The Roadmap

Learning How to Navigate

Have you ever had a problem that you know little or nothing about land on your desk at work? Does the problem make you feel overwhelmed and uncertain as to where to begin? Challenges like this usually occur when you already have a full workload, unrealistic deadlines, and limited resources. What can you do when you feel lost, like Hansel or Gretel trying to find the way out of the forest?

Learning to navigate through unfamiliar territory goes a long way toward easing the burden and can help you feel comfortable dealing with the unknown. *Business process improvement* (BPI) work, the systematic examination and improvement of administrative processes, can seem scary and overwhelming because no one teaches this navigation skill in school. But once you give it some thought, *everything is a process*, from making breakfast for yourself in the morning to building the space shuttle. In both cases, you follow a series of actions or steps to bring about a result. Making breakfast, no matter how informal, is still a process. You brew the coffee, cook the eggs, and toast the bread. If Vince Lombardi had run a business instead of a football team, we might remember him today for saying that process isn't everything, it's the only thing.

The techniques covered in this book help smooth the path to successful BPI by clearing away the unknowns and delivering the power of process improvement directly into your hands. Whether you consider yourself an expert on the subject

or do not see yourself as a process person, you will appreciate learning how to tackle process improvement work in a bottom-line, straightforward approach. For the inexperienced, The *Power of Business Process Improvement* guides you along a proven, step-by-step approach to a successful result; for the expert, it becomes a handy A-to-Z reference guide to help you engage an organization in a process improvement effort.

This guide cuts through the long, confusing, and difficult-to-comprehend explanations regarding BPI and takes you directly to the core of what you, the business professional, want to understand. It describes a pragmatic approach to business process improvement that I developed over the years and that anyone can use in real time to solve real problems. The ten simple steps to increasing the effectiveness, efficiency, and adaptability of your business processes start with the creation of a process inventory and end with how to keep a business process continually delivering value to the business.

If you want to evaluate how your company hires employees, secures sales, or manufactures a product, examining the underlying processes helps you better understand how the business works. Every day we experience challenges with inefficient or ineffective processes, and, after you start thinking of business processes as the foundation for the business, you begin to see the power of having a process focus and wonder why you waited so long to change your perspective.

Bill Gates wrote several years ago, "A rule of thumb is that a lousy process will consume ten times as many hours as the work itself requires." This truth has not changed in all that time. We have all seen bureaucracy and red tape continually added to a business process. Bureaucracy happens not all at once but incrementally over time. A business process can easily become bloated, leading to an ineffective, inefficient, and inflexible process.

Improving business processes enables you to stay competitive and to increase your responsiveness to your customers, the productivity of your employees doing the work, and your company's return on investment. The expertise to examine and understand how business processes work sets you apart from

the rest because you have the power to demonstrate the value that the process delivers, its importance to your company, and the effect that a single change can produce.

People become interested in process improvement for any number of reasons. Do any of these scenarios sound familiar?

▶ Your customers, clients, or suppliers complain about the business process.

▶ You find that your department makes numerous errors and/or makes the same one again and again.

▶ You want to understand how your department can improve its efficiency so your employees can spend their limited time on more valuable work.

▶ You have accepted responsibility for a new organization or department, and you want to understand the work.

▶ You want to understand the end-to-end processes across your company.

▶ You discovered challenges with the handoffs between departments.

▶ You want to increase your department's productivity.

▶ You noticed duplication of data or tasks in multiple departments.

▶ You started a new job and want to understand how the department works.

If you encountered one or more of these experiences, then BPI can help. It improves your ability to meet your customer's needs, helps you eliminate errors, identifies opportunities to yield a more effective and efficient process, assists you in learning the end-to-end process for a new part of the business, makes clear the relationship between departments and the roles and responsibilities of each, improves your organization's productivity, and eliminates redundancy.

Working on business processes helps demystify the process and makes a seemingly complex process less intimidating. Process improvement work also gives you the chance to engage

a cross-functional team in the work so that everyone can learn the end-to-end business process, instead of simply focusing on his or her own piece of the process. You will find that, as you do the work, few employees understand the end-to-end process. Employees may understand their own piece but not how the entire process works from beginning to end. When a team works together on improving business processes, the work itself provides a means for colleagues to talk about common topics, and the team effort promotes an understanding of the interconnectivity of the work.

When you focus on a business process, it appears less threatening to colleagues than focusing on the employees who do the work. The process of finding challenges and linking those challenges to the process instead of to a particular employee leads to easier, less threatening solutions. No one employee or group of employees has to worry about repercussions.

On the other hand, BPI does affect the entire business system, including the employees who do the work; the information technology systems that support the process; the measurements established to assess the effectiveness, efficiency, and adaptability of the process; and reward and recognition programs that exist in a company.

If you still find yourself wondering whether you should undertake a process improvement effort on one of your processes, ask yourself four questions. If you answer no to any of these questions, you should start examining your business processes:

➤ Does your process include a high level of customer/client interaction?

➤ Does every step in your process add value for the customer/client?

➤ Have you established customer- or client-focused metrics for the business process?

➤ Are your employees evaluated on their contribution to the business process?

Throughout this book, the term *customer* refers to someone external to a company who pays money for a product or

service. The term *client* denotes an internal customer within a company.

If you work as an internal consultant in your company, then you probably work with clients. The client's business processes should support the company's business goals, which in turn should support the paying customer. Remember, in business process work, the customer is king, and you should always focus on the customer.

Can You Do It?

Many of the process improvement books on the market support the myth that business process improvement must be time-consuming and complex. *The Power of Business Process Improvement* shows that nothing is further from the truth. It presents you with numerous tools and examples that you can use to make the work simple and yet maintain high standards.

Perhaps you have shied away from process improvement because it looks like something that only an expert can do. In reality, you can do this work without having to learn the ins and outs of total quality management, reengineering, or business process management. This book shares my own unique approach to BPI, an approach influenced by many quality-related techniques that works for me every time. I have successfully used the approach outlined with every employee level in different and complex situations. It works. It works even with people who start out as skeptics.

As you apply the ten simple steps introduced in this chapter and covered in depth in the chapters that follow, you will find yourself adopting several of the quality-related philosophies because the focus on the customer is at their core, but you use them in a seamless way that makes the work palatable to the business.

I geared each step toward ease of use. This book answers basic questions and elaborates on how to perform each step by demonstrating its application. It explains topics that no one ever bothers to tell you about, either because authors, consultants,

or colleagues assume that you already know about them or because they do not want you to know the full story, believing that knowledge is power and wanting to hold onto that power. The various BPI books on the market remind me of getting a favorite recipe from a restaurant, but with some key ingredient missing. This book tells you the whole story and gives you the power of knowledge.

You will feel comfortable with the formulas that I use throughout the book because they are the ones commonly used in business. You do not have to understand complicated statistical measurements of process capability or know how to use Six Sigma, Lean, or other quality methods. You have everything you need right now, so let us begin the journey.

The Journey

Anyone who has ever driven on vacation or taken a business trip knows how to follow a navigation system or read a roadmap to follow the best route to reach a destination. Roadmaps or driving directions are easy to follow. To help you navigate through the ten simple steps to BPI, I developed the roadmap in Figure 1-1. Join me as I take you on a trip through process improvement, using the roadmap as a mental model of the ten steps.

The roadmap becomes a meaningful tool for you to use with your colleagues when engaging them in the work. Business professionals like to know what the voyage looks like and how long it will take; the roadmap describes the journey.

The objectives of BPI are:

▶   **Effectiveness:** Does the process produce the desired results and meet the customer's/client's needs?

▶   **Efficiency:** Does the process minimize the use of resources and eliminate bureaucracy?

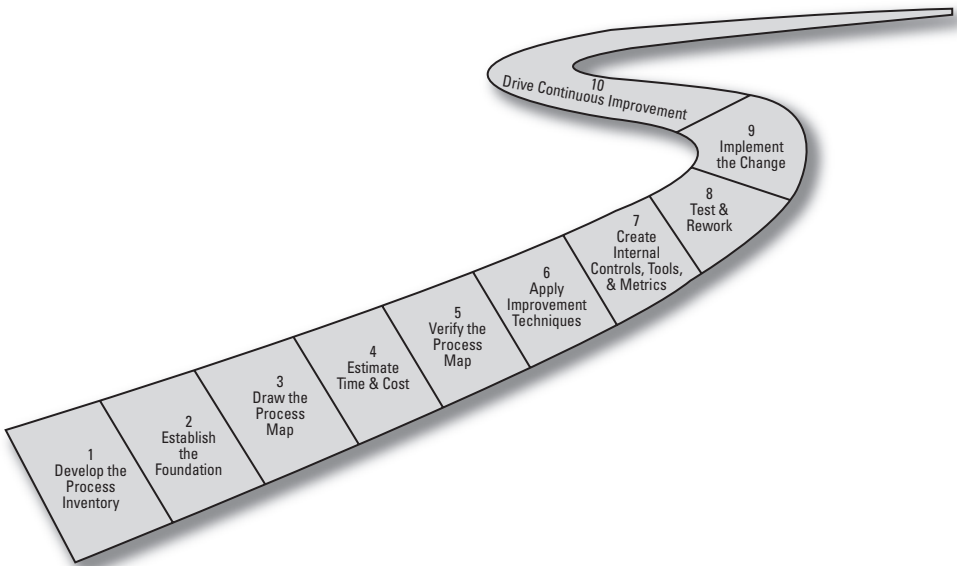▶   **Adaptability:** Is the process flexible in the face of changing needs?

Figure 1-1 Roadmap to Business Process Improvement

These three terms appear frequently throughout this book:

➤ *Effectiveness* focuses on the customers/clients and whether the process delivers what they want.

➤ *Efficiency* focuses on the employees responsible for the overall process, the workers in a department or departments, and how easily they can use the business process.

➤ *Adaptability* evaluates how easily you can modify the business process on the basis of changing business requirements.

Chapters 2 through 10 focus on the ten steps in the roadmap, describing each step and explaining how it works. Each chapter includes tools that I created to help with the step, summarizes the key points in the chapter, and ends with a time estimate, so you can see how long it takes to finish each step. Chapter 11 then helps you to gain recognition for your work. Chapter 12 introduces business process management (BPM),

presents business process model notation (BPMN), and pro-vides an overview of other improvement techniques. Chapters 13 and 14 discuss two of my business process projects from beginning to end. These case studies demonstrate how you can adapt the ten steps to changing circumstances because, just as you may encounter detours while driving a car, course changes also pop up during process work. As a result, you may find it necessary to alter your approach from time to time.

As you read this book, notice that the steps follow a spe-cific order because the result of one step assists in performing the next step. In process terminology, you hear this progression described in terms of *inputs* and *outputs*. The output of step 1 in the roadmap leads to the input for step 2.

Now meet the people you will read about on our journey through BPI:

- ▶ The regional sales manager who did not feel that his sales team brought in a sufficient number of new customers
- ▶ The buyer who could not get her orders filled in a timely manner
- ▶ The marketing director who took too long to bring her product to market
- ▶ The training and development manager who wanted to reduce her team's course development time
- ▶ The human resource bank vice president who could not decide which business process to focus on first
- ▶ The human resource information system manager who wanted to understand how system funding worked and how system costs hit his budget
- ▶ The compensation director who wanted to learn the head count requirements for his business processes
- ▶ The workforce analysis manager who wanted to understand why multiple groups in her company produced similar reports
- ▶ The vice president who wanted to know how to develop a recruitment process for his company's expansion in Hong Kong

The Ten Simple Steps to Business Process Improvement

Although each chapter focuses on a step in the roadmap, I briefly explain each of them here so you have a snapshot of what is ahead.

Step 1: Develop the Process Inventory

Every department has numerous business processes to manage, but how do you decide which process to examine first? Take the simple process involved in joining a health club: First you identify the available clubs in your neighborhood, and then you list your key selection criteria. Do you care more about the distance from your home, the age of the facility, the type of equipment, or the qualifications of the staff? You choose the health club to join based on what is most important to you.

Step 1 in the roadmap introduces the process inventory to help you decide where to start. The inventory lists the entire complement of business processes in a department, business area, or company. The chapter describes how to:

➤ Identify the business processes.

➤ Create prioritization criteria.

➤ Apply the criteria to each business process in the inventory.

➤ Create a process prioritization table so that you can contrast a group of business processes to determine which business process you should address first.

At the end of this step, you have a list of the business processes and you understand the order of priority, so you know where to start.

Step 2: Establish the Foundation

Once you create the process inventory in step 1 and select the business process to focus on first, step 2 introduces the *scope definition document*, your blueprint or foundation that guides you through the rest of your process improvement work.

Before starting a home improvement project, you develop a plan so you know the tools and materials you need. Whether building a deck on your house or simply painting a room, you always do prework to avoid those time-consuming trips back to the home center to pick up what you forgot. Likewise, in BPI you have to establish the boundaries associated with a process before you begin the in-depth process work, so you avoid future time-consuming discussions about the beginning and end of the business process.

This is the role of the scope definition document, which includes the process boundaries and other baseline information about the business process you selected, and thus keeps you on track. The document works like a contract, but it does not seem as formal or as threatening to the business. It helps you avoid scope creep, whereby you veer away from the original purpose of the work without an increase in time, resources, or money.

At the end of this step, you have the basic information required to start the process improvement work, as well as specific boundaries to help you stay on track.

Step 3: Draw the Process Map

Drawing the process map enables everyone involved to understand how the business process works and where handoffs occur between departments.

The hardest part of many projects is getting started—taking that first step. You will find it no different when it comes to drawing the process map. Whether you work alone or with a project team, you may find yourself questioning where to start, how to handle conflicts that arise with a project team, and how to keep everyone interested and involved in work that can seem tedious at times. The scope definition document that you created in step 2 helps you get started with this step because it identifies where the process starts and ends.

In most cases, unless you own the process and work alone, you need other colleagues to help you build the process map. It helps to have a project team work with you throughout

the ten steps or at least to have resources that you can go to with questions.

The process map you create in this step provides the information you require for step 6, when you apply the improvement techniques, and it assists in setting improvement targets. This step gives everyone involved in the work a better understanding of how the process works from beginning to end by educating the project team on the end-to-end process.

At the end of this step, you and the project team understand how the process works.

Step 4: Estimate Time and Cost

To measure an accomplishment, you need to know where you started. Whether you want to lose weight or run a marathon, you need to establish a baseline to know how much you have improved. How much do you weigh today, or how quickly do you run a marathon today? In process work, to establish an improvement target, you have to know how long a process takes and what it costs.

After drawing the process map in step 3, you understand the activities involved in a business process; step 4 assists in identifying what the process costs today. In step 4, you learn about process time and cycle time. *Process time* helps you summarize the labor required to deliver a business process, and *cycle time* identifies how long the process takes from beginning to end, a key metric that customers/clients usually list as a top concern. Identifying the employee, overhead, and tool expenses associated with a business process brings a financial dimension to your work.

This step helps you define the process cost and cycle time, parameters you can use to set improvement targets.

Step 5: Verify the Process Map

In the United States, before adding a deck to your house, you would talk with your town's or county's code enforcement office and seek opinions from family members to ensure that

you meet the town's setback requirements and keep family members happy. Similarly, you want to review the process map with the appropriate colleagues to validate that the map accurately reflects the existing process. Performing this review validates the baseline for your improvement targets and eliminates the possibility of any future challenges. It provides you with a solid foundation to start the next step, improving the business process.

By completing this step, you gain sponsor and stakeholder support, and you build a solid foundation on which to start the improvement work.

Step 6: Apply Improvement Techniques

If you weigh 200 pounds and want to lose 15 pounds in three months, you know that you have to make changes in your daily routine. You may change your eating habits and eliminate dessert, add an exercise like jogging, or partner with a friend for motivation. The same type of evaluation has to occur to improve a business process.

The *improvement technique wheel* provides an organized approach to improving a business process by introducing key methods to use, including:

- ➤ Eliminating bureaucracy
- ➤ Evaluating value-added activities
- ➤ Eliminating duplication and redundancy
- ➤ Simplifying the process, reports, and forms
- ➤ Reducing cycle time
- ➤ Applying automation tools

You learn how important it is to apply the techniques in a specific order and how applying the six improvement techniques, one at a time, aids in evaluating the business process in a planned and thoughtful approach.

You also learn how to create an impact analysis, a tool

you can use to capture the changes that have to occur to ensure the success of the new business process.

By the end of this step, you have changed the business process so that it delivers business value.

Step 7: Create Internal Controls, Tools, and Metrics

Once you establish your plan to lose the extra pounds, how do you keep track of your progress so that you keep moving toward your goal? You probably weigh yourself at regular intervals and perhaps use an online tracking tool, or mobile application, to view your progress. Without frequent measurement, you might easily gain the weight back. The same is true of a business process: Without regular measurement, it gets outdated, and without internal controls, human errors occur.

To bring the process to life—to move it beyond just creating a process map—you establish internal controls; you create tools to increase the effectiveness, efficiency, and adaptability of the business process; and you create metrics. Specifically:

➤ *Internal controls* identify points in the business process where mistakes can occur and explains how to prevent them.

➤ Creating *tools* to support the business process streamlines the process and assists in avoiding errors and training new employees on how to perform their jobs.

➤ Developing *metrics* shows you whether the process works as planned.

This book sticks to simple tools that anyone can use; it does not discuss large system implementations that you have no control over. In Chapter 7, I discuss using the tools that you no doubt already have on your desktop computer and that you are now using every day.

This step helps you to minimize potential errors, create tools to automate the business process, and identify process metrics.

Step 8: Test and Rework

Before you purchase new software or join a health club for a year, you might want to accept a 30-day trial offer and test it out to make sure it meets your needs. Likewise, before introducing a new, improved process to an organization, you should test it and work out any bugs before implementing the change on a wide scale.

In this step you learn how to create a plan to test the new business process. The details included in the plan help you to confirm that the new process and tools work as planned and to resolve any bugs before fully implementing the change. In creating a test plan, you answer questions like whom to involve in the testing, what items to test, what steps are involved, where you should conduct the testing, and the best time to conduct the test.

Testing the business process evaluates how well the business process performs, so that you satisfy project goals such as increased productivity or minimizing errors.

At the end of this step, you should feel comfortable that the business process, tools, and metrics work as planned.

Step 9: Implement the Change

When companies introduce a new product, they create a marketing plan that identifies the product price, customer base, distribution channels, and promotion strategies. Likewise, when you change a business process, you have to identify who has to know about the change, what they need to know, and how to communicate the right information to the right people.

Now that you have validated the business process and tools work, this step explains how to introduce the change to the organization. Chapter 9 introduces a sample implementation plan that helps you successfully introduce the changes to the business process. The implementation plan includes design, development, and implementation phases and further organizes each phase into tracks. For example, the implementation phase can have these four tracks:

1. **Change Management Track:** This track includes the impact analysis created in step 6, which identified the orga-

nizational changes required to ensure the success of the new business process.

2. **Testing Track:** The steps in this track confirm that the process and tools work as expected.

3. **Communication Track:** This track identifies whom to notify of the change, what they need to know, when they need to know it, and the audience's preferred communication vehicle(s).

4. **Training Track:** This identifies who requires training on what, when the training should occur, who delivers the training, and the preferred training method.

At the end of this step, you have introduced the new process.

Step 10: Drive Continuous Improvement

Now that you have lost 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 means achieving a new mindset by which ongoing improvement is the natural course of business instead of an event. The *continuous improvement cycle wheel* introduces four phases—evaluate, test, assess, and execute—to help you attain the new mindset. Each phase in the wheel provides you with a degree of structure to help you think through how to keep the business process up to date on an ongoing basis. Continuous improvement validates that the business process continually delivers effectiveness, efficiency, and adaptability to the organization.

You now have a plan in place to evaluate the business process on an ongoing basis, so that it stays relevant to your customer's/client's needs.

After covering steps 1–10, additional chapters include the

executive summary, business process management, and two case studies.

The Executive Summary

Chapter 11 assists you in gaining recognition for your efforts. After all your work, this chapter shows you how to gain the credit you deserve. An executive summary is a tool that allows you to present your work to senior management in the natural course of business. In this chapter, you learn how to write an executive summary and present statistical information in a thought-provoking manner. By the end of this chapter, you have a concise summary of your work, appropriate for senior management to read.

Business Process Management

Chapter 12 introduces business process management, presents business process model and notation, and provides an overview of other process improvement techniques such as total quality management, reengineering, Hoshin Kanri, Six Sigma, Lean, and Lean Six Sigma.

Case Study 1: Training and Development

Chapter 13 presents a case study from beginning to end. You see the ten simple steps applied to a training and development case that I worked on for a financial institution. You can follow my journey past the detours I had to take and all the way through to implementation.

When you reach the end of this chapter, you will know how adaptable you can make the ten steps.

Case Study 2: Recruitment Process in Hong Kong

Chapter 14 presents a case study for a U.S.-based company expanding in Hong Kong. You learn how I built a process

where no process existed and how I adapted the ten steps to create a business process from scratch.

When you reach the end of this chapter, you have another example of the adaptability of the ten steps.

Chapter Summary

The journey to improving business processes should not appear threatening. I assure you that you can do the work. Just as Hansel and Gretel found their way out of the forest, you will quickly find that you are a business process person just by following the ten simple steps to business process improvement.

You can use the ten steps whether you work with a project team or on your own. If you work with a project team, the roadmap helps the team members understand what to expect, keeps them interested, and makes them feel part of the journey. If you work alone, the roadmap helps you keep track of your progress.

You can adjust the time spent on each step, spending as much or as little time as you see fit, depending on your goal. Always keep in mind the return on investment of your time. Expend as much effort as required to achieve your goal. That may mean delving deeply into a business process or simply skimming the surface.

This book puts the power of business process improvement in your hands. You can make your business processes more effective in delivering what your customers/clients want, more efficient for the employees who perform the processes, and more flexible so the processes can adapt to changing business needs.