

Process Improvement in Slow Times

It was great to be alive in 2004, especially if you were a process improvement practitioner. To begin with, no one had heard of coronavirus and few had heard of Trump. What process people had heard of was Business Process Management (BPM), a new approach to process improvement that emphasized new process analysis and design tools. These tools depended on the Internet and XML, an internet protocol that made it easy to link processes together. Until very recently, if you had two applications written in two different languages, or worse two different ERP application suites, getting the different apps to talk to each other was difficult. Thus, designing business processes that moved data from one application to another was rather hard. Lots of people in lots of companies worked to do this manually. A clerk would sit at a computer terminal, read data from one screen and enter it on another screen, thus transferring data from one app to another. This was obviously no one's idea of efficiency, but it was often the best that an organization could do.

New BPM tools promised to eliminate the problem. One began by developing a high level overview of a process – one that showed data flowing from one app to another. Then, using XML and related techniques, one arranged for the “higher level” app – the process model – to make the transfer. I've simplified. And there were several ways to accomplish what I've described, but the fact was that it had suddenly become possible, and lots of organizations wanted to do it. Conferences proliferated and practitioners came to talk with vendors and figure out what would work for them. Articles were written and workshops were held.

All this happened within an even broader context. ERP had been widely embraced during the transition from 1999 to 2000 to help assure

companies avoided computer glitches. Different “schools” of process work, from BPR, Lean and Six Sigma to Value Chain Architecture, CMM and BPM all suddenly found they’d exhausted their particular set of tools and began to search for ways to expand their toolkits. BPM conferences invited Lean speakers, and vice versa.

The essence was that management were interested in processes and they were willing to spend money to gain competitive advantage. The process market was hot and those interested in process work were encouraged.

If one looks back at the history of business enthusiasms, over the course of the last 50 years, one sees that process improvement is an enthusiasm that rises and falls. In the mid-Eighties, Six Sigma was very hot and companies rushed to set up Six Sigma programs. In the Early Nineties Business Process Reengineering was hot and companies invested in process automation. In the early years of the new millennium, Business Process Management (and Lean) were both very hot and those engaged in process work were supported by senior management, who were reading exciting things about process work in their various journals and magazines.

The recession of 2008 did a lot to shift the emphasis from BPM to other organizational concerns. By 2019 the bloom was certainly off the BPM rose, and companies were focused elsewhere. In 2020 the coronavirus pandemic effectively wiped out any remaining enthusiasm for process work at most organizations.

Those interested in process improvement must wait for a new round of enthusiasm to re-excite the process market. Luckily for us, this is a perennial event and we can be confident it will happen again, soon.

Process is perennial simply because the need to consider organizations as systems and to try to integrate the various parts in coordinated wholes is ongoing. This isn’t taught well in management schools. MBA programs tend to make managers into specialists – into accountants, or marketing specialists, into operations people or strategists. In a financial crisis, companies tend to turn to people who specialize in guarding the organization’s financial resources. In growth periods, organizations turn, instead, to those who can envision and achieve appropriate expansions.

When not watched, groups within an organization tend to work to optimize their own situations. We often refer to these subgroups as

silos. Thus, marketing works to maximize marketing's concerns, while accounting tends to work to make the organization efficient for accountants. What Geary Rummler famously termed "the white space" – the spaces on an organization chart that lies between the different departmental columns is ignored. The organization becomes "vertically" focused, on its departmental columns or silos.

The process vision is a holistic vision. It focuses on how things flow, horizontally, from one department to the next. It focuses on how a customer order is processed and becomes a set of operations and then a shipment and a customer payment. Process focuses on how things flow smoothly, or not so smoothly from one department and group to another. It focuses on how support processes in departments like IT, Accounting and Personnel contributed to flow of the core processes that generate products and services for customers.

At any given time an organization is either focused on departmental specifics and on making them efficient, or it is focused on processes and how to balance departmental needs against the needs to the process, as a whole, to assure the customer's concerns and the organization's strategic concerns are achieved.

As a generalization, an MBA tends to focus a manager on maximizing the efficiency and effectiveness of a departmental operation. As managers work in actual organizations, however, they learn the value of systems and a holistic vision that balances the interests of specific departments against the success of the organization, as a whole. The managers who learn this best become the advocates of business processes analysis and design.

It should be obvious, at this point, that I am not talking about IT or about "processes" as the term is used in application development. IT is important. IT applications contribute to the automation of business processes and that, in turn, has been one of the major drivers of business process improvement in our time. (It's almost impossible to imagine a modern organization with thinking of its reliance on computers, databases, automated accounting systems, spreadsheets, or the Internet, email and the Web.) In many companies IT has provided a majority of the business analysts who analyze and redesign business processes.

In spite of the importance of IT, however, my concern with business processes is a larger and more organization focused vision. I am interested in how strategic goals are set and implemented. I am

interested in how middle managers work with employees to assure workgroup goals are achieved. I am interested in how employees are trained and motivated, how worldwide supply chains flow smoothly, and how sales systems integrate with operations and delivery systems to assure that customers get desired products on time. From the broadest perspective, an organization only has one or a few very large business processes (aka value chains) and those processes integrate all departments, managers and employees, and technologies to generate the products and services the organizations exist to make.

Process work goes on continuously. At any given time in any specific organization, someone is working to make specific activities more efficient or effective. Departments with process focused managers often work on their internal processes, even if the organization, as a whole, is focused elsewhere. Even during the pandemic, some people are focused on process work. When people have to work at home, for example, some organizations invest in procedural rules and software applications to set goals and monitor results.

Process work only becomes really exciting, however, when lots of CEOs in lots of different organizations decide that some new process initiative might offer their organization a major advantage and begin to direct resources toward major process initiatives – as they did when they decided they needed to standardize their IT apps with ERP suites, or when they decided that process tools with XML would lead to major improvements in how processes were integrated and managed.

2020 is not a time of process excitement. But that may soon change. The election in the US promises the return to more predictable times. The discovery of coronavirus vaccines promises the gradual disappearance of the pandemic. Meanwhile world trade has been disrupted and major new initiatives have become important. 2021 will see many trade relationships reestablished and it will see a major new emphasis on controlling harmful climate interactions. The emphasis will be on new technologies, new products, new industries and new jobs.

All this will take place in the context of a major new breakthrough in computing. Artificial Intelligence (AI) has been simmering for the last three decades and has now shown that it can generate major breakthroughs. In the coming decade we will see auto-driven cars and

trucks, voice-generated applications of all kinds, user friendly robots, and

powerful new decision-support tools, all based on AI applications that will, predictably, grow even stronger as they learn how to function in their various new roles.

Change and AI tools will drive a new enthusiasm for business process work, in now in 2021, certainly in the later years of the decade. This may not be a good year for those of us interested in business process work, but the coming decade certainly will.

Author

Paul Harmon

Executive Editor and Founder, Business Process Trends In addition to his role as Executive Editor and Founder of Business Process Trends, Paul Harmon is Chief Consultant and Founder of BPTrends Associates, a professional services company providing educational and consulting services to managers interested in understanding and implementing business process change. Paul is a noted consultant, author and analyst concerned with applying new technologies to real-world business problems. He is the author of *Business Process Change: A Manager's Guide to Improving, Redesigning, and Automating Processes* (2003). He has previously co-authored *Developing E-business Systems and Architectures*(2001), *Understanding UML* (1998), and *Intelligent Software Systems Development* (1993). Mr. Harmon has served as a senior consultant and head of Cutter Consortium's Distributed Architecture practice. Between 1985 and 2000 Mr. Harmon wrote Cutter newsletters, including *Expert Systems Strategies*, *CASE Strategies*, and *Component Development Strategies*. Paul has worked on major process redesign projects with Bank of America, Wells Fargo, Security Pacific, Prudential, and Citibank, among others. He is a member of ISPI and a Certified Performance Technologist. Paul is a widely respected keynote speaker and has developed and delivered workshops and seminars on a wide variety of topics to conferences and major corporations throughout the world. Paul lives in Las Vegas. and can be reached at pharmon@bptrends.com.