Part Three: Frameworks and End-to-End Processes
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Role of the Process Framework

A process framework is a means of grouping processes into appropriately related categories. Most process frameworks use the concept of value chains as the basis of these categories. By using a common language to define all tasks, organizations can standardize their approach to a number of crucial process related activities: process management, continuous improvement, benchmarking, and content management. Without such a well thought out pre-defined list of processes, multiple business units within a single organization could have differing interpretations of the units of work and that ultimately will undermine any chance to manage processes consistently across an enterprise.

Most frameworks will require some refinement to fit a particular organization. Process frameworks are based on what's appropriate for similar organizations often based on industry similarities but require adjustments based on variations within the industry including regulatory restrictions, geographical differences, terminology that does not reflect the organization's semantics, activities segmented differently according to how the organization accomplishes and manages work, and detailed level tasks. Level 4 activities typically require the highest percent of changes, because this level starts to move from defining "what" work is accomplished to "how" a particular organization accomplishes its work.

Common Frameworks

The hardest part of getting started with frameworks is understanding what's available and which process framework to use that will be of most advantages to you. Five reasonably well-known process frameworks out there today are described.

1. **Enhanced Telecommunications Operations Map (eTOM):** is a framework for the analysis and improvement of telecommunications company processes, with a focus on customer support and customer satisfaction.
2. **Information Technology Infrastructure Library (ITIL):** is a process framework that focuses on the service processes that IT provides within the business or as a service to outside businesses. It was created by UK Office of Government Commerce (OCG) and is maintained by AXELOS.
3. **Process Classification Framework® (PCF):** is a framework developed by APQC that consists of four process levels: category, process group, process, and activity. There are several versions of the PCF including a comprehensive cross industry framework and several industry specific frameworks. Each framework consists of a set of 13 process categories, covering 6 operational areas and 7 support areas. The PCF includes definitions and KPIs for many of the process elements. This set of frameworks is the most recognized in the process management community around the world.
4. **Supply Chain Operations Reference (SCOR)**: is a framework developed by the Supply Chain Council, and is predominantly used by organizations with a

significant investment in supply chain management. The model is structured around five high level processes: plan, source, make, deliver and return and has variations for particular types and styles of supply chains.

5. **Value Reference Model (VRM):** is a framework that comprises three themes—plan, execute, and govern—for the four domains: enterprise management, supply chain, customer relations, and product development. The VRM framework is a three level process reference model that includes definitions, inputs and outputs, and KPIs.

Choosing a Framework

Choosing a framework should depend on what the organization is trying to accomplish with its process management efforts. There are there limiting factors to many frameworks that organizations should keep in mind:

- **Is it industry or function-specific?** Industry or function-specific frameworks can easily limit the organizations' ability to look outside of standard industry or functional silos. This can lead to adopting best practice approaches that may be sufficient for matching what others may do but may not surface new innovative processes when those are called for. Unless used as recommended in this paper, these frameworks can limit the ability to develop a differentiated and effective end-to-end process approach.

- **Does it include a means for traceability?** Frameworks that do not include IDs for their process elements limit impact analysis traceability if the framework is modified during mapping to reflect how the organization actually conducts work or to measure, monitor and benchmark similar processes in different business lines or regions.

- **Does it include definitions or key performance indicators (KPIs) for the processes and activities?** A key benefit behind the use of a framework is to create a common language and clarity around the organization's processes. Without definitions the processes are still open to interpretation. KPIs such as the types shown earlier in this paper are also critical to provide guidance on the end goal of the process and help organizations make commensurable comparisons on business and process performance both internally and externally.

Why Do Organizations Need a Framework?

Organizations can use a framework as a reference guide to support the key steps of an effective end-to-end process architecture methodology. Process frameworks are particularly useful for assessing the current state of an organization's processes especially where the processes are replicated across a larger organization's regions, districts and offices. Usage of a framework allows a common basis for mapping its process, comparing variations, benchmarking current performance, and identifying and prioritizing improvement opportunities.

Assess the Current State

Organizations will often assess the current state of their processes when starting on their process journey for a few reasons:

- gain a common understanding of the organization's work,
- identify missing and redundant processes,
- assess the performance of its processes,

- determine which processes provide the most value,
- engage employees in process activities, and
- provide clarity on who does what.

In other words, assessing the current state of processes helps provide a baseline for process understanding, improvement, performance management, and engaging employees to think in process terms. There are several ways organizations can baseline their processes' current state: benchmarking, surveys, workgroups, and process assessments. The method applied depends on the organization's available performance information, business process maturity, and the amount of employee engagement needed.

For example, Elevations Credit Union wanted to understand its current processes and documentation before it went forward with its process development and mapping exercises. Elevation's process maturity was at an initial level because it did not have available process measures and knew that it needed to engage employees in its process journey. Hence, Elevations took each level 2 process group and level 3 process within APQC's Banking PCF and developed a survey based upon it, asking employees to report performance of the process and, where applicable, if documentation exists. Elevations stressed the importance of keeping the survey simple and engaging, so it combined a five-point scale with function-specific lists by process group (Figure 1).

Elevations Survey Rating

Level 5	Level 4	Level 3	Level 2	Level 1
We don't have a process--we just get work done.	I think we have a process. But its in our heads and not written down.	We have a written process, but it isn't consistently followed.	We have a process written down and we generally follow it. But we don't measure our performance.	We have a written down process, that we consistently follow, and are able to measure our performance.

Figure 1

Elevations then used the survey results to get employees to understand and embrace the need for change. It then started cementing employee buy-in through a series of workshops for each process group to document the flow of processes.

Map the Processes

When organizations first begin mapping processes, they often have trouble visualizing how processes that cross multiple functions and involve disparate groups of people fit into their organizational architecture. However, as discussed in previous sections, cross-functional maps help organizations understand the processes of their full value stream (including their inputs, outputs, and interdependencies) and all relevant stakeholders, ultimately improving the organization's business process management capability.

Process frameworks are beneficial for process mapping exercises for three reasons:

1. **Saves time – fast start.** Most organizations do not have the luxury of spending years building their process maps from the ground up. A process framework provides a list of all the common process elements found in most companies that organizations can use as building blocks for their mapping activities.

2. **Establishes a common nomenclature.** A framework provides a standardized taxonomy or language that the organization can use when referring to its processes which ultimately helps with alignment and performance management. This is especially helpful to cut through the dissonance when organizations use varying terms and naming conventions among groups internally.

3. **Creates buy-in.** Process frameworks provide an objective third-party standard that organizations can use to consolidate differing process perspectives among divisions, business units, or regions.

Using a framework, process mapping or modeling can be scaled to meet the organizations needs and can take several forms from simple to sophisticated. Paper, and a pen, post-it notes on walls, hand-drawn maps on paper, and mapping software of varying capabilities are all options. With knowledge of the process, representatives of the roles in the process, and related policies and procedures, an organization can quickly and effectively start the end-to-end mapping process.

For example, Pearson used APQC's PCF in combination with a collaborative process mapping workshop to develop a common understanding of the process life cycles, establish standardization, and generate buy-in. Pearson started by identifying the key stakeholders involved in the process to form the work group that would be responsible for consolidating and mapping its processes. The team started its alignment discussion with a level-one category (9.0 Managing Financial Resources) from the PCF and then moved onto the next level. At level two, the team used an end-to-end business process management perspective to outline the entire finance cycle—procure to pay (P-to-P), record to report (R-to-R), and order to cash (O-to-C). Then, the team chose one of the level-two categories and drilled down (using the PCF as a reference guide) to outline the sub-processes and tasks and to decide which were relevant to Pearson's business in an end-to-end manner. Throughout the mapping discussions, the team also assessed how each process, sub-process, and task aligned to the organization's strategy, looked at how it would work in the technology delivery component of the ERP implementation, and noted any action items they would need to implement the new processes. In the end, because the team was able to use the PCF as a guide for its end-to-end workflow, it was able to discuss and determine which processes and sub-processes aligned with how Pearson conducted its R-to-R activities. This ultimately allowed it to discard redundant processes and only include those that added value to business and customers; resulting in 21 processes for the final end-to-end map.

Another organization physically enlarged the process category sections of APQC's PCF until they were wall-sized and used color-coded, sticky notes to identify the "state" of each process based on its current state assessment, to identify the process gaps. Through facilitated sessions, process owners and key process stakeholders used customer-based scenarios and the wall size PCF sections to identify the relevant processes and sub-processes and connect them across the enterprise. This exercise accomplished three things. First, it pinpointed which process-groups were intrinsic to the creation of customer value and which ones were the least developed, providing

information for future process development prioritization. Second, it created an initial framework for an Enterprise Process Map. Finally, it helped the organization realize how all the processes were linked and to gain understanding of interdependencies—that one group's outputs were another's inputs.

Benchmark and Identify Improvement Opportunities

Benchmarking current performance is a natural extension of mapping. Once the organization has established a common process model and mapped out its processes, it can then use the information it gathered while assessing the current state and mapping activities for benchmarking. Benchmarking helps organizations establish a baseline or stretch goals for their performance or identify best practices they can adopt for their process stabilization or improvement efforts. An organization can benchmark processes internally (compare similar business units or processes within the organization) or externally (compare itself to other organizations) in order to gain best-practice insights.

Process improvement is the systematic approach that helps an organization optimize its underlying processes and achieve more efficient results. Process improvement includes a series of actions by a process owner to identify, analyze, and improve existing business processes within an organization to meet new goals and objectives, such as increasing performance, reducing cost, and improving cycle times.

As noted earlier, conducting a current state assessment helps organizations understand the performance and value of its processes. Hence, process frameworks like the PCF provide a common framework for measures and organizational capabilities. Additionally some frameworks like the PCF provide a list of common KPIs for the process elements, giving organizations an initial starting point for identifying the best fit KPIs. APQC's Process Improvement: The Value of Benchmarking found that conducting benchmarking significantly increased the effectiveness of an organization's process improvement efforts.

For example EMC understands that measurement without context does not provide meaningful information for decision makers. Hence it uses internal and external benchmarks for its performance measures identified using the PCF to put its performance in context. The research included identifying the top quartile, the median, and the bottom quartile performance measures through third-party sites such as APQC's benchmarking portal and comparing peer organizations' measures when possible. This information is integrated into an end-to-end process scorecard (Figure 2) to track performance over time to meet its objectives of understanding which processes provide strategic value and identifying and prioritizing improvement opportunities.
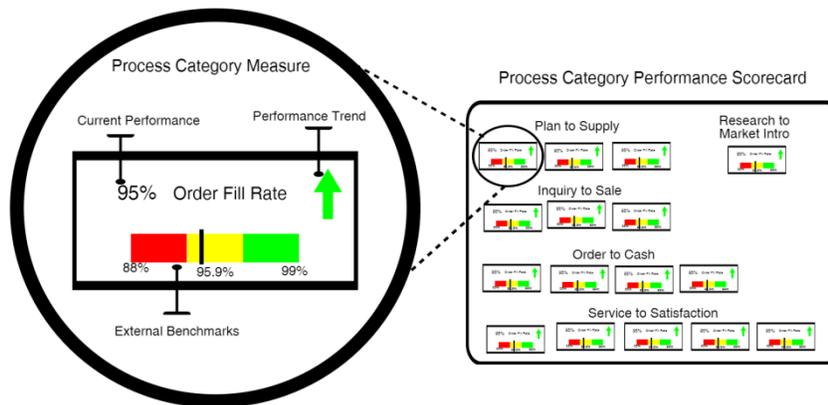
End-to-End Processes Scorecard

Figure 2

The features of the scorecard help decision makers understand the performance of the process, and they also provide the ability to scan the scorecard, identify performance issues, and drill in to identify opportunities for improvements.

Hewlett Packard (HP) also uses the PCF as a method to help filter IT business architecture improvements. The team requires businesses within HP submitting IT business architecture project requests to denote which PCF elements are affected. This enables the IT team to look across all project requests and identify any synergies or overlaps, ultimately reducing duplications and improving project prioritization.

Other organizations use the PCF as the framework for heat maps, which help organizations identify performance or capability gaps for improvement opportunities based on external or internal baselines.

You need both end-to-end and Framework models to be most effective

Process management has the potential to help organizations achieve their strategic goals and optimize work to focus on creating value for customers. However this requires organizations to understand their value chains, value streams and develop end-to-end process models that connect to external stakeholder value creation. As noted earlier, without a foundation in end-to-end processes, organizations will most assuredly struggle to respond successfully to key business drivers such as digitization, agility, loyalty, operational excellence, and innovation. Frameworks play a key role in assuring the end-to-end models are of high quality and most importantly retain complete integrity.

While either the end-to-end process methodology or process frameworks can be used independently, combining them is invaluable for process management and helping organizations achieve these goals. The methodologies discussed in this paper are intended to help organizations understand and prioritize the key processes that provide optimum value for the organization. In other words, the end-to-end approach helps develop an organization-specific outline of how it accomplishes work customized to reflect its stakeholder and internal needs and value drivers. On the

other hand, process frameworks help outline the complete set of business processes that describe how work gets accomplished; ultimately speeding up the development process, supporting standardization, and leveraging a common taxonomy which supports "apples-to-apples" comparisons externally.

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