

Picturing the Business Process

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Even before stepping across the threshold of your average business process unit, you and I could probably draw a picture of the operation. And we could do it with our eyes closed.

Whether it's accounting, marketing, human resources or customer service, the division or unit will most likely resemble a big misty cloud with no fixed characteristics. There will be no quantifiable performance metrics, costs will be rising, the number of projects will always exceed the number of people and all costs will be fixed. This leaves most lean leaders standing outside the door, scratching their heads and wondering if lean principles can even be applied and if so, where to begin?

Most companies hit the same wall. The senior management team looks at the big mist – at the egos involved, the turf warfare and the specialized languages of the different functions – and wonders how to wring recognizable data out of a cloud.

Because I have heard this question many times in recent months from desperate people, it seems the right time to describe a tool we use at TBM to strip the emotion out of the business process assessment and replace it with hard data and a road map. When used correctly, it is like a dispassionate camera, revealing the big picture in details previously obscured.

This is the first, most important part of an assessment: taking a snapshot of the current business situation comprised of hard numbers. For each department or unit that is being assessed – and it is probably best if they are all done at once – we begin by answering the question: What do we do?

A friend once asked this question of a marketing director, who replied, “We raise the public consciousness in a positive fashion about our

products and company.” My friend smiled and said, “That's a nice set of objectives. But what do you do?”

The answer to “What do we do?” should be only framed as a list of processes, such as: we answer customer complaints; we fill out three different kinds of reports; we conduct surveys. Next ask, how long does it take? The answer to this should be in two parts: work content and lead time. These might be tricky answers to get, but remember that lead time is just work in process divided by throughput. If there are 100 reports in various stages of completion and 10 of them are finished each day, that report has a 10-day lead time. Answering how long the process takes might require weighted averages, but it is critically important that a unit of time is assigned to each process.

Next question: frequency. How often do we do this process?

Ask, who is involved? Name each associate. Then ask, who else is involved? This journal, for instance, is the process of our in-house editor, but it also involves an external graphic designer, a printer and a mail house.

Now take all this information and arrange it by process and by department. Once we have drilled down to this level, where we are viewing time and energy by each process, which department “owns” the process will become less important.

When viewing this emotionless data, it will be far easier for senior management to ask the truly critical questions about effectiveness and efficiency such as, “Are we doing the right things?” and “Are we doing things right?” Now you are ready to apply the traditional measures of manufacturing – quality, cost, delivery – and bring that big administrative mist into sharp focus.

About 80 years ago, the Italian playwright Luigi Pirandello wrote, “A fact is like a sack – it won't stand up if it's empty.” It is a good quote to keep in mind as you set about defining your business processes. Only when we have all the facts – or data – will these departments and processes begin to take recognizable shape. ■

