# Improving Business Results Through Process Management
## Becoming a process-centric, performance-driven organization

Business processes constitute a significant portion of an organization's operating costs. And the more bureaucratic an organization is - the greater the potential to reduce operating costs. Management silos (hierarchical structure) can be devastating to an organization's performance and cost structure. Walls need to be torn down, and the internal customer/supplier model embraced.

Unfortunately, line and staff departments have become too myopic or insular. Process management is imperative in order to manage and improve cross-functional business processes. And the more process-centric an organization is - the more performance-driven it will be. If you think you can be customer-centric, without being process-centric - think again. Processes must put the customer first.

**Process Management Introduction**

The stark reality is that processes (especially cross-functional processes) are usually not documented, not systematically and continually improved, and not managed. So why improve and manage processes? Simply, processes are the fundamental building blocks for achieving business results, and streamlined processes are critical to building and maintaining a competitive edge.

When I ask a client to give us a snapshot of their business, the discussion usually starts off with their history, an overview of products and services, core capabilities, and even their customer base. Along the way, an organization chart is typically thrown into the fray. But, perhaps the most revealing snapshot of all is an "organizational map" that shows the interrelationship of company-wide key business processes.

An organizational map is a top-level blueprint of the fundamental structure for an enterprise. This macro-level flowchart shows the interrelationship of business processes at a twenty-thousand foot elevation. It is the foundation from which to build an agile, competitive organization. Yet, alarmingly few organizations have taken the time to construct this "capstone" document.

Process Management begins the process of visualizing the organization as a whole - determining how one aspect of the system affects another. Leaders need to extend their vision beyond the project or function - beyond their department - to see the organization through a new set of glasses. They must focus on those key business processes that affect business objectives and critical success factors. Leaders must be visionary, and they must see the world anew.

**Process Management Focus Areas & Tools**

There are three general focus areas. These are: (1) making business processes effective - producing the desired results; (2) making processes efficient - minimizing the resources needed; and (3) making processes adaptable - being able to adapt to changing stakeholder and customer business needs.

An integrated holistic approach is essential to process management. Process mapping and flowcharting (down to the task level) are central to this effort. You can use a combination of several process flowcharting techniques - process maps, block diagrams, standard flowcharts, functional flowcharts, and geographic flowcharts. But remember, the journey starts with an "organization map - a macro-level flowchart."

Process maps provide a composite overview of the business process, from an organizational context. Block diagrams provide a quick overview of a business process. Flowcharts are used to analyze the detailed interrelationships of a business process, and geographic flowcharts illustrate the process flow among locations.

**Process Management Roadmap**

A systematic approach (roadmap) is needed to improve business performance. There are proven strategies, methods, and tools to create a streamlined organization with a significantly lower cost structure. An integrated process management approach should link the organization's mission, culture, business objectives, and key processes.

Our methodology consists of ten integrated tools and/or steps:

1. Bureaucracy elimination - remove unnecessary administrative tasks, approvals, and paperwork.
2. Duplication elimination - remove identical activities that are performed at different parts of the business process.
3. Value-added assessment - evaluate every activity in the business process to determine its contribution to meeting stakeholder/customer requirements.
4. Task elimination/simplification - reduce the overall complexity of the process.
5. Process cycle time reduction - determine ways to compress cycle time to meet or exceed stakeholder/customer expectations, with fewer resources.
6. Error proofing - make it difficult to do the activity incorrectly, while standardizing the activity at the same time.
7. Problem definition/solving - utilize a problem solving methodology (roadmap) that focuses on identifying and eliminating root causes.
8. Technology/automation considerations - apply technology platforms and enterprise/legacy applications in innovative ways.
9. Business process reengineering - use a radical approach to change the process, when the previous streamlining methods have not provided the desired results.
10. Performance measurement - identify appropriate performance measures that will paint a composite picture of the business process performance.

**Process Management Absolutes**

There are a dozen process management absolutes that must be considered when you embark on a process management journey. You might also view these as "best practices." Either way, these are critical to success:

- Ensure management commitment upfront
- Create an environment where departments are partners, not competitors
- Reward cross-functional collaboration
- Take a disciplined, integrated approach to process improvement
- Allocate resources based on process needs
- Link process improvement initiatives to your strategic plan
- Identify critical business issues to drive improvement
- Ensure that product and service processes are customer-driven
- Put comprehensive and reliable process metrics in place
- Define and implement strategies to keep each process measure in control
- Measure levels of internal/external customer satisfaction for each process
- Reward individuals for their contributions to process improvement

For more information on Process Management, visit the Business Process Management Institute website, a peer to peer exchange for business process management professionals, at www.bpminstitute.org

## About the Author

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Stan has more than three decades of business and consulting experience, in both the private and public sectors, in the United States and abroad. Stan specializes in building high-performance teams, and working closely with senior leaders to achieve breakthrough financial, organizational, and operating improvement. He has been quoted in many business publications, including Fortune, Business Week and the Wall Street Journal.

## About Change Management Consulting, Inc. (CMC)

Founded in 1993, Change Management Consulting is a global management consulting and training company, dedicated to helping organizations of all sizes improve performance, achieve goals and advance leadership capability. As a full-service organizational

improvement firm, CMC focuses on organizational and leadership development, compliance management (ISO 9001 and it's derivatives), strategic planning and Lean Six Sigma initiatives.

Headquartered in Wayne, NJ with offices in San Diego, Dallas and Detroit, CMC has a proven track record in helping public and private sector clients implement pragmatic continual improvement initiatives that drive financially measurable results.  CMC also has extensive experience in obtaining grants and funding assistance for its clients.  Learn more at  www.cmc-changemanagement.com or contact CMC at (877) 268-2440 or (973) 696-7878.