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What is Your Process Problem Model?

Different groups have very different ways of thinking about the nature of business process change. When you talk with a number of individual process practitioners, you realize that their differences ultimately spring from their perspective and their understanding of the nature of business process problems.

A **process problem model**, implicitly or explicitly, concerns itself with the nature of the “causes” of business process problems and different groups use different types of diagrams or measurements to help them identify both the problems and the causes of the problems. It is often said that to a hammer, every problem looks like a nail. To someone with a process problem model that is focused on software automation, every problem looks like it is caused by a software automation problem. Similarly, to someone with a business process model that is focused on employee performance, every problem appears to be caused by a human performance problem.

Going off on a slight tangent for a moment, evaluation experts divide projects between those that call for formative evaluation and those that call for summative evaluation. When you do summative evaluation, you assume that the project is doing what it should be doing, and you evaluate to see if it is achieving its stated goals. Thus, a summative evaluation of a US Head Start pre-school program designed to improve performance of children in 1st and 2nd grades would check to see how children who participated in the program performed in the 1st and 2nd grades, compared to those who did not participate in the program.

Formative evaluation, on the other hand, considers a project and asks about all the possible consequences that could flow from the project. This approach assumes that while a project might fail to achieve a stated objective, it might achieve other benefits that no one imagined when they established the project. Obviously, formative evaluation requires evaluation experts who are able to think outside the box and who can define and measure a wide range of consequences, both positive and negative.

Some business process change projects are very much in the summative mode. The project team knows what the process was designed to accomplish and proceeds to measure and change the process to make it more likely that it will achieve its stated goals. The team does not consider whether the process is needed in the first place, or whether the outcome could be accomplished in an entirely different way. Moreover, they usually confine their measures to a rather narrow range of outcomes.

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Some process consultants operate very much in the formative mode. They assume that their real goal is to improve the overall performance of the organization. Thus, before they focus on how a specific process is performing, they ask how the process contributes to the overall success of the organization and to satisfying customers. They ask what value the process adds and whether it might be accomplished in a different manner. They ask how a change in the specific process might affect other processes.

Too often, summative projects sub-optimize the overall performance of the organization. The project improves a specific process while simultaneously making it harder for other processes to achieve their goals. Both Six Sigma and Automation projects are often faulted for sub-optimizing the processes that interface with the “improved” process.

Now, let's pop back up and consider process problem models again. Some process change methodologies are summative in nature. They assume a narrow range of possible causes and proceed to look for the data that will confirm their assumptions.

Better process problem models are more comprehensive and more open ended. They are essentially formative in nature and are designed to help practitioners consider all of the many different causes that might tend to sub-optimize an organization's overall performance. They may begin by looking at a specific process but they incorporate methods that assure that they broaden their scope, as necessary, to optimize the overall performance of the project.

Consider the experience of practitioners working with the Supply Chain Council's SCOR framework. The SCOR framework makes it easy to characterize the high level processes that make up an organization's supply chain. Moreover, SCOR provides benchmarks so that an organization can not only create a process architecture, but can also assign metrics to each process and obtain data that will let the organization compare its results with those of others in the same industry. Companies that use SCOR often start the exercise thinking they already know where their problems are. The managers, for example, are convinced that suppliers don't deliver on time and that that is the cause of their problems. Having modeled the flow of all of the elements in the supply chain and compared measures, however, the organization might find that their suppliers are operating well within industry parameters, but that their management of inventory is substandard, or that their returns are well above industry averages. This example is one example of the power of a comprehensive, formative approach to improving business processes. By taking a more open-ended view, the organization provides itself with more information about more possible sources of problems before it settles on one specific type of solution.

Since the heavy costs of a process redesign project typically occur late in the project, anything that assures that the project is properly focused and targets the problems that will provide the largest return on investment is bound to serve the organization better.

To think about all this a little more concretely, consider a cause-effect (Ishikawa or fishbone) diagram. In essence, the head of the fish is a problem. The bones of the fish suggest things that could be causing the problem. Many cause-effect diagrams are focused on narrow and specific problems and the causes are very narrowly defined during a brainstorming session, as they are in Figure 1.

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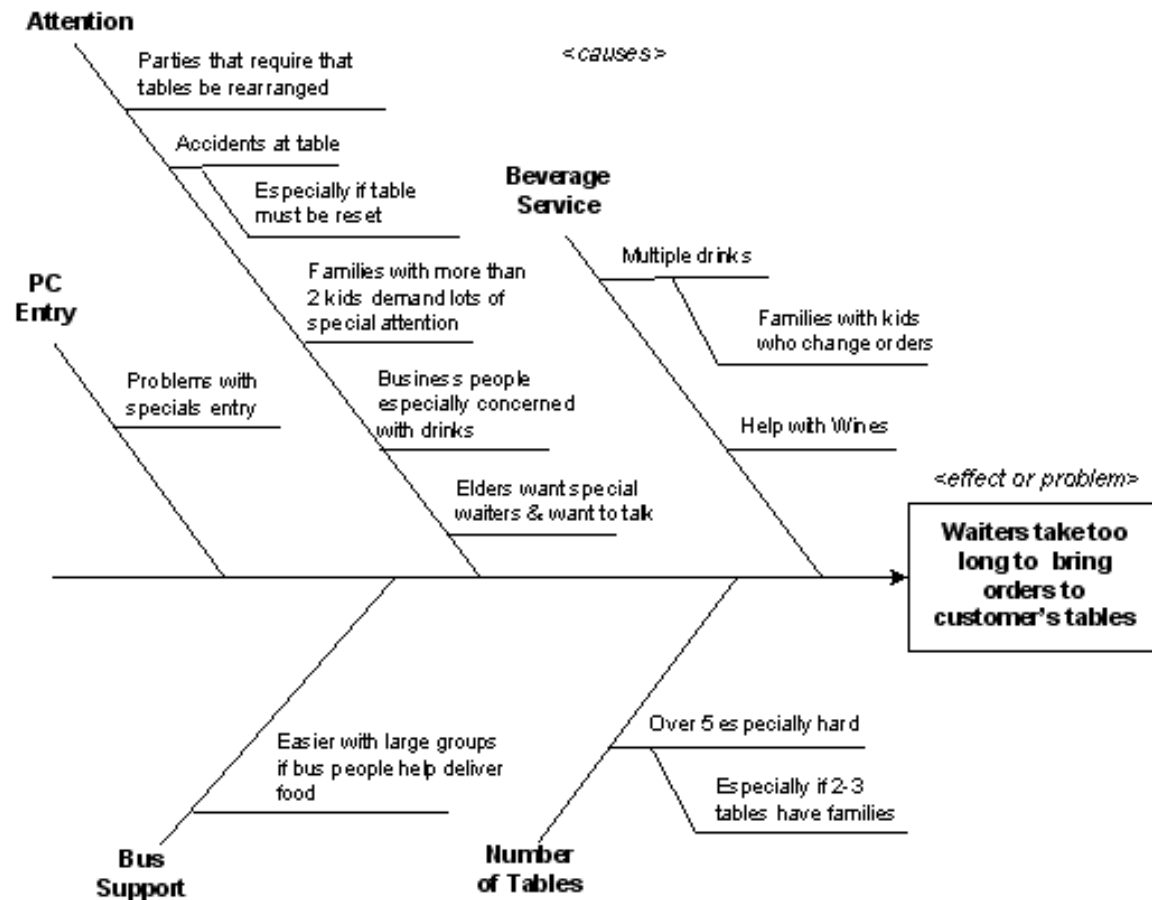


Figure 1. A simple cause-effect diagram.

Some practitioners have made their problem models explicit by creating “standard” cause-effect diagrams. Thus, Figure 2 pictures one popular “standard” cause-effect diagram that assumes that the broad causes to be considered are machinery/equipment, people, methods and materials.

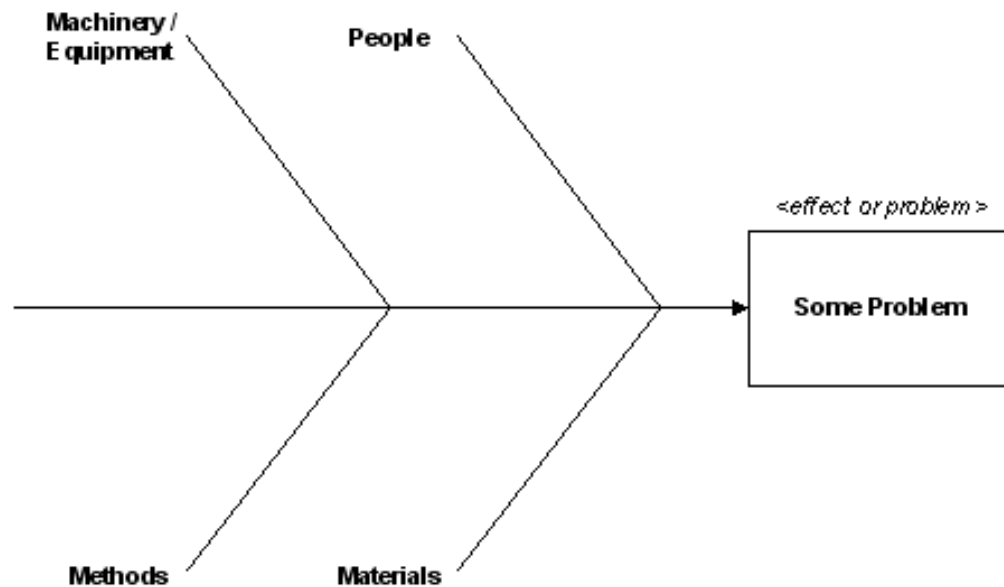


Figure 2. One popular “standard” approach to structuring a cause-effect diagram

Once the process problem model has been explicitly stated in this way, then the obvious question is: Do these four generic causes of process problems: Machinery/Equipment, People, Methods, and Materials, represent a comprehensive list?

One can imagine that a standard cause-effect diagram produced by an IT process group that was looking for signs that automation could improve a process might come up with a rather different set of labels for the bones.

The BPTrends Associates process redesign methodology is a formative methodology that begins by analyzing the challenges facing an organization in the most comprehensive manner possible and then focusing on identifying those changes that will yield the greatest benefit to the organization, as a whole. We start by building a simple high-level enterprise business process architecture. Then, we take measures on the major subprocesses and on customer satisfaction before committing to making changes in specific process. Even when we focus on a specific process, we try to assure that we consider as many causes as possible. Figure 3 provides an overview of the BPTrends Associates process performance model.

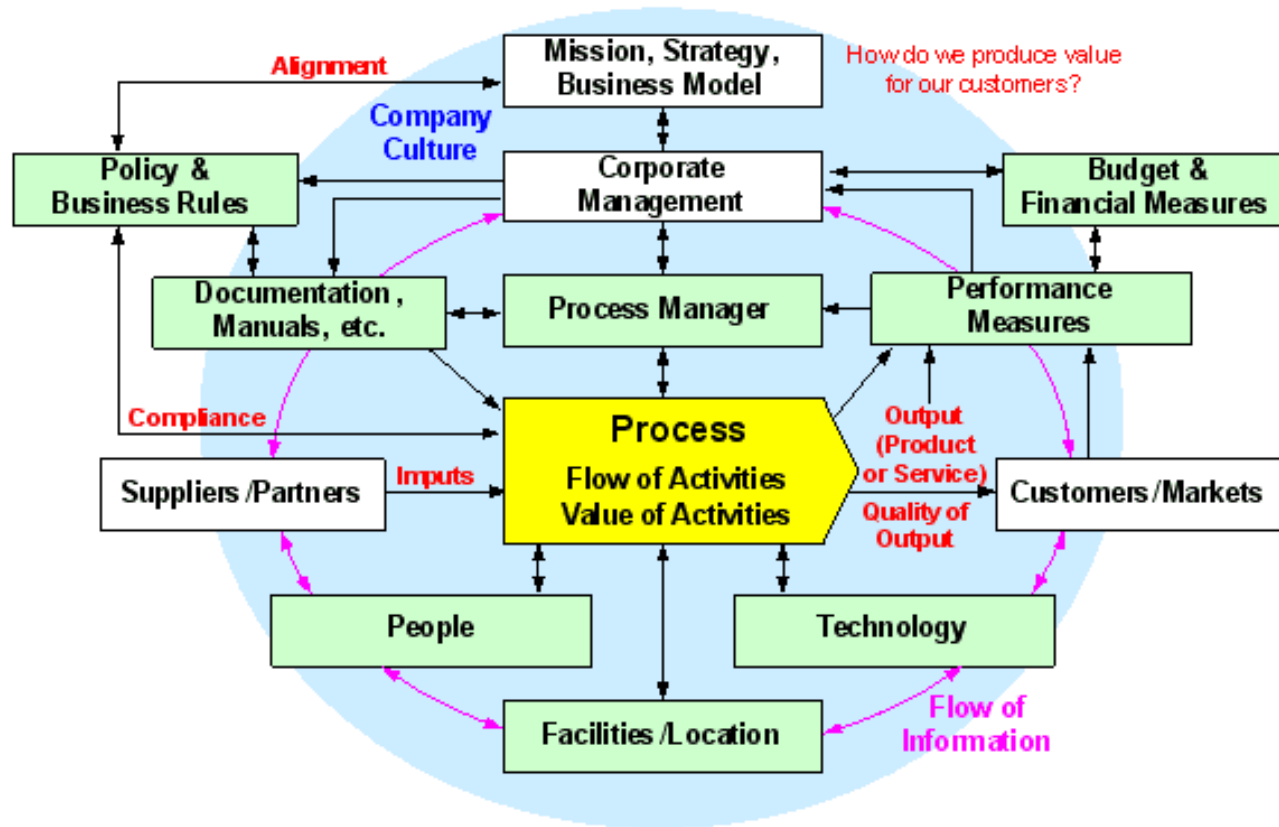



Figure 3. The BPTrends Associates process performance model.

Figure 3 may seem a bit complex but we believe it is important to consider all aspects of a process problem before defining a solution. Some process problems are internal to the process. Sometimes the flow of activities aren't well organized or specific activities are performed that should be eliminated. In a similar way, some problems are caused by poorly located facilities, or by a lack of needed equipment. Other problems are caused by poorly trained employees, or by managers who don't provide their employees with adequate feedback about their successes or failures. Still other problems are caused when process managers get bonuses for activities that are incompatible with the goals of the process, or they are caused by customers who aren't satisfied with the product or service. Other problems occur when databases don't deliver the right data, when interfaces are too hard to use, or when information isn't routed to the people who need it. A good formative process problem model must consider and evaluate all of these potential causes before deciding which changes might yield the greatest improvements in organizational performance.

Organizations that are really serious about becoming process-focused must take a broad view. They can't afford to have their process redesign efforts defined by groups that are focused on a limited number of the many variables that are at play in any major organization. They can't afford to launch projects to fix small problems while ignoring problems that involve much larger sums of money and are much more likely to impact the organization's overall performance and competitive advantage.



The next time you talk with someone about a process project, ask yourself: “What process problem model is this individual using? What kind of possible problems is he or she going to look for and what kinds of problems is he or she likely to find and/or miss?” A comprehensive Process Problem Model, explicit or implicit, lies behind every great process practitioner.

Till next time,

Paul Harmon

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