**ASSIGNMENT COVER SHEET**

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# Introduction

This essay aims to employ a variety of analytical techniques against Propel Tech, a software consultancy, to expose inefficiencies with their service delivery. The goal is to identify and model solutions for re-designing the process to address its weaknesses, later discussing how adoption of machine learning can benefit the organisation.

This process was selected as it has the largest impact on profitability and client retention within the organization.

# Analysis of Propel Tech’s Service Delivery Process

Before analysing a specific process, the wider organization must first be understood to establish the scope of the process. Shown below, a value chain analysis is a means of evaluation on a company-wide basis (Stobierski, 2020).

A diagram of activities with different colored squares

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Figure 1 Porter's Value Chain Analysis of Propel Tech

Porter (1985, page 33) states that value chain analysis, shown in Figure 1, helps “understand competitive position and improve their performance”.

While Figure 1 helps outline primary activities, it does not yet fully identify high-level processes of the organisation.

A diagram of a company

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Figure 2 Propel Tech’s Primary Activity Map

Figure 2 displays the relationships between each primary activity, displaying ahigh-level process map, which Harmon (2019, page 86) states “helps to understand the overall process flow and the relationships between major process components”.

A diagram of a company

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Figure 3 - Harmon's Organisation Chart

Figure 3 illustrates Propel Tech’s organisation diagram. Harmon describes this as displaying the “relationship of the organization to its external environment”.

This format is excellent at establishing the boundaries of what a business can control but can also help guide changes to process by identifying external factors that can be beneficial to the process.

Looking externally, its apparent high-level processes have emerged, indicating our earlier primary activities are more accurately mid-level processes.

Service delivery appears to have a large impact both internally and externally, proving the importance of highlighting inefficiencies through further analysis.

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Figure 4 Service Delivery Business Process Scope Diagram

Figure 4 depicts a process scope diagram, at a high level, for service delivery. This diagram helps to understand the inputs and outputs of the service, as well as the controls that regulate it and enablers that support it and finally identifies key stakeholders.

Harmon (2019, page 139) advises that “when you are just starting to try to figure out what might be wrong with a process a scope diagram is much more powerful than a flow diagram”.

With figure 3 indicating influences that are directly related to the process, it can be confidently asserted the entities modelled in the diagram are critical to its efficiency.

Examining figure 4 shows evidence that the process has many factors that show potential for profitability. The process does not require physical resources to produce goods or services, like a typical manufacturing chain. This allows increased demand to be met by scaling up engineer capacity through recruitment and training.

Also, the use of free open-source software and premium cloud service providers boost development speed and efficiency. While cloud services are typically expensive, these can be expensed to customers as a service charge.

However, there are also potential weaknesses in this chain. As engineer time is the primary resource used to generate revenue, it must be leveraged effectively, otherwise services may be provided that cannot be charged for. Poor time estimation and invoicing can lead to irrecoverable losses.

These potentials can be analysed deeper by mapping out the process hierarchy.

A diagram of a process

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Figure 5 Service Delivery Process Hierarchy Diagram

Figure 5 displays multiple levels of processes contained within service delivery, Propel’s major processes directly influence each other, showing a link between them. This diagram focuses directly on child-processes of service delivery.

Šaulinskas-et-al (2013, page 62) describes middle processes as being “directed towards fulfilling the company’s major aims”. The displayed mid-level processes encapsulate each of Propel’s departments; Project Management, Engineering, Testing and Infrastructure, all working together to fulfil the requirements of the higher-level process.

Next, low-level processes demonstrate how each department operates internally, depending on the size of Propel’s client, an individual or team would be required. These have sub-processes (procedures) which describe the explicit steps required to achieve each process, however, in the case of a large project an additional layer may be required to divide the large procedures further.

While these processes appear linear, departments operate in synchrony to ensure efficient service delivery, shown below.

A diagram of a company

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Figure 6 – Process Swim-Lane Flowchart

Figure 6 expands on the process hierarchy diagram; using more realistic low-level processes, divided into swim-lanes to represent each department responsible for service delivery at Propel. Harmon (2019, page 127) describes complex processes as “involving multiple steps, departments and continuous co-ordination”, figure 6 clearly demonstrates these characteristics.

The diagram highlights areas of efficiency, notably; the higher-level service allows for multiple lower-level processes to run simultaneously, allowing multiple departments to work asynchronously, with project management re-aligning departments at key stages. A visual representation of this in the diagram is when a process triggers multiple processes across swim-lanes before feeding back into the project managers swim-lane.

Conversely, it shows that all swim-lanes are involved before the client has agreed to pay for work. This is a risk to Propel as several employees could invest time with no revenue generated.

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Figure 7 - Fishbone Diagram of potential causes for delivery over budget.

Cause and effect diagrams, known as fishbone diagrams, use the frontal node to identify a problem, then supporting nodes represent categories of causal factors, each with their own branches to represent individual factors. ~~(George et al., 2005, p. 146~~) Number the reference and just refer back to the reference section.

Figure 7 illustrates a map of internal and external factors that can impact the effectiveness of Propel’s service delivery. As this is the profit centre of the business, effectiveness would be measured by profitability. Engineers’ hours not being billable is typically a result of work being delivered over budget (under-estimate).

A clear trend can be observed, most risk factors surround the depth of understanding of Propel’s clients’ systems, needs and technical demands. In summary, these risk factors, coupled with estimation being done by test and software engineers, can lead to missed requirements and under-estimation of task difficulty, due to the additional layers of communication they must pass through. The engineers’ varying levels of expertise can make these issues unpredictable.

# Suggesting Process Improvement for Propel Tech

Firstly, below is a list of the core problems discovered through analysis the following suggestions will aim to resolve.

* All department layers being involved in estimation exposes Propel to risk of time investment without revenue.
* Engineers’ hours not being billable due to under-estimated work, caused by inconsistencies in engineer skill & ability.
* Misunderstanding clients’ systems technical demands & requirements leads to task underestimation.

## Identifying process outcomes

Before modelling and justifying suggestions for change, Propel needs to identify people who influence the process as well as an effective way to measure process performance. Without considering these elements, it isn’t possible to objectively measure the outcomes of process change.

A diagram of a company's project

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Figure 8 - Stakeholder Power/Interest Grid

A stakeholder power/interest grid allows a business to discover stakeholders who have the most influence over process change. Change of business process should be targeting the interests of the stakeholders in the higher quadrants. This is important, as typically business process change occurs only at the management level, Kotter (1996) argues you must involve all levels of the organisation for successful change.

A diagram of service delivery

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Figure 9 - Primary Stakeholders

The primary stakeholders to keep involved, based on figure 8, are displayed in figure 9.

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Figure 10 - Stakeholder Interest Table

Using Harmon’s method (p.96, 2019), figure 10 describes performance indicators and objectives of key stakeholders, this information is vital in understanding the desired outcomes of process change modelling.

## Process measurement.

Furthermore, to understand measurable factors of Propel’s service delivery, the following section details internal and external points, categorised by Harmon’s (2019, page 85) lagging and leading data analytical tools.

A graph of a bar and a graph of a bar

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Figure 11 - Billable Hours Lagging & Leading measurements.

Propel measure internal billable hours as the primary indicator of revenue, historical average hours logged is a lagging metric to compare to for year-on-year progression, whereas the number of hours scheduled is a leading metric to judge how work Propel is acquiring. Both can be used to create targeted outcomes for business process change, illustrated in figure 11. A process change that enables Propel to increase both engineer utilization (billable percentage) and increase their backlog is required to meet their main goal of profitability.

A graph of a graph showing a graph of a client proposal

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Figure 12 – Client Headcount Lagging & Leading Measures.

Externally, client acquisition and retention rates are a metric of projected success, as they indirectly contribute to total billable potential through new projects and support work. Lagging measures for this metric are the trend of client headcount over time and percentage scores from client feedback surveys, whereas leading measures are the number of leads and proposals sent to clients, as these create opportunities for Propel to win new clients. Figure 12 displays an example of how these metrics would be tracked.

## Options for process change.

Propel require a change to increase engineer billable hours by minimising variance in estimates and quotes, and the inefficiencies discovered in the requirements analysis phase of their service delivery process.

### Homogenize estimation process.

Rather than relying on individual skill and experience, Propel could invest resources into comprehensive training programmes and mentorship workshops, aimed at establishing a documented process for estimation.

* Upskills existing team
* Allows independence
* Requires additional processes
* Short term losses while training, still susceptible to variance

### Prioritise solution architects.

Propel could reshape the earlier stages of service delivery, illustrated in figure 6, isolating requirements analysis and quotation to a Solution Architect (SA). They would be responsible for creating specifications, leaving implementation, and delivery to the engineers.

* Consistent estimate across all solutions
* Expert with a specific skillset
* Single point of failure, higher risk
* Easier process to implement

Discuss two main options for process change

Make arguments for both

Justify choice for solution architects over training

NOTES:

Try to relate Client interest in cheap/fast delivery of project to uncertainty of engineer estimate

Discuss two process improvements for process redesign and modelling for the chosen business process. This may refer to the analysis from Task 1 but must include relevant module material. High-level and low-level detail, including relevant analysis/modelling diagrams, should be included in addition to the benefits and challenges these process changes will bring to the company.

In your analysis, apply relevant theoretical frameworks and concepts related to your suggested business process improvements. Provide the reader with an understanding of the company’s viable options and a justified recommendation.

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| The learner has discussed alternatives outstandingly well when making comparisons. Simultaneously, they have provided an exceptional justification of the selected alternatives.  The learner has produced an outstanding recommendation which has clear analysis and modelling throughout, and they have discussed the impact on the organisation, with regards to overall impacts, costs and revenue, and the technical implementation required.  Expansive evidence of wider reading and supporting information is provided. |

# Task 3

Discuss implementation and process management of the business process from Task 2 using relevant module material. Review the role of technology and reflect on the tools/concepts that can be utilised to assess viability to support organisational choices.

You may consider one or more of the following technologies or choose other alternatives in your reflection: Artificial Intelligence, Machine Learning, and Robotic Process Automation (RPA) as possible areas of discussion. Discuss the importance and application of ongoing monitoring and evaluation of processes.

# Conclusion

# Appendix A

### Figure 1: Porter’s Value Chain Analysis for Propel Tech

This figure illustrates the value chain analysis for Propel Tech, it identifies the primary and secondary activities involved in the company's operations.

### Figure 2: Propel Tech’s Primary Activity Map

This figure builds on Figure 1’s value chain analysis, taking each of the primary activities, mapped as high-level processes displays the relationship between the processes.

### Figure 3: Harmon’s Organisation Diagram of Propel Tech

This figure highlights the central (high-level) processes of Propel Tech’s organisation, and how the interact within the environment external to the business.

### Figure 4: Service Delivery Process Scope Diagram

This figure takes the high-level Service Delivery process and displays the scope of all impacting factors, including Inputs, Outputs, Controls and Enablers. It aims to display where inefficiencies can exist within the process.

### Figure 5: Service Delivery Process Hierarchy Diagram

This figure displays a hierarchy of Propel Tech’s Service Delivery. While traditionally each branch would have multiple lower-level child processes, only one branch is displayed per tier here.

### Figure 6: Process Swim-Lane Flowchart

This represents a flowchart with swim-lanes for each major stakeholder group that make up the high-level service delivery process of Propel Tech. The purpose of this diagram is to illustrate how lower-level processes in a hierarchy diagram can intersect with each other.

### Figure 7: Fishbone Diagram of Risk Factors to Service Delivery

This chart illustrates the problem (work delivered over-budget) and then several risks that contribute to this problem, organised into categories.

### Figure 8: Stakeholder Interest / Grid Ratio Chart

This chart maps internal & external stakeholders that can influence change within the service delivery process of Propel Tech.

### Figure 9: Primary Stakeholders

This diagram displayed the 4 most important stakeholders, adapted from figure 8.

### Figure 10: Stakeholder Interest Table

This table lists the key stakeholders identified from earlier analysis to involve in process change management. It details their interests, key performance indicators and objectives set to achieve them.

### Figure 11: Billable Hours Lagging & Leading measurements.

This bar chart displays examples of measuring lagging and leading data for mapping billable hour percentages over time. It shows how a target goal can be modelled for the future.

### Figure 12: Client Headcount Lagging & Leading measurements.

This plotted line graph shows both lagging and leading data for client headcount and acquisition. This graph is effective as it identifies the impact of the leading metric and the resultant lagging data trends.

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