

Improving your business processes

“Insanity is doing the same thing over and over again and expecting different results.”
Albert Einstein

The big idea

This technique gives you a visual approach to modelling big processes and focusing activity to solve process weaknesses. The tool has been adapted from the Integration Definition for Function Modelling (IDEF) methodology, but don't let that mouthful put you off! It was developed in the 1970s and is designed to expose waste, cut costs and find opportunities for service improvement.

This technique is most appropriate for modelling business processes:

- that are complicated when you do them but can be better understood by stepping back from them
- that cross internal and external business boundaries
- where value is being added to 'intellectual inventory' (such as new product/service introduction, case management, design etc)

The answer/s you gain using this process are likely to be one possible solution to an open question. Therefore, part of its usefulness also rests on the degree of consensus among the team doing the process modelling.

Purpose

The purpose of business process modelling is to represent complex processes in a simple way. The technique involves breaking down a complex subject into its constituent parts. It helps you challenge 'the way you do things around here' to see if improvements can be made which might save resources. It is not about criticising how you do things; it just helps you look at your processes to see if they have gaps, duplications or are unnecessarily complex. The idea is that breaking the process down helps you see the wood for the trees.

The tool provides teams or groups with an opportunity to discover what the central purpose of a business is. It also aligns the key processes to the enterprise's objectives in an effective and efficient way.

The tool

There are four stages in developing useful business process models.

To begin the process, you need to be clear about what your organisation does.

Stage 1 Your overall business purpose and process

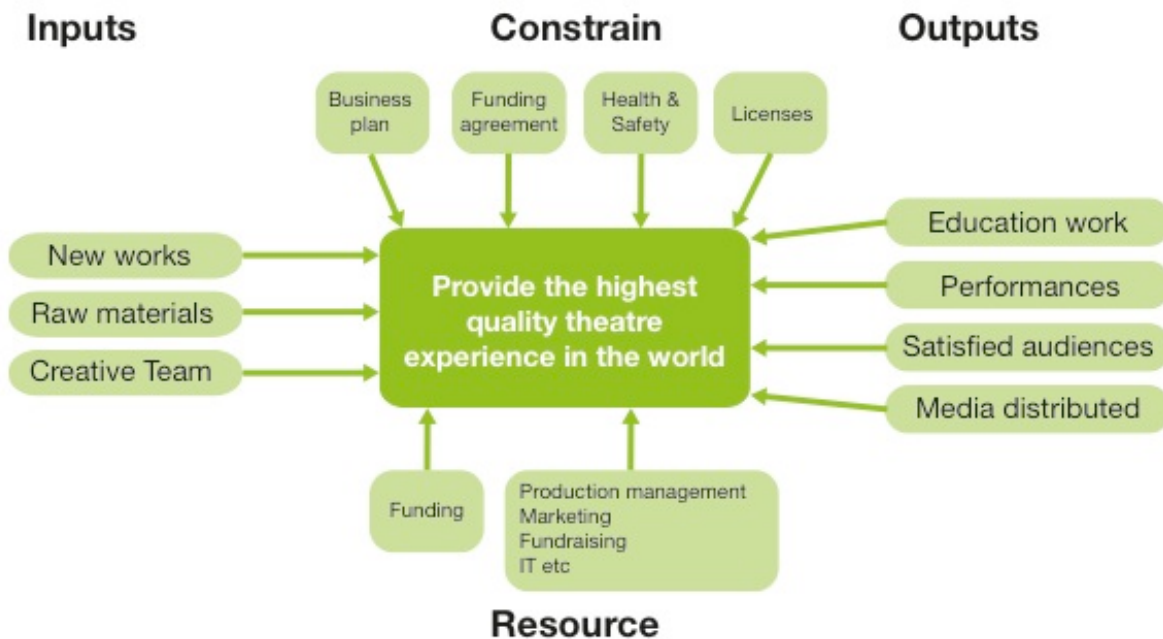
Step	Description	Tasks
1	Define the purpose of your business	Imagine yourself in a helicopter high over your business. Then develop a statement (comprising at least an active verb and an object) that describes the business. Place the agreed statement in a single box in the centre of the diagram, as in the example
2	Define the purpose of your process modelling	Be clear about what it is you are trying to achieve from the modelling exercise
3	Add inputs and outputs for the business	Generate a list of your inputs and outputs (as in the example). Try and keep the lists manageable and don't go into too much detail

4	Define process controls and resources	<p>Identify the resources (people, mechanisms, systems or devices) required to turn inputs into outputs. Identify the controls (rules and policies) that are applied to constrain the process.</p> <p>Controls can be easily confused with inputs, but unlike inputs are not transformed by the process. Applying this simple test can help to clarify any areas of confusion. Again, keep them simple and don't include too much detail</p>
5	Validate the overall purpose and processes diagram	<p>Test your resulting diagram with other people who know the business such as other staff, or even customers of the process. They might see aspects of the business you have missed. Make sure the diagram represents everything you are there to do.</p>

During this stage, you are concerned with your processes as they are, what is known as the 'As-is' model.

This diagram (Figure 1) shows an example from a fictitious theatre. As you can see, it has just one box for the whole process of your business.

Figure 1 Mapping the purpose and processes of your business

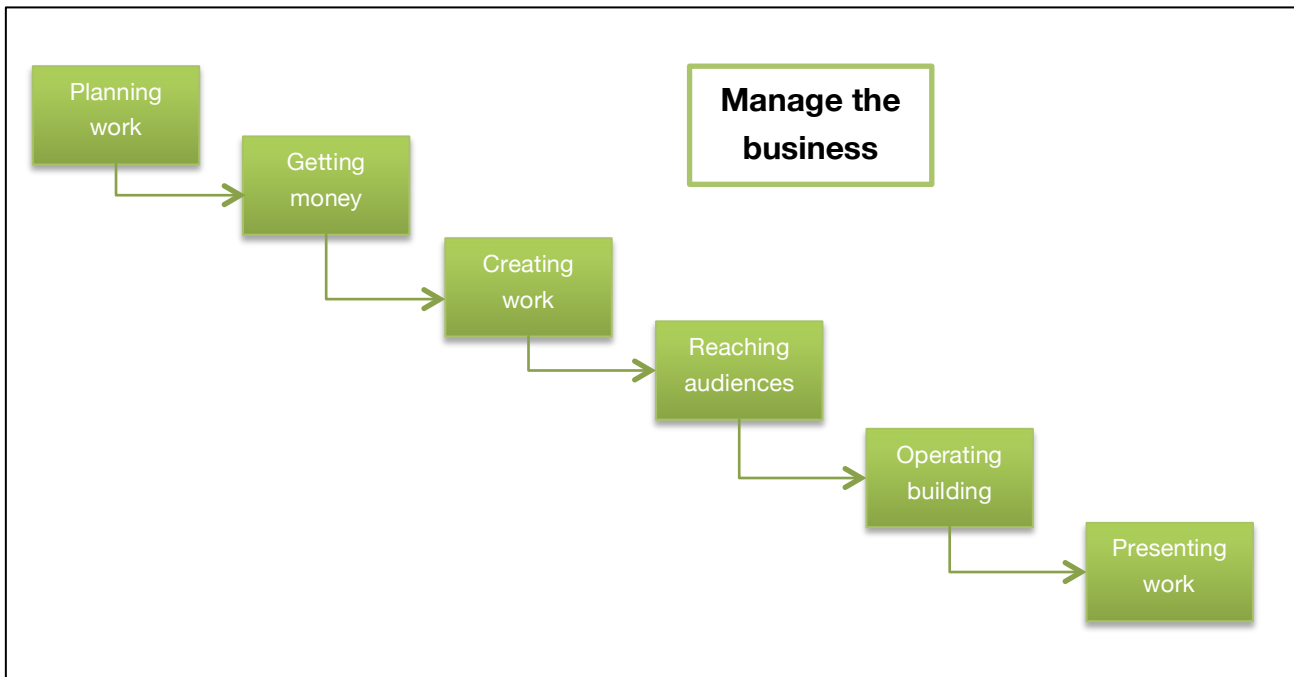


Stage 2 Define process activities

During this stage, you will break your overall process down into six or seven connected boxes to show how you turn your inputs into what you deliver, your services, programme or products (see Figure 2 for an example).

Step	Description	Tasks
1	Brainstorm list of activities	<ul style="list-style-type: none"> • Brainstorm a list of activities carried out in your overall business process • Try and think sequentially across the whole business • Ignore organisational boundaries • If you can't get a group together, you can interview or survey people individually to gather their views
2	Review the activity list	<ul style="list-style-type: none"> • Satisfy yourselves that the list generated represents all the activities needed to transform the inputs into outputs • Also check that the activities listed are consistent with the resources and controls described
3	Create a diagram of your completed activity list	There will be no single right answer to grouping activities but don't be too concerned at this stage. A selection that does not quite work will become apparent as the model is developed further

Figure 2 Simplified level 1 process (As-is)

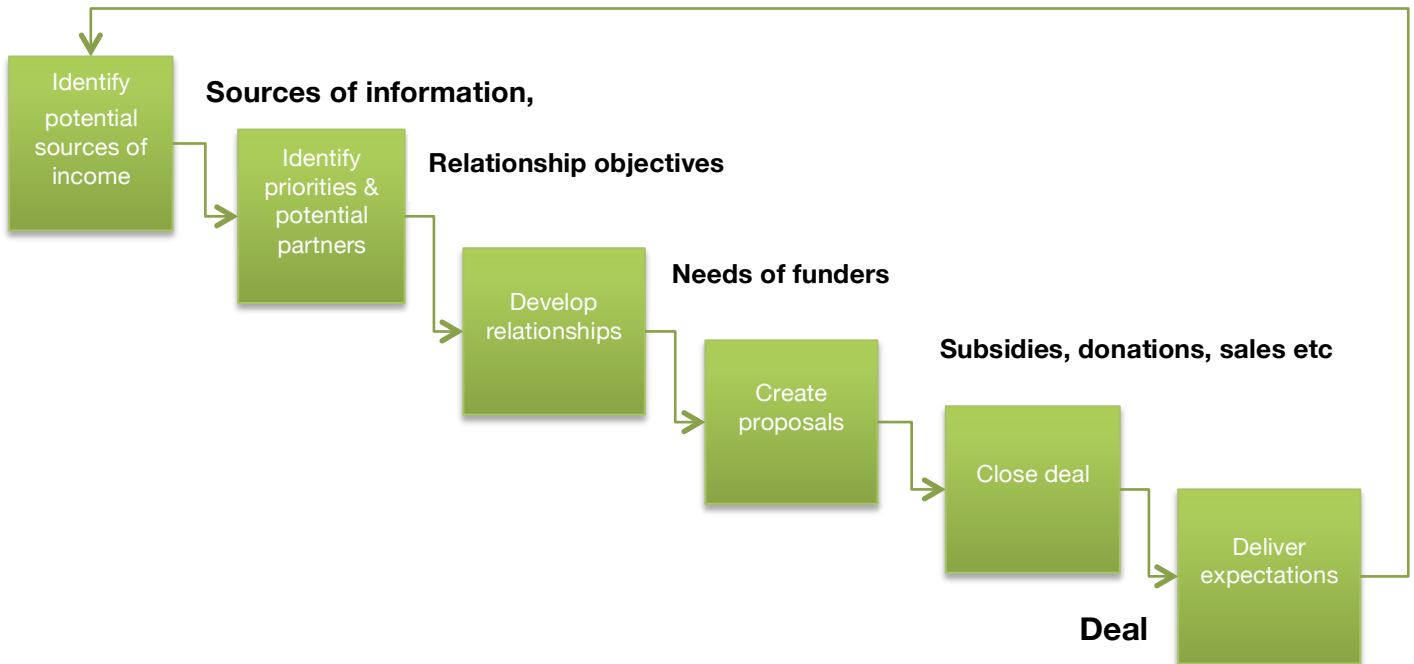


Stage 3 Develop level 1 diagram

At this stage, you are ready to start breaking down the individual processes further. If you were to use Figure 2 as an example, you might choose to look at the process involved in getting money or creating work or operating your building.

Step	Description	Tasks
1	Describe each process box	Develop a single statement to describe each group of activities agreed in stage 3. Follow the active verb and object format, for example 'design jewellery product'
2	Lay out the process boxes	Each activity statement can now be entered into a series of cascading process boxes
3	Insert inputs and outputs	<ul style="list-style-type: none"> • Add the inputs and outputs identified within the overall purpose diagram to the level 1 diagram • Add other inputs and outputs at level 1 to connect the process boxes
4	Allocate controls and resources	Add controls and resources to the process boxes. Begin with external controls and resources from your overall purpose diagram. Add those internal to level 1
5	Validate level 1 diagram	When completed, check the level 1 diagram against the overall purpose diagram. Ensure it contains a necessary and sufficient level of detail

Figure 3 Detailed level 1 diagram



Stage 4 Validate the process model

Share the model with more people who have an understanding of the process concerned. This can be done in focus groups covering the different organisational areas. The model can be considered complete when it represents the necessary detail to answer the initial questions and purpose of reviewing your processes.

A non-value-adding activity is one that produces waste. Waste is anything that is not specifically needed to satisfy customer requirements. Once discovery of the process hierarchy is understood by all parties, work can begin to reduce waste and non-value-added activity and to improve the quality of output. The key to this next step is to ensure the changes have a basis in measured improvement. A lot of energy can be expended in changing key business process for very little gain. Changes need to be evaluated on a business-case basis, in other words 'What is the break-even time/return on investment?'

Mapping new processes

Once you have got the hang of mapping your 'As-is' processes, you might want to have a go at designing new processes. Repeat stages 3 and 4 but, instead of mapping what you already do, draw out how you would like the new process to work.

If you know your processes very well, you might skip mapping the As-is model and go straight to designing something new.

Take the next step

Ever wondered why design and development of products, services or software takes so long? Have you ever thought of the processes involved in designing and building a lighting desk, developing a website or releasing a CD? See if you can design a detailed level 1 process map for a product you use regularly.

Top tips

- Apply the verb-object format rule rigorously. This helps to avoid confusion with traditional or existing organisational groupings. It also ensures a precise form of words to avoid ambiguity
- When connecting the boxes on the diagram, the following rules can be applied:
 - Draw arrows along horizontal and vertical lines only
 - Label long arrows twice, once at each end
 - Draw parallel arrows at a reasonable distance apart
 - Place reference numbers relating to other diagrams on the end of arrows that enter or leave the diagram
 - Bundle arrows with the same source and destination into a single arrow where possible
- Watch for the 'functional' nature of most 'sub-processes' and how one department's or function's (for example marketing, finance etc) output is passed to the next function.
- Notice that the quality of the output is often not easily measured
- Notice the gap between what is expected and what is supplied to 'internal customers' – often expressed as the 'cost of quality'
- Very often it is the discussion involved in developing these models that highlights both issues and opportunities