A Systematic Approach to Business Process Improvement

A Systematic Approach

There are experts that help organizations improve productivity through a variety of techniques. Business process analysis and engineering is a much talked about discipline whose practitioners provide valuable advisory services to companies. This discussion is not intended to minimize the value that these professionals can provide, but Managers often don't have the luxury to engage an expensive specialist due to budget constraints or upper management expectations.

But if the Manager is going to make changes, a systematic approach to business process improvement can provide the foundation for success. With simple tools built in Office, Excel and Visio to support the phases, the Manager can identify key processes that are creating bottlenecks in the organization and work toward a solution. The steps include:

Analyze Current Business Processes → Identify and Define Improved Processes → Prioritize Process Improvements → Manage Change and Adoption

Let's take a closer look at how this process should work.

Analyze Current Business Processes

Managers are faced with increasing complexity in team management caused by the changing face of the workplace. Remote operations, home-based workers, accelerating customer expectations and other factors contribute to the need to understand, document and evaluate business processes. Many of the processes that worked when the entire team was

in one warehouse or office are not the processes that will support the extended workplace.

While "the way we always did it" may have been acceptable in the past, the current economic environment will force many to re-evaluate. Evaluating the current business processes required to achieve the goals of the department will identify those processes that require significant manual intervention, group coordination, double entry of data, or other factors that impact productivity.

The process of analyzing current business processes does not have to be overly complex. Bringing all key stakeholders into a room to discuss key department processes that require coordination and collaboration between multiple individuals or groups can provide the insight needed to identify problem areas. High level process review might uncover the types of issues identified in the table below.

Examples of business process challenges identified during the Analysis Phase.

Department	Process	Current State Analysis Findings
HR	Managing Certification Training	• Coordination of training schedules and participants • Manual and expensive travel arrangement process • Lack of consistent evaluation feedback
Sales	Proposal Development Process	• Manual processes via email • Input required from multiple sources • Multiple versions of the document
IT	Change Request Processing	• Change Request (CR) workflow driven through email attachments, decreasing process effectiveness • Information captured not used to build central knowledgebase • Manual CR processing
Marketing	Integrated Marketing Plan	• No centralized location for support documents • Multiple versions of plan • No visibility into current status, success or failure
Finance	Intangible Asset Management and Impairment Processing	• Limited integration between financial and operational systems limits ability to analyze and utilize important data • Professional staff time is spent manually collecting and validating data rather than on analysis • Increased risk of manual data entry and transfer errors

After identifying the high level business process or processes that require inordinate amounts of time and energy, the Manager can dig deeper to define the process and problems clearly. At this stage, it is important to get the feedback from people actually doing the work to ensure processes are documented completely and accurately. Manager's need to be sensitive and prepared for any internal politics that might cloud perspectives or make people feel threatened by potential change. Objective outside facilitators can often be helpful in this process.

The first step involves breaking the business process down into specific components. This process is often achieved best through a white board session including all the participants in the current process. A Microsoft Visio document may be helpful to provide a graphic representation of the process.

Example: Current HR Department Training Certification Process Analysis

	Plan Certification Training Event	Coordinate Attendance and Logistics	Travel to Training	Conduct Training	Evaluate Performance
Key Stake-holders	• HR Manager • Division Manager	• HR Staff • Instructor • Attendees	• HR Staff • Instructor • Attendees	• HR Staff • Instructor • Attendees	• HR Staff • Instructor • Division Manager • Attendees
High-Level Problems Identified	N/A	• Difficult to set training dates without a number of scheduling iterations • Manual process to identify those employees who required training	• Loss of employee productivity by taking attendees away from their jobs • Increased burden on attendees to coordinate travel planning	N/A	• Attendee and instructor survey responses manually consolidated from Word and analyzed in Excel
Impact	N/A	• Increased time and resources required to coordinate training and logistics	• Significant increase in cost of training associated with attendee travel	N/A	• Decreased survey response rates • Risk of data entry errors • Increased cycle time for survey submission

Identify and Define Improved Processes

With the identification of problem areas, the Department Manager can focus efforts on the potential solutions to those problem areas. This focus alone may reveal simple solutions to problems that previously felt insurmountable. Initial exploration of solutions for the future business processes should concentrate on the underlying issue and not the technology.

Most stories of failed implementations can be traced back to the lack of clearly identifying the expected outcomes of any business process. The envisioned solution should specifically solve the identified problem while achieving the desired outcome. Envision the solution and then consider the technology options that could enable that improvement. Technology should be used to enable the business process improvement.

Example: HR Department Training Future Certification Process

Coordinate Attendance and Logistics	Travel to Training	Evaluate Performance

	Coordinate Attendance and Logistics	Travel to Training	Evaluate Performance
Problem	• Difficult to set training dates without a number of scheduling iterations • Manual process to identify those employees who required training	• Loss of employee productivity by taking attendees away from their jobs • Increased burden on attendees to coordinate travel planning	• Attendee and instructor survey responses manually consolidated from Word and analyzed in Excel
Impact	• Increased time and resources required to coordinate training and logistics	• Significant increase in cost of training associated with attendee travel	• Decreased survey response rates • Risk of data entry errors • Increased cycle time for survey submission
Envisioned Solution	• Provide centralized scheduling	• Provide virtual training • Provide central access to training materials	• Automate survey administration • Automate survey analysis and reporting
Potential Technology Solution	• Shared Calendars	• Collaboration • Content management	• Automated forms • Automated analysis

With a clear understanding of the issues and potential solutions, the Manager would be well served to gain some insight into potential technology solutions. The internet affords Department Managers access to high level technology solution information that was not available in the past. While a

little knowledge may be dangerous, a basic understanding of the tools that are available to your teams can empower your decisions.

A high level understanding of the functionality of the servers that enable collaboration and workflow for your organization will allow you to begin the process of mapping key processes to technology. To understand what solutions your organization is currently licensed to use, consult your IT team.

Most organizations use the common tools of the Microsoft Office Suites and the supporting server solutions which connect workers, departments and organizations and provide the foundation for process improvement. Non-technical documentation on the capabilities of Office Suites and Server solutions is readily available online. Sites that provide product information and examples of how other businesses are using Office solutions include:

Prioritize Process Improvements with ROI

Evaluating the impact of those processes that are significantly impacting efficiencies is critical in this phase of the analysis. Factors can be grouped into two primary classifications — value to the business and the level of complexity — to provide the framework for evaluation. Specific factors in each area could include:

- Coordination of training schedules and participants
    - Direct cost and time savings
    - Improvements in accuracy, data collection
    - Customer/employee service improvement
    - Competitive advantage

- Expected Level of Complexity
    - Number of employees affected
    - Cross department coordination
    - Technical implementation complexity
    - Change management or adoption challenges

Some factors will require the input of other departments or upper management, such as technologies currently owned and implemented in other departments, but the Manager should be able to build a simple chart as below. This prioritization will provide the foundation for a business case

if investment in technologies will be required to automate or extend certain processes.

Example: HR Department Training Future Certification Process Preliminary ROI Analysis

Improvement Description	Benefits	Technology Leveraged	Estimated Cost Savings	Estimated Costs*
Shared calendars	Elimination of scheduling iterations	Outlook	2% Improvement Training staff utilization 5% improvement in HR staff utilization	None
Replace attendee travel with virtual meeting	Decrease travel costs Increased attendee productivity	Live Meeting 2007	80% decrease in training cost per attendee	TBD
Deliver training virtually	Reduce training costs while maintaining quality of instruction	Live Meeting 2007	20% increase in attendee satisfaction	TBD
Consolidate training content in online document repository	Content readily available anytime/place	Office SharePoint	5% increase in staff productivity	TBD
Automate training survey and analysis	HR Staff can	Office Forms Server and InfoPath 2007	66% reduction in associated labor time	TBD

* Cost of implementation will depend on current ownership and deployment status of software applications.

Manage Change and Adoption

No business process improvement effort can be successful without buy in from the people that will implement the new system. Management must ensure that the new processes are clearly understood and adopted by the entire team. As all managers know, resistance to change is one of the most difficult hurdles to overcome in the business environment.

Once again, the systematic approach allows the Department Manager to focus on the solution and plan of action. Identifying the specific changes that will be implemented reinforces the decisions that have been made and the endorsement by management to incorporate those new processes into the standard operating procedures of the department.

Assigning ownership and accountability of the key steps in the process is critical to success, including:

- Implementation of the solution
- Testing of the proposed solution
- Training and roll out of the proposed solution
- Ongoing communication

Example: HR Department Training Future Certification Process Preliminary ROI Analysis

Improvement Description	Resources Required	Implementation Owners	Additional Stakeholders
Shared calendars	● HR staff to define and distribute Shared Calendars policy ● IT Staff implements Outlook settings	● HR Director ● CIO	● HR Staff ● Instructor ● Attendees
Replace attendee travel with virtual meeting	● HR Manager/CIO obtain Live Meeting service ● Volunteers for pilot testing	● HR Manager ● CIO	● HR Staff ● Instructor ● Attendees
Deliver training virtually	● Instructors build virtual training plans ● HR staff provides logistics support	● HR Manager ● Instructors	● Dept. Manager ● HR Staff ● Attendees
Consolidate training content in online document repository	● IT department resources for solution implementation ● HR staff to provide training and maintain site	● HR Director ● CIO	● Dept. Manager ● HR Staff ● Instructor ● Attendees
Automate training survey and analysis	● IT department resources for solution development ● HR staff to oversee roll-out and communication	● CIO ● HR Director	● Dept. Manager ● HR Staff

A project plan built in Excel or Microsoft Project with task assignments and timelines detail can help to manage the implementation plan. With clear task assignments and due dates, ownership and accountability are easily tracked.

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