BUSINESS PROCESS IMPROVEMENT 2013 BLOG

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Do Social Collaboration Tools Work in BPI?
01/01/2013

I read a piece today about using social collaboration tools to enable a shift from a "push" to a "pull" environment to improve business processes, but this seems easier said than done.

If all employees worked in a salaried, professional environment this may work if the tools provided are easy to use (e.g., no multiple sign-ins required), readily available (as simple as downloading an app), and interactive. But, what about the hourly employees who may not have access at work to a computer?

From my experience, I have seen senior leadership attempt to model the desired behavior by posting content on internal social sites, but employees still don't pull the information. Even the "knowledge" workers do not significantly participate.

Why is that?

The Value of an End-to-end Process
03/03/2013

You can approach business process improvement in various ways. A few examples include building:

- *functional* process maps where you focus within a function (e.g., in human resources, you may include the recruitment, compensation, and training processes),
- *cross-functional* process maps where you focus across the *organization*(e.g., across Finance, Sales & Marketing, Human Resources, Engineering, etc.) on a business process, or
- *future state* process maps in support of a new software application.

In any case, until you integrate process maps into a single "operational view," many employees may have a difficult time seeing the end-to-end process. Providing this visibility helps employees to recognize improvement opportunities, such as improving cycle time (the overall time required to complete an entire process, from the first step to the last step), reducing the number of handoffs because this is often where errors occur, and understanding how their role fits in with the overall product/ service delivery to the customer.

Creating an end-to-end process map, or operational view, will help everyone involved in the process share a common vision, and allow employees to work together rather than in silos.

Implementing an Electronic Medical Records System
05/19/2013

For those of you who regularly read my blog, you may have wondered where I have been over the past few months. Well, I just performed two back-to-back implementations of an electronic medical records system at two different locations and returned home yesterday from three weeks in California.

Project managing this work demonstrates the importance of integrating process and system changes during employee training. When you implement a new system, the business processes typically require change - this is nothing new. Remember the saying, "Does the technology drive the process or does the process drive the technology?"

When you do design a future state process and select technology that best supports the process, it is critical that you train employees on **both** the new business process and the new system at the same time. For example, assume that the new medical system offers internal faxing, ordering, and scheduling capability. How will faxing be handled in the future? How will providers share exam rooms? How will patients be checked in and out?

Train employees on the **new process**, along with how to perform the functions in the new system, and the likelihood of success will increase.

Is "Big Data" the Solution?
06/20/2013

You hear a lot today about how "Big Data" is transforming the analytical environment. It can help companies find insights into new and emerging types of content that can help to improve customer insights.

Translating data into customer insights and changing operations in support of those insights is still hard. While big data can help you to
understand customer behavior, streamline business processes, create new business models, and answer questions previously believed out of your reach, the tools to reap the rewards are expensive.

What can you do with the tools you currently have? Do you spend the
appropriate amount of time analyzing your existing customer data to uncover unmet needs? Do you regularly review existing metrics and change your operations to increase the efficiency based on the results? Do you build flexibility into your business processes so that you can adapt to changing needs?

The key will always remain - how do you use the data that you have?

Do you have internal controls around your Excel spreadsheets?
06/25/2013

Microsoft has given us a powerful tool with their Excel product, and a half a billion people seem to agree. Did you know that approximately 88% of all spreadsheets contain errors? Here are a few examples:

- Do you remember last summer when the Olympic Games committee oversold the synchronized swimming event by thousands of tickets? A clerk had simply entered the number of remaining tickets as "20,000" instead of "10,000" in a spreadsheet cell.
- Utah's State Office of Education made a $25M spreadsheet error leading to the resignation of two individuals.
- Two Harvard University professors, Carmen M. Reinhart and Kenneth S. Rogoff, widely recognized economists, accidentally forgot to include the first five rows covering data from five countries (Australia, Austria, Belgium, Canada, and Denmark) from an Excel spreadsheet in their analysis—a “coding error,” which caused some

> governments to follow their advice that indicates when advanced economies' public liabilities reach or exceed "the important marker of 90 percent of GDP," long-term economic growth and stability are placed at peril. Upon reaching that 90 percent of GDP point, the two argue, governments need to act swiftly to rein in public spending or increasingly risk stifling future economic recovery and growth.

What does this mean to you as you improve your business processes? In step 7 (create internal controls, tools, and metric) of the 10 steps to business process improvement, remember to identify activities in your process map where an employee uses an Excel spreadsheet and make certain to include an internal control that checks for errors.

You may not make a million dollar error, but you want to be in the 12% where formulas are checked and double checked.

Engage Employees to Deliver Great Customer Service
07/02/2013

It should not come as any surprise that delivering great customer service depends on the front line, and that engaged employees deliver better customer service than disengaged employees. What is McDonald's problem today with a rise in customer complaints about "rude or unprofessional employees?"

Managers can talk all they want about the desire for a customer-centric environment, but talk alone does not deliver. How engaged are your employees? Do they care about the company? What can you do to help engage employees and align them with your vision?

Listen. Enable. Trust. All small, but big words.

Why are employees not engaged? Stop talking and **listen**. You might be surprised by what you hear. Do employees understand the company's strategy? Do you **enable** employees to deliver great customer service or do you limit their ability to think for themselves and experiment? How bad can things go awry if you allow employees to immediately address customer concerns? The front line employees immediately see problems and can address them, if you **trust** them.

Set some standards if you have concern. Setting standards does not equate to a brouhaha, and can help drive consistency from employee to employee by setting parameters that encourage ideas based on the front line's experience with customer interactions. Allow employees the opportunity to improve customer service by translating their observations into action.

What is your experience with engaging employees to deliver improved customer service?

Business Process Improvement is a Journey
07/28/2013

Improving a business process is not a one-time event. You cannot spend the time improving a process to deliver effectiveness for the customer and efficiency for the business, and then never look at it again. Now you may think, "*well journeys take time and I do not have time*."

Journeys can either involve short trips or long trips. Using the roadmap to the 10 steps to business process improvement (BPI) shows the order of the steps involved in BPI, and you can use it with colleagues to help everyone understand what has to occur. Sometimes you can move quickly through the ten steps (a short trip), and other times you have to move slowly (a longer trip).

Step 10, ***Driving Continuous Improvement,*** means achieving a new mindset by which ongoing improvement is the natural course of business instead of an event. Continuous improvement is an ongoing journey that should never end. Think of losing weight. Once you have lost the weight, can you relax and allow old habits to creep back into your life? Not if you intend to keep the weight off for good. The maintenance phase of a weight loss program should lead to lifestyle changes that become part of your everyday life. Likewise, once you improve a business process, you cannot simply relax. Just as you need to keep weighing yourself to maintain your weight loss, you have to continually measure the business process to retain the strategic gains.

Continuous improvement validates that the business process continually delivers effectiveness, efficiency, and flexibility to the organization.

Another Plug for Continuous Improvement - the impact of technology
08/18/2013

Over the years, you have most likely heard the question:

Does the technology drive the process?
or
Does the process drive the technology?

I agree with what Bill Gates said years ago, "The first principle for any technology you contemplate introducing into a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will just entrench the inefficiency." In my book, I suggest that you apply the *automation* technique *last*, so that you apply technology to an efficient, not inefficient process. Why automate a business process activity that you should eliminate?

We have all seen the speed of change in many areas, but where more quickly than with technology? Just look at the downward trend of RIM's Blackberry after Apple introduced the iPhone in 2007. The Blackberry experienced excellent growth until Apple came along. Technology innovation impacts processes, products, and services.

Is there new technology that might offer an opportunity to improve the effectiveness or efficiency of a business process? As technology continues to change at such a rapid pace, **continuous improvement** of business processes becomes even more important because you want to quickly see if a new technology can improve your business process.

Think of continuous improvement as staying fit, so that you can take advantage of any improvement that technology offers.

Why a High-level Process Map? Avoid Silos!
08/24/2013

I have often talked about the importance of building an *overarching*, *big picture*, or *high-level* process map...you pick the term.....that depicts the future vision, but based on recent questions it seems worth repeating.

Many readers have asked where to start an improvement effort - at the macro or detailed level. Just this week, I ran into a similar situation where employees performed work at the detailed process level and are now wrestling with how to integrate their many individual business processes.

- If your goal is to have an integrated business process, not built in silos, start by building a high-level process map.
- If your goal is to redesign your entire workflow, build a high-level process map using the customer's needs as the main input.
- If you have a new system to implement, build a high-level process map, so that you can make sure that you integrate the downstream processes and that they remain connected to the original goals.
- If your organization has new leadership who tells employees to improve efficiency, start with a high-level process map.

Continually revisit the high-level process map as you work through the detailed process maps, so that you do not miss important aspects of the future state. Are you on track? Start and end the high-level process map with the customer. (Of course, sometimes you have to take a step back because, as obvious as it may seem to you, not everyone may agree with the definition of the customer.)

Creating a high-level process map helps all employees share a common vision and allows them to work together rather than in silos because each party understands the end-to-end process.

Involving Others in Process Changes
09/01/2013

I was commenting on a post about the time it takes to gain approvals in business process work and it made me think again about the importance of involving others along the journey as you redesign processes. As I have said in the past, implementing a new business process requires change and we all know how much people like change.

How do you involve others then? Do you try and keep everyone affected by the changes up to date on all that happens every day? Perhaps you work with a large group so that all can participate. Both of these are unrealistic approaches, so what to do?

First, think of process improvement as a journey with stops along the way to refuel. Start by identifying interested parties such as the customer, sponsor, stakeholders, process workers (the employees performing the day-to-day work), and third parties. As you develop your project plan include gates to remember to review progress with the interested parties at appropriate times. What does each group care about? What is the best way to keep them involved?

Second, as you make decisions around where and how to improve the business process, do not forget to write down potential pushback that you may receive, so that you can prepare a strategy to diffuse the potential conflict. I capture this information in an *Impact Analysis*, simply a spreadsheet that outlines the process change, the business rationale for the change, the impacted departments and job roles, and the action that has to occur to engage the affected areas in the change.

As many of you already know, process changes always equate to organizational changes - the only question is to what degree.

Who Owns Results in Business Process Improvement?
09/22/2013

A Harvard Business Review article caused me to reflect on this question in business process improvement work. If you hire a consultant to assist with the work, does your agreement, Statement of Work (SOW), or contract specify expected results and does it have a financial penalty for not delivering the results?

You might say “yes,” my SOWs always list deliverables. But, are deliverables **results**? Consultants can often easily deliver against a list of deliverables. I wonder how consultants would react to more stringent measurements of success. We want metrics in our business processes to let us know the level of effectiveness and efficiency. Why not apply the same thought process to agreements with consultants?

If you are a consultant, how would this play out for you? Do you feel any responsibility for your client's results?

If you are a business leader, how would you see this work? Since there is always a degree of implementation issues that you own because of your internal organizational structure and perhaps challenges with changing existing processes, how can you hold the consultant responsible for the improvement goals?

This is a difficult one – would love to hear your thoughts.

Establishing the Foundation in Business Process Improvement
10/06/2013

A reader asked if he should think about the ***current*** process (the "as is" state) when writing the Scope Definition Document (SDD) or the ***future*** process (the "to be" state). As you know, establishing the foundation by writing a SDD for a business process is step 2 in the 10 steps that I propose for business process improvement. This step helps you to eliminate scope creep.

The basic information regarding why the business process exists is the basic information, whether it is focused on today or tomorrow. To clarify, the business process exists for a reason, so **WHAT** the process does today or tomorrow will most likely be the same ("as is" state), but **HOW** you accomplish it in the future will change ("to be" state).

You will find that the SDD is usually a mix between the current and future state. For example, the *description* will most likely stay the same, but the *customer needs* may change depending on the last time your organization updated the requirements. Customer needs often change and usually increase as competition surfaces. If you have not validated your customer's needs in over a year, you should do so before assuming that they remain the same. The *measurements of success* are typically future focused because when writing the SDD you want to know how the organization will know if you achieved success in the improved state.

Think about the SDD like building a house, where the foundation carries the weight of the entire structure, so that identifying specific information on a business process early on will help you to stay on track and avoid unnecessary detours. The SDD guides the entire work forward, much like the blueprint for a house.

When writing the SDD, involve others because it is the key tool that helps to engage others in the work, and allows you to gain consensus and avoid scope creep.

The "Simplification" Technique in Business Process Improvement
11/04/2013

Simplification is one of the business process improvement (BPI) techniques, and you can find a variety of ways to simplify your processes. One way is to answer, who is responsible for the business process? Is there a single person responsible? Is there a business process owner?

The debacle with the Healthcare.gov web site is just one portion of the Affordable Care Act (ACA) implementation, but it is an example that demonstrates the problem that exists when no **one** person is responsible for the end-to-end process. It seems like Kathleen Sebelius is now taking blame for the web site problems, but who did President Obama appoint as the ultimate person accountable for the entire process?

As a project manager and a BPI practitioner, I find the lack of accountability a major problem in the ACA implementation. The number rule in management is establishing clear accountability.

So, what can you learn from this in your BPI work? Find out who owns the business process because this will clarify who is accountable. As you improve different activities in a business process and simplify how employees perform each step, you know who cares most that the business process delivers against customer needs.

"If You Can't Measure It, You Can't Manage It" - Is this true?
12/14/2013

While reading a recent Harvard Business Review article, I remembered a famous quote by management consultant Peter Drucker - “If you can’t measure it, you can’t manage it.” In the article, author Johnson writes about the growing interest in big data and the apparent disconnect between more data and increased employee performance. For example, should a teacher’s salary be impacted by student test scores – does the student’s learning actually improve or just the test scores?

A quote in *The Power of Business Process Improvement* comes from Albert Einstein who said, "Everything that can be counted does not necessarily count; everything that counts cannot necessarily be counted." I wonder how data collected on doctor and nurse throughput (how many patients seen in a day) improves the patient's quality of care. Although you can collect this data, how effective will it make a medical practice? Yes, it will be more efficient, but not necessarily more effective (and effectiveness is what brings customers back).

So the battle between data collection and the effective use of the data continues. It costs money to collect data, so my suggestion in business process improvement work is to show caution and strike a balance between the value of the metrics you establish and the cost of collecting the data. While organizations like metrics (and they should have some metrics for their business processes), just do not go overboard. Think about the metrics you propose and balance their usefulness with the expense of capturing the data.

Is there a Relationship between Optimization and Business Process Improvement (BPI)?
12/31/2013

Has your company launched an optimization effort? What does that really mean and how integral is BPI in its strategy? The term *optimization* was first used in the mid-1800s and you originally heard the term used as it related to mathematics, programming code, and most recently search engines.

As companies struggle to increase profits, additional revenues help, but reducing cost certainly does not hurt in achieving this goal. In businesses today, you hear about more and more "optimization efforts." Many optimization efforts today focus on maximizing productivity or minimizing waste in functional processes – in BPI terminology, improving **efficiency**.

The same efficiency-related improvement techniques used to improve a business process works for optimization: eliminating bureaucracy, removing duplication, simplifying, and introducing automation as appropriate. The key to success is to balance efficiency with **effectiveness**, so that the customer remains in full view of any decisions made. Does the new process produce the desired results that meet the customer's needs (not just *does the process minimize the use of resources*)?

The real question is, is *optimization* simply a more acceptable term for downsizing, productivity contributions, or reengineering? The answer is dependent on the goal(s) of the optimization effort and the degree to which customer requirements are part of the analysis. If the goal is to reduce overall functional costs by a certain percentage, then call it what it is!