

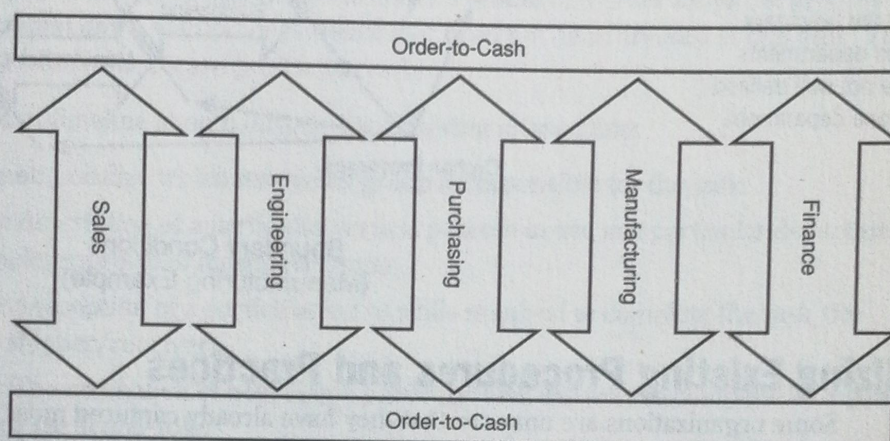
**TIP**

If the process is difficult to document, it's likely a good indicator that the process is difficult.

Organizations are typically divided along functional boundaries or vertical specialization, as shown in Figure 2.3 (for example, sales, engineering, purchasing, manufacturing, and finance). By virtue of this structure, members of these departments aren't typically exposed to processes occurring beyond their department wall.

**FIG. 2.3**

Each department has vertical specialization.

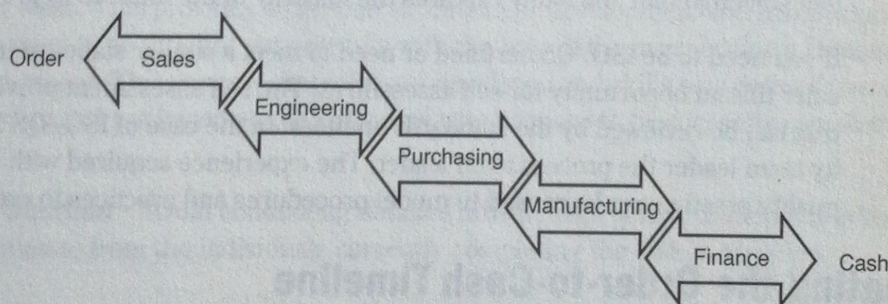


Vertical Specialization  
(Manufacturing Example)

However, the customer does not see (or care about) any of these vertical micro-processes. The customer is only interested in the Order-to-Cash (horizontal) process. Take a look at Figure 2.4.

**FIG. 2.4**

The Order-to-Cash process flows horizontally across the organization.



Horizontal Flow  
(Manufacturing Example)

Unfortunately, the typical organization has very few (if any) individuals familiar with the Order-to-Cash process. The exercise to capture the Order-to-Cash process provides many employees a first look at how the organization really operates. Although each department may operate efficiently in its vertical process structure, it is the boundaries (or hand-off) between departments—vertical processes—in which the process ball gets dropped. The boundaries have no