Practical Process   Roger Tregear

The Problem With Problems

If process improvement was a crime, would there be enough evidence to have you convicted beyond reasonable doubt?

When we talk about, and when we do, process improvement, we suffer from a seemingly inevitable human tendency to focus on problems, on issues of poor process performance. If challenged, we might say that we mean, of course, "problems *and opportunities*" but that aspiration is seldom sustained in practice.

It is no longer enough, if it ever was, to focus exclusively on immediate process performance issues (cost, time, defects etc.) and ignore opportunities for improvement. Henry Ford reduced the time it took to build a Model T chassis from 12½ hours to 1½ hours. That was a prodigious feat but would have been pointless if nobody wanted to buy a car. In 1976, with 90% share of the US market, Eastman Kodak was ubiquitous. By the late 1990s it was struggling and by 2012 it was in bankruptcy protection. Despite having invented core technology used in digital cameras, Kodak was too slow in reacting to a serious decline in photographic film sales. At its peak, Kodak also had a great story to tell about increasing operational cost-efficiency and process improvement. In reality though it became efficient at producing a product few wanted, and good at delivering services few customers needed. We are impressed, or at least intrigued, by the disruptive influence of concepts and companies like Uber, but there is no reason to assume that such companies are themselves immune to disruption. In these times where the unthinkable and unexpected quickly become unexceptional, and where established business models are overwhelmed by digital substitutes, every organization must expect to have its own 'Kodak moment'. (HT to Michael Rosemann for the Kodak reference).

Just because a process has no reported or measured problems does not mean that it can't be improved.

Airlines and airports are addressing the 'problem' of efficiently having travelers queue for check-in in a way that has nothing to do with improved queue management. It is now possible in many cases to check in with a simple wave of a card or use of a fingerprint. Perhaps soon the fact that your smart phone, or even the RFID tag implanted in you, has entered the building will automatically check you in. The original problem of creating smarter queues is made redundant by eliminating those queues through innovative use of technology and different ways of thinking about process opportunities. A narrow traditional focus on queue management problems may not discover the opportunity to get the rid of the queue.

An organization in the business of exporting fresh fruit around the world will have many well defined process problems to be addressed and that will keep them busy doing process improvement. However, there are also opportunities that are unlikely to be defined as a 'business as usual' problem. What if an RFID tag was incorporated in the label on each piece of fruit? Then an app might be developed that would allow the ultimate consumer to link to the orchard where this particular piece of fruit was grown. Then all sorts of things might be done to more strongly connect to consumers to growers, orchards, pickers, packers, and the whole supply chain, and this could then be used to generate a stronger customer community and perhaps incite the development of premium products or services. In focusing on reported performance problems we won't see such opportunities for a process.

As well as identifying problems looking for solutions, we need to discover solutions looking for a problem.

In analyzing our processes we need a way to think more broadly and discover opportunities to be embraced as well as problems to be solved. We're good at identifying weaknesses and circumstances that threaten process performance, but we need to look for other aspects, characteristics that make a process strong or opportunities to do something new. Wait a minute, this is starting to sound familiar. Opportunities? Strengths? Threats? Weaknesses? Sounds familiar, where have we heard this before?

Process SWOT

We are all familiar with the traditional SWOT analysis. The history of the SWOT technique is not recorded and many competing claims are made as to its invention. It was certainly in wide use in the 1950s and 1960s, and possibly earlier, as a strategy planning tool, and that remains its common use today.

SWOT analysis can usefully be applied to process analysis and improvement, helping to broaden our investigations beyond performance-driven problems. As well as looking for weaknesses in the process-in-focus, what if we also looked to examine its strengths, and then looked to discover threats to the process and opportunities for the process.

| Strengths of the process | Weaknesses of the process |
| Opportunities for the process | Threats to the process |

Process Strengths

As well as weaknesses, a process might have strengths that need to be protected and promoted. Fixing some problems and causing new ones is not what we mean by process improvement. If we look properly we might even find some positive deviants that hold the key to exceptional performance.

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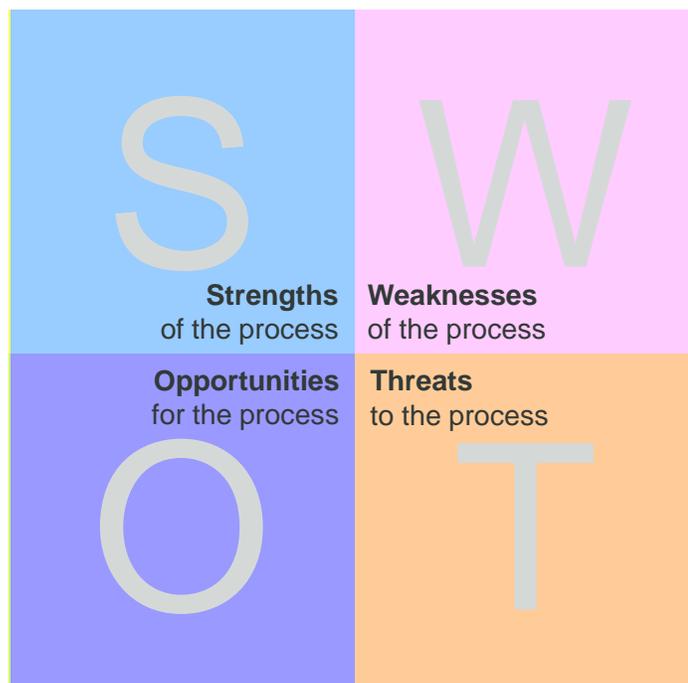
See my column *Insignificant and Exceptional* of January 2013 for a more detailed discussion of positive deviance analysis.

Process Opportunities

Is there an opportunity for new technology or a new business model to be applied to the process? Perhaps there is an opportunity to use the process in a new way? It's always easy to see how clever an innovative solution is after someone has it implemented, but not so easy if you are looking at a 'blank sheet'. Now we can all see that using your fingerprint to check-in for your flight is a great idea and what were they typing anyhow when we checked in manually — I'm here and I've got one bag to check in, how hard is that? But how did we get from a queue management problem to a solution that eliminates the queue? Sure, we could all have invented the simple models behind Lyft, Airbnb, or parkatmyhouse.com, but we didn't, and the problem is, we seldom do.

My BPTrends column of September 2010, *Occasionally, It has to be Remarkable*, describes ways to encourage the required different thinking using the *4Dimensions* model.

Process Threats

What might happen in the process ecosystem that could be a threat to its operation? A wide range of threats might be possible, anything from a failure caused by a spike in transaction rates to a change in the regulatory environment

If we think about a process having six performance perspectives, we can search for threats in each of these dimensions, looking both inside the process as well as outside into the environment in which it currently operates, and which will almost certainly change over time.
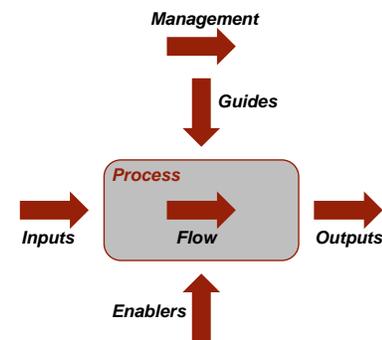
In doing this we also think about upstream and downstream processes, which might be ours or belong to a supplier or customer, and where a change might also threaten the performance of our process.

Scope & Bias

One more thing we can do while we are SWOTing — two different ways we can look at our process to better understand its operation and maximize our chances of making the best improvements possible.

If we look firstly above the line, i.e. at strengths and weaknesses, these are about properties of the process and largely internal in nature. Prospective improvements in this category will be about changing the process itself, and may be easier to do than those from 'below the line'.

Below the line, i.e. dealing with opportunities and threats, we are mainly concerned with the environment in which the process executes. Triggers for change here will be about elements outside of the process-in-focus, making them more difficult to deal with, but no less important.

Looking above and below the horizontal axis gives us two different perspectives — the process itself and the context in which it operates.

We can also consider a vertical access through the SWOT matrix giving us the opportunity to consider if the glass is half-empty or half-full. On the right of line, i.e. weaknesses and threats, we take a negative view looking for current problems and future complications – what is it that is, or might, go wrong?

On the left of the line we are being much more positive. What is it that is going well now? What external changes or developments might be used to improve the operation of the process?

Looking left and right in the matrix forces us to look at both the positive and negative contexts of the process and find ways to capitalize on the positives and mitigate the negatives.
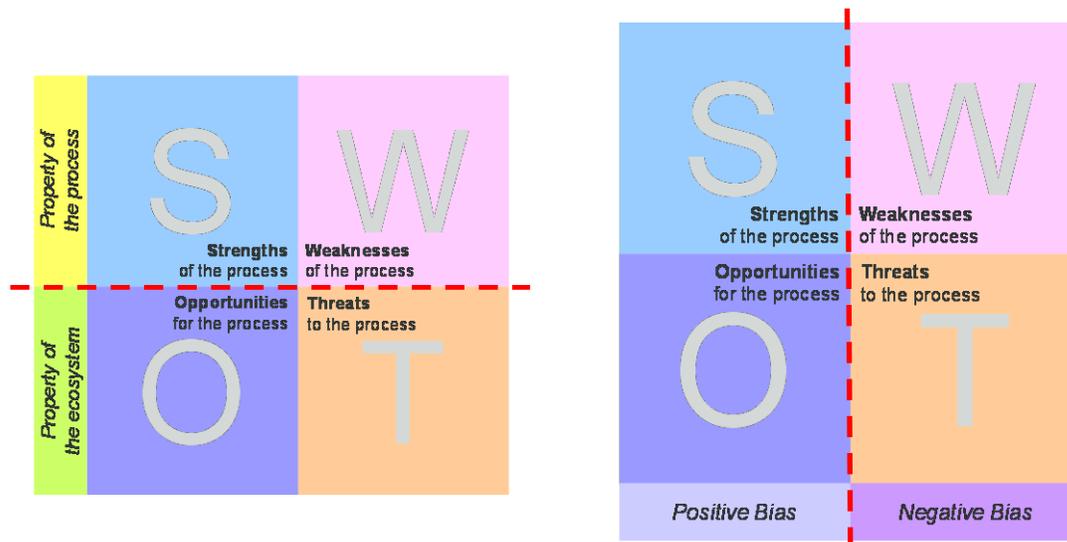
In Practice...

There are many things you might do in response to the issues discussed in this Column. Here are three practical steps you might consider doing now to get started on the creation of sustainable process-based management and process improvement.

Understand the context of the process

Before you leap in and start modeling the detail and burrowing down into the weeds, step back and look at where the process lives. Treat the process as a black box and understand how it connects to its world. What is working well, and not so well, around the process? What could change, or be changed, in the context in which the process operates?
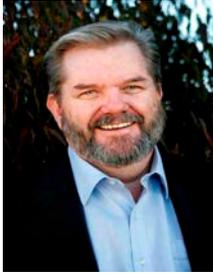
Understand the flow of the process

Now turn the process into a glass box and look inside. What is happening in there, what works well, what could work better?

SWOT the process

SWOT it. In particular, search for improvement in the oft forgotten strengths, opportunities, and threats.

About the Author

As a Consulting Director with Leonardo Consulting, Roger Tregear delivers BPM courses and consulting assignments around the world. Based in Canberra (Australia) Roger spends his working life talking, consulting, thinking and writing about analysis, improvement and management of business processes. His work with clients is on short and long term assignments, in organizational improvement and problem solving based on BPM capability development, and business process, analysis, improvement, and management. He is available to help small and large organizations understand the potential, and realize the practical benefits, of process-centric thinking and management. Contact Roger at r.tregear@leonardo.com.au.