

The 6 wastes of BPM

Thanks to Taiichi Ohno, Tim Wood, and others, we are very familiar with defining types of wastes that are found in operational activities. What about the wastes that we can too easily design into process-based management; wastes that can result in process stasis and inevitable failure of the idea of active process management and improvement. In this Column I want to define some of those wastes and suggest countermeasures.

Process-based management

To be clear, when I say "BPM" I mean the management philosophy better called process-based management. By this I mean the proactive definition, management, and improvement of the set of business processes by which an organization executes its strategy. What I don't mean is to equate BPM with software. The M in BPM is for management, not modeling.

6 wastes of process-based management

I suggest below six ways in which organizations suffer when process-based management is designed and implemented in ways that cause problems rather than solve them; ways that introduce unnecessary complexity rather than help to simplify.

1. Strategic separation

If it is our business processes that create, accumulate, and deliver value to customers, then it is those same processes that execute our organizational strategy. The process architecture must, therefore, be directly connected to the strategy. The waste of strategic separation occurs when we do not have line of sight from each process to vision and mission, or however else we define strategy.

Waste impact:

- Wasted effort in developing the process architecture.
- Loss of opportunity to show strategic relevance of the process approach.
- Loss of focus on the value pathways that deliver to customers.

Countermeasures:

- Start process architecture with the strategy (mission, vision, etc.), find the value propositions (what the strategy promises to deliver) and translate those into the highest-level core processes, then decompose as deep as you need.
- Do not start by "modeling the processes of each department" since bottom-up architecture development is unlikely to lead to strategy.

2. Modeling poorly

Across thousands of organizations, tens of thousands of people create process models, and millions use them. Process modelling is important, strategic, expensive, and subject to a wide range of quality outcomes. Done well, process modelling creates valuable organizational assets. Done poorly, process modeling is an expensive way to waste resources and facilitate failure.

When modeling is done poorly, important information is not captured, models are inaccurate or incomplete, and process stakeholders don't understand them or see the value in using process models. The money spent on modeling is wasted. It's even more problematic if the captured process information is inaccurate, leading the business to make wrong decisions based on incorrect data.

Waste impact:

- Waste of resources in producing poor models that are not used to full effect.
- Poor decisions made under the influence of poor models.

Countermeasures:

- Understand and agree on your purpose for modeling.
- Treat each process model either as disposable or as a significant corporate asset—decide and act accordingly.
- Create a culture of [modeling excellence](#).

3. Lost luggage

Finding lost luggage is a process worth attention—in 2016 it cost the airline industry US\$2.1 billion. A traveler reports a missing bag, airline systems search and find it, and deliver it to the traveler. Job well done, except the customer will say that they had a terrible flight because their bag was lost. Travelers would prefer to fly with an airline that doesn't know how to find lost luggage because they've never needed to.

Organizations often invest a lot in improving the wrong processes. They get good at fixing problems that are caused by their own failures. Fixing 'lost luggage processes' is not the best investment. Better to fix the processes that cause the luggage to be lost. An important part of fixing a problem should be to make sure it doesn't happen again; we don't want to get good at fixing it.

Waste impact:

- Wasted time and resources in fixing a repeating problem.
- Opportunity loss from not correcting the cause of the problem.
- Creation of work activities that should not be required leading to staff disillusionment.

Countermeasures:

- Search for lost luggage processes, i.e. corrective processes that should not be necessary, or at least not used as often.
- Find and fix the root cause of every problem.

4. Opportunity loss

Most process improvement work is focused on solving problems. There is a significant bias towards problems in how we talk about and execute process improvement. There is no doubt that problems need to be fixed, and they are often the most pressing issues so rightly get the most attention. However, in focusing on problems alone, we miss the significant improvement potential that might come from

addressing opportunities. Just because a process has no reported problems, doesn't mean there aren't opportunities to improve its performance.

As well as fixing problems and removing their causes, we must also discover opportunities and remove their constraints.

Waste impact:

- Opportunity cost of not gaining the benefit that would come from capitalizing on opportunities for improvement.
- Inefficiencies and conflicts that arise when we separate dealing with ideas and opportunities from process improvement; when we artificially separate the closely coupled practices of improvement and innovation.

Countermeasures:

- Actively search for opportunities for process performance improvement beyond simply fixing known problems.
- Ensure innovation and process improvement are pursued as part of a coherent approach.
- Use the SWOT approach to process analysis so that problems (weaknesses) get proper attention, and we also look for strengths, threats, and opportunities.

5. Problem avoidance

Everybody signs up for continuous improvement. The other side of that coin is that to continuously improve, we must be continuously find things that are not working as well as they might. That may not sit as comfortably; it might be quite challenging to be proactively uncovering problems. If process improvement activity is to deliver its maximum benefit, we must be continuously discovering problems and their causes, and finding new opportunities and their constraints on their realization.

To continuously, or at least regularly, find problems and opportunities, an organization needs to be consciously looking for them. Organizations need to actively look for problems and reward people who find them.

Waste impact:

- Opportunity cost—perhaps quite a significant cost—of not finding new problems and opportunities for improvement.
- Suppression of the creativity that comes from genuine continuous improvement.

Countermeasures:

- Engage staff, customers, suppliers, and other stakeholders in finding problems.
- Create a scheme for submission and rapid assessment of ideas for change.
- Convene short sessions in the workplace where staff can identify and discuss problem areas and ideas for improvement.

6. "Who's in charge?" arguments

Process governance arrangements are often set up in such a way that there will always be unproductive tension between process owners and functional managers. Especially for cross-functional processes, there needs to be clarity about who is in charge.

If a process owner is the 'design authority' for a cross-functional process, that impacts many of the authorities vested by the organization chart. It can be done, but there are many other adjustments required.

If a process owner has no authority, but only an obligation to track process performance and to encourage action when needed, i.e. to be the voice of the process, then no existing authorities are impacted at all.

Waste impact:

- Wasted time in circular debates about who is in charge.
- Wasted energy in disagreements about who is in charge.
- Loss of support for process-based management.

Countermeasures:

- Appoint process owners to be accountable for responding to process performance but make no changes to the authority structures defined by the organization chart.

Wasted process

Process management and improvement is, in part, about discovering and eliminating waste. Process-based management is about creating an environment where everybody knows what needs to be done and is continually looking for ways to improve performance across the organization.

We need to take our own advice and ensure that when we design the processes of process management and improvement, they do not have inbuilt design flaws that introduce new wastes!

Are there more than six wastes of process-based management? Sadly, there are. Please let us all know in the comments section below about other wastes you see in process-based management initiatives.

Author

Roger Tregear



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.