

# Techniques for Transitioning from Process Analysis to Process Design

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PERFORMANCE DESIGN LAB

# About this Session

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There are:

- ◆ A wealth of tools and techniques to assist with process analysis and design.
- ◆ Very few tools and techniques available to assist in making the sometimes tricky transition from analysis *to* design.
- ◆ This session will focus on techniques, tools and steps for getting from "current state" process analysis to the "should state" process design.

# About Performance Design Lab

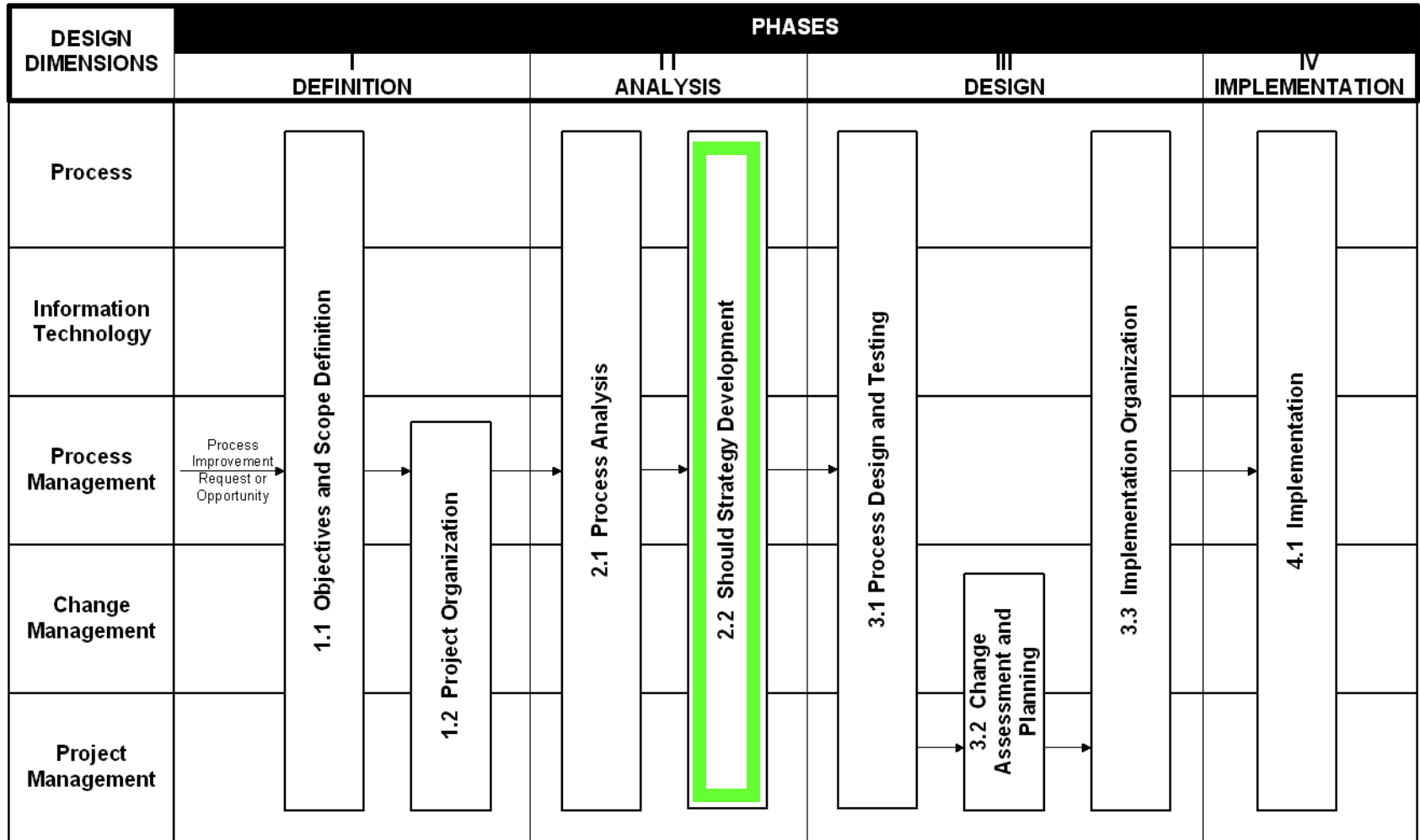
- ◆ A consulting and training firm specializing in organization system improvement and management
- ◆ Founded by Dr. Geary A. Rummler
  - Co-Author of “Improving Performance, Managing the White Space on the Organization Chart”
  - Author of “Serious Performance Consulting”
- ◆ Partners include founding partner and senior consultants of The Rummler-Brache Group
  - > 15 years average PI experience
  - Hands on involvement in > 200 PI projects

# Methodology Overview



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# Process Design and Management Model



Transitioning from Process Analysis to Process Design

# "Process Improvement" Dimensions



<b>Process Design</b>	The design/redesign of the activities required to convert the given process inputs into the desired process outputs.
<b>Information Technology Design</b>	The specification of the information technology required to support the successful operation of the designed/redesigned process.
<b>Process Management Design</b>	The design/redesign of the Performance Planned and Managed System required for the process to perform as designed.
<b>Change Management Design</b>	The specification and development of strategies and activities required to successfully implement the redesigned process and management system.
<b>Project Management</b>	The key activities required to successfully manage the design/redesign and implementation of the process.



# Phase 2.1 Process Analysis



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## **Why This Phase is Important:**

Accomplishes three critical things:

- ◆ Agreement by relevant parties as to the process boundaries.
- ◆ Agreement by relevant parties that the process is significantly “broken” and needs to be improved/redesigned.
- ◆ Agreement by relevant parties on the extent of the issues with the process and the effort required to improve process performance.



## Phase Deliverables:

1. Validated “Is” Work Process
2. Validated “Is” Management Calendar
3. Disconnect List – Categorized and Prioritized
4. “Is” Assumptions

# Common Process Improvement Mistake



## **The natural tendency is to fix what's not working**

- ◆ Start out in the details and fail to see systemic change opportunities
- ◆ Assume that a fixed process = the "should" process.



Phase 2.2

# Should Strategy Development



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### Why This Phase is Important:

- ◆ Establishes the requirements and constraints for the “should” process, without which the process design and project outcome is uncertain.



“If you don't know where you are going, any road will get you there.”



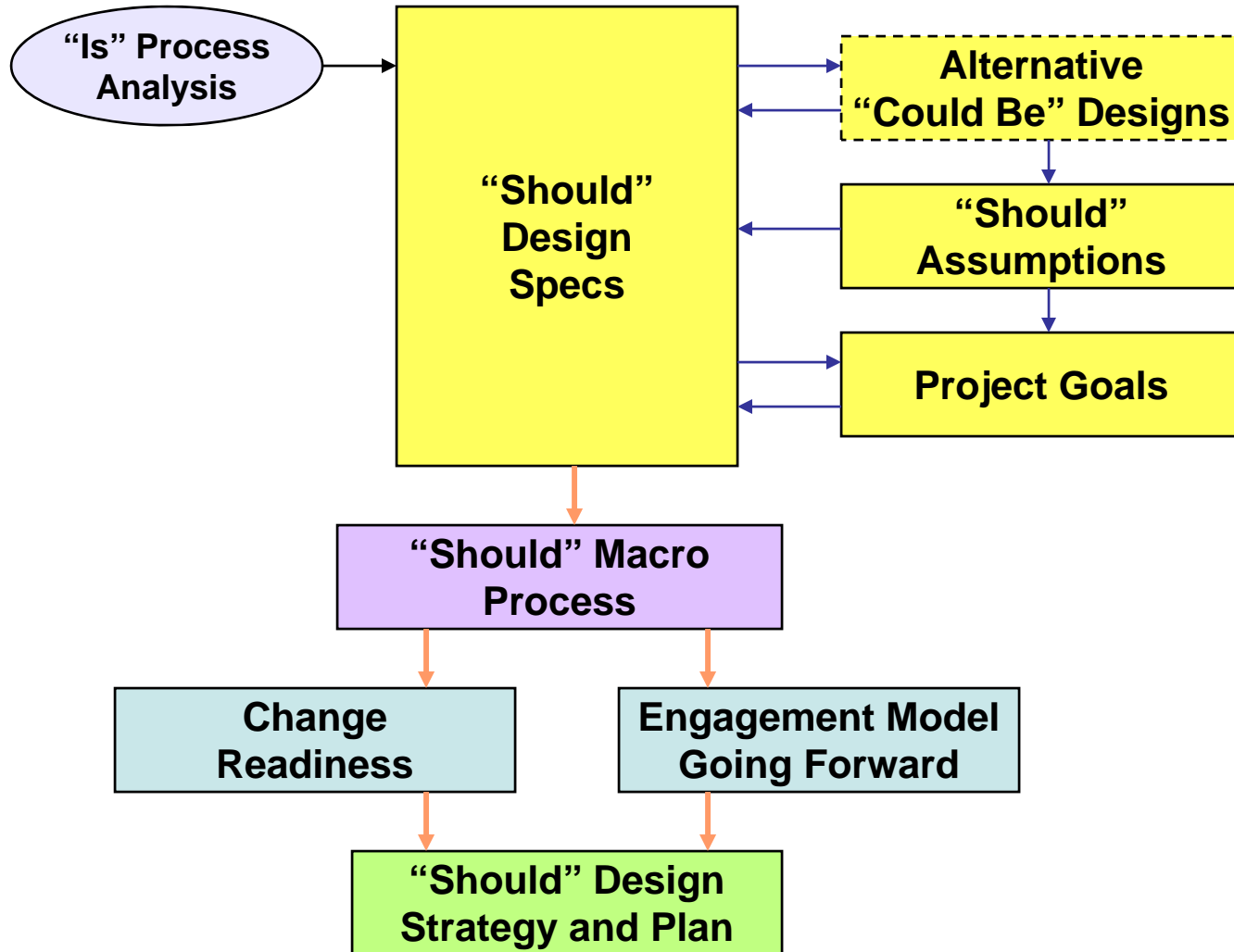
# Phase 2.2 Overview

Dimension	Accomplishments	Critical Success Factors
<b>Process</b>	<ul style="list-style-type: none"> <li>• “Should” Design Specs developed</li> <li>• “Should” Macro Process Map developed</li> <li>• “Should” Assumptions identified</li> </ul>	<ul style="list-style-type: none"> <li>• “Should” Design Specifications are complete</li> <li>• Re-conceptualization of the System through the Could-be’s</li> <li>• Re-conceptualization of the Process through the Macro Process Design</li> </ul>
<b>Info Technology</b>	<ul style="list-style-type: none"> <li>• “Should” Design constraints identified</li> <li>• “Should” Assumptions identified</li> </ul>	
<b>Process Management</b>	<ul style="list-style-type: none"> <li>• “Should” Design Specs developed</li> <li>• “Should” Assumptions identified</li> </ul>	

# Phase 2.2 Overview

<b>Dimension</b>	<b>Accomplishments</b>	<b>Critical Success Factors</b>
<b>Change Management</b>	<ul style="list-style-type: none"><li>• Change Readiness assessed</li></ul>	
<b>Project Management</b>	<ul style="list-style-type: none"><li>• Project Goals finalized</li><li>• “Should” Strategy Reviewed/Validated</li><li>• Engagement Model validated</li><li>• Phase 3 Plan developed</li><li>• Steering Team approval received</li></ul>	<ul style="list-style-type: none"><li>• Sponsor agreement with the “Should” Process Design Specs and Scope of change.</li><li>• Appropriate Engagement Model</li></ul>

# Analysis - Design Roadmap





### **Phase Deliverables:**

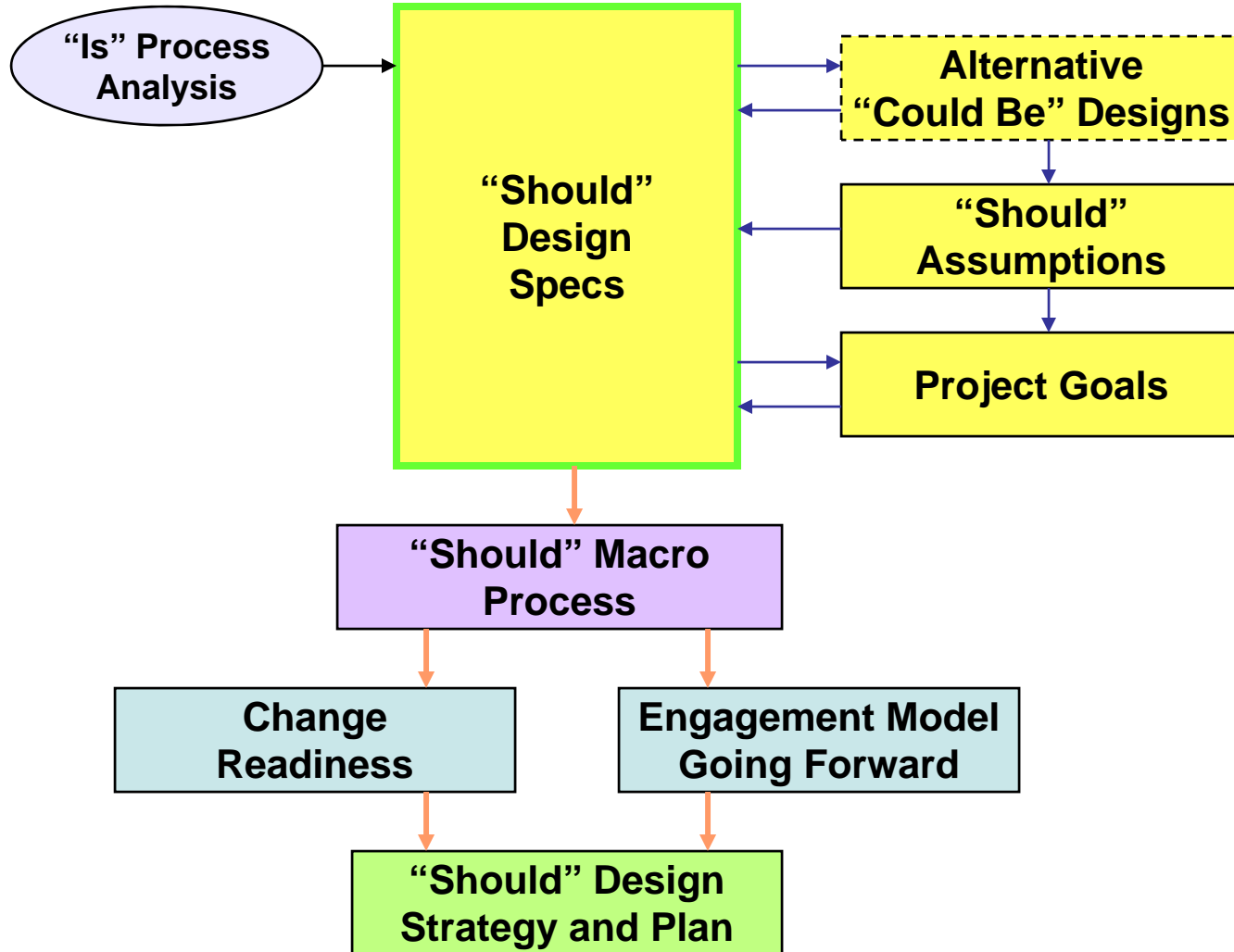
1. “Should” Design Specifications
2. “Should” Macro Process Map
3. “Should” Assumptions
4. Change Readiness Assessment
5. Phase 3 Plan

# Why this Approach?

## Assumptions that underlie the approach:

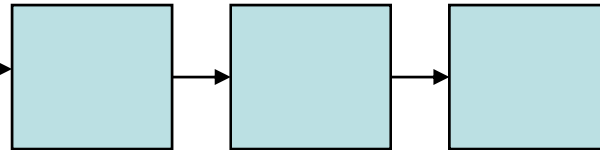
- ◆ Nobody likes surprises – especially senior mgmt
  - It's essential that key stakeholders be made aware of the design direction as it unfolds and key changes be pre-sold
- ◆ Senior Management has opinions about the design
  - It's better to understand those opinions and challenge/figure out how to work around at the outset rather than assume, waste time debating and risk being ambushed upon presentation
- ◆ There are always constraints
  - It's better to identify and validate constraints at the outset than lose precious design time debating assumed or potential barriers

# Analysis - Design Roadmap



Transitioning from Process Analysis to Process Design

# Should Design Specifications



## Input Requirements

1. Input
2. Critical Dimension
3. Standard/Goal

## Process Characteristics

Features:  
“This process will do \_\_\_\_\_ in a way that \_\_\_\_\_.”

## Output Requirements

1. Output
2. Critical Dimension
3. Standard/Goal

# Should Design Specifications



## Input Requirements

1. Input
2. Critical Dimension
3. Standard/Goal

## Process Characteristics

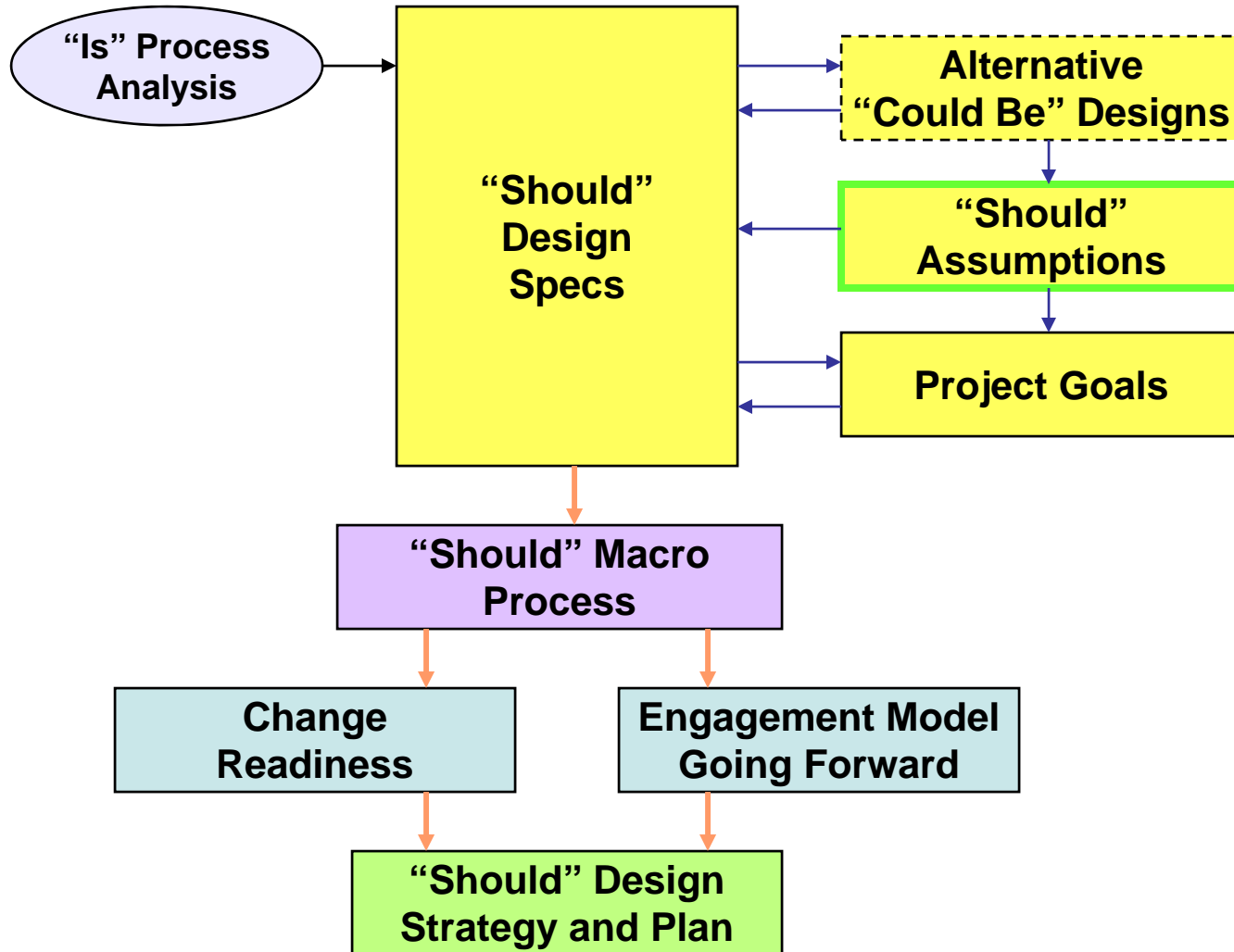
- Features:
- Flow
  - Pull
  - Value Add vs. Non Value Add
  - Process Cycle Efficiency
  - WIP



## Output Requirements

1. Output
2. Critical Dimension
3. Standard/Goal

# Analysis - Design Roadmap

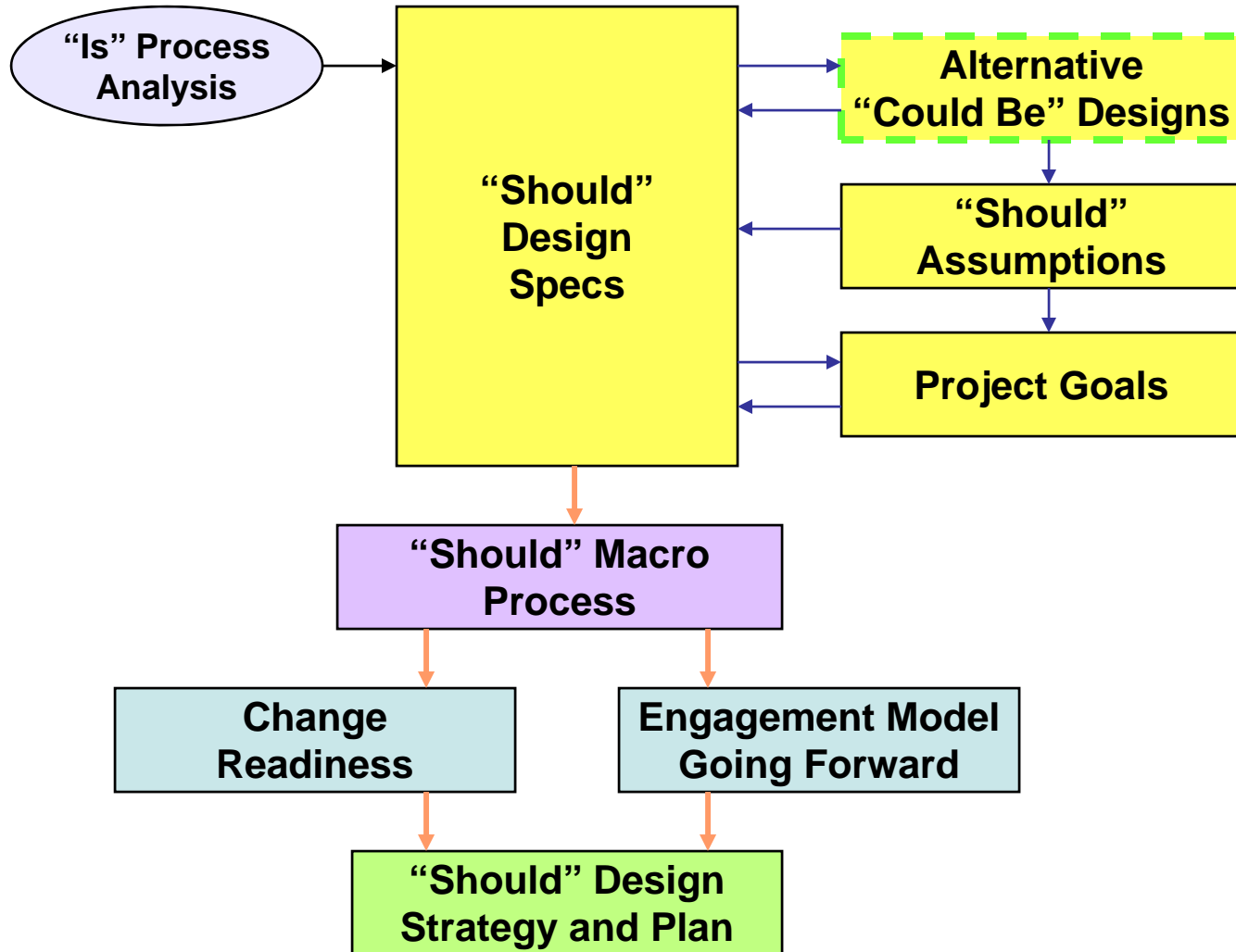




# "Should" Assumptions

"Is" Assumption	Valid for "Should"	Not Valid for "Should"	"Should" Assumption
There will continue to be a market for paper-based products	X		
30 days order to ship cycle time will satisfy most customers		X	Customer expectations for delivery cycle time will continue to decrease
Standard order size of 20 will meet most customer needs		X	Customers will want mix of product in their order
Customers prefer that all information to come through the Sales Reps		X	Customers expect Sales Reps to be aware of all pertinent information, but also want direct access

# Analysis - Design Roadmap



# Benefits of Alternative Design Session (Could-Be)



**Supercharger**

## **Facts:**

- ◆ Organizations trying to avoid costly events; virtual interaction increasingly favored
- ◆ People will avoid potentially embarrassing situations; looking “silly” in front of their peers

# Benefits of Alternative Design Session (Could-Be)



**Supercharger**

## However:

- ◆ This is another of those rare great opportunities where many objectives can be addressed with one event. (supercharger)
- ◆ In a relatively short period of time you get a lot of ideas out on the table - some good, some bad (you want lot's of ideas to work with). Most efficient and effective way to do this (max. 1/2 day).
- ◆ Creative energy is contagious in a group setting – team building fostered. Also an opportunity to involve other stakeholders who may have insights
- ◆ Quickly assesses the creativity level of the team/organization and the need/value of external input and benchmarking. (Lowers Risk)

# Could-Be Design Ideas

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- ◆ Each design should attempt to meet or exceed some or all of SDS
- ◆ A single design may address part of the process (could be combined later with others)
- ◆ Stay high level – sketchy detail

For each design develop:



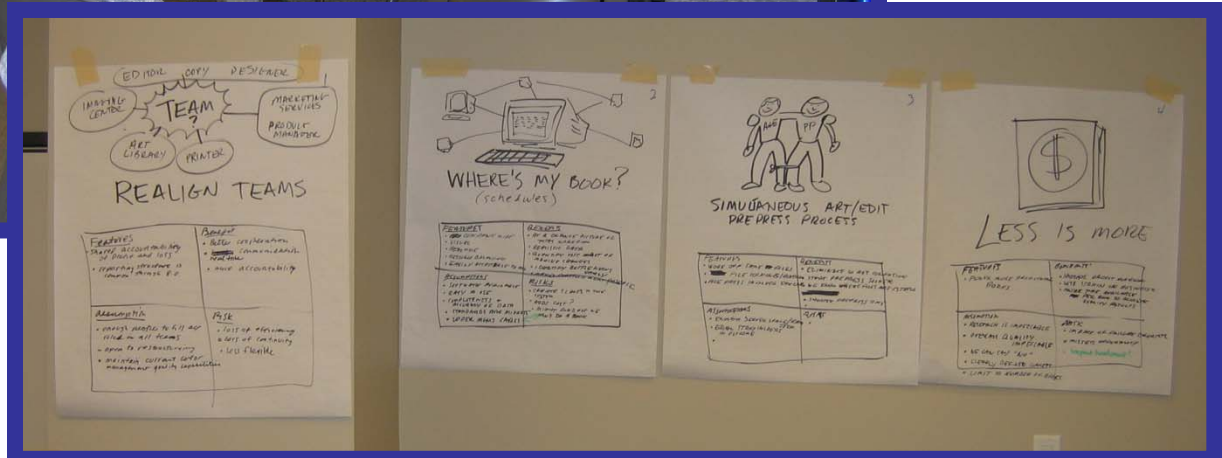
Drawing of the  
concept/design

A Name

Brief description (if necessary) \_\_\_\_\_

Features	Benefits
Risks	Assumptions

# Could-Be Session

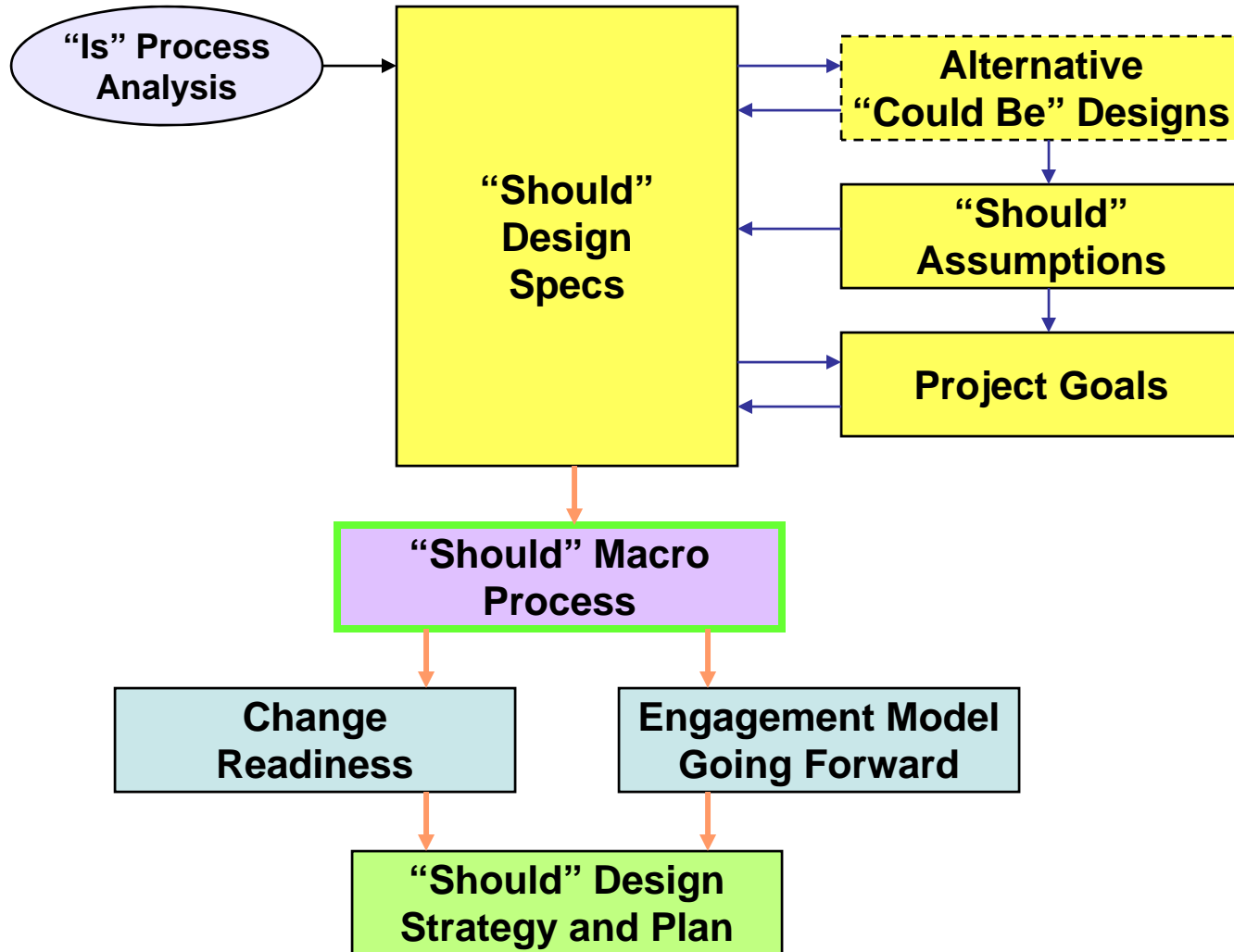


Transitioning from Process Analysis to Process Design



(Process) Features	(Process) Benefits
<p>(IT related) Risks</p> <ul style="list-style-type: none"><li>◆ Legacy systems won't be able to support</li><li>◆ Requires significant modification of the database and interface</li></ul>	<p>(IT related) Assumptions</p> <ul style="list-style-type: none"><li>◆ The functionality is readily available thru OTS applications</li><li>◆ Current systems can support requirements with minimal adaptation</li></ul>

# Analysis - Design Roadmap

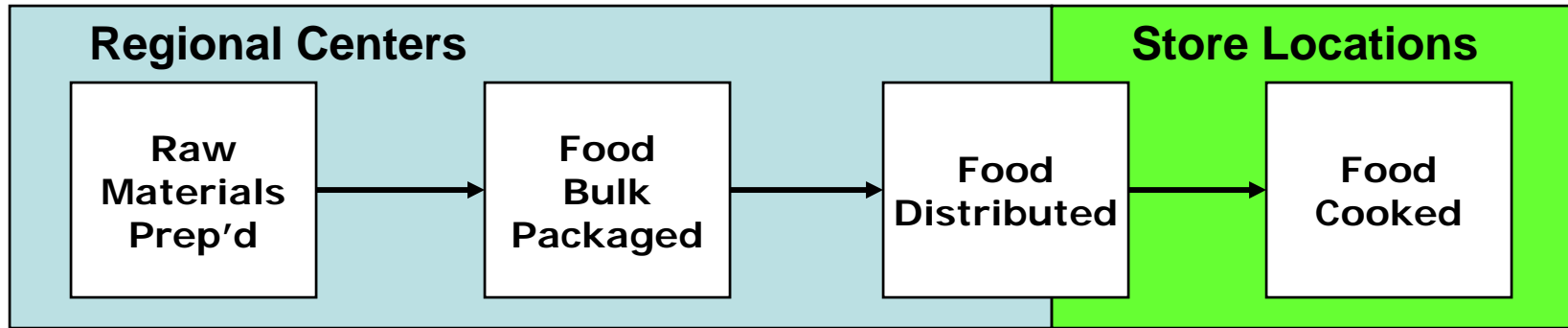




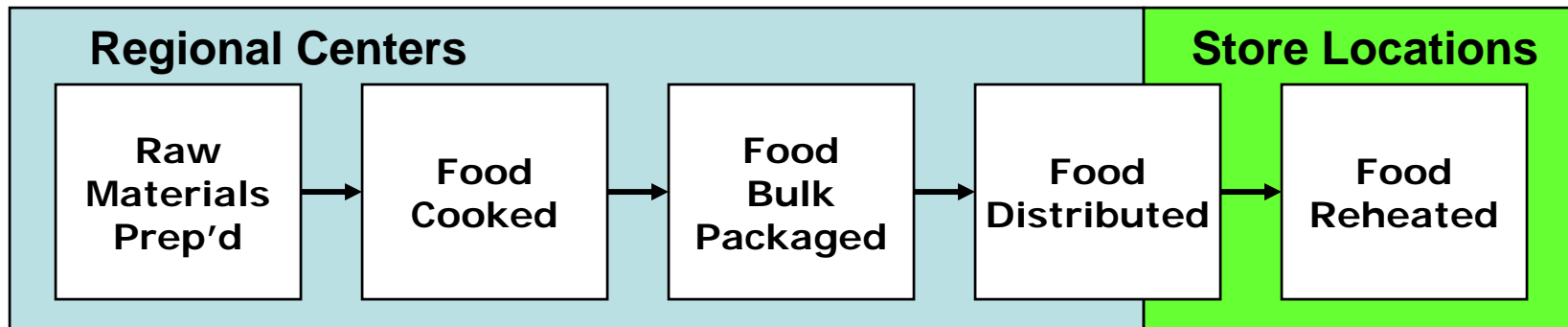
# Comparing “Should” Macro Processes



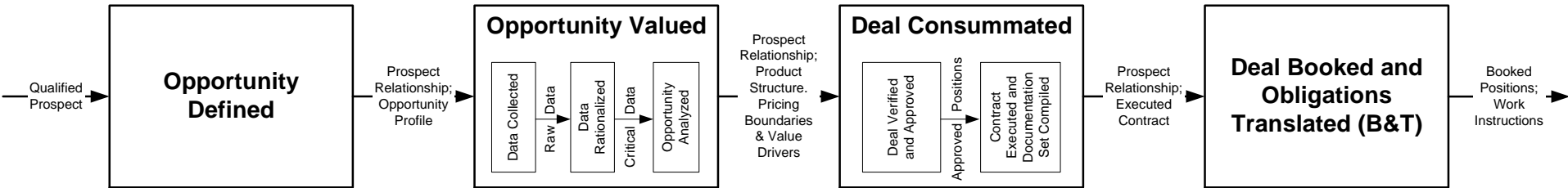
## Traditional Food Prep



## Taco Bell Food Prep



# Macro Process Map - Example



Output	Critical Dimensions	Goals
Opportunity profile w/ ID'd service type	- Completeness - Accuracy	100% of customer profile complete 80% of service types same as booked
Prospect relationship	- Quality	100% Customer business model & structure understood

Output	Critical Dimensions	Goals
Product structure, Pricing boundaries & Value drivers	- Completeness - Accuracy	100% available 0% of deals lost due to wrong info
Prospect relationship	- Quality	100% Customer financials understood

Output	Critical Dimensions	Goals
Executed contract and docs set	- Clarity - Availability	No legal input req'd to B&T 100% of info req'd to B&T available w/i 24 hours of execution
Prospect relationship	- Quality	Mutual POCs ID'd and accessible

Output	Critical Dimensions	Goals
Booked positions	- Cycle Time - Accuracy	100% booked w/i 36 hours of execution No audit findings of erroneous positions
Work instructions	- Cycle Time - Executability	100% available w/i 5 days of execution No escalated issues due to poor instructs

Features
<ul style="list-style-type: none"> <li>- Unstructured, but with clearly defined outputs</li> <li>- Knowledge sharing mechanisms in place to facilitate transfer of "soft" skills</li> <li>- Accomplishments include:                             <ul style="list-style-type: none"> <li>&gt; Customer relationship established</li> <li>&gt; Scope and data collection needs defined</li> <li>&gt; Possible products identified</li> <li>&gt; Pricing signals identified</li> </ul> </li> </ul>

Features
<ul style="list-style-type: none"> <li>- Opportunities are broken into deal components for determining risk and establishing pricing boundaries</li> <li>- Focused effort (maybe a dedicated team)</li> <li>- Accommodates different types of data</li> <li>- Intelligence for mapping needs to product structure</li> <li>- Scalable to handle multiple sites &amp; geographies</li> <li>- Customer relationship deepened</li> <li>- Sufficient knowledge/ experience exists in usable form</li> </ul>

Features
<ul style="list-style-type: none"> <li>- All relevant information readily available to support approval</li> <li>- &lt; 50% of deals executed in last week of quarter</li> <li>- Corporate review is independent yet integrated</li> <li>- Customer relationship deepened</li> </ul>

Features
<ul style="list-style-type: none"> <li>- Work instructions are available in a variety of formats</li> <li>- Work instructions are componentized to allow for disaggregation by function and reaggregation by deal</li> <li>- Booked positions are attributable to specific deals in order to determine deal p&amp;l over time</li> </ul>

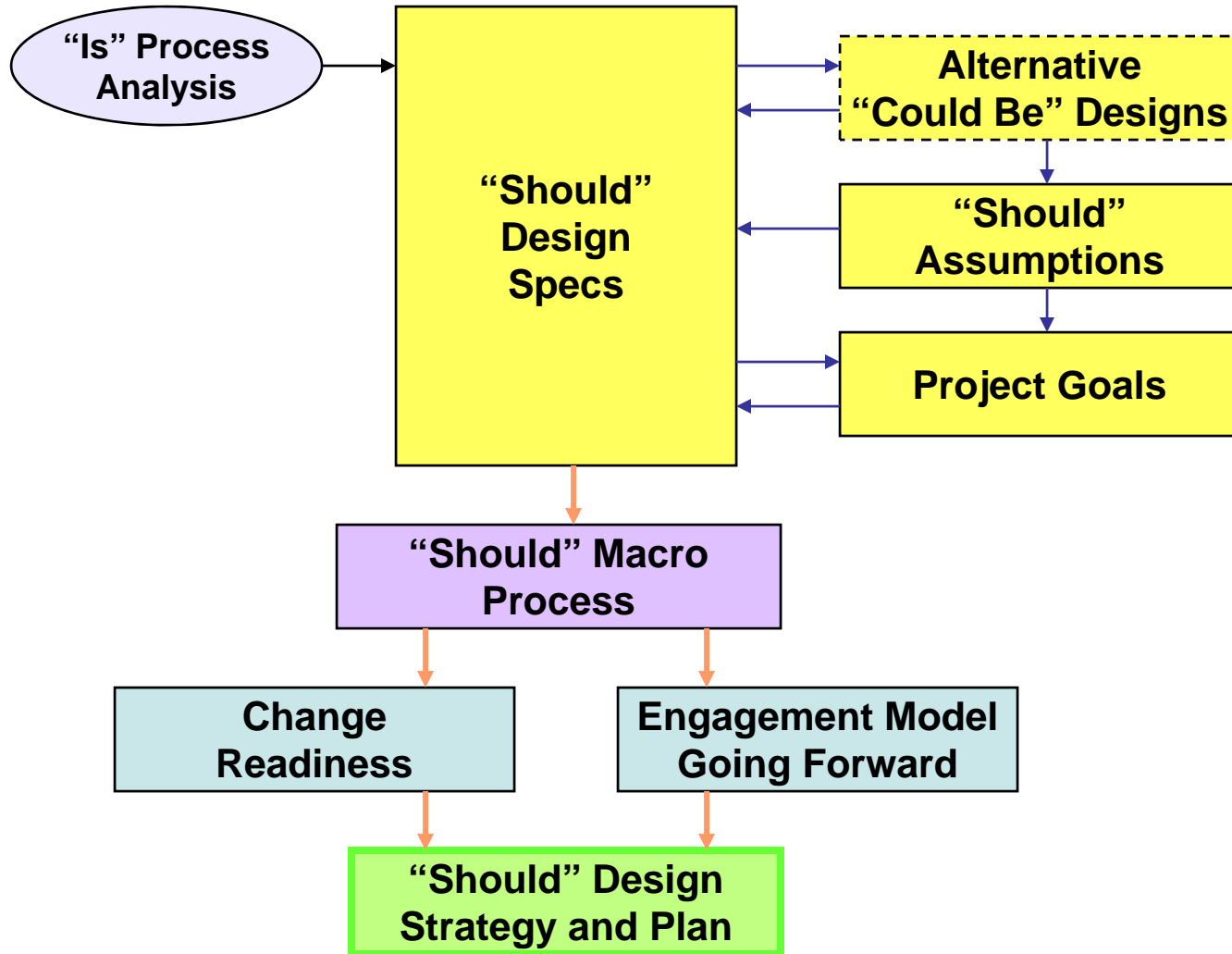
Assumptions

Assumptions
<ul style="list-style-type: none"> <li>- Analysis methods exist</li> <li>- We can componentize our business (both risk and market facing factors)</li> <li>- Existing IT infrastructure can support</li> </ul>

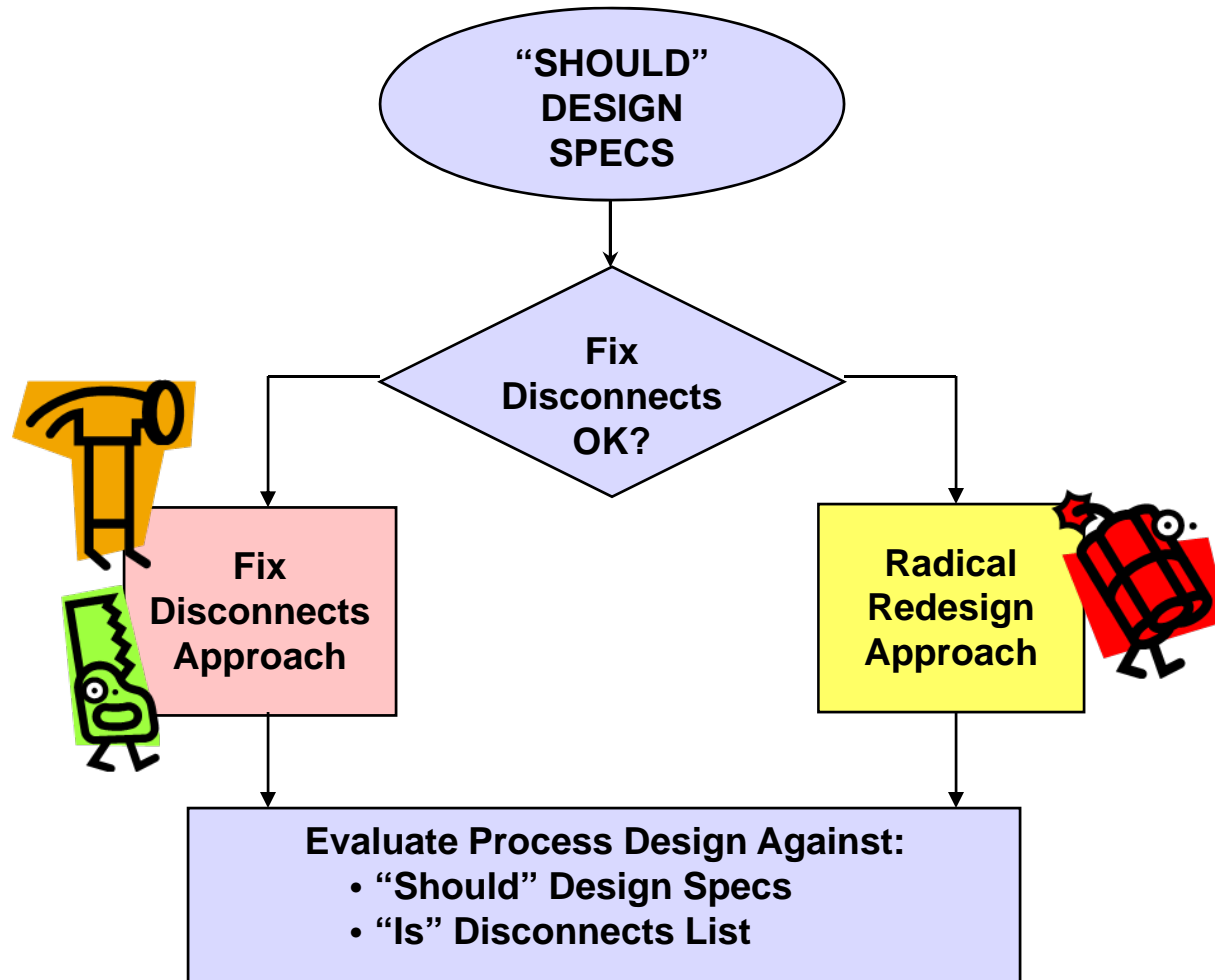
Assumptions
<ul style="list-style-type: none"> <li>- Corporate will play</li> </ul>

Assumptions
<ul style="list-style-type: none"> <li>- Parallel effort to address variability in position booking will succeed</li> </ul>

# Analysis - Design Roadmap



# "Should" Design Strategy





Phase 3.1  
Process Design and Testing



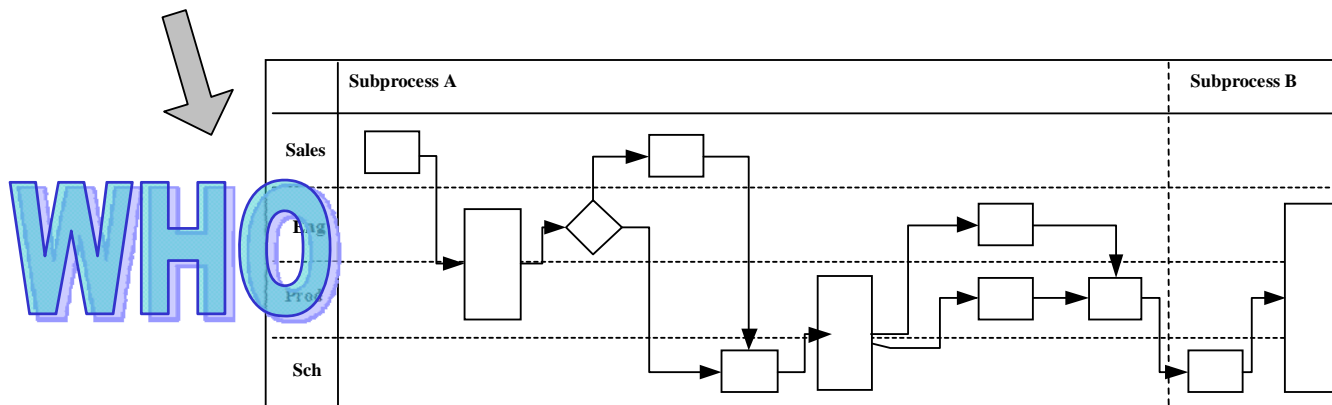
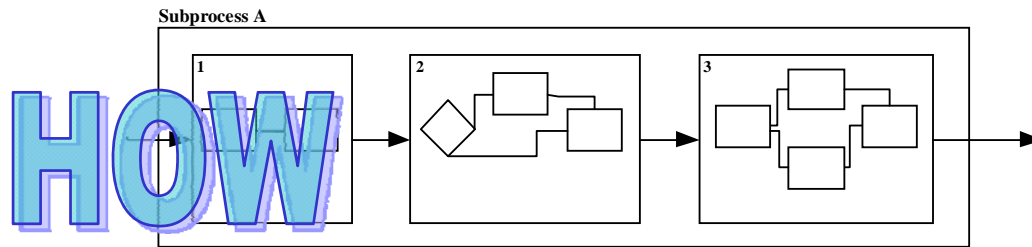
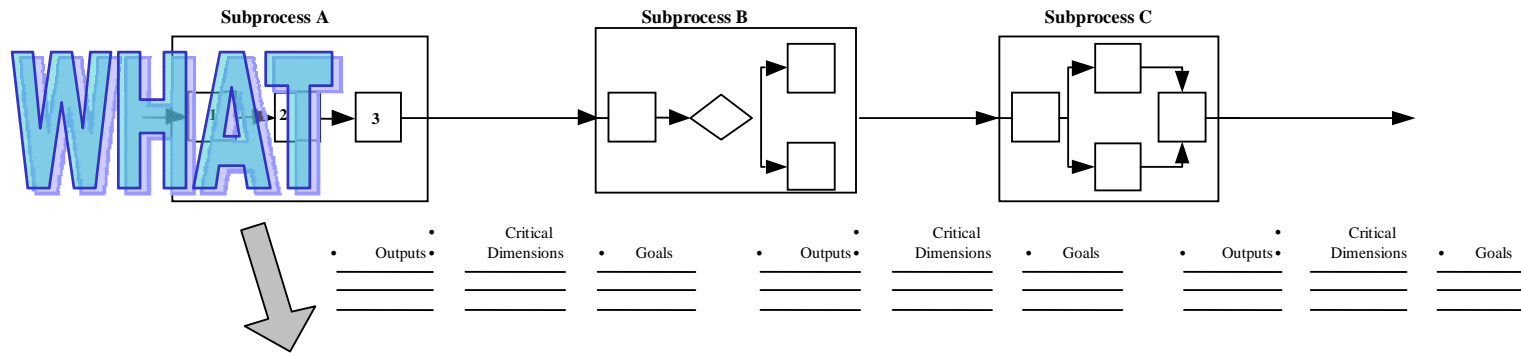
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## Phase Deliverables:

1. “Should” Process, including:
  - a. Cross-Functional “Should” Process
  - b. Roles/Responsibilities Matrix
  - c. Process Support Documentation
  - d. IT Uses Cases
2. “Should” Management System:
  - a. “Should” Management Calendar
  - b. “Should” Measures
  - c. “Should” Trackers
3. Recommendations
4. “Is” to “Should” Change Summary

# Linear to Cross-Functional



Transitioning from Process Analysis to Process Design

# Closing Thoughts



## Critical

1. We thought the clear identification of the 1) Organization System and Process Architecture, and 2) business need was important. We think it's even more important now.
2. We thought the value of a management system to sustain and continuously improve process performance was important enough to make it a separate phase. Now we think it's the only chance, and is integral to, realizing and sustaining the change identified in the Should Design Specifications.

## Important

3. We knew the transition from analysis to design and from design to implementation were important transitions requiring dedicated steps. We've since decided that they warrant independent project milestones and phases.
4. We used to view the formation of teams as the default mechanism for conducting process improvement projects. We've had to adapt to limitations on subject matter expert time and availability by offering multiple engagement models (with and without teams as the basic unit).
5. We knew that most if not all of the industrial engineering theory and tools was applicable to process improvement. It's now more apparent than ever that the Lean, SixSigma and other quality theory and tool sets are readily applicable.