

**Is there a World Class Process
to make a Cup of Tea?"
"Business Process Management Demystified"**

Knowledge Hour Presentation September 2003

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- *What is a Process?*
- *Moments of Truth*
- *Scope of a Process*
- *Styles of Process Mapping*
- *What is a System?*
- *Process Ownership*
- *Behaviours, Leadership and Processes*
- *Process Measurement*
- *Systemic Intervention*
- *Process Improvement*
- *Relationship within Business Excellence*

What is a Business Process?

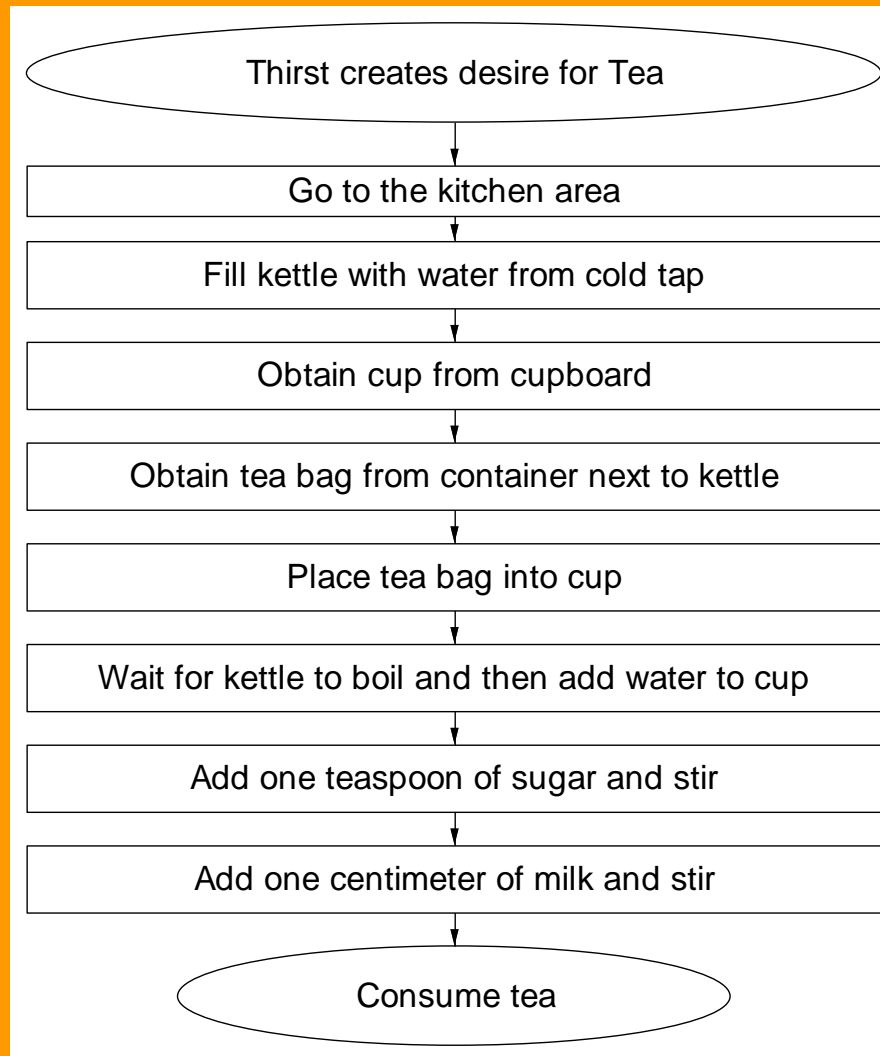
“How things happen by the deliberate intervention of people and the use of controlled devices”

Every time you use the word “HOW”
you are referring to a process

What is a Process?

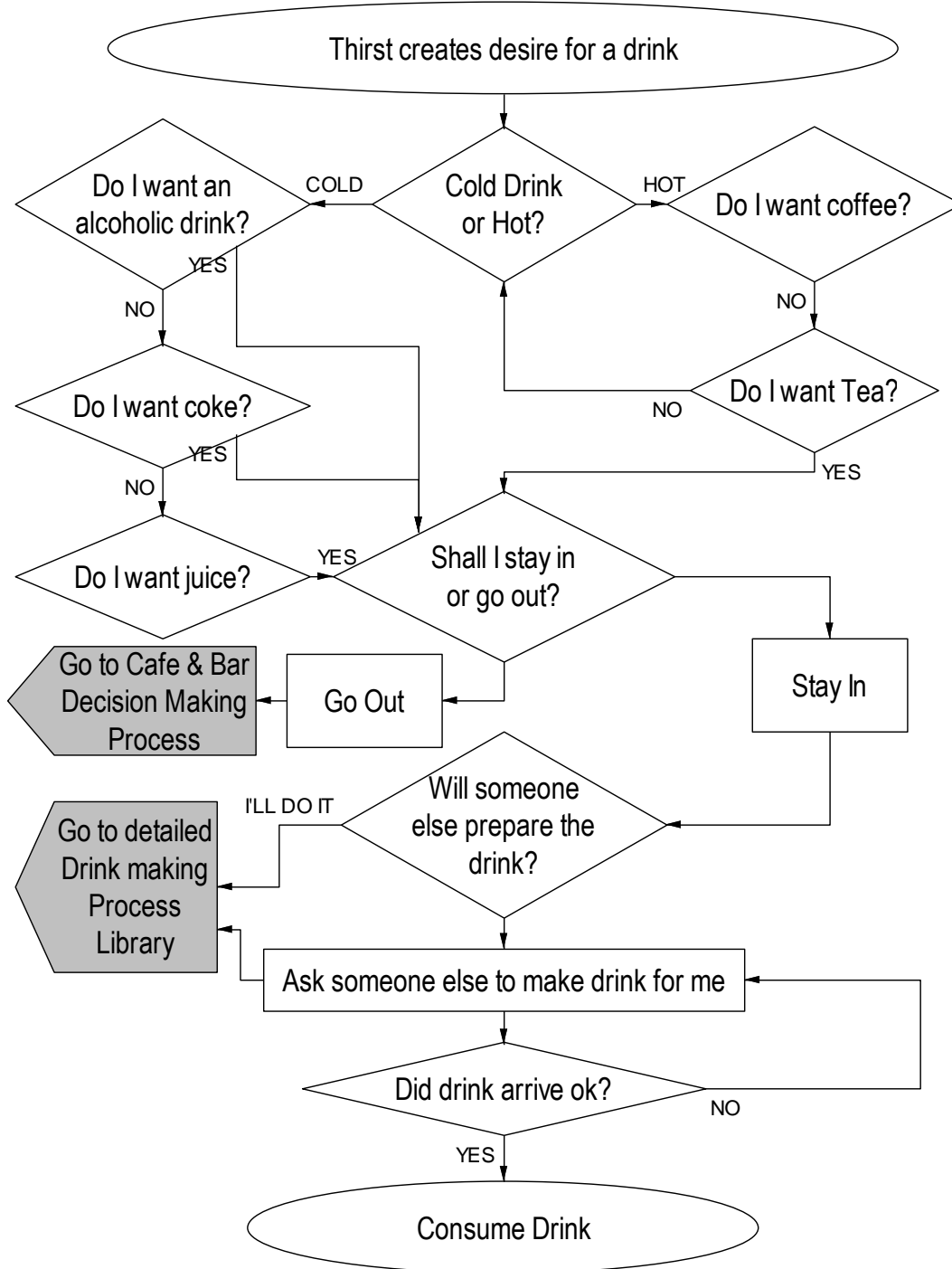
- A process has sequential steps that can be mapped
- Processes have a scope - a start and a finish and a field of influence
- Processes include decisions designed to control or reduce variation

How to Make a cup of Tea



Assumptions for Making Tea

- That all people who are thirsty will want to drink tea
- That when a person is thirsty that they will make the tea themselves
- When the person gets to the kitchen, everything is in its right place and consumables are fully stocked
- That all people have milk and sugar of a standard amount in tea
- That someone else will look after the cleaning up!



What is a Process?

- Simple effective step-by-step guidelines to deploying a task eliminating room for variation : variation = dissatisfaction
- Must take into account the whole environment in which the process itself is used
- Must be integrated with other linked processes

MOMENTS OF TRUTH



Moments of Truth

- Relates to most processes where human decision-making is involved
- Subconscious triggers of satisfaction or delight in the customer of the process
- Supplier to the customer can map processes to meet or exceed expectations
- What are the Moments of Truth in Tea?

Moments of Truth

- If you're making it yourself... maybe ...
- There are clean cups?
- There are tea bags?
- The water is hot already?
- There are tea spoons?
- The milk is fresh?
- There is sugar with no sticky brown lumps...?

SCOPE



Scope of a Process

- That's simple - I can do that - now where do I start ...
- I gave it to her to finish ...
- Why does he produce different outputs ...
- That's my job... can you help me?
- I've finished with that for today ...
- Why doesn't anybody do anything right around here anymore ...

Scope of a Process

- Does this process involve only one person deploying an isolated function?
- I.e. there are no suppliers or customers of the process?
- In reality, are there any such processes anywhere?
- E.g. A man digs a hole with a shovel?

Scope of a Process

- Who are the suppliers to this process?
- Who are the customers of this process?
- Is there a process owner?
- How is the process measured for excellence?
- How do we change, modify or improve the process?

Styles of Process Mapping

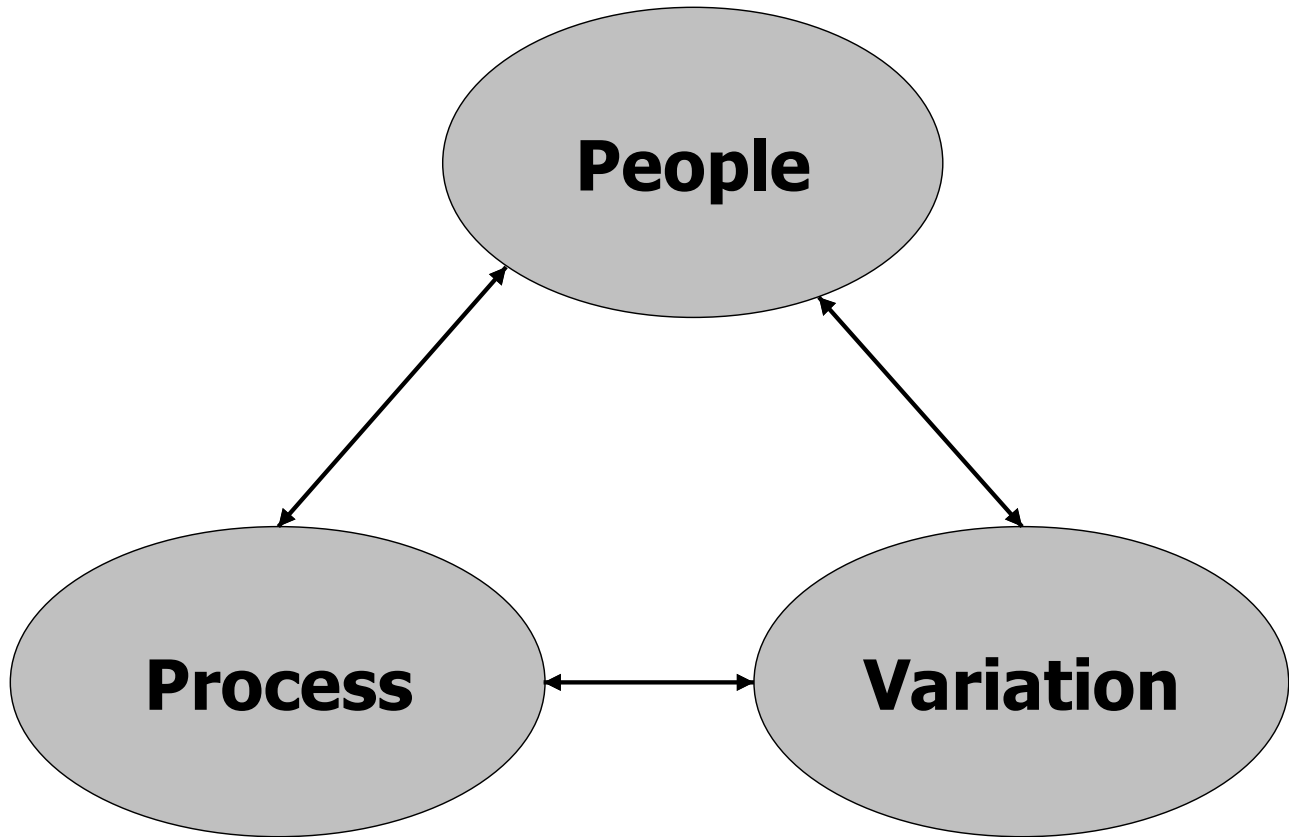
- Flowchart (examples used today)
- Top Down Flowchart
- Swim Lane Flowchart
- Macro View
- Micro View

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SYSTEMS



What is a System?



What Occurs in a System?

- Business processes are active and therefore by nature are not pure nor theoretical in use
- Processes cannot be isolated from people even if embedded in technology
- **People** are required to deploy business processes, even with the use of technology
- No system is static - think of environments
- Variation always occurs, it's only a matter of time, even with technology and machines

OWNERSHIP



Process Ownership

- I've been involved in assessing organisations against the Baldrige Criteria for Performance Excellence for ten years
- Includes government, manufacturing, service, tourism, export, for and not for profit
- 5 employees to 10,000 employees

Process Ownership

- Major disconnects exist in all organisations between People (HR) and Process
- Fundamental flaws in HR disciplines that they do not understand Process Management

Recruitment

Induction

Training

Performance Review

Development

- Do you know where to access these in your job?

Process Ownership

60 second test:

- How many people in the audience can list the main processes they are responsible for - by yourself, or in a team? Hands up!
- Is it documented who the **Process Owner** is? You? Someone else? Hands up!
- Are these processes listed in your employment contract? Hands up!

Process Ownership

- How many people have KPIs linked to those processes? Hands up!
- Does the KPI have a range of acceptable performance? Hands up!
- Is your performance reward system linked to those processes and KPIs ? Hands up!
- Do you have a review cycle for those processes in your contract [date/time/frequency] Hands up!
- Can your customers and suppliers formally contribute to improving the processes you own? HOW? Hands up!

BEHAVIOURS, LEADERSHIP AND PROCESSES



Behaviours and Leadership

- People's behaviour varies according to circumstances, mood and personality
- To develop trust and support Leaders need to model a superior consistency of behaviour - this inspires and motivates people
- Habits can be mapped and Leadership styles can be mapped

Leadership Processes

- Communication - internal & external
- Decision-making - autocratic and democratic
- Review of performance - KPIs
- Setting directions - Strategy
- Participating in process improvement - Change Management
- does your organisation have these mapped?

MEASUREMENT



Process Measurement

- If you can't measure it you can't improve it
- World class performance includes multiple measures for the most important processes and systems
- Scorecards inevitably exclude process measures - "profit" means nothing if you don't know what caused it to occur

BENCHMARKING



Benchmarking isn't about measures...

- Benchmarking is about comparing your process to another process!
- If you compare to another average process will you make any gains?
- The best benchmarking exercise is to deconstruct a world class process to see what your system is missing
- Then develop a plan to introduce new steps

SYSTEMIC INTERVENTION



Systemic Intervention

- Organisations need to understand the similarities between business entities and natural environments
- If you drop a pebble into a pond you get ripples
- Ripples move and change things
- Leadership creates ripples as do customers and employees

Systemic Intervention

Simply put: Systemic Intervention focuses on:

- Who owns the pebble?
- How big is the pebble?
- When and how is the pebble dropped?
- How far will the ripples go and what will they affect on the way?

“Changes to processes and systems must be planned and controlled”

Systemic Intervention

“If you want to change something, you need to consider the whole environment - analyse and determine the SCOPE of your processes before implementing change”

[B.R.]

IMPROVEMENT



Process Improvement

- Excellent world class organisations have systems available and in use for formal Process Improvement
- Improvements are initiated by internal people (employees, contractors) as well as external sources (customers, suppliers)
- Rewards are linked to Improvement

Process Improvement

- Excellent world class organisations have systems available and in use for continuous formal Process Improvement
- Improvements are initiated by internal people (employees, contractors) as well as external sources (customers, suppliers)
- Improvements are measured for effects
- Rewards are linked to Improvement

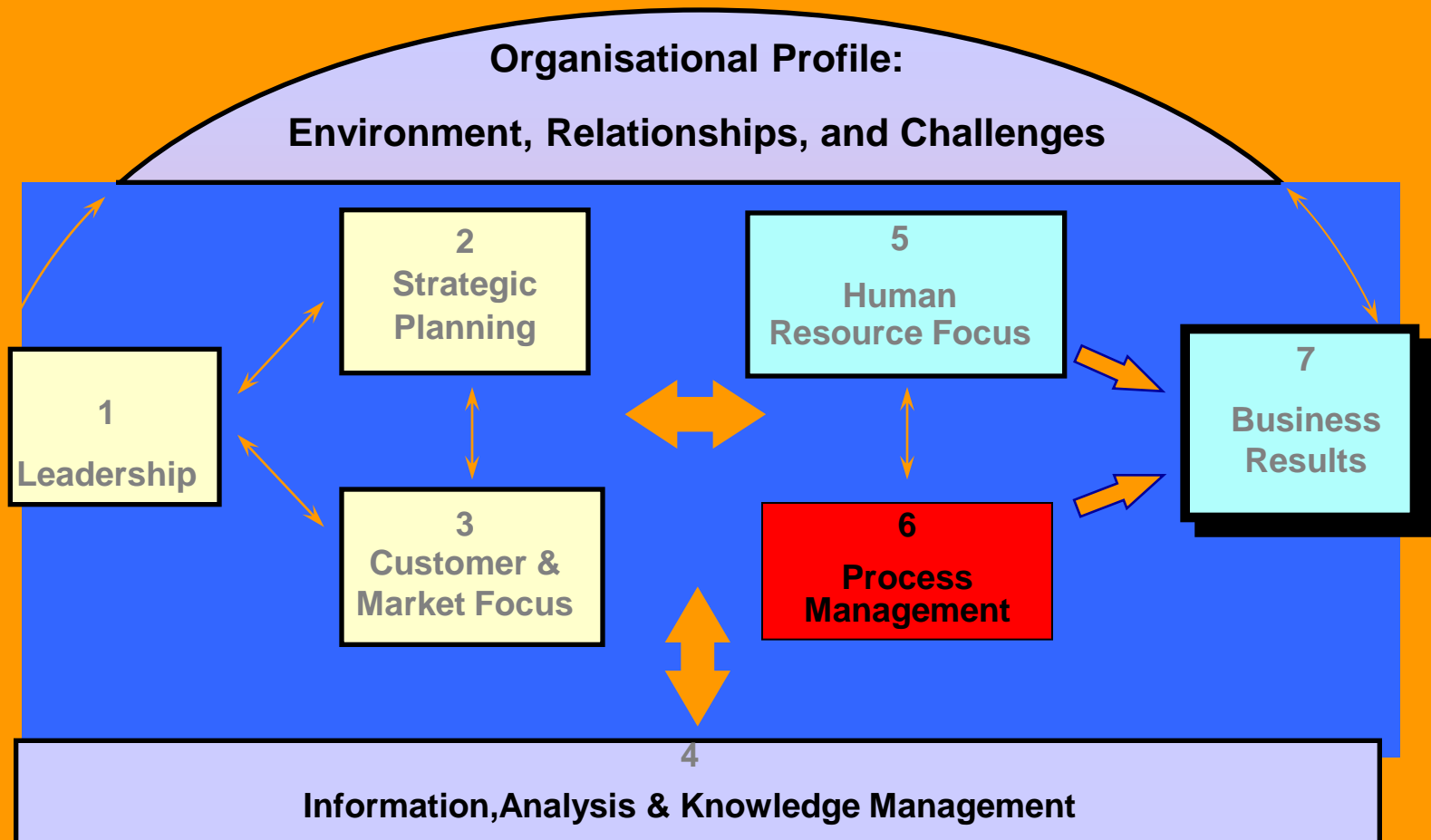
Process Improvement Tools

- Flow Charts
- Check Sheets
- Cause & Effect Analysis
- Pareto Charts
- Scatter Diagrams
- Histograms
- Run Charts
- Control Charts
- Decision Matrix
- Process Ownership Matrix
- Process Control process
- Process Evaluation process
- Process Improvement Process
- Process Simplification Process
- Scorecards

BUSINESS EXCELLENCE



Relationship within Business Excellence



What can you do now?

- Map your macro view of your business processes - 6 - 10 maximum
- Identify the ones that have the most significance for key stakeholders - employees, customers, shareholders, suppliers, partners
- Map the micro view of those key processes

What can you do now?

- Clearly identify the scope of the process
- Assign ownership
- Implement measurement systems that have relevance to process control, process performance and process improvement
- Set a schedule to review each process

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What can you do now?

Attend the two-day workshop:

“Managing and Improving Processes”

to be offered by

Excellence Works

and the

**New Zealand Business Excellence
Foundation**

October & November 2003

Questions?

Thank you!

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