

Business Process Management

Achieving Strategic Alignment and
Performing to an Executive Dashboard



Six Sigma Qualtec

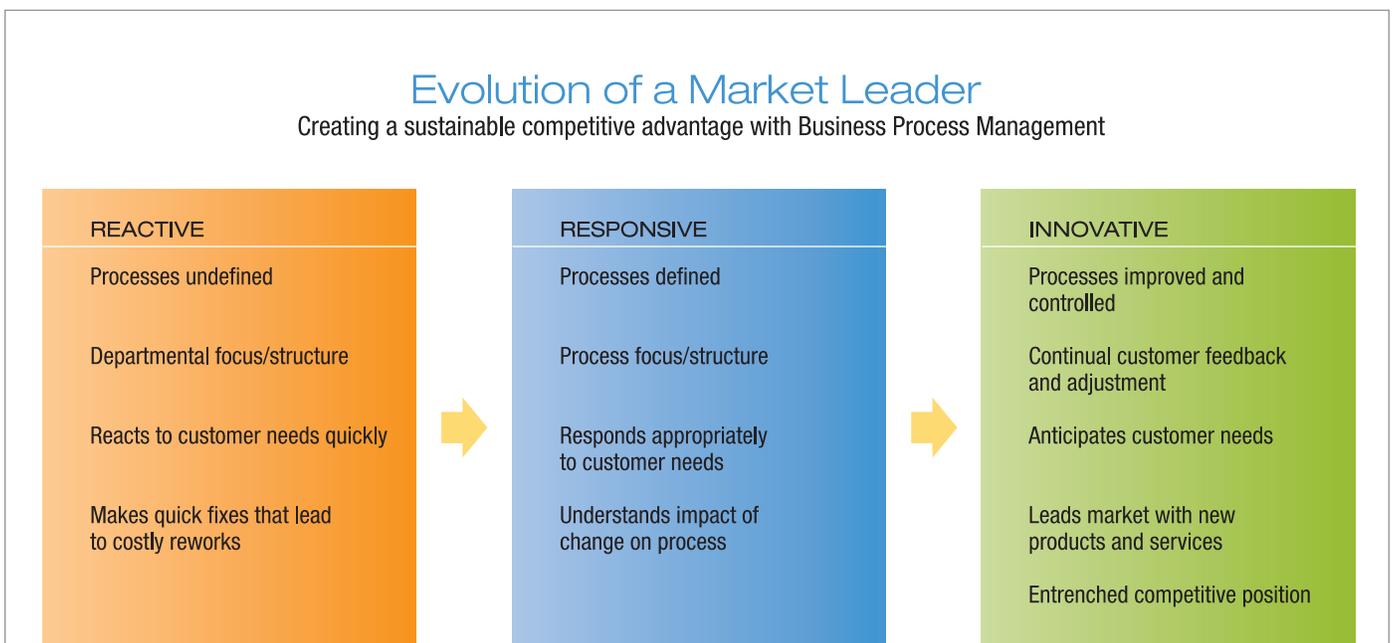
Business Process Management is an enterprise-wide, structured approach to providing the products and services your customers value most.

By understanding the key business processes your company uses to meet these needs, the gap between customer expectations and your ability to perform begins to emerge. Processes that are inefficient or ineffective in delivering what customers require are clearly identified and targeted for improvement. As the entire organization begins to measure performance in terms of critical, customer-driven requirements, employees no longer think of themselves as functional managers responsible for functional outputs. Instead, they see their roles in the context of a greater, more important goal -- satisfying and creating loyal customers. As process thinkers, they consider the potential impact of their actions and decisions upstream and downstream and ultimately on the company's ability to deliver what it promises its customers.

One vision, one purpose, and a meaningful way to measure everyone's progress. Business Process Management transforms reactive organizations into innovative leaders – with the speed and agility to anticipate change before the market demands change.

Evolution of a Market Leader

Creating a sustainable competitive advantage with Business Process Management



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All too often companies establish effective goals, strategies and objectives but lack the mechanisms to identify and drive improvement efforts with a process focus as opposed to a functional approach, which is siloed and far less-effective. Business Process Management (BPM) provides precisely the process focus that organizations need in order to achieve the disciplined design and careful execution of their end-to-end business processes. Designed to cascade through an organization, BPM focuses a company's objectives and improvements on the most important processes, especially those that require contributions from multiple functions within the organization. BPM culminates in the alignment of the organization's vision, mission, strategies, and objectives to satisfy customer requirements and profitably enhance the customer experience.

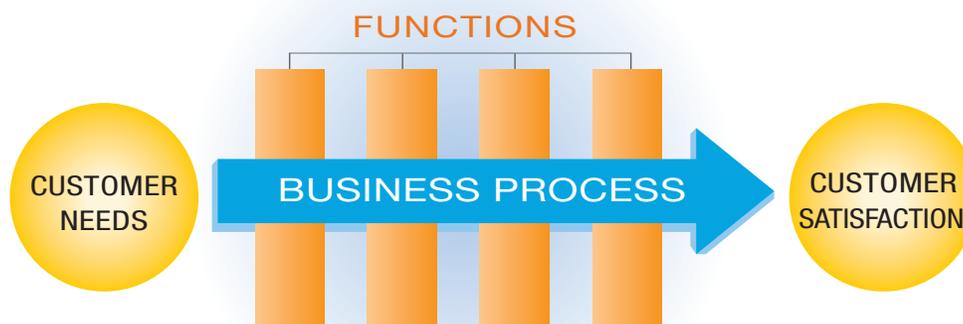
YOUR DESIRED BUSINESS RESULTS



BPM focuses a company's objectives and improvements on it's most important processes – aligning them with an organization's strategy and vision.

Business Process Management provides the most effective and efficient way to drive process improvements. Through an understanding, measurement, and analysis of your operational processes, BPM aligns your organization's direction and objectives with the customer's needs. It is important to understand that these are not typical functional processes that are contained within a functional silo alone, but are linked cross-functionally, moving horizontally across the organization's functions. These are considered the Key Business Processes (KBPs).

BUSINESS PROCESSES ARE CROSS-FUNCTIONAL





An effective business model begins with the Voice-of-the-Customer (VOC) objectives – the understanding of your customer’s desired business results and what that customer is trying to achieve. By translating those customer needs into what you can do as an organization to profitably fulfill them, you can create your own Voice-of-the-Business (VOB) objectives and Critical Success Factors. In order to achieve both the VOC and VOB objectives, you must address both the behavioral and technical sides of performance improvement. Thus business performance improvement must include both leadership involvement and education as well as process management improvement.



AN EFFECTIVE BUSINESS MODEL

With BPM your company can collaboratively and quickly define its Key Business Processes (KBPs). Once you have identified your KBPs, the proven methodology of BPM enables you to:

- Identify from a KBP perspective where improvements will have the greatest measurable effect on the business and assign clear owners to the KBPs
- Agree on process performance metrics that directly tie to the organization’s objectives and critical success factors
- Create process improvement charters with clearly defined business cases
- Select the right people, tools, and skill-sets to successfully meet the objectives of every chartered project
- Measure, manage, and share the process improvement accomplishments across the organization to create a self-sustaining progression of process-focused improvements
- Foster a culture in which people understand the importance of a process-focused enterprise, know how data can be used to drive change, and do what they can individually to identify and achieve the most significant process improvement opportunities within their purview

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Business Process Management Overview

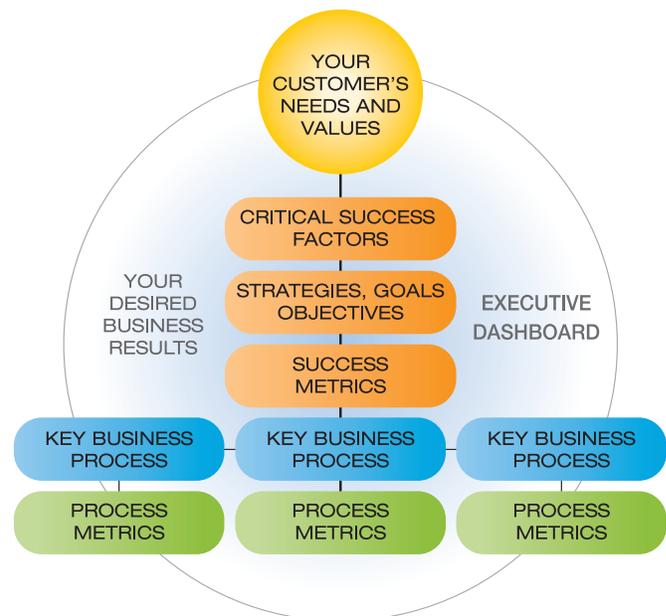
There are three levels of BPM. The highest order of the methodology is called BPM Strategic; the next level is Process Owner, and the third is Team Member or Yellow Belt (for operationally-focused activities). Through a series of carefully structured and sequenced workshops, BPM can be efficiently and effectively cascaded down through the organization from strategic leaders through process owners to team members.

BPM provides the most effective and efficient tool available to bridge the gap between a functional mentality and a process perspective. But first let's take a look at how your organization's goals and objectives should be developed with Critical Success Factors in mind.

THE PROCESS PERSPECTIVE

Critical Success Factors (CSF) are the ingredients for success that need to be achieved and measured by your organisation. Because these are the marching orders that get communicated throughout the organisation, your organisation's goals and objectives should be developed with these CSFs in mind. You must measure CSFs to gauge their success, as these success metrics then make up the Executive Dashboard or Scorecard that you will use to monitor and motivate performance.

Once the success metrics have been set, Key Business Processes (KBP) are identified; process owners are established, and process metrics are developed. In many cases, the process metrics include a mix of existing and new measures. During the same session in which KBPs are identified, you also identify enabling processes – those processes, like Information Services, Purchasing, and Human Resources, that are required to enable or support KBPs.



The identification of Key and Enabling processes provides an additional benefit to participants in the workshop – the ability to recognize these processes as cross-functional in nature rather than as bounded by a functional silo. The silo mentality is what differentiates a true BPM implementation from an exercise that is nothing more than creating a list of departmental activities, responsibilities, and measures. Most organizations think in this functional manner, which results in the sub-optimization of many of the selected performance improvement activities because the improvements don't transcend departmental boundaries. Often these activities are unrelated to corporate objectives and focus instead on specific departmental or functional objectives and goals. By directly addressing this core deficiency in corporate process thinking, BPM provides the most effective and efficient tool available to bridge the gap between a functional mentality and a process perspective.

The intent is not to create a new organizational structure but to assign responsibility for the activities that take place across the organization as they relate to KBPs. Hence the word "ownership" connotes a tangible responsibility: An individual owns the results and coordination of activities within that KBP and is accountable regardless of the number of functions that contribute to the process. It is this ownership – and a clearly defined metrics system tied to the Voice of the Customer, the Voice of the Business, and the Critical Success Factors – that consistently produces results.



The Three Levels of BPM Methodology

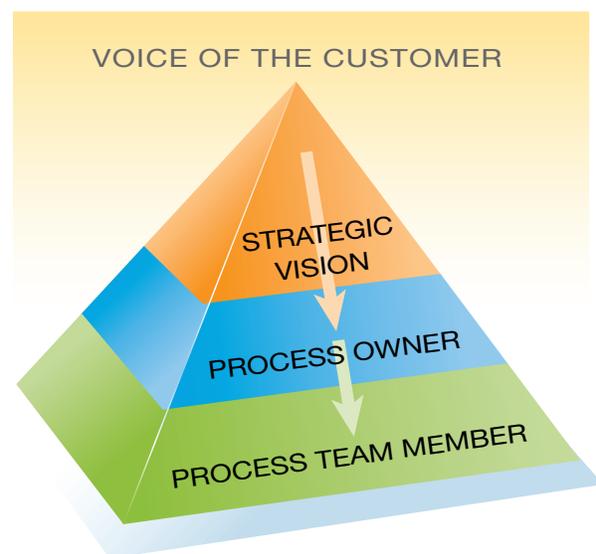
Through this series of carefully structured and sequenced workshops, starting with the strategic workshop, BPM can be efficiently and effectively cascaded down through the organization – from strategic leaders through process owners and down to team members or yellow belts. Cross-functional process accountability, combined with process metrics drive customer satisfaction and deliver top business performance.

SIX SIGMA ROLES

CHAMPION
MASTER BLACK BELTS

BLACK BELTS

GREEN BELTS
YELLOW BELTS



Process Management Improvement and Design encompasses the tools and methodologies for improvement such as Six Sigma DMAIC (Black Belt, Green Belt, and Yellow Belt), Lean, Design for Six Sigma (DFSS), and Problem-Solving, to name a few. Leading with BPM is the most efficient and effective way to first identify and prioritize the most significant improvement opportunities, which can then be used to generate well-defined improvement project charters. During the process of creating project charters the appropriate tools and skill-sets to accomplish the project objectives are also chosen. In simple terms, you identify the most valuable potential improvements and select the right tools to facilitate each improvement.

Business Process Management

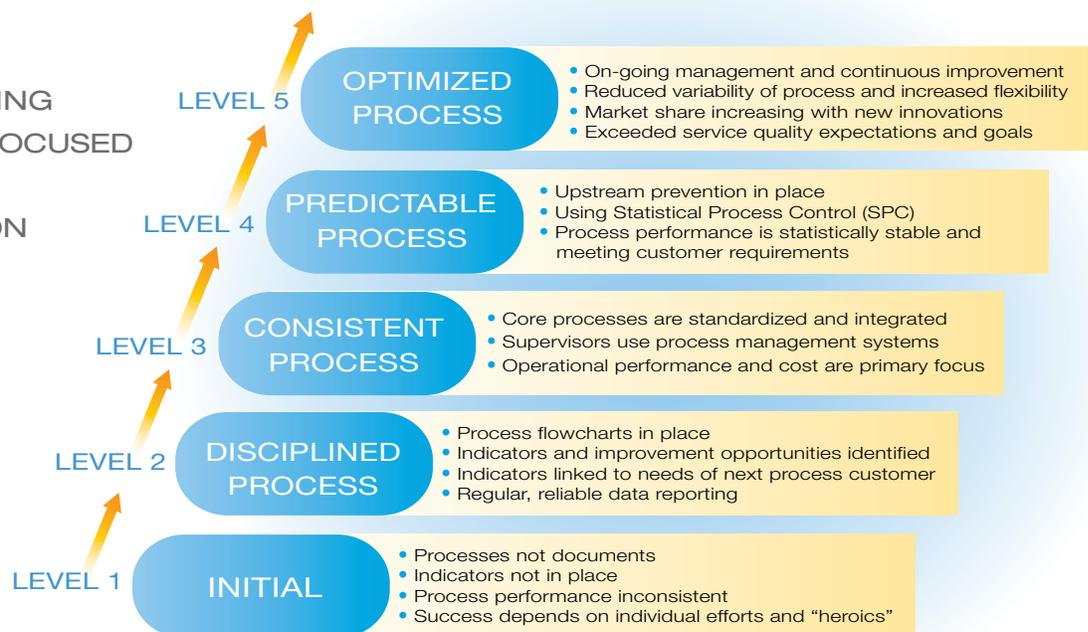
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Assessing an Organization's Maturity in BPM

Organizations differ in their level of BPM maturity. Even separate units within the same organization typically exhibit different levels of maturity. Before implementing BPM, you should understand where your organization or unit stands in terms of maturity. Once you accomplish this, the execution of BPM can then be crafted to fit what has already been accomplished and you can build on that success. You need to determine the maturity of your organization by examining your current level of maturity objectively.

- How successfully are processes documented?
- Are indicators and improvement opportunities being identified?
- Is process performance meeting our customer's requirements?
- Are we controlling our processes while allowing enough flexibility to take advantage of new innovations?

FIVE LEVELS
OF A MATURING
CUSTOMER-FOCUSED
PROCESS
ORGANIZATION

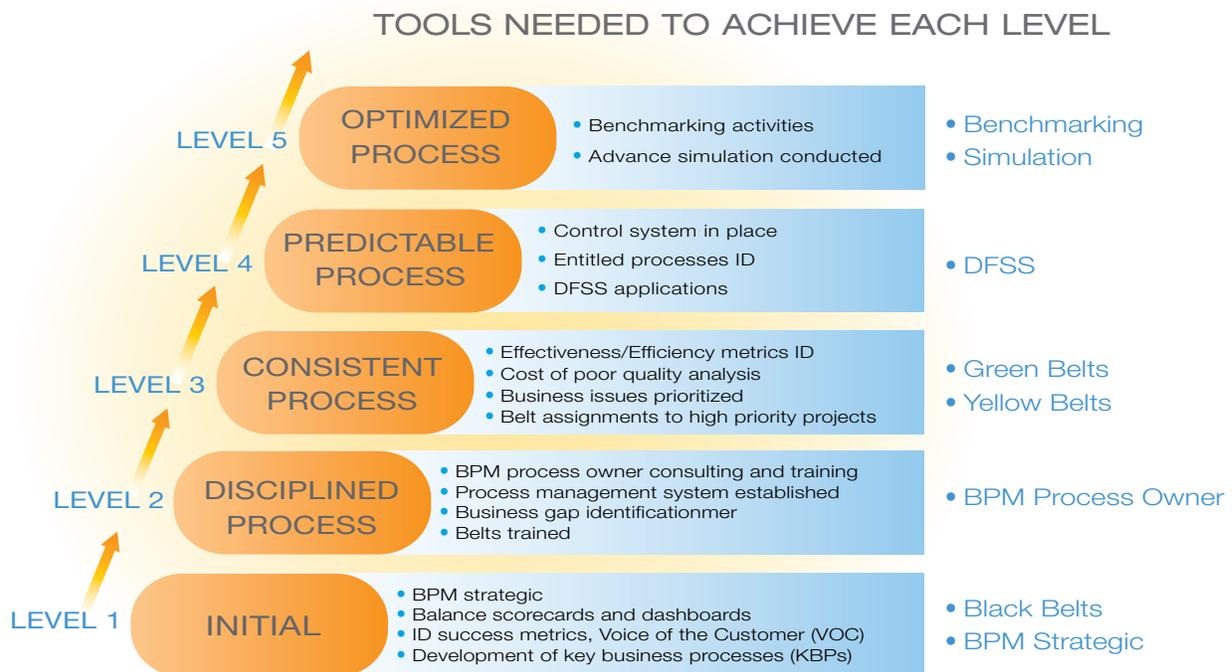




Tools for Advancing in Maturity

Once you have determined the maturity of your organization, you can then choose the best methods for advancing, as depicted below. To enable rapid grasp and application of the tools at each level, the BPM workshops and homework activities include training in:

- Flow charting processes at different levels of detail
- Establishing measurement and base-lining those measures
- Establishing validity of the measurement systems
- Establishing a system of indicators
- Integrating the variety of improvement activities
- Understanding predictive and preventative tools (rather than just reactive methods)



LEVEL 1 of maturity includes completion of the BPM Strategic workshop and its associated activities.

LEVEL 2 is reached after the completion of the BPM Process Owner training, in which the process management system is established.

LEVEL 3 is where further definition is provided to the micro-process level (work groups) and measurement is introduced through the Team Member Workshop.

LEVEL 4 is established managed and controlled processes that are highly predictable in their performance.

LEVEL 5 shows processes continuously improving and, most importantly, you have powerfully aligned your organization's vision, mission, strategies, and objectives to profitably satisfy customer requirements.

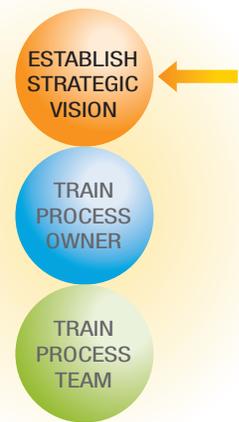
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BPM Strategic Workshop

Customer focused process enterprises are created from the top down. Only through executive buy-in and demonstrated understanding can the implementation of business process management skills be successful. Strategic decision-making is required to prelude the transformation of an organization to a customer-focused process enterprise.

Six Sigma Qualtec offers this BPM strategic workshop too assist organizations in achieving the highest level of BPM maturity, Six Sigma. Six Sigma Qualtec employs a full-time, dedicated training development team. This group uses the latest in instructional design and adult learning theory to ensure that knowledge is indeed transferred. Workshop activities are conducted in a facilitated, consultative environment that allows the executives to reach agreement and to focus on the organization's alignment.



Workshop Objectives

- Validate the Mission and Vision of your organization (Voice of the Business)
- Agree on Critical-to-Customer Requirements (Voice of the Customer)
- Develop Critical Success Factors and Success Metrics that will make up your Executive Dashboard or Scorecard
- Define the Key Business Processes that provide value to your customer
- Identify significant opportunities (which may even include “boil-the-ocean” level opportunities) with macro-business improvement cases that relate to your Executive Dashboard or Scorecard



Overview

The BPM Strategic workshop is conducted with the top leadership of your organization. Executives, using their agreed upon business vision, mission and strategies and critical to customer requirements, must create a plan to introduce business process management within their organization in the most efficient and effective manner. This will result in increased customer value, lowered costs, increased flexibility to market demands, higher employee satisfaction, better overall business performance, better esprit de corps and less inter-functional conflict. This workshop is conducted in two sessions several weeks apart.

Course Goal

This course is designed to establish customer to business alignment, to ensure cross-functional process accountability, and to establish metrics to drive customer satisfaction and business performance.

Session 1 introduces operational process management knowledge and provides an understanding of the deployment process. Executives will begin the process of identifying and characterizing Key Business Processes. Through alignment of vision and mission and identification of critical success factors; business goals, strategies and objectives will be defined and success metrics identified, key business processes will be determined. Process metrics will be identified from the perspective of Voice of the Business, Voice of the Customer and Voice of the Process. These metrics will be used to measure the effectiveness and efficiency of the process.

Session 2 allows executives to work with their process teams, will validate information about their processes. They will complete provided templates and they will be expected to return and present an overview of their process including key business metric alignment, process goals and targets and identification of gaps between success metrics and process metrics. These gaps will assist in creating business improvement cases and determining an actionable deployment plan for business process management.

OUTLINE

Session 1 Duration – 2 Days

- A Introduction to Business Process Management
- B From Concept to Reality
- C Vision and Mission
- D Critical to Customer Requirements
- E Defining Success Metrics
- F Key Business Processes
- G Reaping the Benefits

Session 2 Duration – 1 Day

- A Report out and validation of Key Business Process definitions
- B Identification of deployment plan

Workshop size

Typically 6 to 12 people

Duration

3 Days

Course Assessment

The participants will present their key business process definitions during Session II.

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BPM Process Owner Workshop

The BPM Process Owners will be equipped to identify, characterize and prioritize the greatest opportunities for which they are ultimately responsible. They will identify project opportunities related to process improvement Business Cases. Finally, they will learn to manage an effective process support team.

Once the BPM Strategic workshop is completed, you cascade the outputs to subordinate levels of management through the BPM Process Owner workshop. Process owners are the employees at many levels throughout your organization who are responsible for a process. They are responsible for decision-making as it relates to that process, for managing a process team, and for maintaining process metrics at the desired levels. BPM-trained process owners typically become the individuals who are equipped to create the most significant impacts to the business, they ascend the organizational ladder more rapidly.

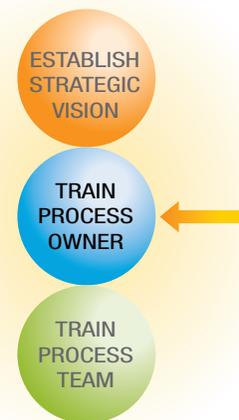
The Process Owner workshop enables process owners to build process management skills, knowledge, and abilities. They continue the organization's alignment with Key Business Processes and focus on critical customer requirements and desired business results. To assure the predictability and stability of their process, process owners capture further detail about their processes and create a Process Management System

The "process owners" create the process-improvement business cases that are then broken into discrete project charters. Instead of trying to fix every problem with the same tool, you use the project charters to evaluate and prioritize the process improvements that will have the greatest return on investment (ROI) and a positive impact on the objectives of the business. Then, and only then, you can select the most appropriate resources, tools, and skill-sets to facilitate the improvement.

Project charters must include such elements as:

- A problem statement that describes what is to be improved
- Primary and secondary success metrics to measure improvement against the organization's objectives
- The expected financial impact of the improvement
- Identification of the resources and tools required to execute the project

Some of the most significant improvements result when you focus on processes as they relate to objectives and then realize that a simple change can accomplish the most significant ROI. In other instances a more vigorous process improvement approach, such as Six Sigma or Lean, may be needed.





Overview

Process Owners are employees at many levels throughout an organization who are responsible for a process. They are responsible for decision-making as it relates to that process, for managing a process team, and for maintaining process metrics at the desired levels. This course requires inputs from the BPM Strategic Planning course or a higher level Process Owner course.

Course Goal

The course is designed to impart process management skills, knowledge and abilities. Aligning with key business processes and focusing on critical customer requirements and desired business results, participants will create a detailed definition of their process and create a Process Management System to assure predictability and stability of their process.

Instruction is application focused, therefore requiring all participants to successfully complete numerous case studies and exercises during the classroom portion of the training. Knowledge transfer is demonstrated by real-time application of skills.

OUTLINE

- Introduction to Business Process Management
- Critical to Customer Requirements
- Configuring Business Processes
- Identifying Key Business Processes
- Process Characterization
- Process Mapping Validation
- Process Performance Decision Making
- Identifying Data Sources
- Process Analysis
- Statistical Process Control
- Building a Business Process Management Support Organization
- Foundation for Cost of Poor Quality
- Introduction to Change Management
- Knowledge Management
- Linkage to Other Strategic Initiatives

Workshop size

Typically 10 to 20 people

Duration

5 Days

Course Assessment

The participants will present details on their implemented process management system and defend their decision-making process. This assessment will generally be conducted one month after conclusion of the class.

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BPM Team Member Workshop (Yellow Belt)

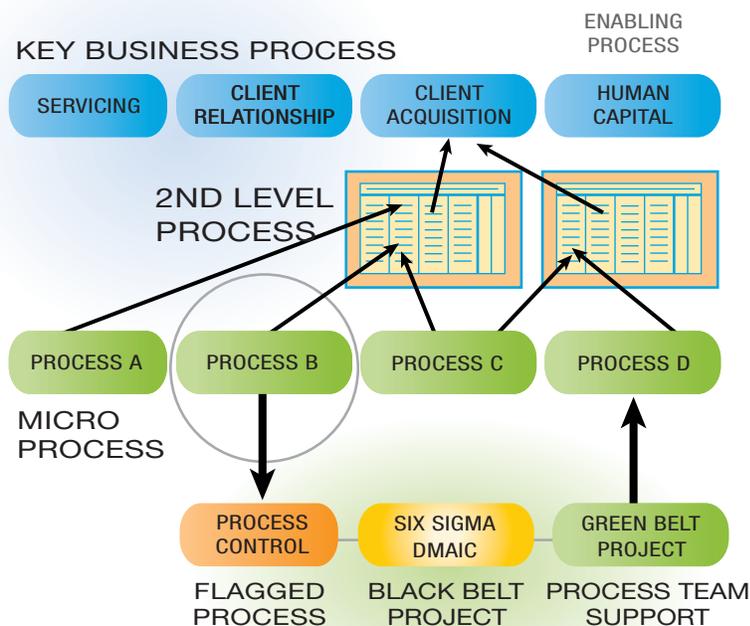
To ensure successful improvement, individuals who operate within and contribute to core and enabling processes must understand what is important. In the BPM Team Member workshop, process team members are empowered to actively participate in, and contribute to, the BPM process. Yellow Belt teams are also empowered to improve the performance of their processes.

Through the application of the skills and tools they acquire in the workshop they help create monitored and controlled processes measured by process metrics. Where more challenging obstacles to the business objectives exist, the Yellow Belts (YBs) become super-team-members for a Six Sigma DMAIC, DFSS, or Lean project.

This tertiary level of process focus yields a great number of significant improvement opportunities for the project pipeline. The use of a process-focused approach with clearly aligned metrics also ensures the most efficient and effective execution of performance improvement activities regardless of the original source of the project charter.

Again, projects are driven by the largest opportunity, and then the appropriate improvement methodology is chosen. That is, the priorities to improve specific key processes and sub-processes are driven by the gaps in performance against specific customer requirements that will move you closer to achieving your CSFs. All of these elements are all linked together in Process Management and Improvement.

PROCESS MANAGEMENT AND IMPROVEMENT



This graphic depicts the powerful alignment that takes place as the methodology cascades through the organization. It also makes clear how useful the methodology can be for planning and for project identification by enabling your organization to prioritize and align resources where they are most required.

It is at the tertiary level where BPM uncovers DMAIC (Black Belt or Green Belt) projects for processes that have been identified as critical to the function of a KBP or one of its sub-processes. Process indicators identify opportunities where a process is “incapable” or “out of control” and the appropriate resource (Black Belt or Green Belt) can be assigned to it.

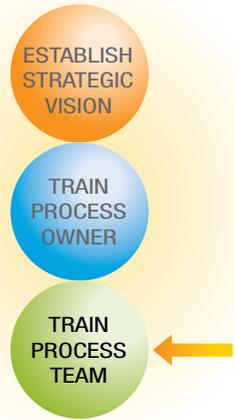


Overview

This course introduces Business Process Management to process team members and enables them to actively participate in the process management process. Application of skills and tool usage will result in monitored and controlled processes that demonstrate increased effectiveness and efficiency as measured by process metrics.

Course Goal

The course is designed to enable the process team member to assist in managing and controlling a process, including recognition of an out-of-control process state and the implementation of the appropriate response plan. Through alignment with business strategic goals and objectives and focus on achieving success metrics, the process metrics become direct indicators of business performance.



OUTLINE

- Introduction to Business Process Management
- Critical to Customer Requirements
- Configuring Business Processes
- Key Business Processes and Work Processes
- Process Mapping
- Data
- Statistical Process Control
- Building a Process Management System
- Root Cause Analysis
- XY Matrix
- Failure Modes and Effect Analysis
- Graphical Data Analysis
- Mistake Proofing
- Basic Statistics

Workshop size

Typically 10 to 20 people

Duration

5 Days

Course Assessment

The participants will complete a detailed process map, an XY Matrix and an FMEA for their process.

Six Sigma Qualtec

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Your Strategic Partner

Six Sigma Qualtec is a premier provider of process management and performance improvement consulting, training, and technology solutions that drive breakthrough growth, productivity and value for our clients.

We are unique in our ability to customize the integration of management disciplines to meet the industry-specific requirements of global leaders in financial services, natural resources, manufacturing, process and service industries.

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