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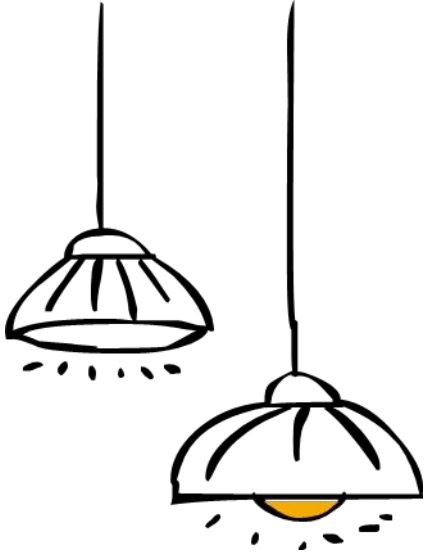


Business Process Management

“A Boundryless Approach to Modern Competitiveness”

By: Mohamed Zairi

CONTENTS

Introduction

Process

Four Key Features
of Process

4 Key Features of Process:

1

Predictable and Defined Inputs

2

a linear, logical sequence or flow

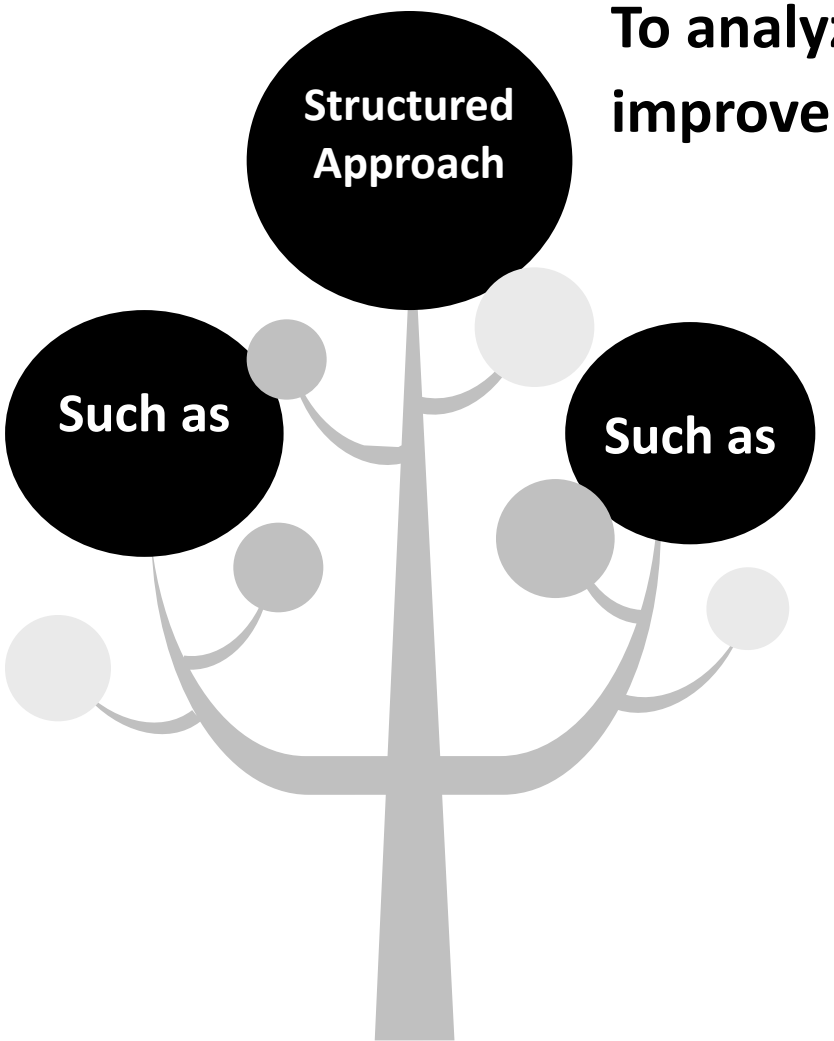
3

a set of clearly definable tasks or activities

4

a Predictable and Desired Outcome or result

Business Process Management



To analyze and continually improve fundamental activities

manufacturing, marketing, communications

other major elements of a company’s operation.

BPM has to be governed by the following 7 rules:

01 Actvities Mapped and Documented

02 Focus on Customer through horizontal Linkages between key activities

03 Relies on Procedure

04 Relies on Measurement Activity

BPM has to be governed by the following rules(Continued):

05 Continuous Approach of Optimization

06 Inspired by Best Practices

07 Approach for Cultural Change

IMPORTANCE

The Importance of Accredited Quality Systems

Key Element for the Implementation

Accredited quality assurance systems

Various companies have reported the real value of quality assurance systems

The driving themes of Total Quality Management:

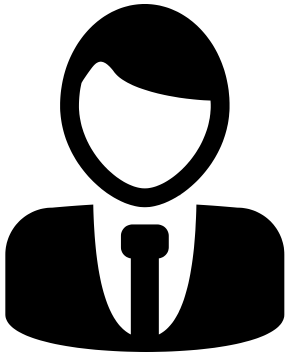
1. Continuous improvement

2. The importance of the customer

3. Empowerment of employees

4. Business activities as processes

The Importance of Accredited Quality Systems



Carnaud Metalbox plc

1. Foundation For Quality Culture

2. Developing the Total Quality Process

Tioxide Group Ltd

1. Push Quality to much Higher Profile

2. Meet Specific Requirements of Customer

Esso Research Centre (UK)

1. Helps in the Integration of the Quality Process

2. Minimizing Errors and Increase the Incidents of 'right first time'

The Importance of Accredited Quality Systems

> “Registeration to international-Recognize Quality Assurance System is neccessary, Imposed by Customer as Requirement”

Common Message from Discussion:

> “Quality Assurance Sytem can assist in the Development of a process-based approach to Competitiveness”

The Importance of Quality Structure

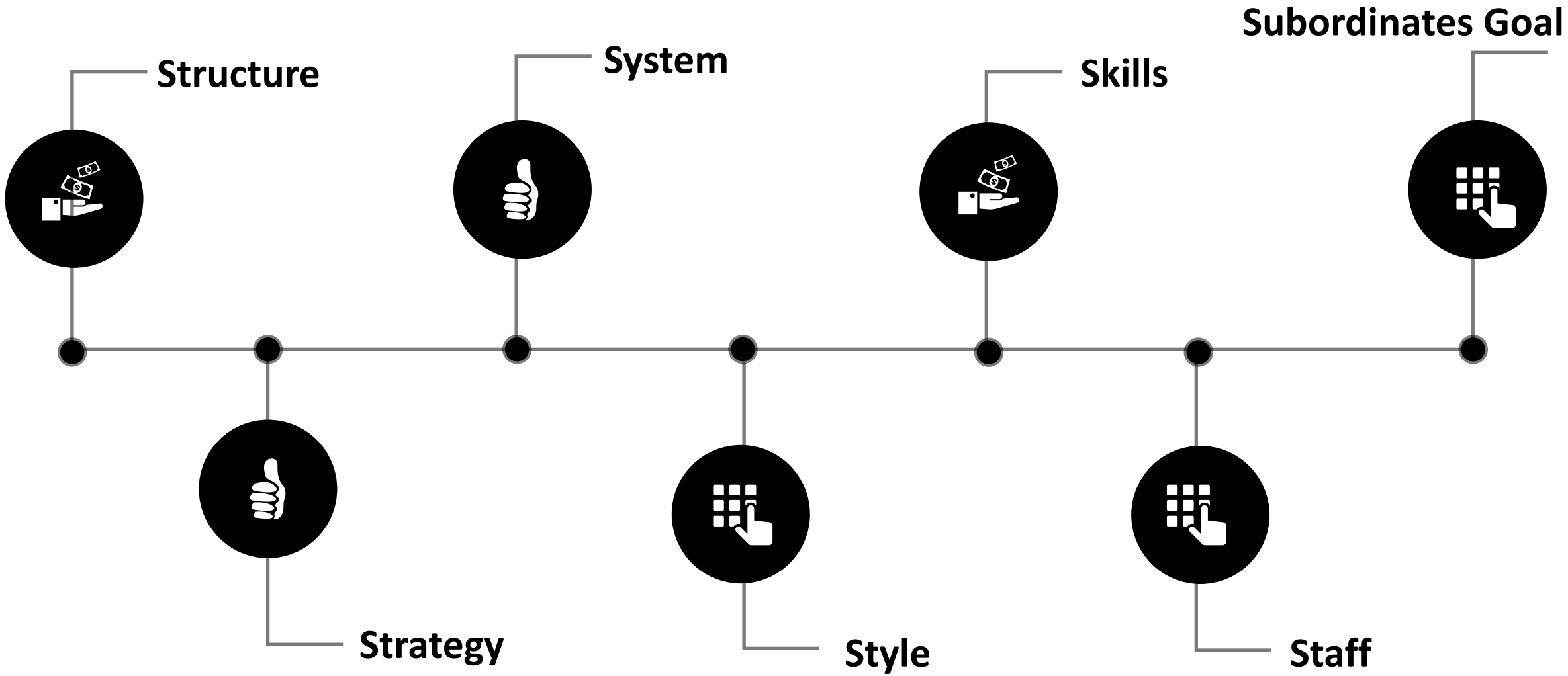
Structure Considered “Hard” for Modern Management

Important in setting up the BPM-Based Culture, but incapable of changing as “Blue-Prints” may recommend

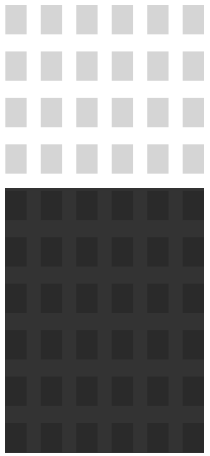
Proponents suggested the this is the quickest and effenct way of bringing changes

Model of Integrated Management based on the seven Ss

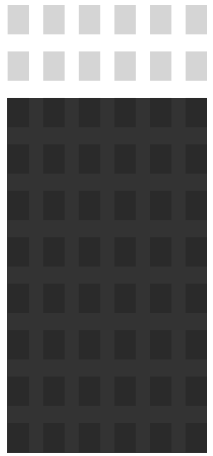
Seven Ss


Structure
System
Skills
Subordinates Goal
Strategy
Style
Staff

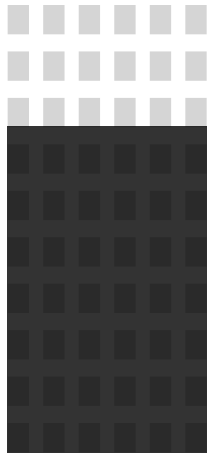
Seven Ss as “Happy Atom”
Characterctics:



Multiplicity of Factors



Interconnectedness of Variables



All Seven Variables Act as a Driving Force

BUSINESS STRATEGY

The ongoing process of setting an organization's high-level goals, developing plans of action, and effectively allocating resources to execute those plans.

The Importance of Strategy

- Establishing direction. A business strategy will first and foremost set the direction for your company. ...
- Making wise decisions. ...
- Avoid competitive convergence. ...
- Measure success. ...
- Increase satisfaction.

The Importance of Strategy (Rank Xerox Corp)

- A key process which Rank Xerox can articulate and communicate the Vision, Mission, Goals and Vital Few Programmes to all employees.
- What do we need to do?
- How are we going to do it?”

The Importance of Strategy

> A vision without a strategy remains an illusion.

The importance of process management

1. Reduces costs
2. Helps identify new customer demands
3. Enables the transformation of business models
4. Increases productivity
5. Helps companies remain competitive
6. Better retention of customers
7. Increased standardization of processes
8. Increase in cross-department collaboration
9. Improves mobility and agility
10. Reduced risks and time wastage

Radical change from a functionally driven to a process-based approach

Elida Fabergé Ltd(Cosmetics)

Benefits:

- **Reduction in changeover time;**
- **Improved teamwork;**
- **Reduction in NPD cycle time**

Reason for Radical Change

- Need to improve its service to retain customers;
- The need to move to a European manufacturing centre;
- The need to move to a European then global innovation centre for deodorant/fragrance products;
- The need to “right size” the company, to improve productivity and competitiveness

New Features:

- New organization based on five core processes, including business planning/strategy as one of core processes
- Realignment of senior management responsibility;
- Responsibilities based on natural boundaries between processes (not functional boundaries which cut across processes)

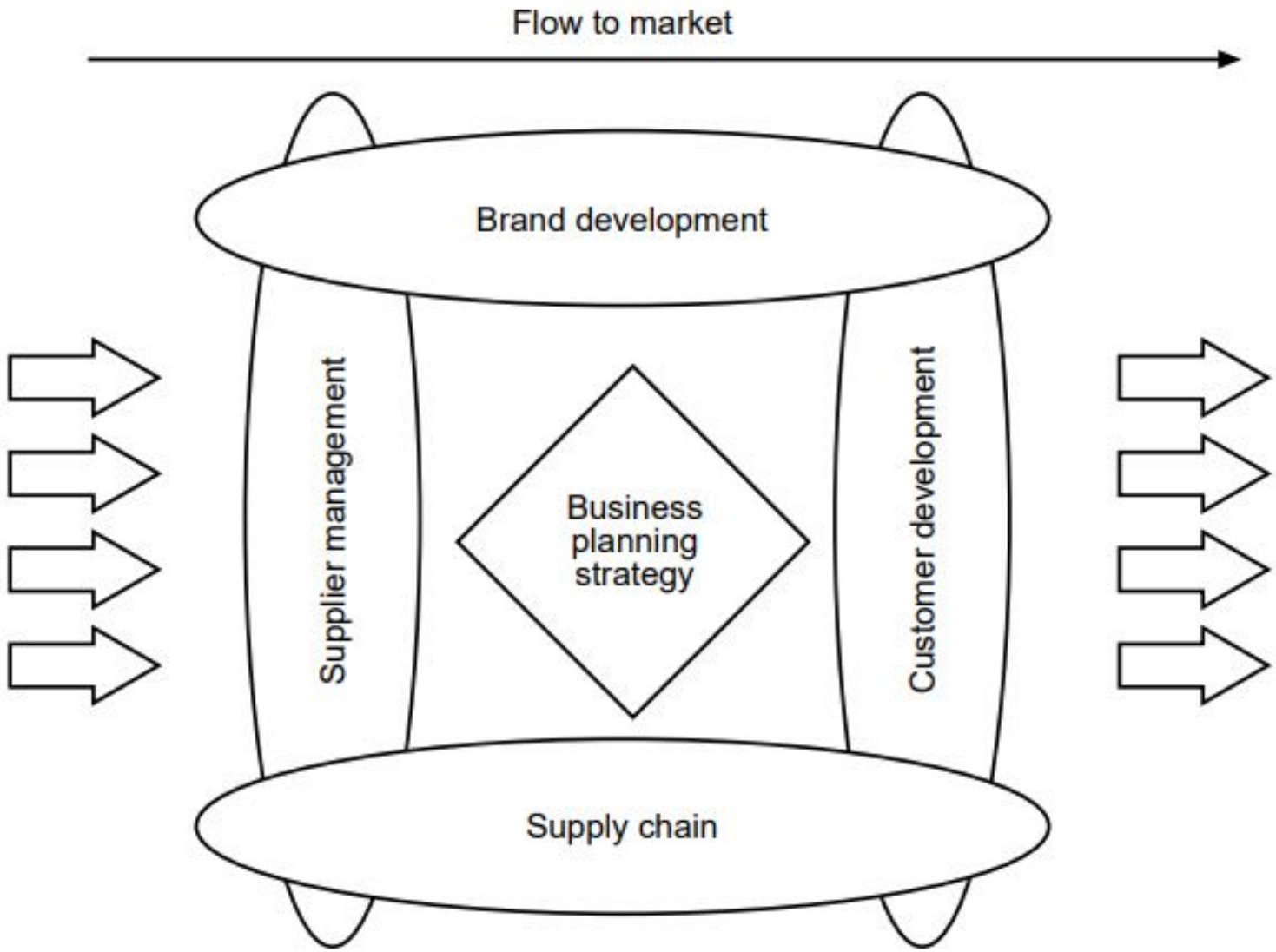


Figure 1.
Business process management at Elida Fabergé Ltd

Rank Xerox Corp(a provider of document management and business solutions**)**

- **From a manufacturer of copier, printer and fax products, became a provider of document tools and services;**
- **Appreciated that processes are liberating and empowering rather than constraining;**
- **Focused on core processes to become customer focused and more efficient and effective**

SmithKline Beecham(Pharmaceutical company**)**

- Realized that the customer has changed and therefore decided to move away from the doctor-driven approach;
- Reorganized the four traditional divisions – pharmaceuticals, consumer health care, animal health, clinical laboratories – into three key areas: care delivery, care management, and care coverage
- Recognizes that the big task now is to ensure that each process is mapped, documented, with performance measures and a consistent, repeatable and predictable performance;
- Has recognized that it will take many years (at least five) to become a fully process-oriented organization

Quote:

"Without continual growth and progress, such words as improvement, achievement, and success have no meaning."

BUILDING A CULTURE BASED ON PROCESS MANAGEMENT:

EXAMPLES OF BEST PRACTICE

Dependency on Organization :

1-Management depends on organization

2-Process depends on organization

Methodologies to improve process and management

1- Process breakthrough methodology

2- Rank Xerox approach to process improvement and management

3- Process management methodology at Ford Motors

THE PROCESS BREAKTHROUGH METHODOLOGY

The process breakthrough methodology

- Recommended by Harrington (1995)
- Consist of 5 major phases
- Phases are sub-divided into 27 key Activities
- Results in process improvement and positive results

5 Major Phases of Methodology

1. Organizing for quality
2. Understanding the Process
3. Streamlining the Process
4. Implementation, measurements and Finalized implementation plan controls
5. Continuous improvement

Phase	Key activities
Organizing for quality	Defining critical business processes Selecting process owners Defining preliminary boundaries Forming and training process improvement teams Boxing in the process Establishing measurements Developing project and change management plans
Understanding the process	Flowcharting the process Preparing the simulation model Conduct a process walk-through Performing process cost and cycle-time analysis Implementing quick fixes Aligning the process and the procedures
Streamlining the process	Process redesign (focused improvement) New process design (process re-engineering, process innovation, big picture analysis) Benchmarking the process Improvement, cost, and risk analysis Preferred process selection Preliminary implementation plan
Implementation, measurements and controls	Finalized implementation plan New process implementation In-process measurements Feedback systems Poor-quality cost
Continuous improvement	Major breakthrough in performance Process improvement must continue Natural work teams or department Improvement teams take over

Table I.
The key activities of the process breakthrough methodology

Harrington Argument

- Represents real problem facing Business today
- Employees must work within the process
- Management must work on the process
- Work combinedly on the process
- To optimize the efficiency, effectiveness, and adaptability of the total process.

RANK XEROX APPROACH TO PROCESS IMPROVEMENT AND MANAGEMENT

Rank Xerox approach to process improvement and management

Represents an integrated philosophy with the following key areas of focus :

- **a goal for Rank Xerox to attain and maintain**
- **a strategy to enable Xerox to achieve its competitive advantage**
- **a way of working or process to use for managing operation of the business, and at all levels**

Basis of Leadership Quality

- problem-solving process
- quality improvement process
- benchmarking process
- self-assessment process

Problem Solving Process

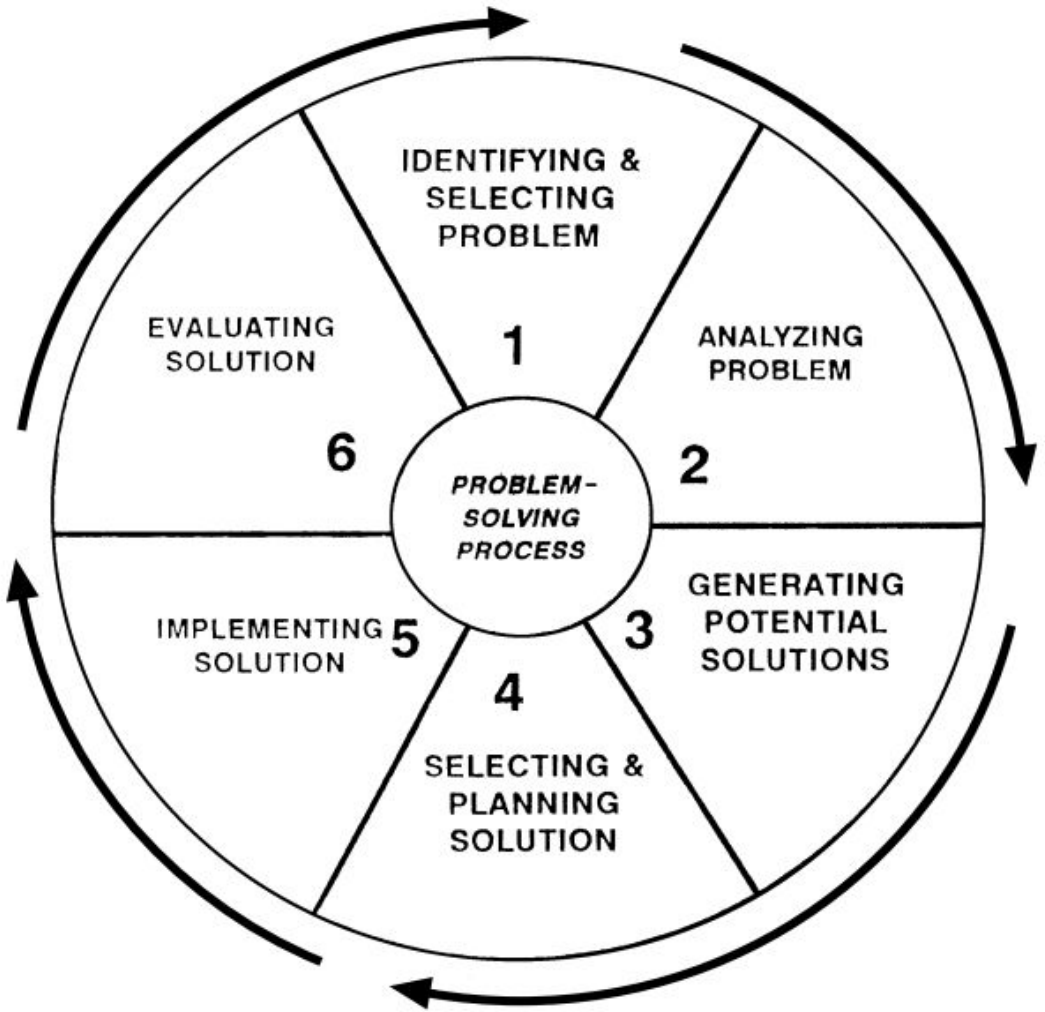
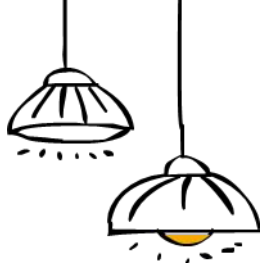


Figure 2.
Problem-solving process at Rank Xerox Ltd

The quality improvement process

- More powerful tool
- Related to internal and external problems
- Focuses on process routes and services
- Customer related process



Quality Improvement Process Steps

There are 9 steps in this process

1. Identify Output
2. Identify Customers
3. Identify Customers Requriements
4. Translate requirements into supplier specification

Quality Improvement Process Steps(Continued)

5.Identify steps in the work process

6. Select measurement

7. Determine process capability

8. Evaluate results

9. Recycle

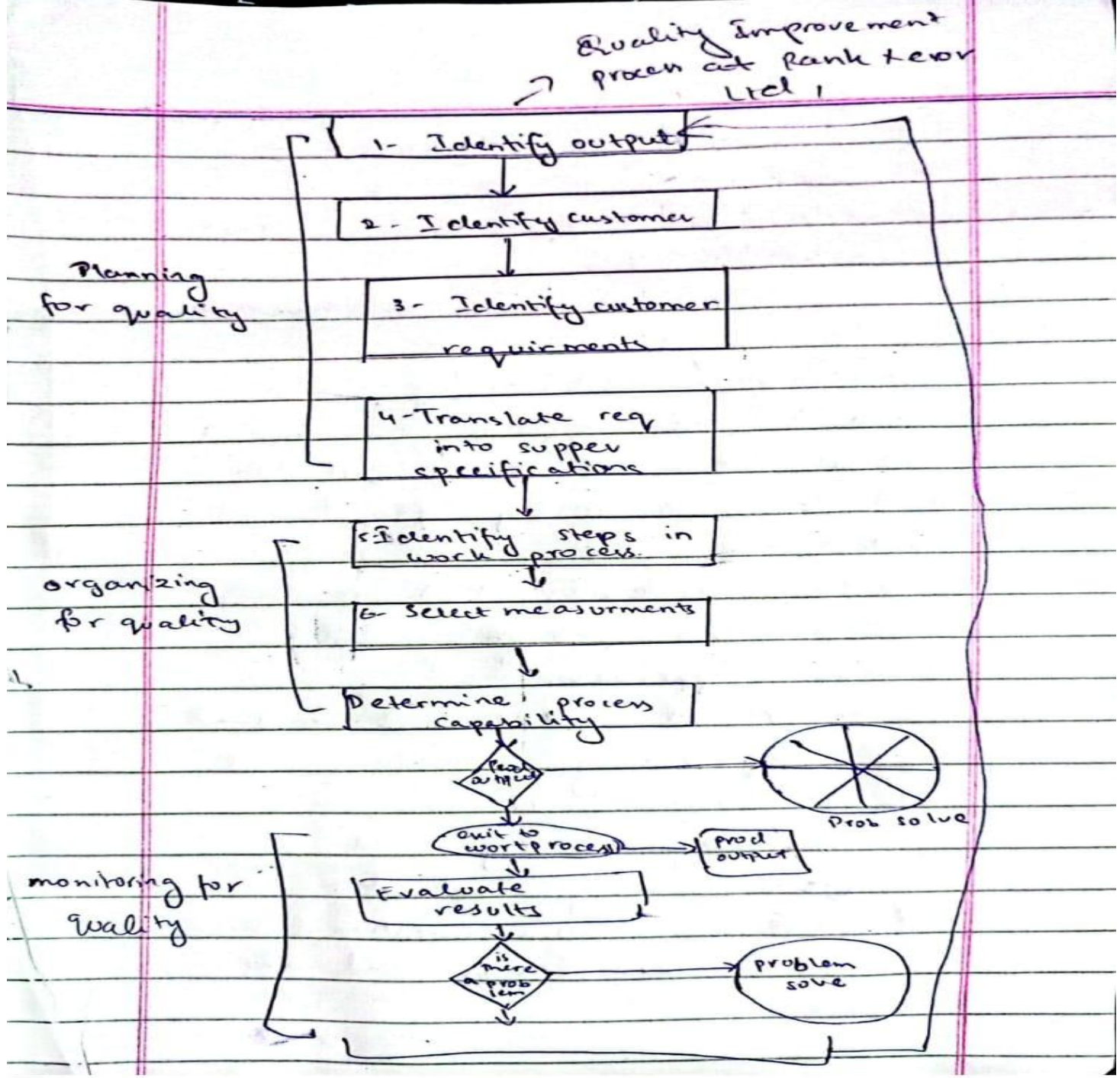
PROCESS MANAGEMENT METHODOLOGY AT FORD MOTORS

Process management methodology at Ford Motors

- Ford introduced a new process management approach
- Called quality operating systems (QOS)
- An argument is added in internal document

Argument about Ford

Ford trained thousands of our people in the quality engineering tools and we developed Q-1 facilities only to find we needed more. QOS was the management "glue" that improved our success with our customers



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QOS
(QUALITY OF SERVICE)

Quality of service:

- Uses Standardized Tools and Practices to Manage Business
- Increase Level of Customer Satisfaction

QOS policies

- Analyze and assemble existing data and result measurable which are correlated
- Standards that maximize performance through a total systems approach
- Implement continuous improvement in both manufacturing and non-manufacturing applications
- Effective Communication

QOS PROCESS AT FORD

- **Process which can be applied in manufactruring and non-manufaturing operations.**
- **Based on eight steps**
- **Involvement of all employees**
- **Principle of Plan-Do-Check and act**

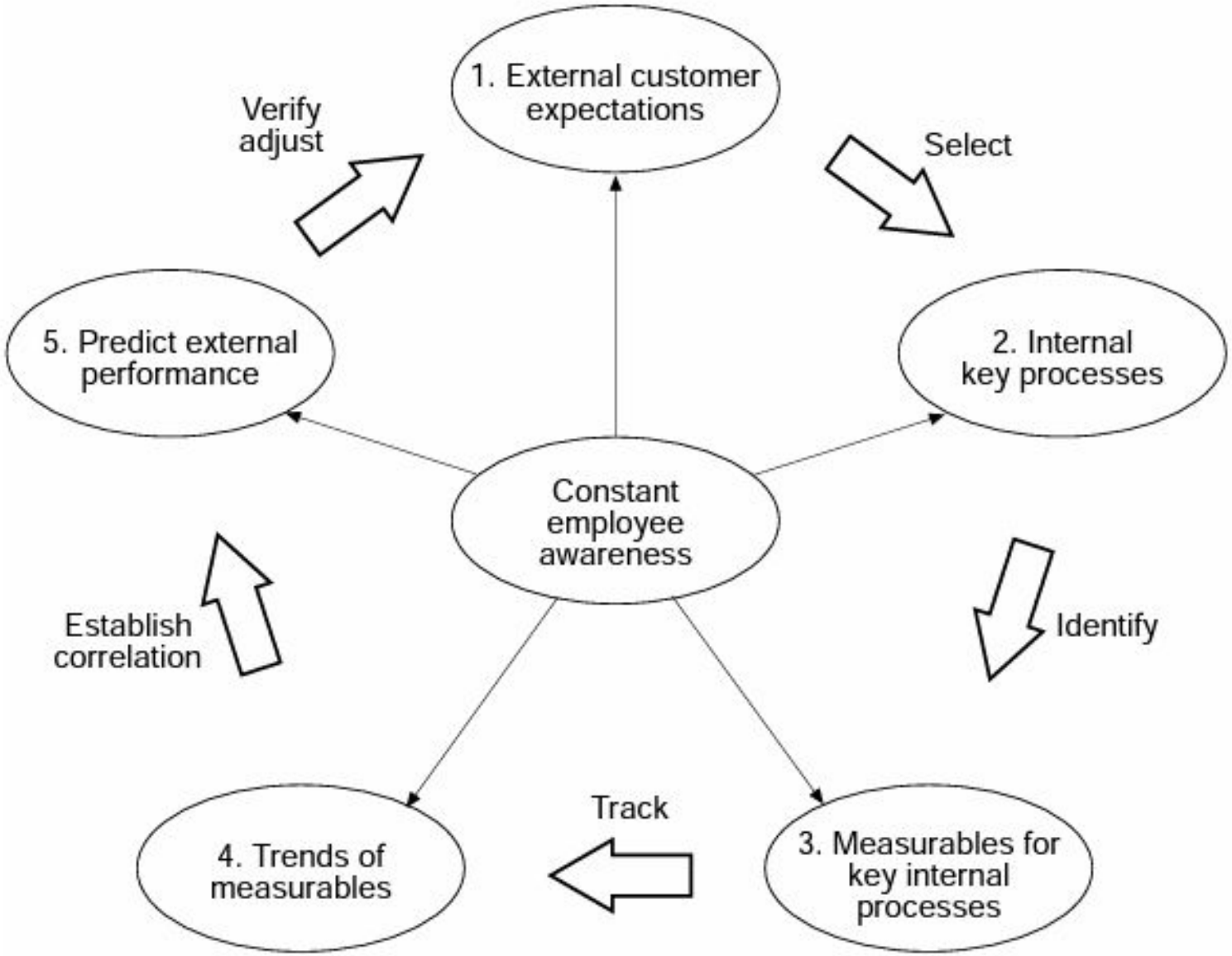
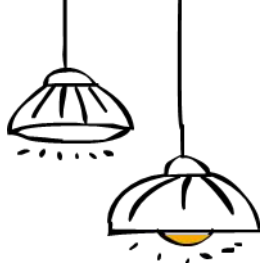


Figure 4.
Process management at Ford Motors



BENEFITS OF QOS :

- Customer expectation and company results
- Enhance empowerment
- Combines the power

PROCESS MANAGEMENT AT POST OFFICE COUNTERS LTD

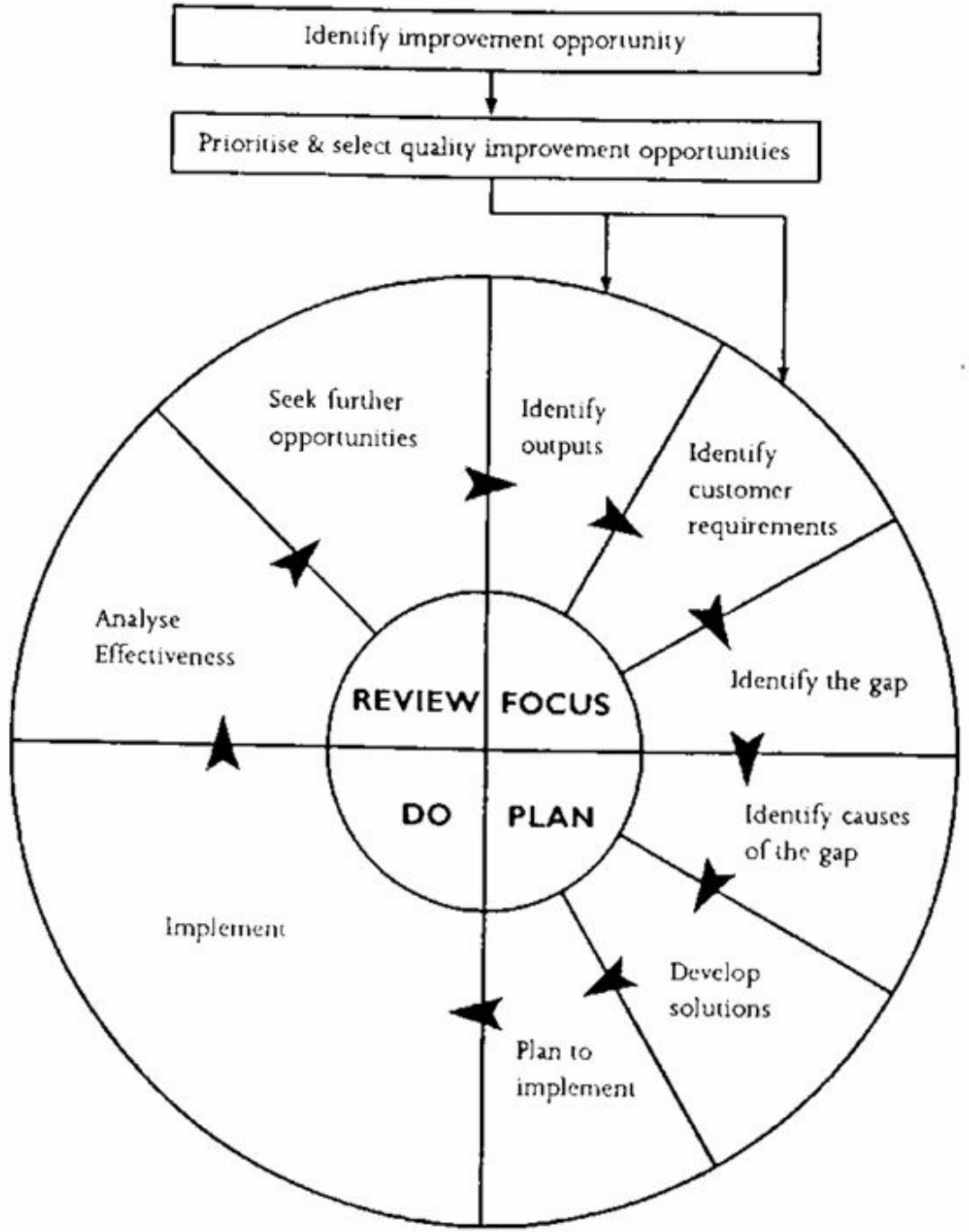
What is Customer First?

“The way we manage the business in a way which continually focuses on the customer and harnesses everyone’s commitment”

BPI(structured approach):

OBJECTIVES:

- Making processes more effective
- Making processes more efficient
- Making processes adaptable


Identify improvement opportunity
Prioritise & select quality improvement opportunities
Seek further opportunities
Identify outputs
Identify customer requirements
Analyse Effectiveness
Identify the gap
REVIEW
FOCUS
DO
PLAN
Identify causes of the gap
Implement
Develop solutions
Plan to implement

BPI:

- Provides structure for focusing on external customer satisfaction and business objectives
- Measurement framework which is clearly positioned
- Use of in-measurement and display
- Promot service level agreements

SUSTAINING BPM- SOME GUIDELINES

Development of BPM Culture Based on

- Total quality principle
- Systematic methodology
- QIP
- Continuous improvement based on learning

QUALITY IMPROVEMENT PROCESS AT POST OFFICE COUNTER LTD

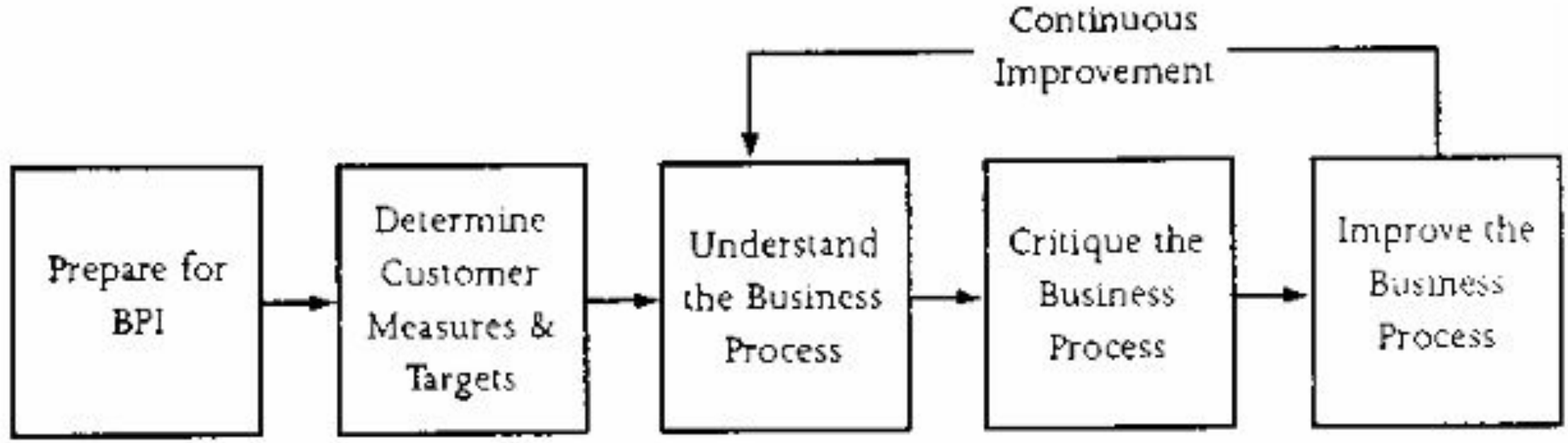


Table III.
The business process improvement model at Post Office Counters Ltd

Phase	Purpose
Prepare for BPI	To ensure the success of BPI effort by building understanding and commitment
Determining customer measures and targets	Define success criteria for the BPI effort
Understand the business process	To understand all dimensions of the current business process
Critique the business process	To determine the best solution(s) to improve the quality and efficiency of the business process
Improve the business process	To implement changes that will improve the effectiveness and efficiency of the business process

Rules for the Development of BPM Culture

- Key activities are managed for continuing improvement and high delivery standards
- Activities of Design, manufacture, innovation, sales and delivery Quality
- Companies constantly strive for execllence
- Refers to supplier quality management issues
- Effectiveness of Process Design
- Systematic methodoloy to reinforce the linkages between various functions

CONCLUSION

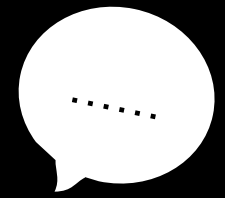
Mohamed Ziari: “BPM:A boundaryless approch to modern competitiveness”

Process

Importance of accrediated quality system

Importace of Quality structure

Importance of Startegy

Importance of Process Management

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