

Process in Perspective (or "Tell me again, why are we doing this 'process' stuff?")

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My Process Background...



- ◆ 1950's – IE (All About Process)
- ◆ 1960's & 70's – *Performance* Improvement
 - 1965 – Job/**Process**/Organization Levels
- ◆ 1980's & 90's – All About Process (Again)
 - Rummler-Brache Group ('87-'97)
 - Improving Performance ("Whitespace" book)
1990/1995
- ◆ 1997 – Retirement
- ◆ 2001 – Un-retirement and PDL



My Interest/Perspective Remains...



3

- ◆ Business Results
- ◆ “Process” Contribution to that End



Process in Perspective



4

- ◆ An Historical Perspective
- ◆ A Business Perspective
- ◆ A Future perspective



An Historical Perspective



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1982-92 The Motorola Years



- ◆ End-to-End Core Processes
- ◆ Exec Involvement
- ◆ Focus: Meet Customer Needs
- ◆ Process and Biz Management the Same
- ◆ Methodology
- ◆ Improving Performance (1990)
- ◆ Results?





"...use of the tools changed the way the company does business worldwide, helped us save more than \$950-million in the last few years and played a leading role in Motorola's winning the Malcolm Baldrige National Quality Award."





◆ Business

- Executives: “Finally, a tool we can use to actually accomplish the strategic objectives”

◆ Rummler

- “The general understanding that work gets done – value gets added – through cross-functional processes is *potentially* the greatest business management breakthrough in the past 100 years”



1992-97 Re-engineering



- ◆ Reengineering the Corporation (1993)
- ◆ Focus: Reduce Cost, Downsize
- ◆ Processes in Functional Silos
- ◆ Documentation Technology
- ◆ Into the weeds- Everything a Process
- ◆ Executives hard to find
 - Process Maturity/Governance
- ◆ Results?



Conclusions:



◆ Business

- “We’ve done ‘process’ – what’s next?”
- “Re-engineering” made it to Dilbert cartoons

◆ Rummler

- “I think its time to retire”



1997 – 2000 Time Out!



1997 – (Rummler) “If I see another process....”

1999 – (Harmon) “You should see what you started..”



2001 – 2007 Rip VanWinkle Awakens to..



- ◆ Overwhelming Technology
- ◆ BP(M?)
- ◆ Sub-Processes in Silos
- ◆ “Methodologies”
 - Weed-Wacking
 - Competing
- ◆ PMO/PCO Efforts
- ◆ Executives Still Hard to Find
- ◆ Results?





◆ Business

- “Tell me again, why are we doing this ‘process’ stuff?”

◆ Rummler

- As regards business results, it isn’t working.
- But I still think “processes is *potentially* the greatest business management breakthrough in the past 100 years”



Key Points:



1. Majority of “process” activity is in the weeds – a tenuous link to business results
2. We need to rethink what we are trying to accomplish with BPM



A Business Perspective



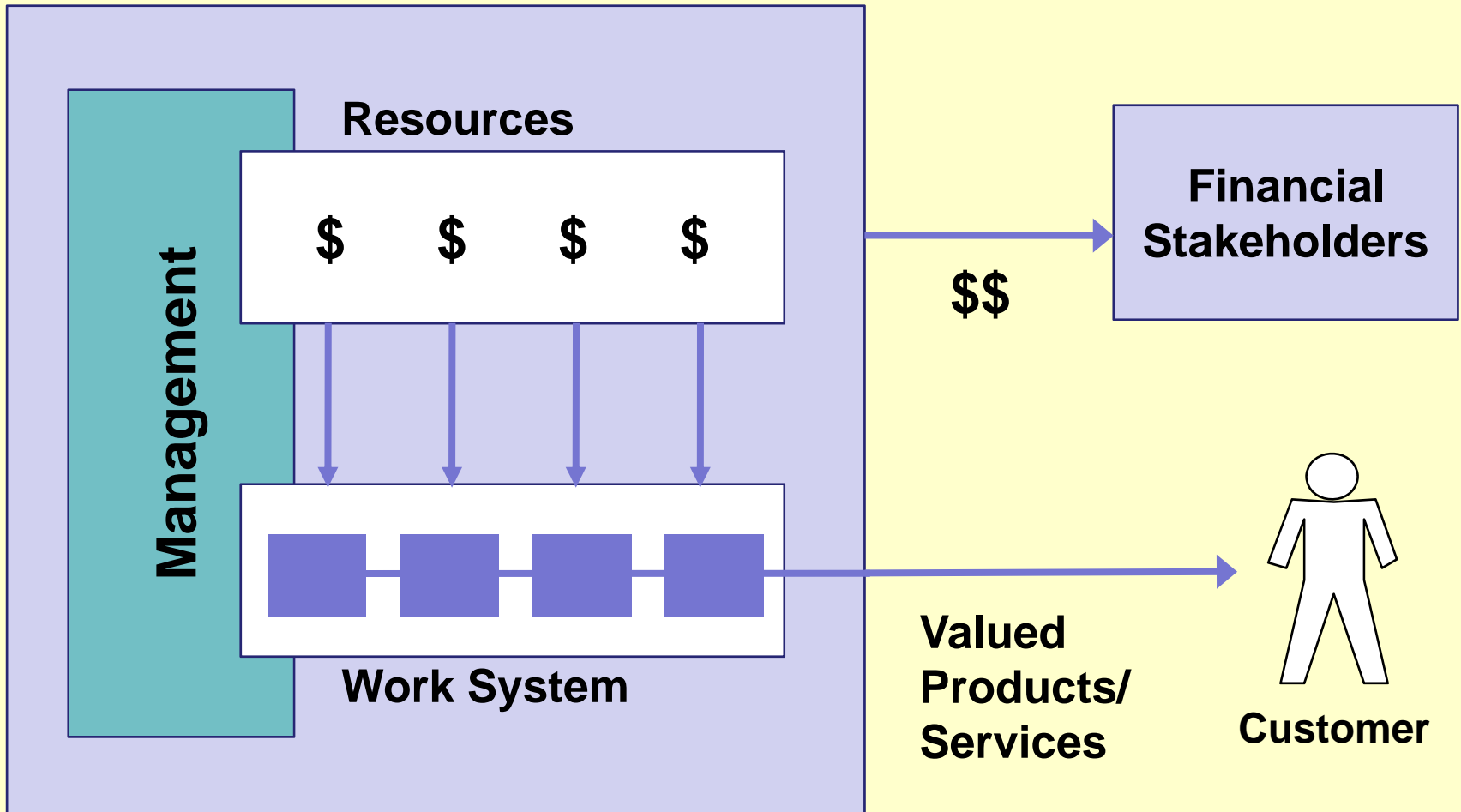
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Requirements for a Successful Business...



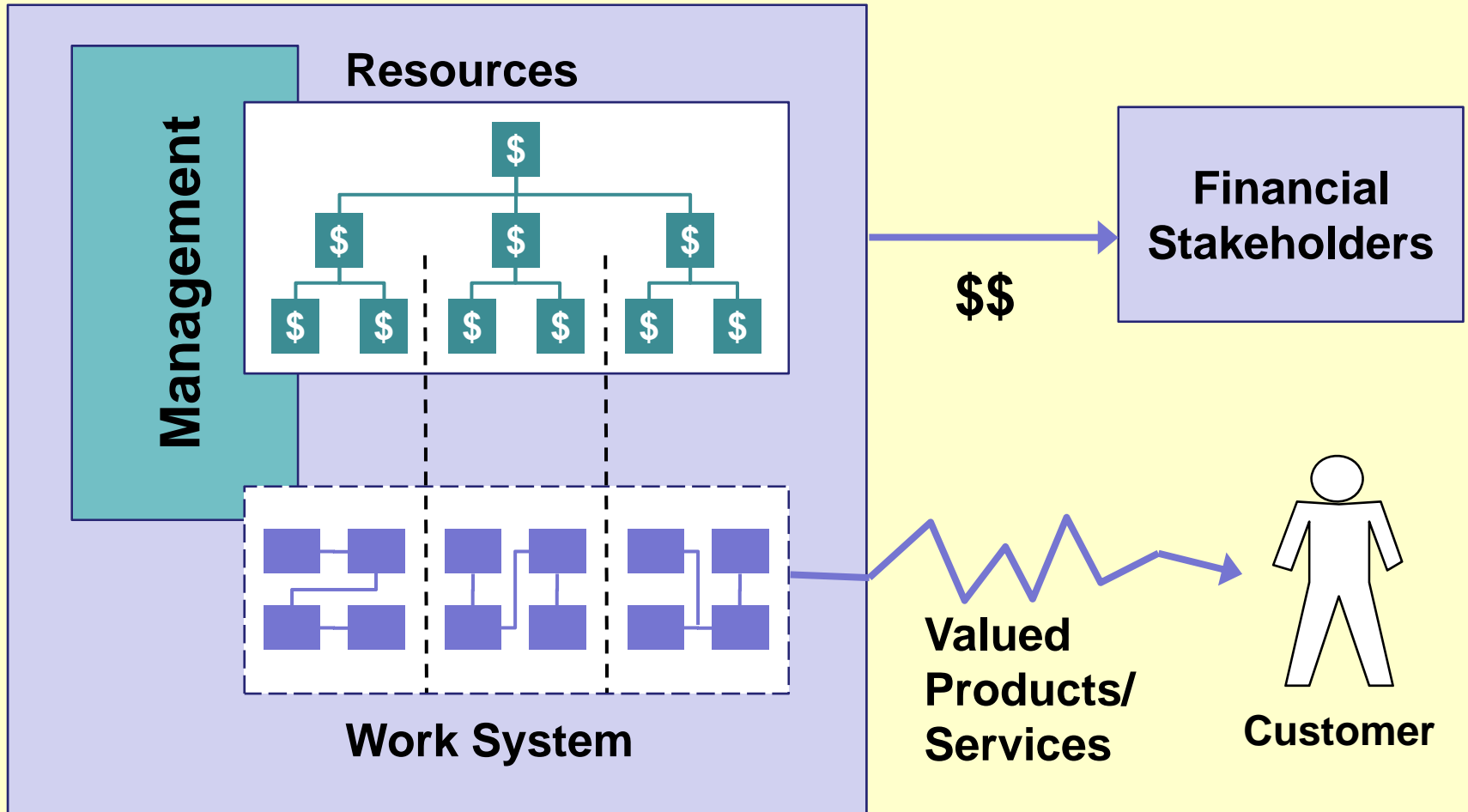
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Any Business



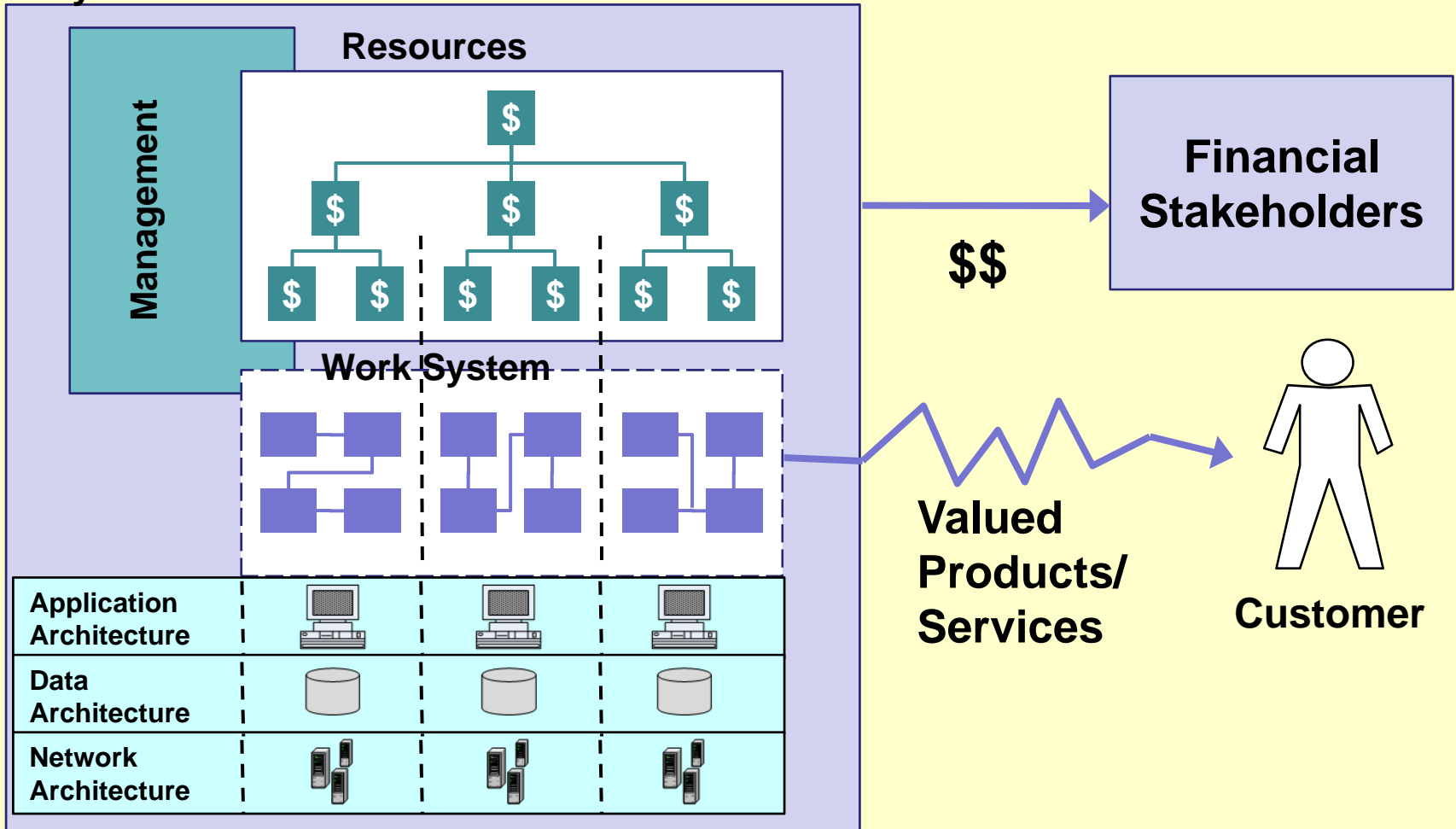
What Has Evolved...

Any Business



The Impact of Technology

Any Business



Result..



- ◆ Work System invisible
- ◆ Management left trying to manage scarce resources without any value adding work system context.
- ◆ Management working with only one dimension of a business – RESOURCES.



- ◆ Reorganizations that seldom work because the only thing “reorganized” is the names in the functional resource buckets.
 - No change in the end-to-end work required to deliver value to customers.
 - Continued functional sub-optimization of the work required to deliver value.



Managing by Just Resources Leads to..

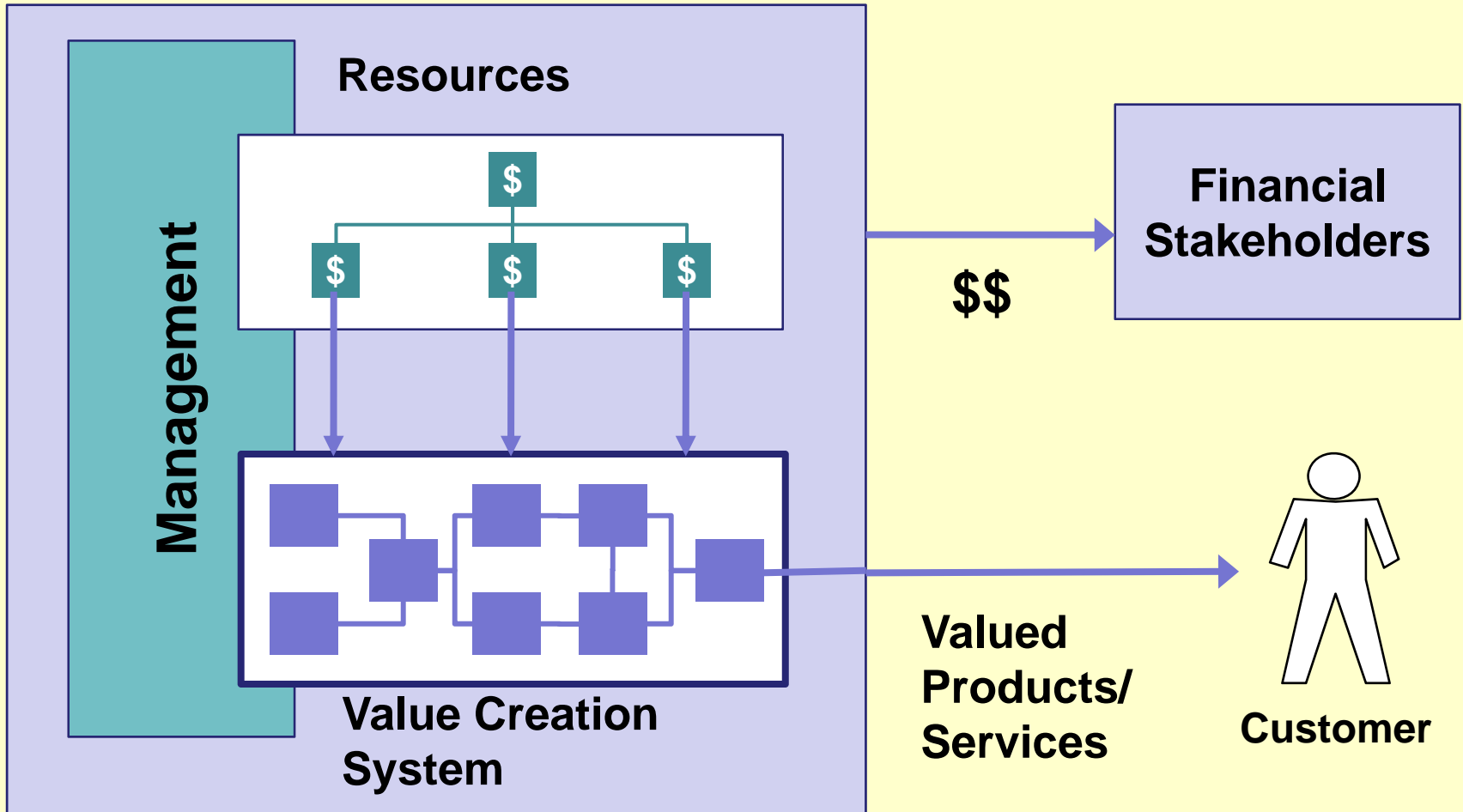


- ◆ Failed product/service launches because key functions can't/don't participate in the design and development due to their functional resource requirements.
- ◆ Customer revolts because their supplier is focused on resource management, not the work required to deliver value.
- ◆ Downsizing death-spirals as companies try to Resource Manage to profitability.



The Business as a Value Producing Machine

Value Machine (Any Business)



Key Points: (The aha!)



3. There are Two distinct dimensions of a business that must be managed – in concert
4. The Value Creation Dimension needs to be articulated so
 - It can be managed
 - Contribution of BPM can be valued
5. Process as part of something much bigger
6. BPM should drive this articulation of the Value Creation Dimension



- ◆ Not just about Process Modeling, Improvement and Management (tile chips)
- ◆ But about articulating the Value Creation Dimension of the business so it can be managed in concert with the Resource Dimension (a mosaic)

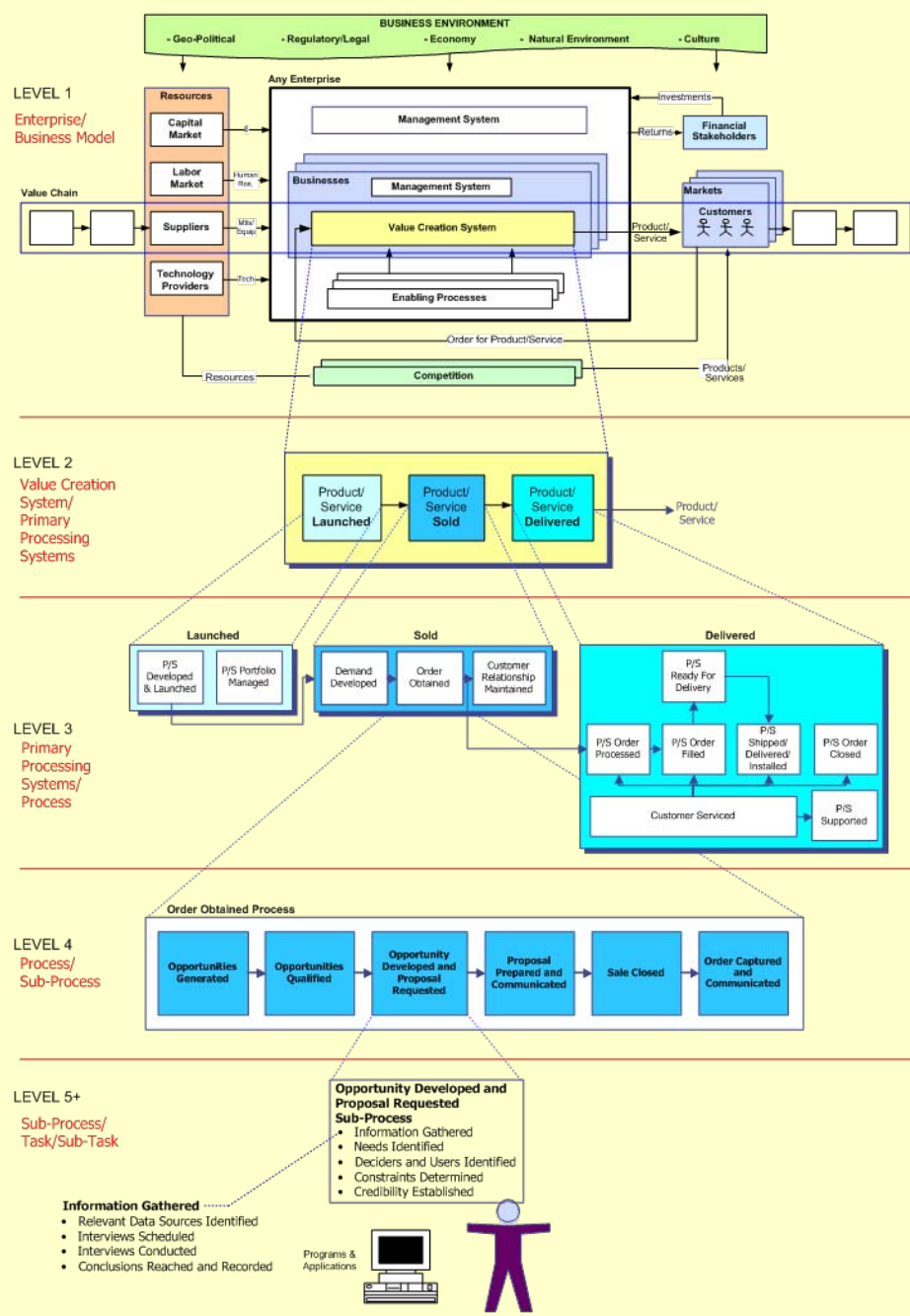


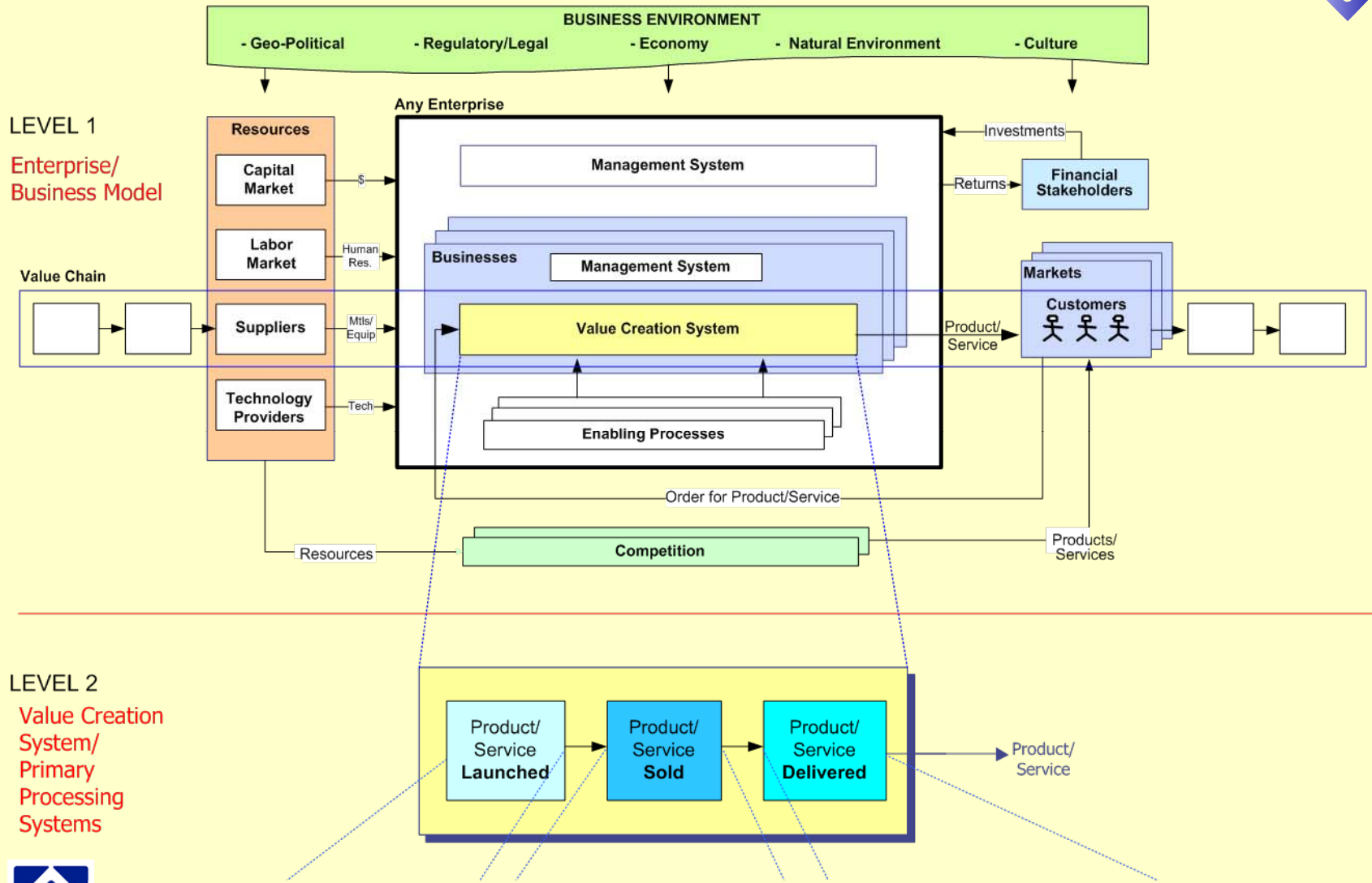
A Future Perspective



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Value Creation Hierarchy





A New Definition of Process...



Not only...

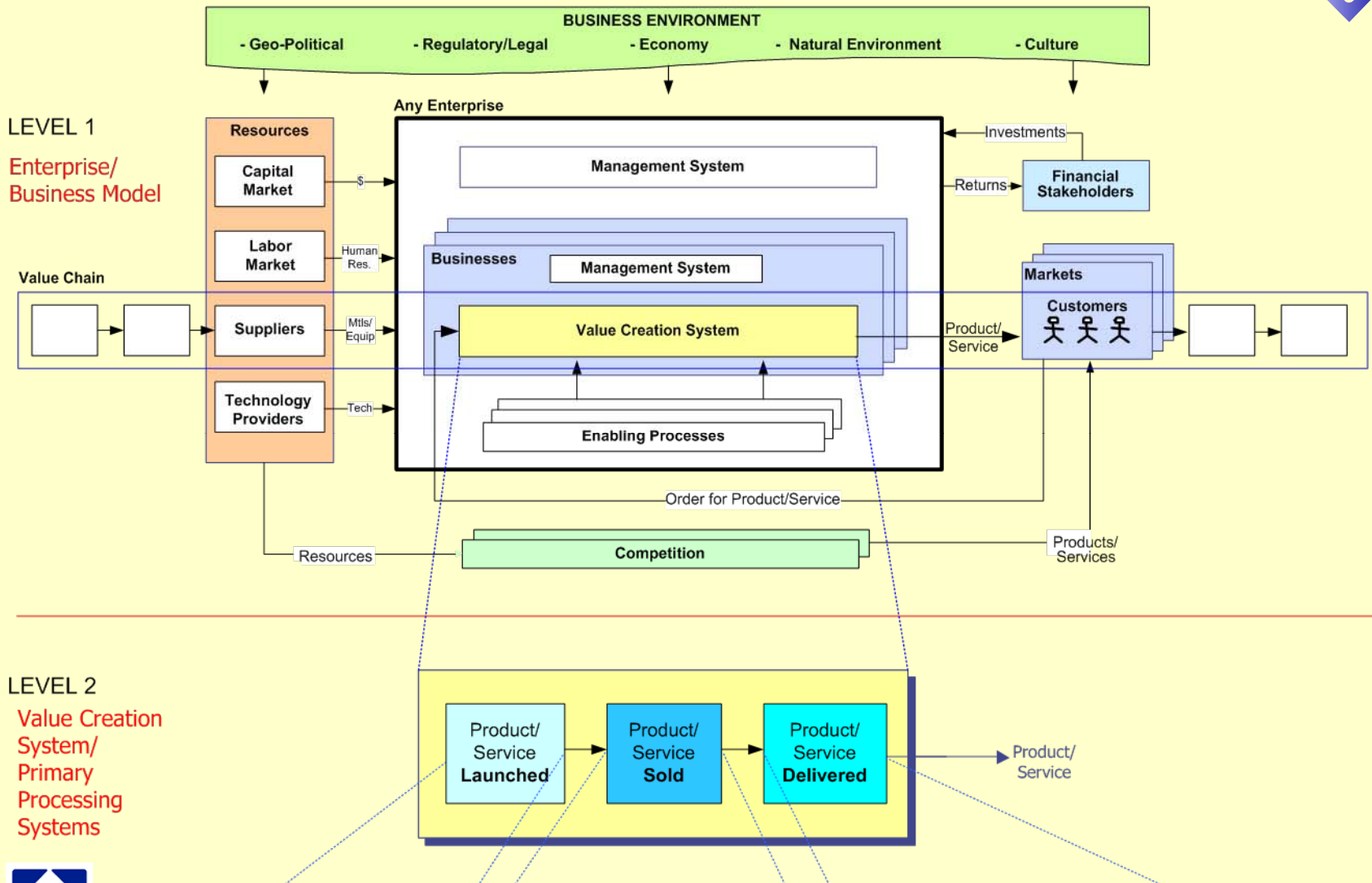
- ◆ "...a series of planned activities that convert a given input into a desired output"
- ◆ "Any repeatable set of activities"



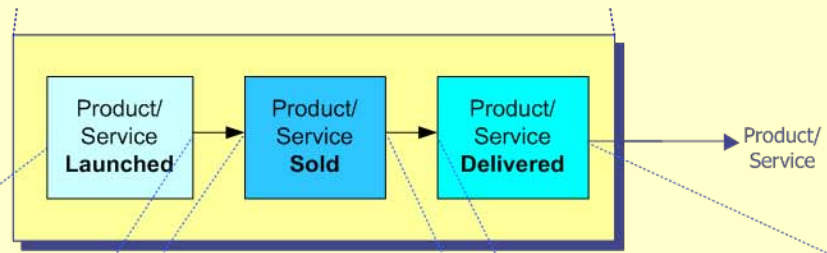
PROCESS is a construct or artifice for organizing value-add work so it:

- Can be **Performed** effectively and efficiently
- Can be **Managed** effectively
- Offers the potential for a **Competitive Advantage**

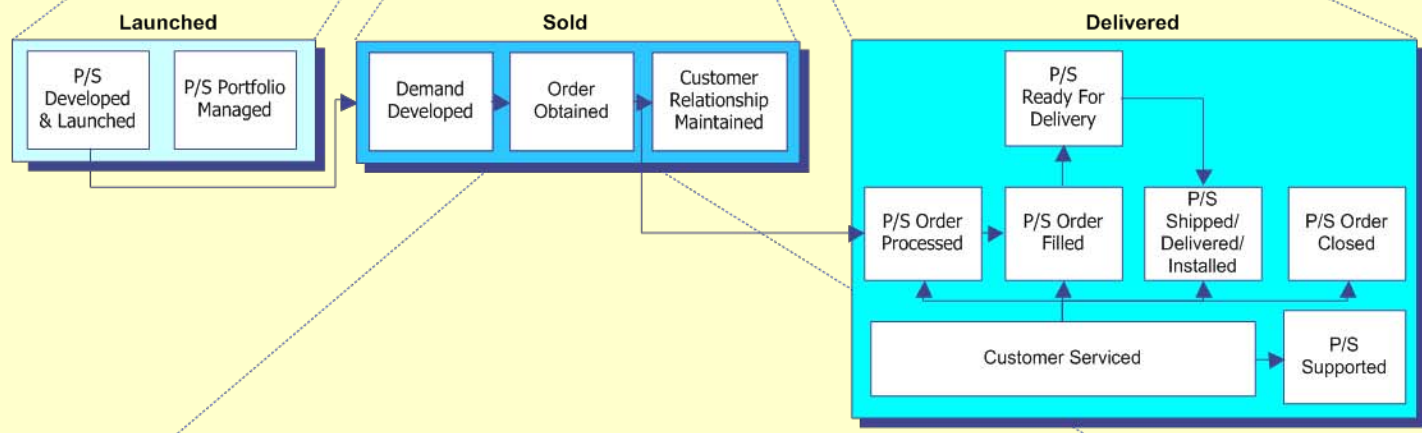


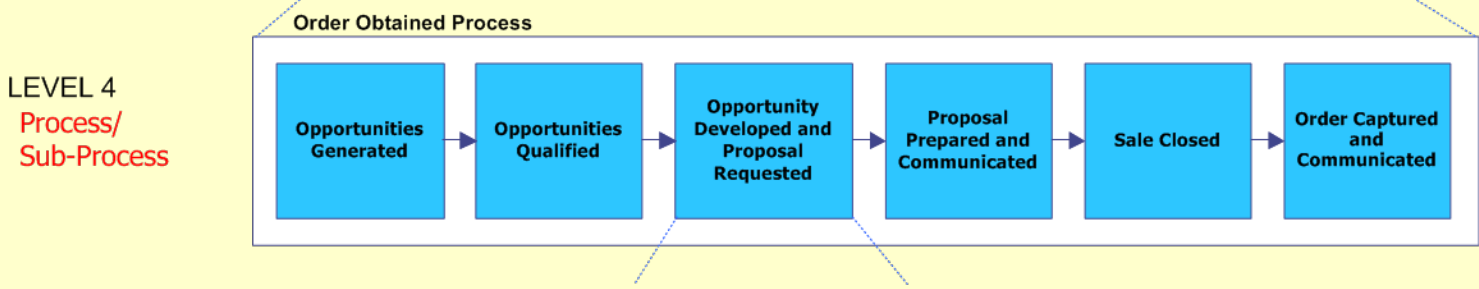
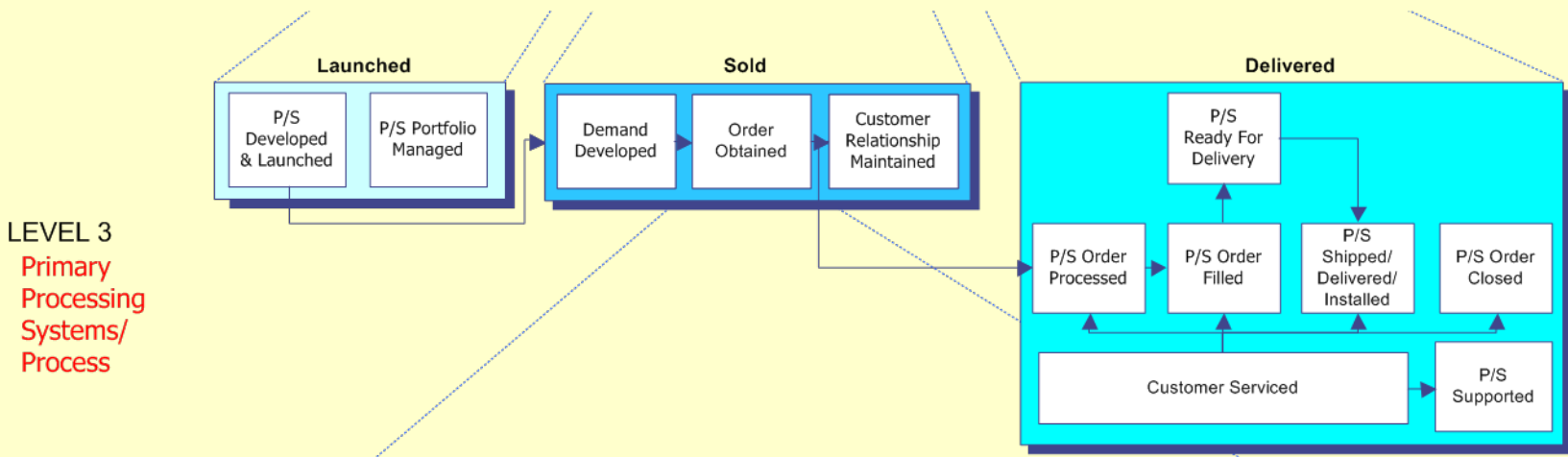


LEVEL 2
Value Creation
System/
Primary
Processing
Systems



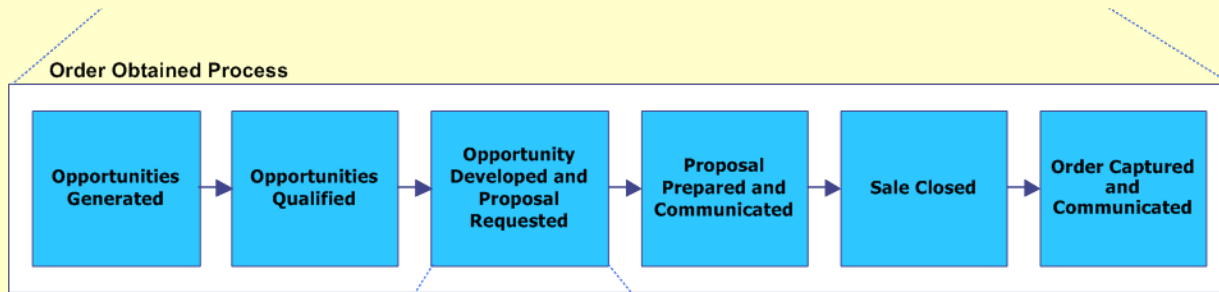
LEVEL 3
Primary
Processing
Systems/
Process



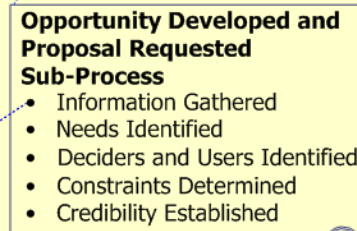




LEVEL 4
Process/
Sub-Process



LEVEL 5+
Sub-Process/
Task/Sub-Task



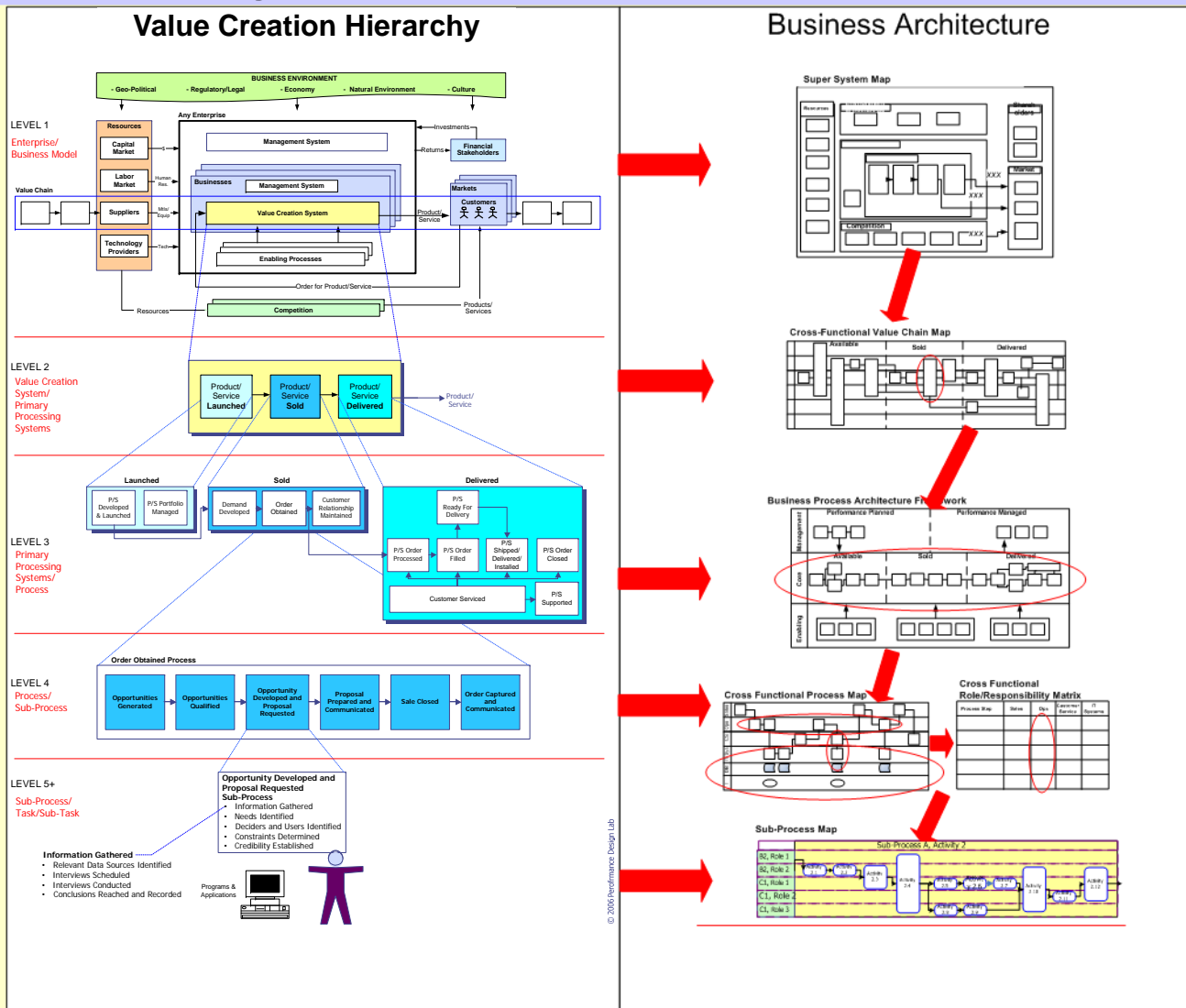
Information Gathered

- Relevant Data Sources Identified
- Interviews Scheduled
- Interviews Conducted
- Conclusions Reached and Recorded

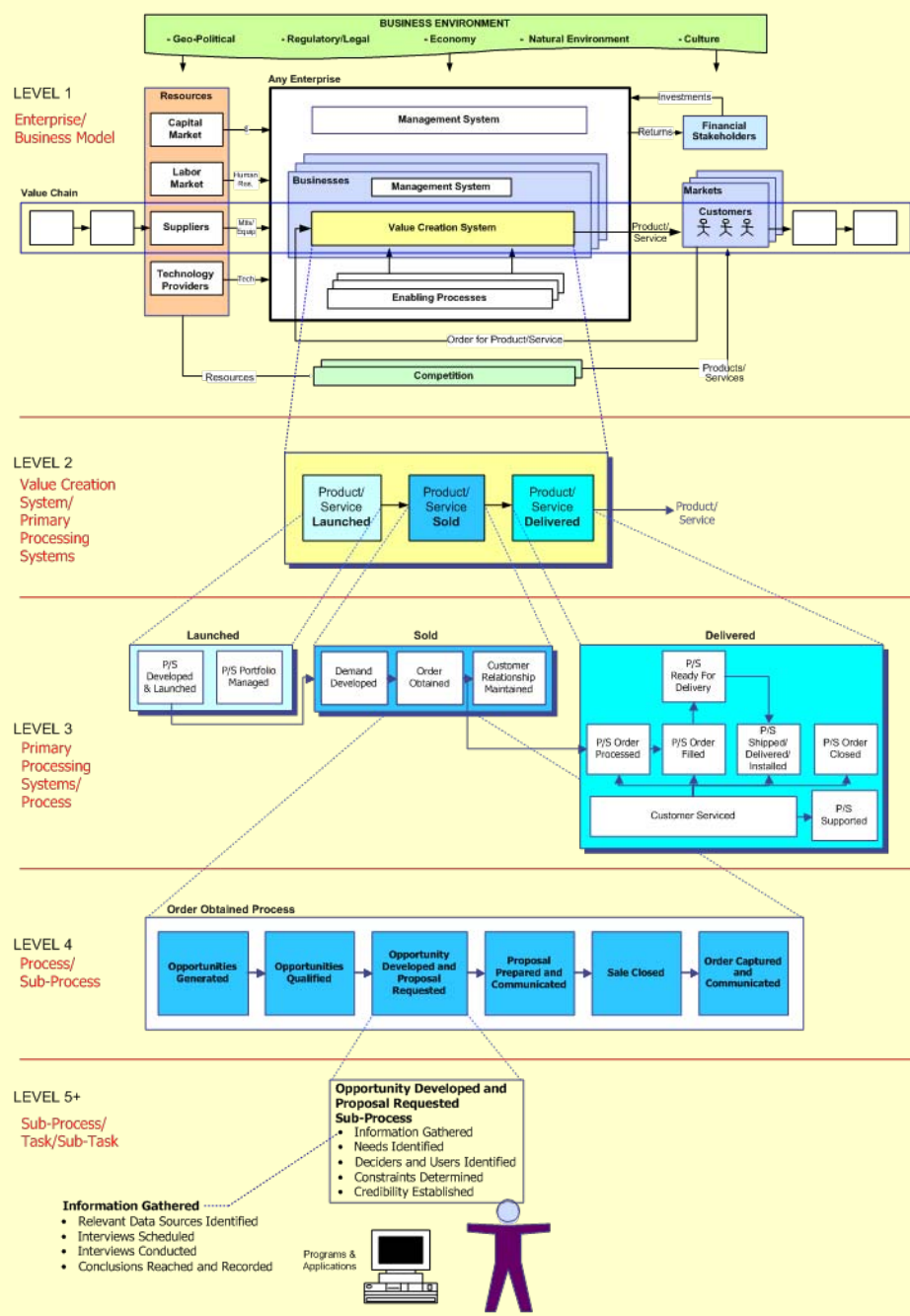
Programs & Applications



VC Hierarchy and VC Architecture



Value Creation Hierarchy



Key Points:



7. BPM is now largely focused at the tactical level of the Value Creation Hierarchy
 - Process work detached from Value
 - Process work detached from Leadership
8. BPM must take a leadership role in making the VCD visible; parallel tasks going forward – Tile repair and uncovering/designing the larger mosaic.



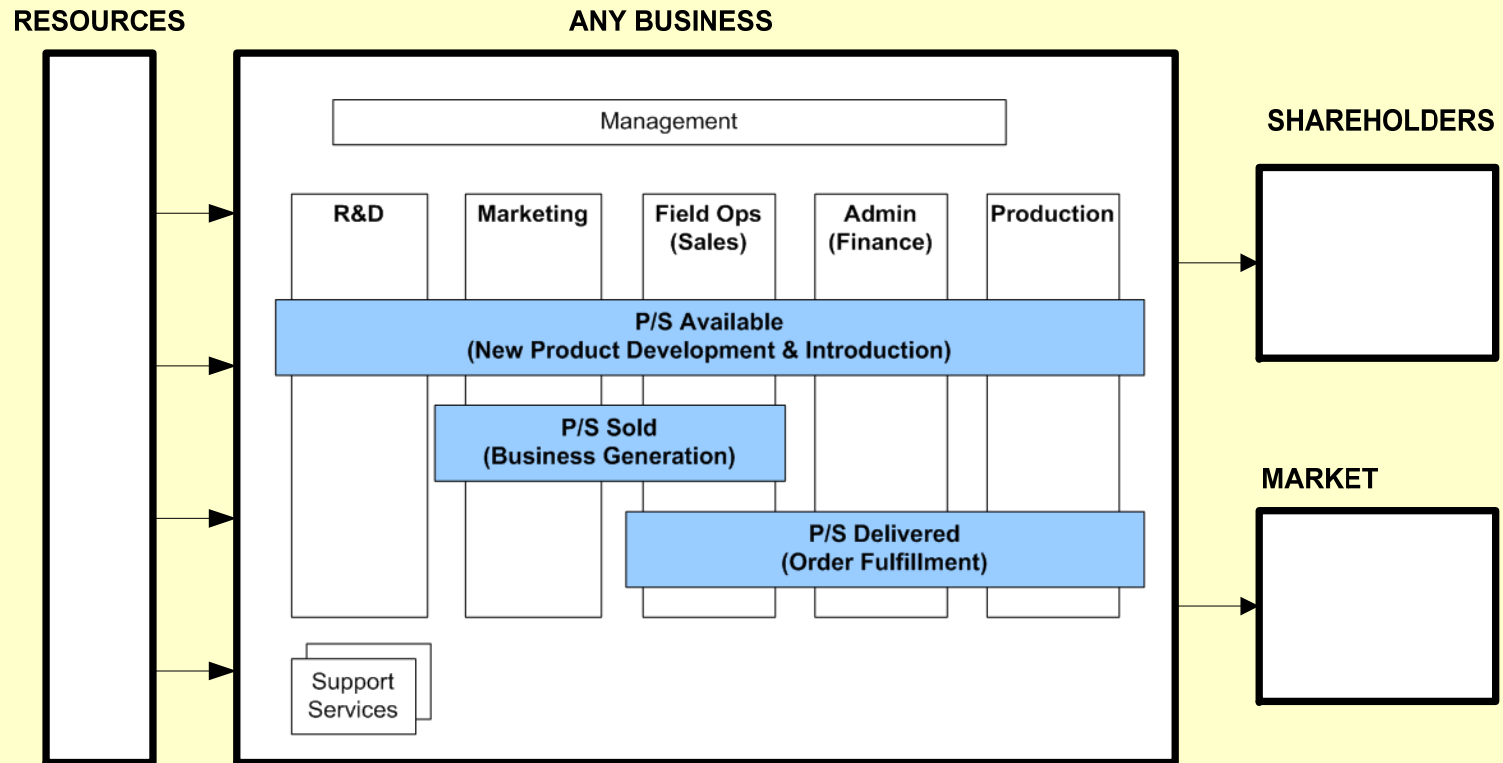
Implications for...



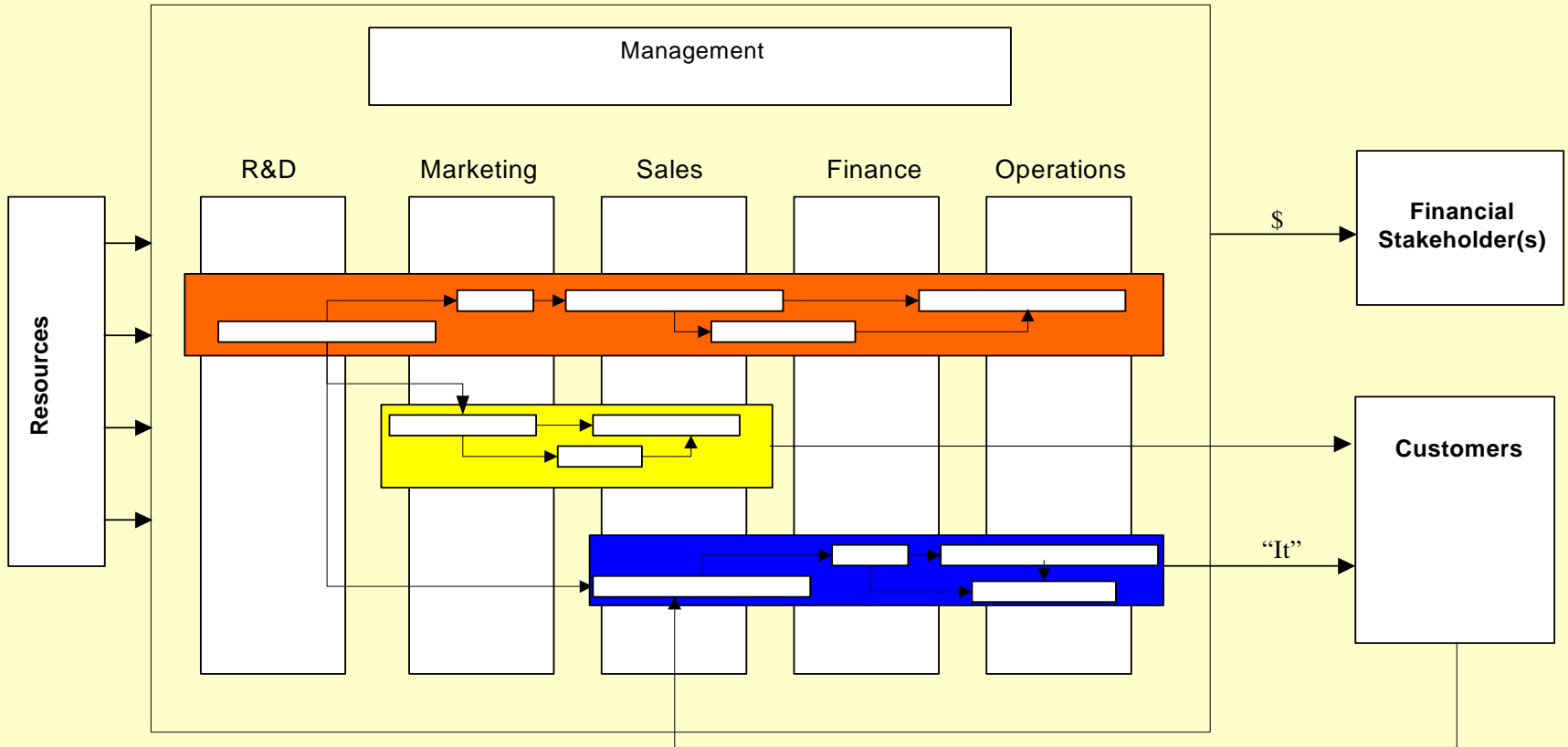
- ◆ Business Management
- ◆ Process/BPM work



Managing Two Dimensions



Two Dimensions - Detail



Summary – Historical Perspective



From the Executive Suite to the
weeds and sub-optimization





Must make the **Value Creation Dimension** visible so it can be managed in concert with the **Resource Dimension**



Summary – Future Perspective



BPM must drive the articulation of the
Value Dimension –

And thereby make it possible to link
Level 1 and 4 of the Value Creation
Hierarchy



Conclusion



Q. "Tell me again, why are we doing this 'process' stuff?"

A. "This work is part of our designing the VCS for our business, leading to increased customer satisfaction and earnings. Let me show you what it looks like..."

