



Performance Improvement

Alan Ramias & Cherie Wilkins

Consultants
Performance Design Labs (PDL)

ARamias@ThePDLab.com
CWilkins@ThePDLab.com



The Process-Centered Organization: The Long Road

In our last Column we described the characteristics of a process-centered organization (PCO) and gave an example of one company that reached the destination in a relatively short period of time. But that kind of rocket-propelled journey is not the norm. In this and the next two installments of this series we will share with you the more common approaches we have seen.

The example in this Column is an organization that illustrates what may seem like the tortoise version of the race to becoming a PCO – slow and steady. We will assess the effectiveness and pitfalls of this approach.

The Starting Line

The journey for this company began seven years ago. The driver was a major customer who was demanding improved performance—higher quality and more predictable cycle times. That customer wanted the company to stabilize its “service delivery” processes and put in a quality control system. In parallel, key members of the management team recognized the importance of process. Because of this, there was a decision to take a process approach to addressing this critical business issue (CBI).

The First Leg of the Race

The company started its journey by establishing a Process Center of Excellence. The cadre of approximately 20 specialists was largely composed of Six Sigma-oriented process consultants who came from the various businesses augmented by few external hires. Once in place, the consultants guided management in choosing and defining a business process architecture. The architecture framework they chose was one of the most widely known in the BPM field, but they did make some adaptations to suit their company’s particular situation.

The company then assigned process owners to each process in the architecture and moved forward with the intent to create management teams, establish metrics, and document processes, all conforming to a standard process maturity model. A process consultant was assigned to help each process owner.

Although the goal was to address all of the processes on the framework, the reality was that the bulk of the effort and attention centered on the delivery processes and on addressing the CBI.

What was Achieved

The company did achieve real results in addressing the CBI. In fact the results were so compelling that the CEO openly endorsed the goal of becoming a process managed company. He wanted this to be his legacy.

The process architecture was institutionalized, and to this day is the best example we have seen of full adoption. Just about everyone in the org recognizes the architecture and can name from memory the top-level processes.

There was also some initial success in establishing process management. The Process Owner Council meets regularly to review process metrics.

With the endorsement of the CEO, the company began to slowly and steadily spread their success to the other parts of the organization. This slow and steady approach is a choice many organizations have made.

The Next Lap

CBI 's don't last forever. The CBI was leveraged to drive the first part of the journey and it worked. What was desired next was steady progress on the rest of the journey. But because the CBI had been addressed—all of the service delivery issues had been eliminated and the processes were yielding steady, predictable results—the urgency went out of the effort. The company settled into very slow progress and all of that driven by push from the Center of Excellence process experts, not pull from the business.

Eventually—five years into the journey—they hit a plateau. As process owners disengaged, there was lots of turnover on the Process Owner Council. The process owners were tired of metrics reviews and were asking to shorten the council meetings. It was tough for the Center of Excellence to continually push.

It was time to up the ante. What they had forgotten was how the CBI had fueled the early efforts. It is not enough to sustain the gains. Success in one area did not inspire effort in other areas as they thought it would. They need to find a new driving force.

Toward the Finish Line - What They are Doing Now to Address their Midlife Crisis

The company recognizes the need to tie back to real business issues to fuel the rest of the journey. They are making a connection to strategy. The Center of Excellence specialists have begun working with the strategy organization to use process management and improvement as a way to close gaps between current and future capabilities. In a pilot, they correlated long range business plans to processes, highlighting where the strategy calls for changes in process capability or capacity. These gaps will then have to be addressed in the company's business plans.

Key managers, aided by Center of Excellence advisors—are actively looking for CBI's in the other process areas and are gathering real data – including customer feedback - to drive the desire to address those CBI's.

The company has also made an adjustment to part of the process architecture – a bold move, given the level of institutionalization. They recognized that some of the complacency about the

processes upstream from Service Delivery was due to the overly generic definition of those processes. Remember that they began with a best practice framework that they adopted from outside and then tweaked. The upstream part of the framework did not really represent their business model – how they now do business. The process performers and managers didn't resonate with that definition of their work. So they are now redefining that part of the process architecture and have a new framework that better reflects the business. They are hopeful that this will facilitate a higher level of process engagement in these upstream areas.

So the company now has all the right pieces in place and is making some smart moves to keep the journey on track. We are hopeful that, as in the fable, slow and steady wins the race.

Lessons for All of Us

In the beginning this company did not really make a conscious decision to go slow. In fact it started on the PCO journey the way most companies do—by harnessing its self-education to an urgent business problem. But after the initial surge in effort—the staffing up of resources, the training, the redesign effort, the establishment of a process management system—it didn't know where or how to go next. And that happens to many companies that burst into the BPM arena with great ambitions and enthusiasm but little in the way of long-term plans. And so without necessarily meaning to, the company found itself on the slow road to PCO nirvana. What can we learn from their experience?

One lesson is that this often happens. A company could plan to go fast but only knows how to begin, not how to continue or how to end. Asking questions about the destination at the outset might do everyone a lot of good.

Another lesson is the dangers of establishing an internal team of experts. While staffing up a Process Center of Excellence is a common practice and is usually needed to guide a large organization to becoming a PCO, all too often the accountability for getting there ends up in the laps of the process specialists instead of staying where it belongs, with the business leaders.

The biggest challenge of a go-slow approach is, of course, sustainability. An organizational transformation taking years to achieve will take considerable effort to keep it alive, and it may not be revivable at some point if it is perceived as having “failed”.

And perhaps there is a bit of confusion about journeys versus destinations. Perhaps there is no destination. If a company institutionalizes process management and links it meaningfully to the business, it has the means to adapt its internal processes and other capabilities as the external world changes. But that means things are always changing. So an effective PCO is not a stable, comfortable, predictable organization: it is wide open to possibilities and able to pounce on them quickly, keenly aware of its vulnerabilities and quick to adjust whenever threatened.

A hideous little cliché making the rounds these days is “It's a journey but not a destination.” Some truth in that.

In our next Column we will look at the journey undertaken by a company in real crisis – do or die....

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