in the center, with the yellow "arrow" labeled *Process*. Many assume that if we simply define a process and we analyze the activities and the flow between them, we have captured the essence of process work. In fact, although a given problem usually begins with a focus on a specific process, it often evolves beyond that focus rather quickly.

To get started, however, let's focus on a process. A process takes some set of inputs, transforms them, and generates some outputs of value to a customer. We would like each process to transform the inputs into outputs in the most efficient manner possible.

That means we should examine each activity to assure that it is necessary and adds value to the final outputs. In a similar way, we want to see how work flows between activities to assure that the flow is efficient and that there are no bottlenecks.

Ultimately, the way to be sure that our process is working well is to establish measures that let us evaluate the overall efficiency and effectiveness of the process. Subsequently, as we make changes, we continue to measure to determine if we are, in fact, improving the process.

So far, so good. Probably everyone agrees on these basics. Next, however, we need to step back and think about all this a bit more abstractly. Not only does a process have inputs and outputs, it has stakeholders. People care that the process runs as it does. Some would be happier if the process were more efficient. Once we begin to analyze the stakeholders of the process we begin to identify the specific customers and suppliers that are linked to the process via the inputs and outputs. Equally important, we also begin to identify stakeholders who actually implement the process - stakeholders like employees and managers, and internal support processes like HR, IT, and Facilities.

In a similar way, we begin to identify stakeholders who relate to the process via management processes. Corporate managers define policies, division and department heads define business rules, and financial officers define budgets. All these individuals provide inputs and receive outputs from the process. We need to examine how each of these stakeholders interacts with the process we are focused on, and what changes they would find useful.

One of the key insights that emerge from a serious analysis of stakeholders and how they relate to a process, is the importance of the day-to-day process manager. In most organizations, employees are given their tasks and evaluated by a manager who influences most aspects of the process. Most experienced process practitioners are quick to say that changes in how a specific process is managed are often more important than changes in the activities, employees, or flow of work that defines the process. If managers don't set clear goals, provide feedback when the work is on target, or suggest corrections when it isn't, the process quickly goes "off target." (All one needs to do is look at one of several videos that show what happens when a symphony orchestra tries to play a complex piece without a conductor. It starts well enough, but gradually it becomes less focused and finally it breaks down.) Half of any process analysis effort should be focused on the interactions between the process manager and the employees performing the day-to-day activities that transform inputs into outputs.

In a similar way, we need to examine each of the support elements. Are the employees properly trained? Do they have the knowledge and the motivation they need to perform? (For that matter, does the process manager have the motivation he or she needs? It's amazing how often one finds that the manager is being given a bonus based on something other than the goals that the process is to accomplish.) Are the software applications that support the process really adequate? Do the employees work more efficiently because of the software, or do they have to fight the software to get the job done? Do the employees have the physical space and tools they need to perform in the most efficient manner possible?

If the process is a service process, the interaction between the activities and the customer are very important. In many cases, that process practitioner must analyze the activities of the customer in considerable detail to determine whether the process is really providing value to the customer, or if the existing process is actually making life much more difficult for the customer. (One needs only think about the last time one acquired a product and then tried to get service. One study shows that 40% of the people who take their cars in to be repaired have to take them back a second time because the repairs were not done correctly the first time!)

Let's assume our process team developed a set of process measures and, having made some changes, is prepared to announce that the process is much improved. How do the measures being tracked align with measures for the large value chain that contains the process we are focused on? How do the process measures align with the goals of the organization? In a similar way, we want to be sure that the activities of the process, no matter how efficient, conform to the business rules and policies of the organization. We don't want to create a highly efficient rogue process that is achieving "great results" while ignoring the accounting principles and ethical rules to which the organization has committed itself.

Finally, we want to know about more abstract stakeholder concerns. Does the manager responsible for the process know when customers are happy or unhappy with the results? Does he or she get immediate feedback, or only find out the process is off target when the quarterly results are reviewed. Similarly, does corporate management know how the process is performing? If something goes wrong, can they quickly identify the process and activity that is leading to the problems? How efficiently does information flow between the relevant people in the organization?

We usually start by identifying a process that someone thinks is broken. We define that process and consider where its boundaries lie. But then, if we really want to assure we are going to improve performance, we expand our view to include all the stakeholders who are related to that process and determine how each is affected and how each impacts the process. Not infrequently, we go to whoever has requested the process improvement project, and suggest a change in scope. Perhaps we not only need to analyze the process but also need to examine software applications, training programs, or policies that drive or constrain the working of the process. Invariably, we need to study the interaction between the employees doing the work and the managers responsible for planning and controlling the effort.

Those who think processes are simply an element of operations will resist the expansive view of processes that we suggest here. Those experienced in changing organizational performance will know, however, that change does not come simply from changes in specific activities or changes in the way the work flows between activities. Ultimately, an organization is a system of processes. It is other things besides, of course. It's an engine to generate a return on investment or to provide work and income for people. But the processes that define how an organization does its work and creates value are integrated into all aspects of the organization, and successful process change requires a process change team that is prepared to address all of the elements that affect how each of the specific processes really work.

Processes fail to perform as we desire for a wide variety of reasons. Our methodologies, to be really effective, must help us to identify and examine each of the many variables that contribute to, or constrain, the success of each process. Effective process practitioners need to wear many different hats.

Till next time,

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