

Process Management To Achieve Your Work



John Vinyard

The Vision

“Good is the enemy of Great” Jim Collins

Good Organization

- Directive Leadership
- Product/Service-Driven
- Meet Standards or “*status quo*”
- Suppliers and Unions as Adversaries
- Respond in Time Allotted
- Focus on Next Quarter’s Results
- Employees Follow Procedures
- Management by Intuition
- Compliance with Regulation
- Focus on \$ “*bottom-line*” Exclusively
- Functional Perspective

Great Organization

- Visionary Leadership
- Customer-Driven Excellence
- Organizational & Personal Learning
- Valuing Employees & Partners
- Agility
- Focus on the Future
- Managing for Innovation
- Management by Fact
- Social Responsibility
- Focus on Results & Creating Value
- Systems Perspective

Core Principles: Does This Stuff Fit Us?

- Visionary Leadership
- Customer-Driven Excellence
- Organizational & Personal Learning
- Valuing Employees and Partners
- Agility
- Focus on the Future
- Managing for Innovation
- Management by Fact
- Social Responsibility
- Focus on Results & Creating Value
- Systems Perspective



Four Dimensions - Review

1. Key Organization Factors

- Organizational Description
 - a. Org Environment
 - b. Org Relationships
- Organizational Challenges
 - a. Competitive Environment
 - b. Strategic Challenges
 - c. Perf Improvement System

This is Who We Are

This is What We Do

3. Business Systems

- Leadership
- Strategy
- Customer and Market Focus
- Measurement, Analysis and Knowledge Management
- Human Resource Focus
- Process Management
- Results - Scorecard

2. Design Principles

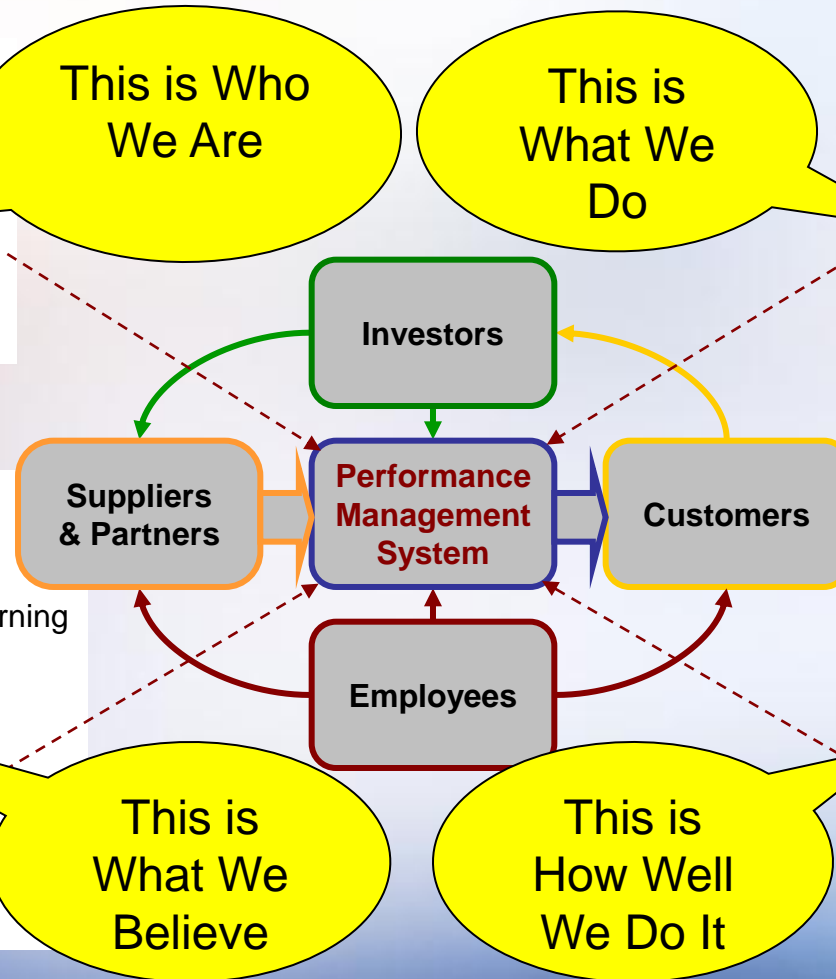
- Visionary Leadership
- Customer-driven Excellence
- Organizational & Personal Learning
- Valuing Employees & Partners
- Agility
- Focus on the Future
- Managing for Innovation
- Management by Fact
- Social Responsibility
- Focus on Results & Creating Value
- Systems Perspective

This is What We Believe

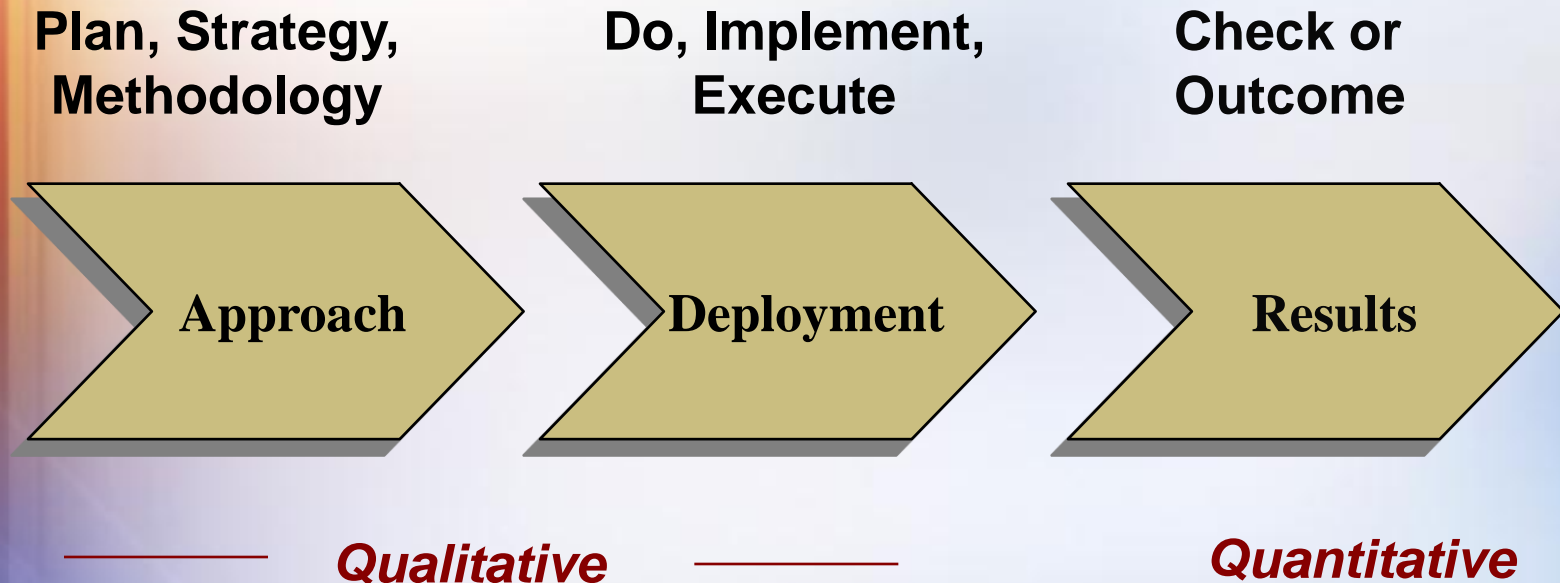
This is How Well We Do It

4. Maturity Model

- Reacting to Problems
- Early Systematic Approach
- Aligned Approach
- Integrated Approach

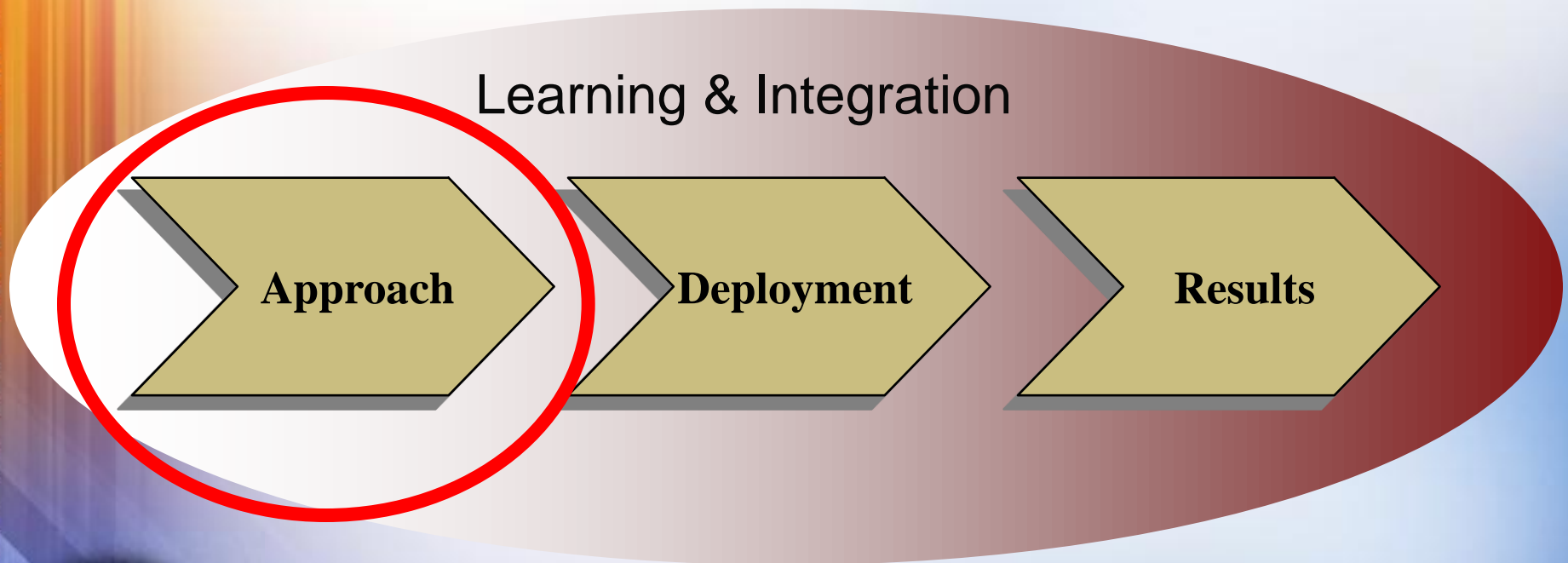


Results



Results validate (confirm or deny) the effectiveness of the approach and deployment

Learning and Integration



All three dimensions have an element of learning and integration

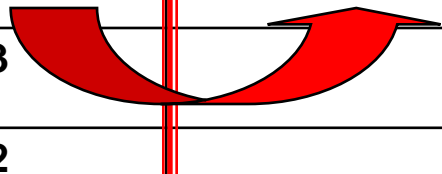
Why Processes?

The Fit of Processes To Why We Are In Business



Baldrige *Bookends*

Who Is The Customer , Segment Or Group? P1b(2)	What Are The Requirements & Expectations for Products and Services? P1b(2)	How Are We Performing Against The Customer Requirements? 7.1	Is The Customer Satisfied ? 7.2a(1)	Is The Customer Loyal ? 7.2a(2)
XXX	1			
	2			
	3			
	4			
YYY	5			
	6			
	3			
	2			



Customer Segmentation

Who Is The Customer, Segment Or Group? P1b(2)	What Are The Customer Requirements? P1b(2)	Perform vs. The Customer Requirements? 7.1	Is The Customer Satisfied? (and dissatisfied) 7.2a(1)	Is The Customer Loyal? 7.2a(2)
1		Figure 7.1-1 Figure 7.1-2	Figure 7.2-1	Figure 7.2-2
2		Figure 7.1-3	Figure 7.2-3	Figure 7.2-4
3		Figure 7.1-4 Figure 7.1-5 Figure 7.1-6 Figure 7.1-7 Figure 7.1-8 Figure 7.1-9	Figure 7.2-5 Figure 7.2-6	Figure 7.2-7 Figure 7.2-8 Figure 7.2-9 Figure 7.2-10 Figure 7.2-11
4		Figure 7.1-10 Figure 7.1-11 Figure 7.1-12 Figure 7.1-13	Figure 7.2-12 Figure 7.2-13 Figure 7.2-14 Figure 7.2-15	Figure 7.2-16 Figure 7.2-17 Figure 7.2-18 Figure 7.2-19 Figure 7.2-20

What The Customer Says

How We Respond

How The Customer Feels

How The Customer Acts

Customer Segmentation

Who Is The Customer, Segment Or Group? P1b(2)	What Are The Customer Requirements? P1b(2)	Perform vs. The Customer Requirements? 7.1a	Processes Used To Perform 7.1b	Is The Customer Satisfied? (and dissatisfied) 7.2a(1)	Is The Customer Loyal? 7.2a(2)
1		Figure 7.1-1		Figure 7.2-1 Figure 7.2-2	Figure 7.2-9
		Figure 7.1-2			
		Figure 7.1-3			
2		Figure 7.1-4		Figure 7.2-3 Figure 7.2-4	Figure 7.2-10
		Figure 7.1-5			
		Figure 7.1-6			
3		Figure 7.1-7		Figure 7.2-5 Figure 7.2-6	Figure 7.2-11
		Figure 7.1-8			
		Figure 7.1-9			
4		Figure 7.1-10		Figure 7.2-7 Figure 7.2-8	Figure 7.2-12
		Figure 7.1-11			
		Figure 7.1-12			
		Figure 7.1-13			

Customer Segmentation

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1		Figure 7.1-1 Figure 7.1-2 Figure 7.1-3		Figure 7.2-1	How The Customer Acts
2	What The Customer Says	How We Respond	The Processes Used To Respond	How The Customer Feels	
3		Figure 7.1-8 Figure 7.1-9		Figure 7.2-5 Figure 7.2-6	Figure 7.2-11
4		Figure 7.1-10 Figure 7.1-11 Figure 7.1-12 Figure 7.1-13		Figure 7.2-7 Figure 7.2-8	Figure 7.2-12

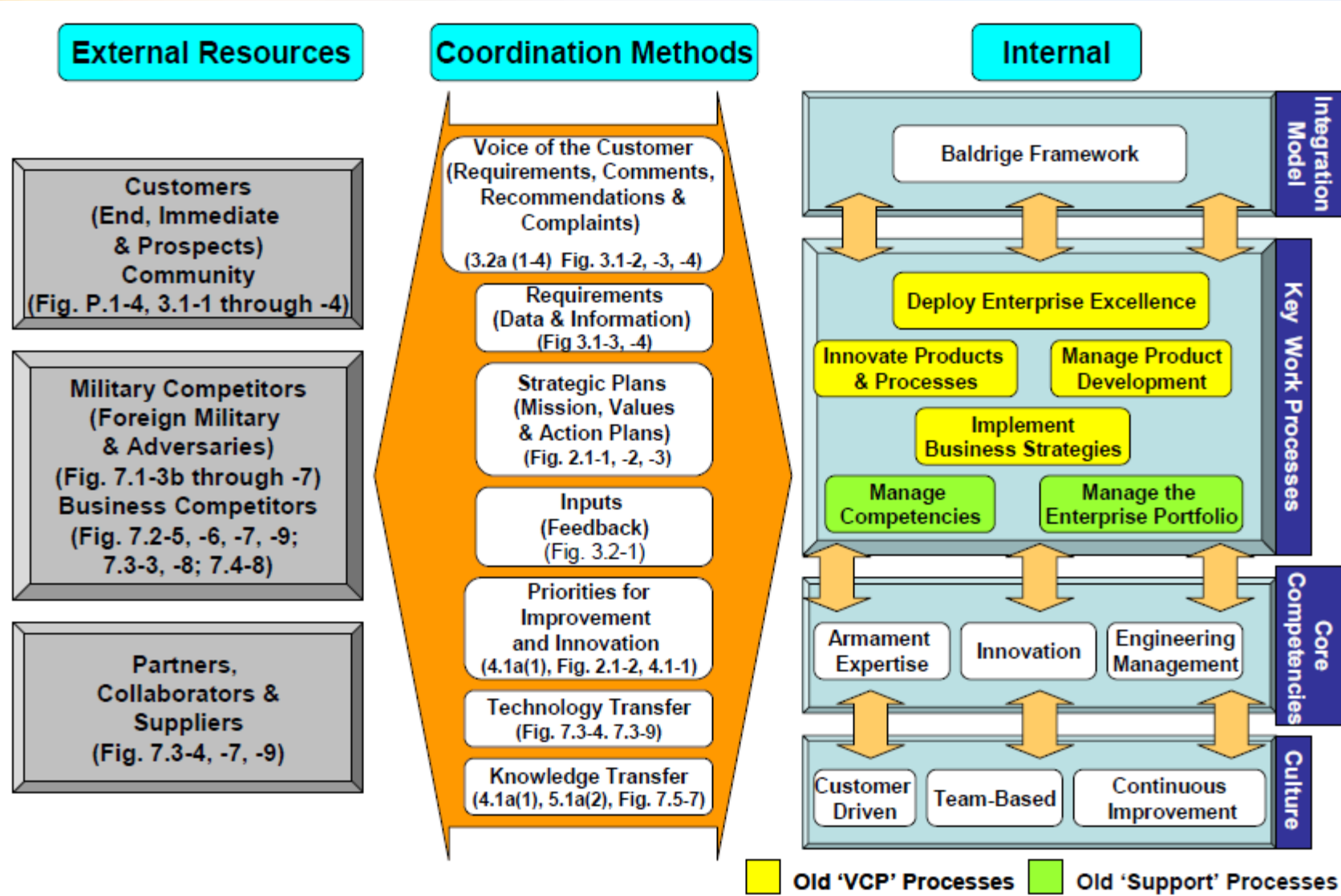
Process-Related Definitions



WHAT????????????????



WHAT????????????????????

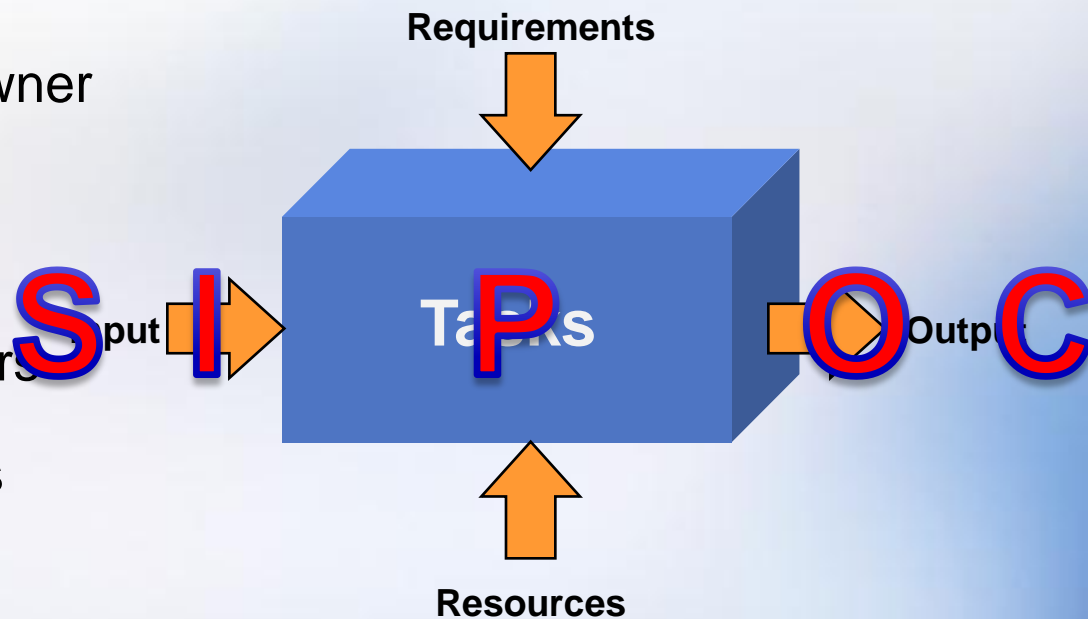


What Is A Process?

- A set of sequential tasks performed by a process owner (i.e., Hiring)

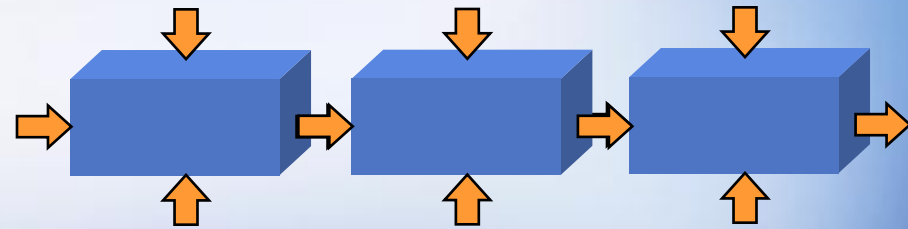
that transforms inputs like written requirements and raw materials from suppliers

into useful outputs such as documents, services and manufactured parts for customers

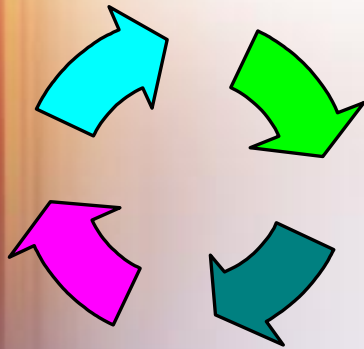


What Is A System?

- A set (or sequence) of more than one process used to achieve more than one process can achieve (i.e., Human Resources)



Responsibilities



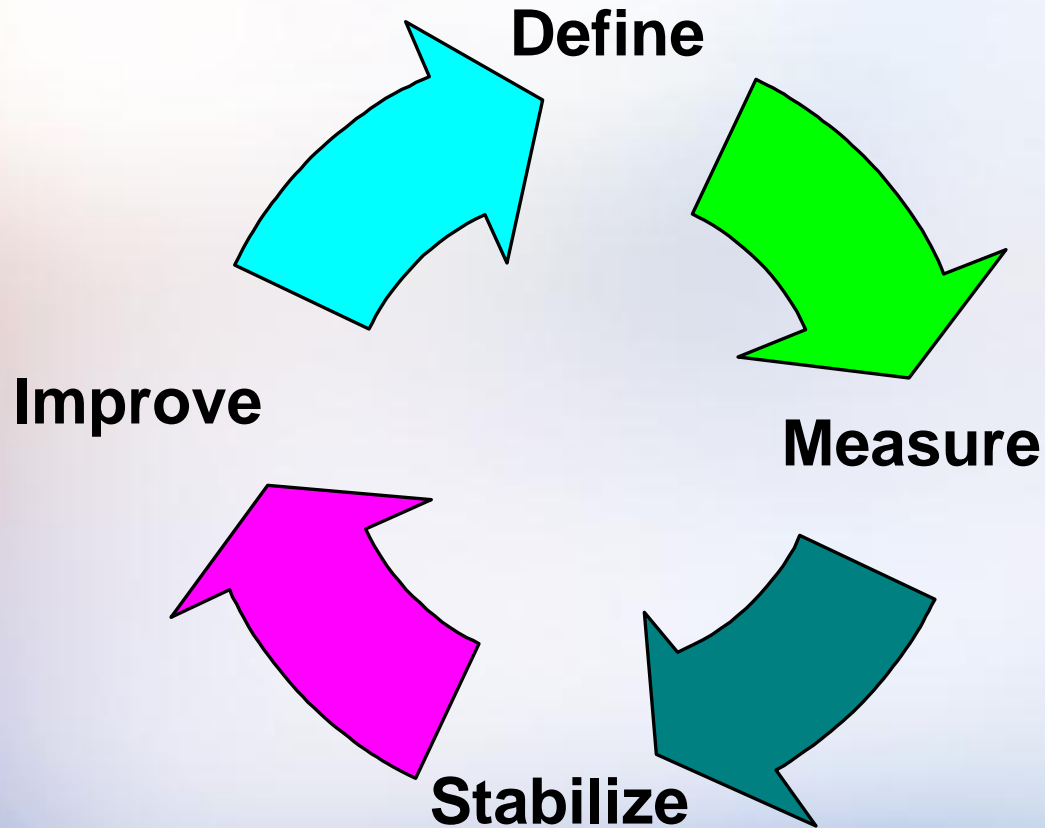
- **Process Owner:**

- Define, Measure, Analyze and Improve and Control the process (DMAIC)
- Work with the process user(s) to ensure that the process is meeting the required performance

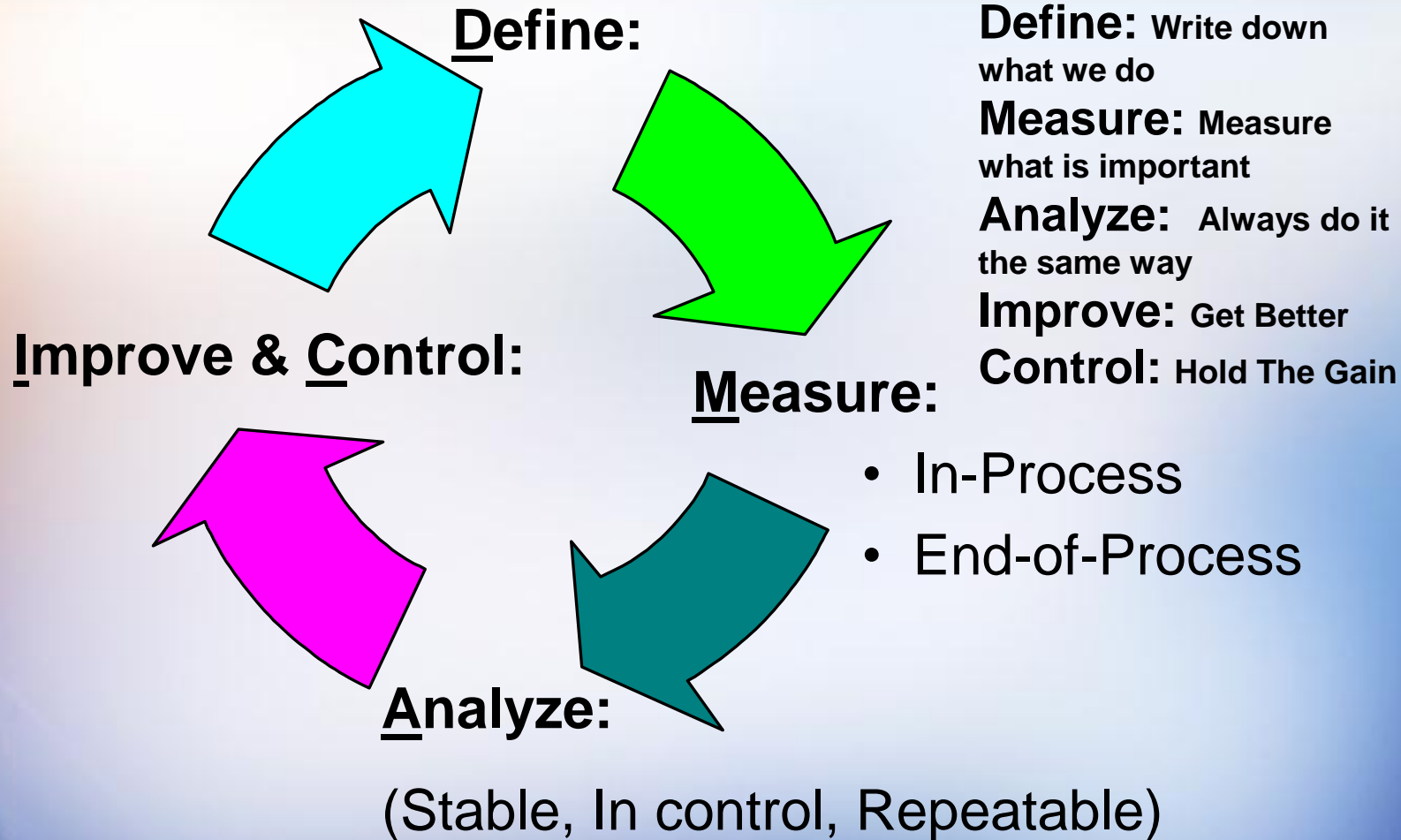
- **Process User** (Customer):

- Define the output required by the process
- Work with the process owner to ensure that the process is meeting the required performance
- Key Work Processes have external users (i.e., clinical process have patients)
- Support and management processes have internal users (i.e., finance has internal users)

Systematic Processes



Systematic Processes

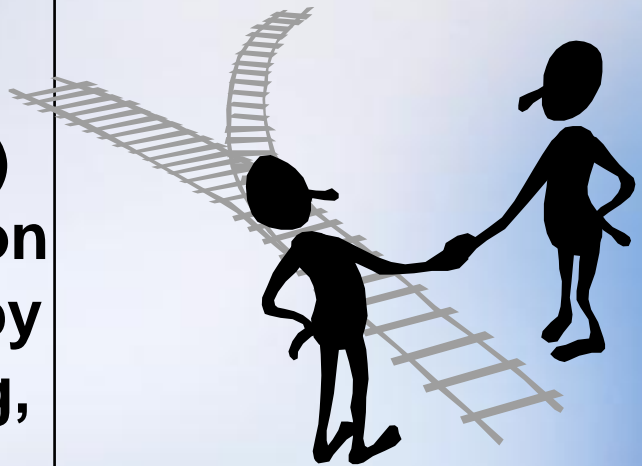


Rules Of Process Management

- 1.Name the Process**
- 2.Give the Process An Owner**
- 3.Teach the Owner How To Improve A Process**
- 4.Hold the Owner Accountable For Improving the Process**

What Is PBM?

“Process Based Management (PBM) is a management approach that defines an enterprise as a collection of processes and that focuses on customer (patient or physician) satisfaction and waste reduction (efficiency and effectiveness) by defining, measuring, stabilizing, and improving processes.”



Process Based Organizations

- **View business as a collection of processes**
- **Manage by data**
- **Clear relationships between processes and key business results and goals**
- **Process performance reporting and review**
- **Integrated With Other Initiatives**
- **High Performance Work Teams Learn Processes**
- **Improvement Across Enterprise Wide Processes**
- **Strategic Plans Affect Processes**
- **Managerial Patience**
- **Emphasis On Sustainable Improvements**
- **Focuses on Key Customer Driven Processes**



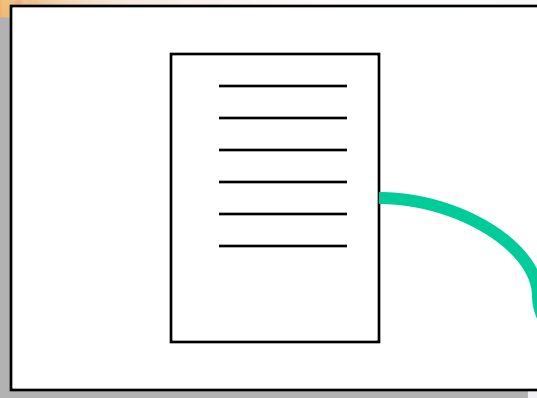
Mo-Tze

(a.k.a. Micius) Approximately 500 B.C.

- *Whoever pursues a business in this world must have a **system**.*
- *A business which has attained success without a **system** does not exist.*
- *From ministers and generals down to the hundreds of craftsmen, everyone of them has a **system**.*
- *The craftsmen employ the ruler to make a square and the compass to make a circle. All of them, both skilled and unskilled, use this **system**.*
- *The skilled may at times accomplish a circle and a square by their own dexterity. But with a **system**, even the unskilled may achieve the same result, though dexterity they have none.*
- *Hence, every craftsman possesses a **system** as a model.*
- *Now, if we govern the empire, or a large state, without a **system** as a model, are we not even less intelligent than a common craftsman?*

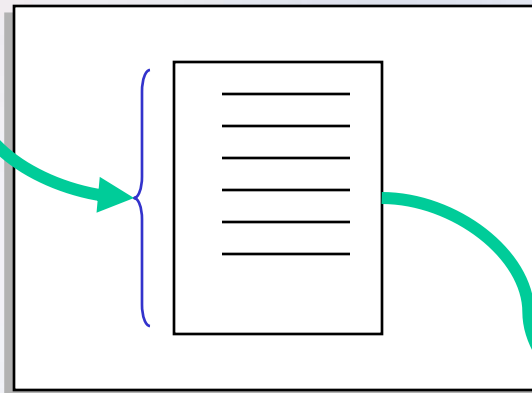
Levels Of Processes

Level 1 Process

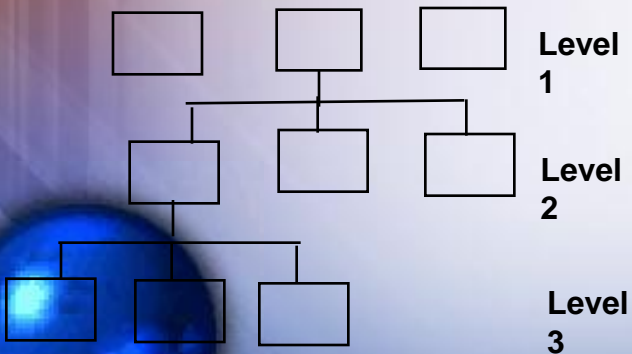
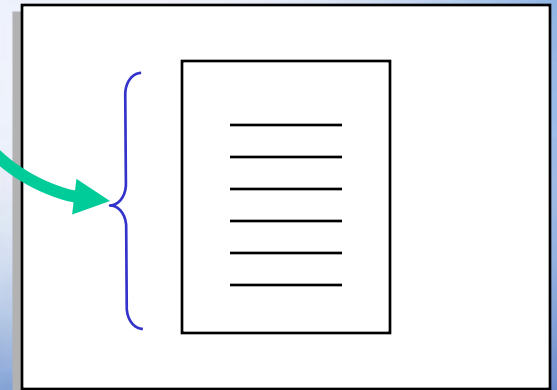


Rule #1: As one level is defined the next lower level is identified.

Level 2 Process



Level 3 Process



Enterprise Systems Model



Define



Enterprise Systems Model

- A depiction of all systems in an organization which are arranged in a manner which shows:
 - How the systems are related to each other
 - How the systems relate to achieving the core competency
 - How the systems relate to external influences, such as:
 - Regulators
 - Suppliers
 - How the systems relate to the customer and delivering the core competency to the customer

How The Systems Fit Together To Drive The Core Competency

Enterprise Systems Model

Key Work Systems

Why Do Customers Come To US

Work Processes

What Is Within Each Work System

Process Improvement

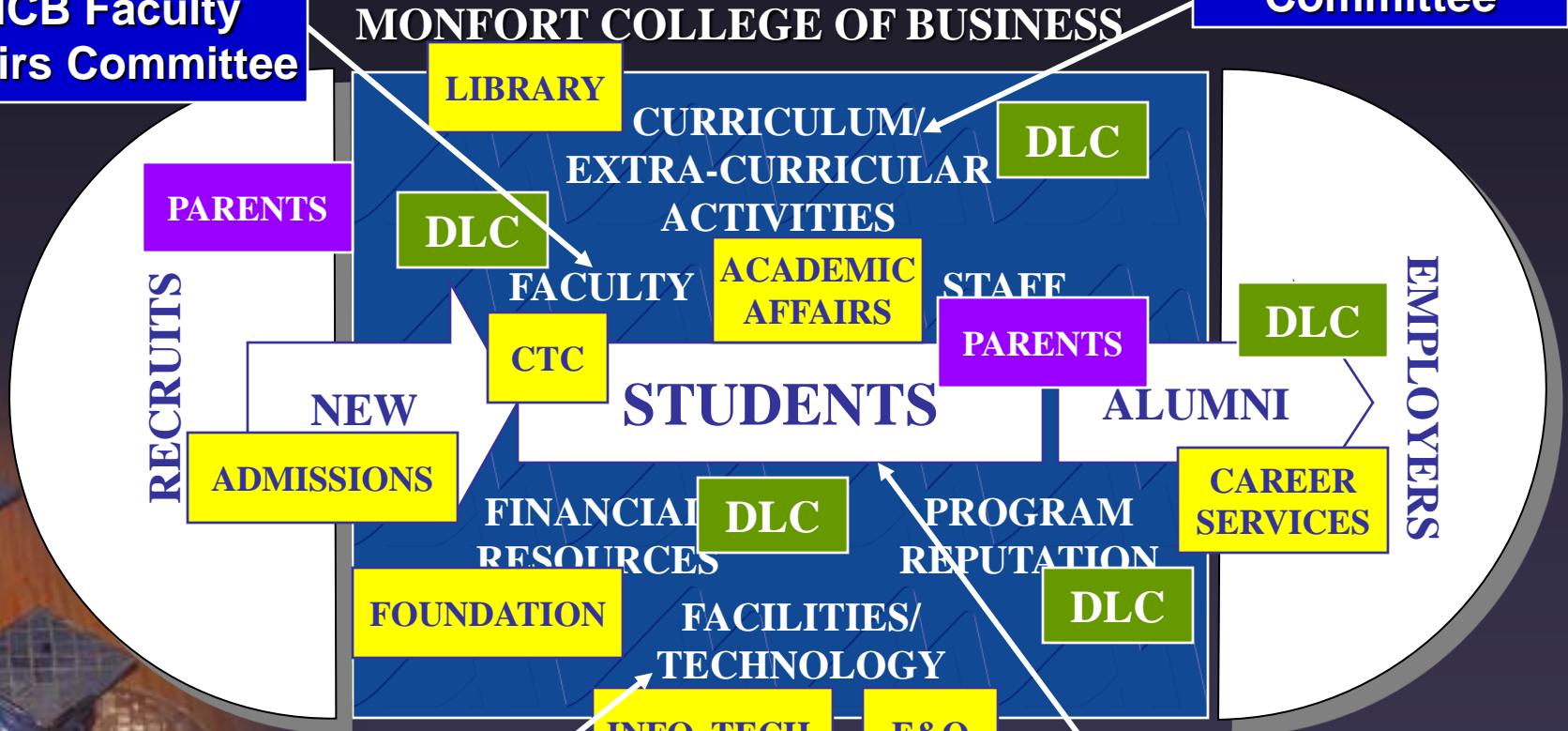
How We Get Better



MCB Administrative Council

MCB Faculty Affairs Committee

MCB Curriculum Committee



MCB Technology Committee

MCB Student Affairs Committee



ENTERPRISE PROCESS MODEL



1.0 Enterprise Management

Establish Strategic Directions	Develop and Motivate the Workforce	Provide Policies
Develop Strategic Plans	Manage Technology Development	Integrate TQM
Develop Operating Plans		Perform Self-Governance Planning

2.0 Acquire Business

Assess Business Environment
 Identify Best Opportunities
 Satisfy Customers
 Develop Win Strategy
 Position Program
 Develop Proposal
 Negotiate Contracts
 Keep It Sold

3.0 Program Planning and Control

Plan Programs
 Authorize Work
 Manage Transfer of Work (out)
 Administer Contracts
 Manage Changes (PCC)
 Manage Risk
 Manage Cost and Schedule
 Plan Material Requirements
 Manage Inventory
 Manage Government Property

4.0 Product Definition

Define the Product
 Transition to Production
 Provide Integrated Logistics Support (ILS) Planning
 Perform System Engineering

5.0 Supplier Management

Select Source
 Negotiate and Award Contracts
 Manage Supplier Performance
 Deploy Supply Base Strategy

6.0 Production

Fabricate Parts
 Fabricate Tools
 Assemble Product
 Provide FOD Control
 Assure Product Quality
 Refurbish for Delivery
 Certify Factory Floor Processes

7.0 Post Delivery Support

Provide Technical Publications
 Perform Spares Services
 Perform Product Training
 Perform Field Services
 Perform Repair Services
 Perform Maintenance and Modification Services
 Manage Support and Test Equipment

8.0 Support and Services

Provide Human Resource Services	Provide Safety, Health, and Environmental Services	Perform Accounting
Provide Fire & Security Services	Manage Facilities and Equipment	Perform Financial Services
Provide General Services	Provide Legal Services	Provide Information Systems Services
		Provide Flight Operations Services



ENTERPRISE PROCESS MODEL



1.0 Enterprise Management

Establish Strategic Directions
 Develop Strategic Plans
 Develop Operating Plans

Develop and Motivate the Workforce
 Manage Technology Development

Provide Policies
 Integrate TQM
 Perform Self-Governance Planning

2.0 Acquire Business

Assess Business Environment
 Identify Best Opportunities
 Satisfy Customers
 Develop Win Strategy
 Position Program
 Develop Proposal
 Negotiate Contracts
 Keep It Sold

3.0 Program Planning and Control

Plan Programs
 Authorize Work of Work (ou
 Administer
 Manage Change (PCC)
 Manage Risk
 Manage Cost Schedule
 Plan Material Requirements
 Manage Inventory
 Manage Government Property

4.0 Product Definition

Define the Product

5.0 Supplier Management

Select Source

6.0 Production

Fabricate Parts

7.0 Post Delivery Support

Provide Technical Publications
 Perform Spares Services
 Perform Product Training
 Perform Field Services
 Perform Repair Services
 Perform Maintenance and Modification Services
 Manage Support and Test Equipment

8 Process Families
58 Level One Processes
766 Defined Subprocesses
(below Level One)

8.0 Support Services

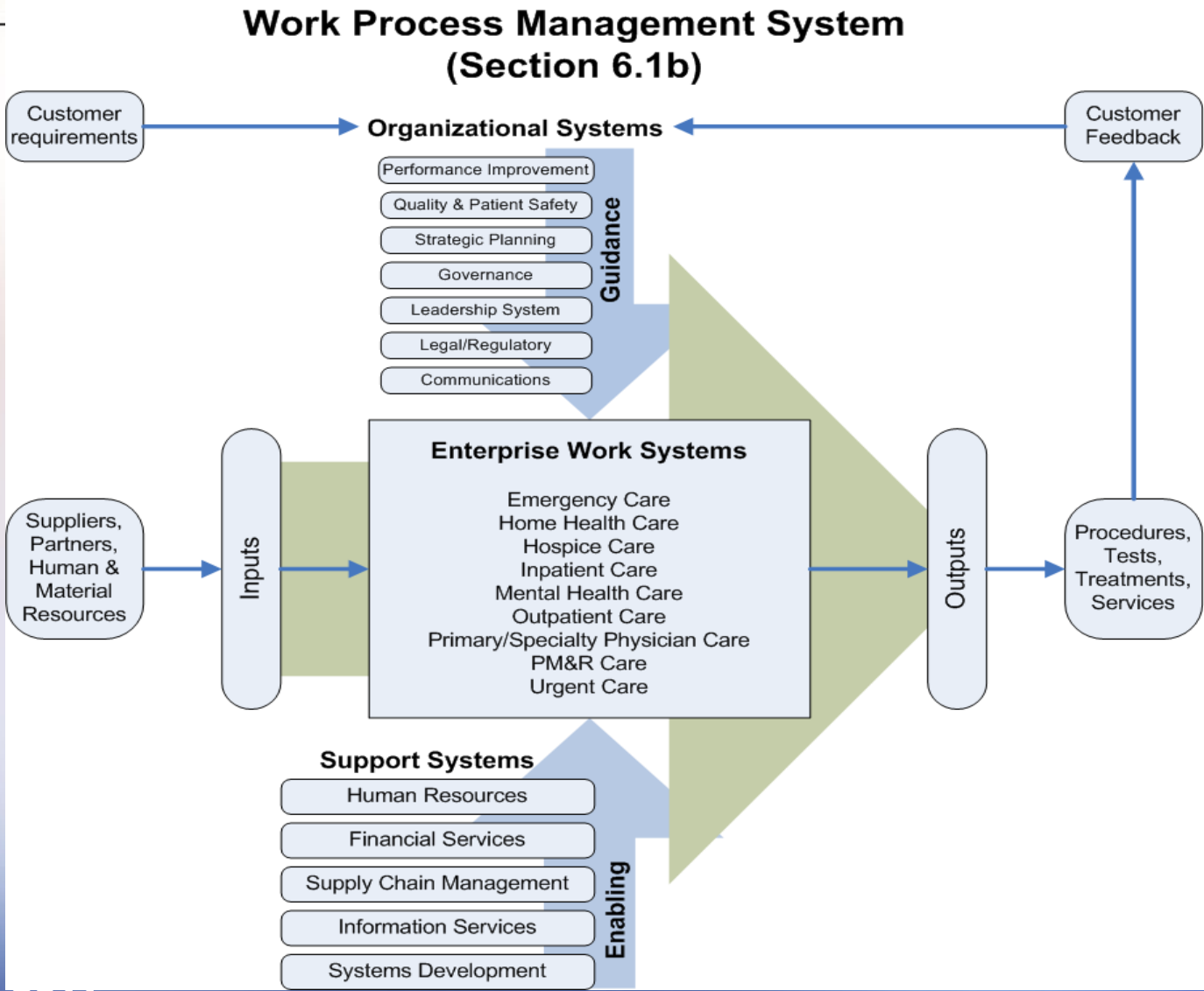
Provide Human Resource Services
 Provide Fire & Security Services
 Provide General Services

Services
 Manage Facilities and Equipment
 Provide Legal Services

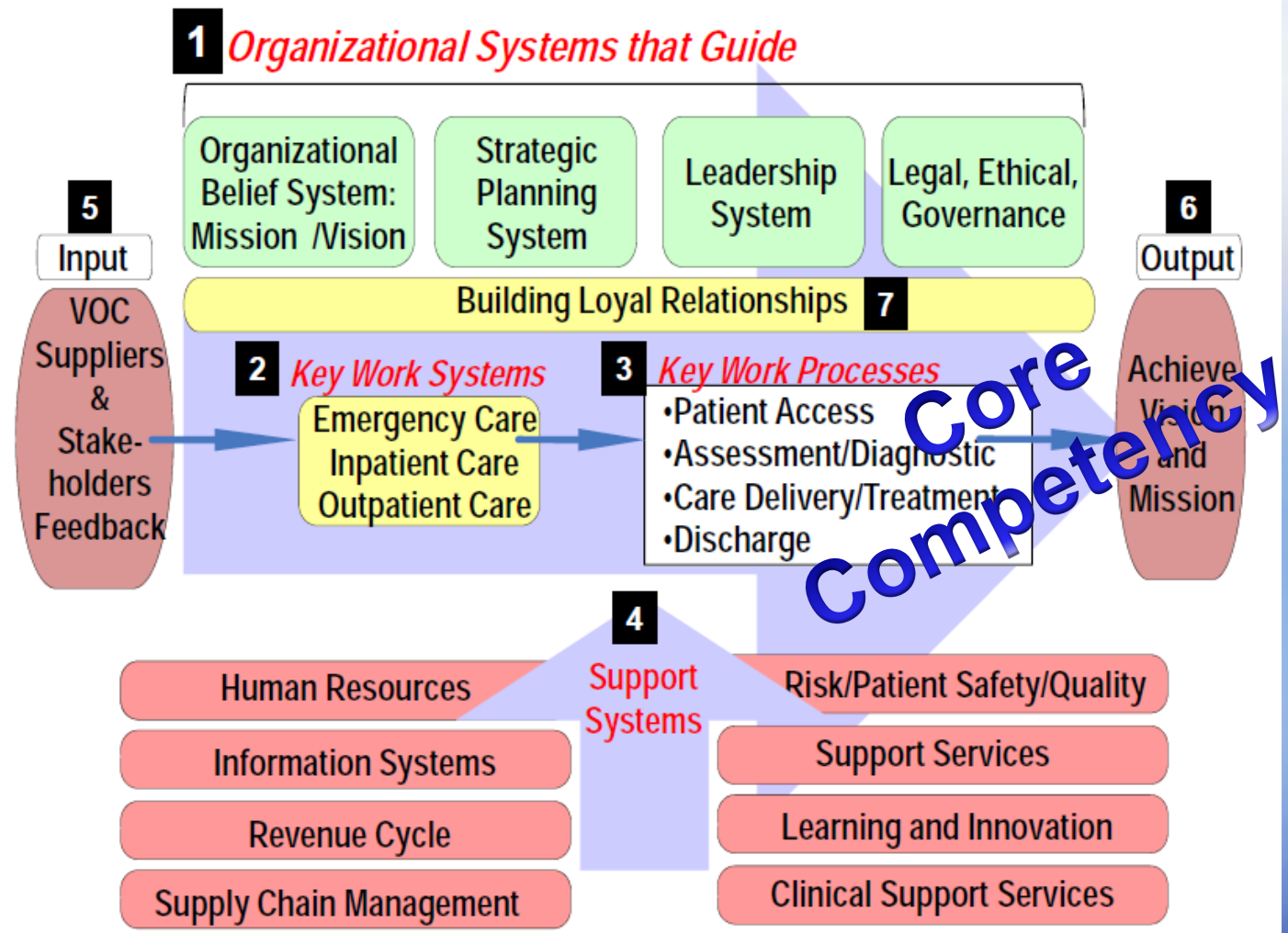
Perform Financial Services
 Provide Information Systems Services
 Provide Flight Operations Services



Enterprise Systems Model



Enterprise Systems Model



How The Systems Fit Together To Drive The Core Competency

Enterprise Systems Model

Key Work Systems

Why Do Patients Come To US

Inpatient Care
Outpatient Care
Emergency Care
Ambulatory Care
Urgent Care
Physician Practices
Home Health Care
Mental Health
Hospice

Work Processes

What Is Within Each Work System

Screen
Register
Diagnosis
Treat/Educate
Discharge
Follow-up

Process Improvement

How We Get Better

PDCA

Enterprise Systems Model

Key Work Systems



Inpatient Care
Outpatient Care
Emergency Care
Ambulatory Care
Urgent Care
Physician Practices
Home Health Care
Mental Health
Hospice

Work Processes



Welcome
Screen
Register
Diagnosis
Treat/Educate
Discharge
Follow-up

Process Improvement

PDCA



Process Definition Sheet

Process Identification No.(PIN) :	CVBU- EL-15	Higher Level Linkage-	
Process Title-	Human Resource Management	Process Owner	Head - Corporate HR
Process Objective-	Source and enhance Human Capital, Attract and retain talent, Create and maintain culture of High Performance, Improve Quality of Life of employees		

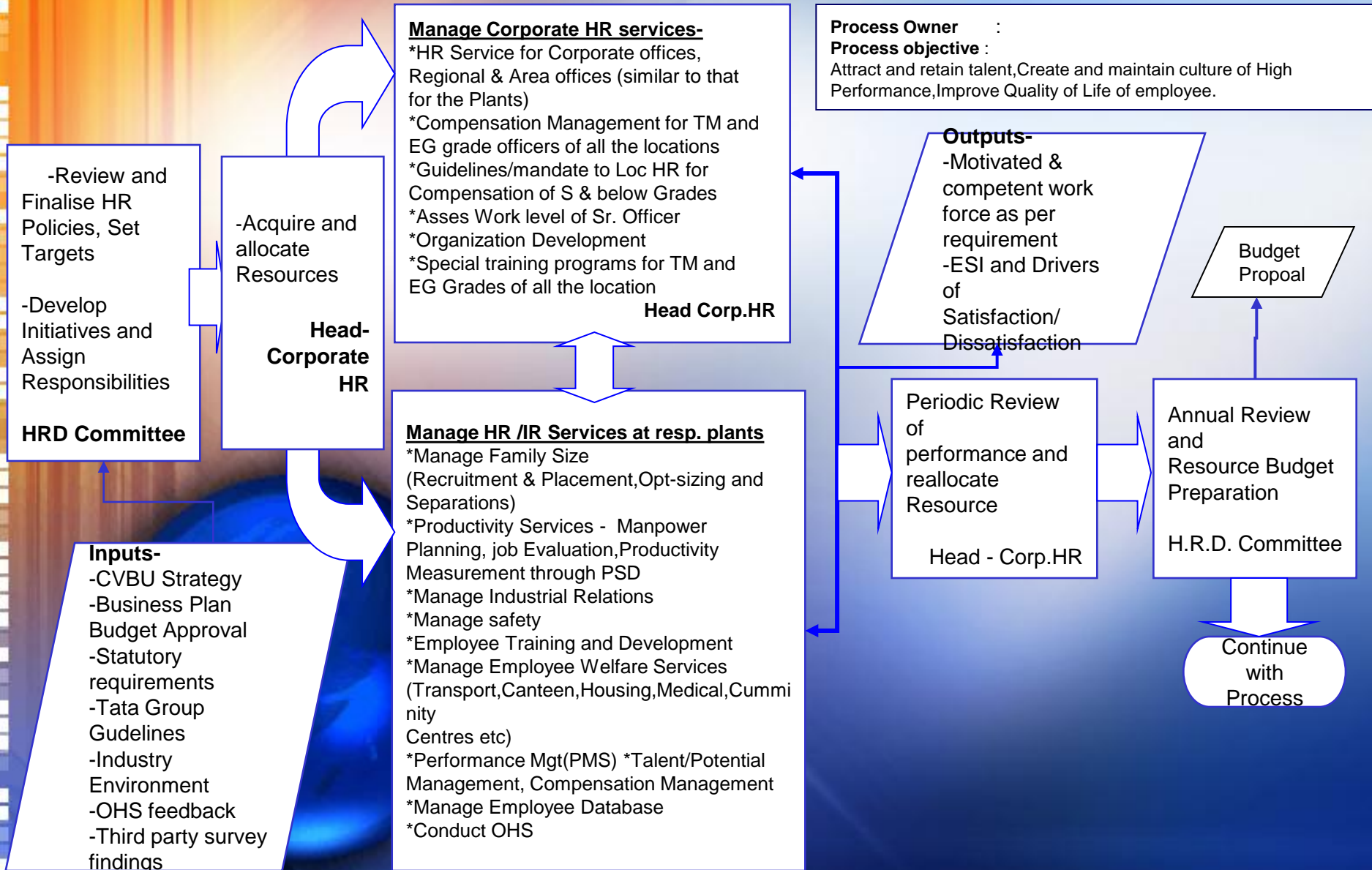
INPUT	KEY STEPS	OUTPUT
<ul style="list-style-type: none"> ➤ CVBU Strategy ➤ Business Plan ➤ Industry Environment ➤ Statutory/ Legal Requirement ➤ GEO- HR Guidelines ➤ Skill-gap Analysis ➤ Feedback from OHS, QFD, Exit Interview, Communication sessions, Appeals, Hotline and interaction with Unions. ➤ Feedback from Partners (Educational Institutions, Faculty Members, Trainers, etc.) Third Party Survey Findings ➤ Tata Group Guidelines 	<ul style="list-style-type: none"> ▪ Revisit HR Policies, Set Goals, Develop Initiatives and assign responsibilities ▪ Acquire and allocate Resources ▪ Manage Business Unit wise Corporate HR and Plant HR Services ▪ Performance Review ▪ Annual Review and Budgeting for the Next Year 	<ul style="list-style-type: none"> ▪ Competent, motivated and satisfied employees in required strength ▪ Culture of High Performance ▪ Budget Proposal

In-Process Measure	Unit of Measure	Output Measure / End Measure	Unit of Measure
On-time Services		Employee Satisfaction Index	Index
Fulfillment of HR demands		Attrition Rate, Safety Index	% / Index
Man-days Lost, Absenteeism	No/percentage	Value Added per Rupee of Employee Cost,	Ratio
Budget Vs. Actual Employee Cost	Rs	Wage Bill	Ratio

Divisions Involved -	Corporate HR and Locational HR, Productivity Services
End Customer-	All CVBU Employees , Functional Heads
Core Values Embedded-	Integrity, Customer Focus, Passion For Engineering and Corporate Citizenship
ISO / TS 16949 Reference-	6.2

Process Revision / Modification History-

Modfn. Dt.	Modn No.	Details of Modification	Modified by	Approved By
01/06/03	00	New Release	BES, Pune	
31/3/05	01	Modification through process review	Process Team	



Enterprise Systems Model

Key Work Systems



Inpatient Care
Outpatient Care
Emergency Care
Ambulatory Care
Urgent Care
Physician Practices
Home Health Care
Mental Health
Hospice

Work Processes

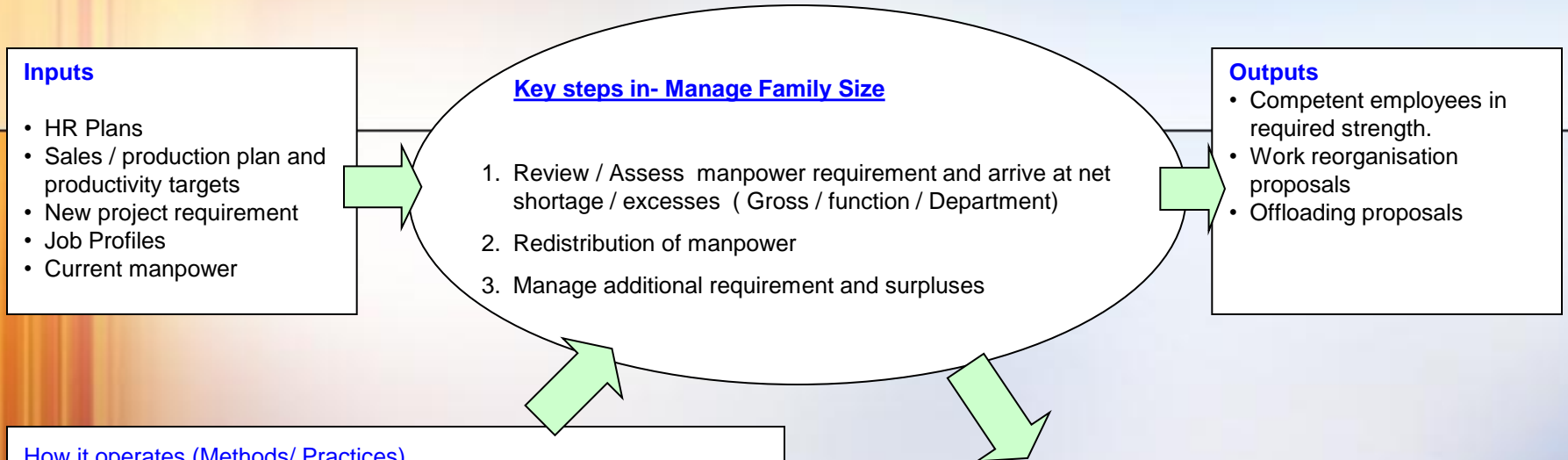


Welcome
Screen
Register
Diagnosis
Treat/Educate
Discharge
Follow-up

Process Improvement

PDCA





How it operates (Methods/ Practices)

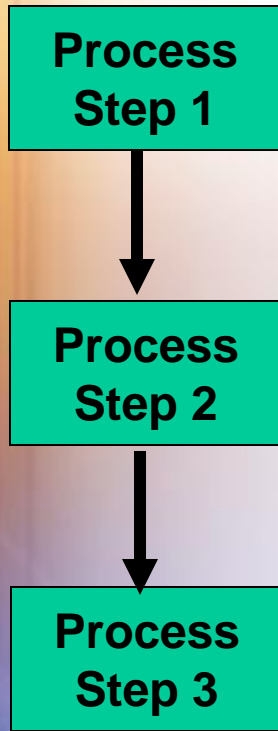
1. Manpower requirement of various functions / departments is reviewed every year based on sales / production plan, productivity targets and new technology introduction plan. Explorer opportunities for offloading. Derive shortages / excesses and work reorganisation.
2. Manpower deployment to needy areas to bridge, the gap between manpower available and required, identify the persons for deployment on the basis of suitability of new jobs. Arrange training/retraining through HR (training) as per requirement.
3. Manage additional requirement through i) Contract / Offloading ii) Recruitment of temporaries iii) Cadre recruitment iv) External recruitment
4. Launch early separation schemes for downsizing as per need.

Performance Measure	Unit
Efficiency <ul style="list-style-type: none"> • Budget Vs. actual employee cost • Cost and cycle time of recruitment 	Rs Months
Effectiveness <ul style="list-style-type: none"> • Overall productivity • Recruitment from premium institutes 	Value added / unit wage bill, % recruitment

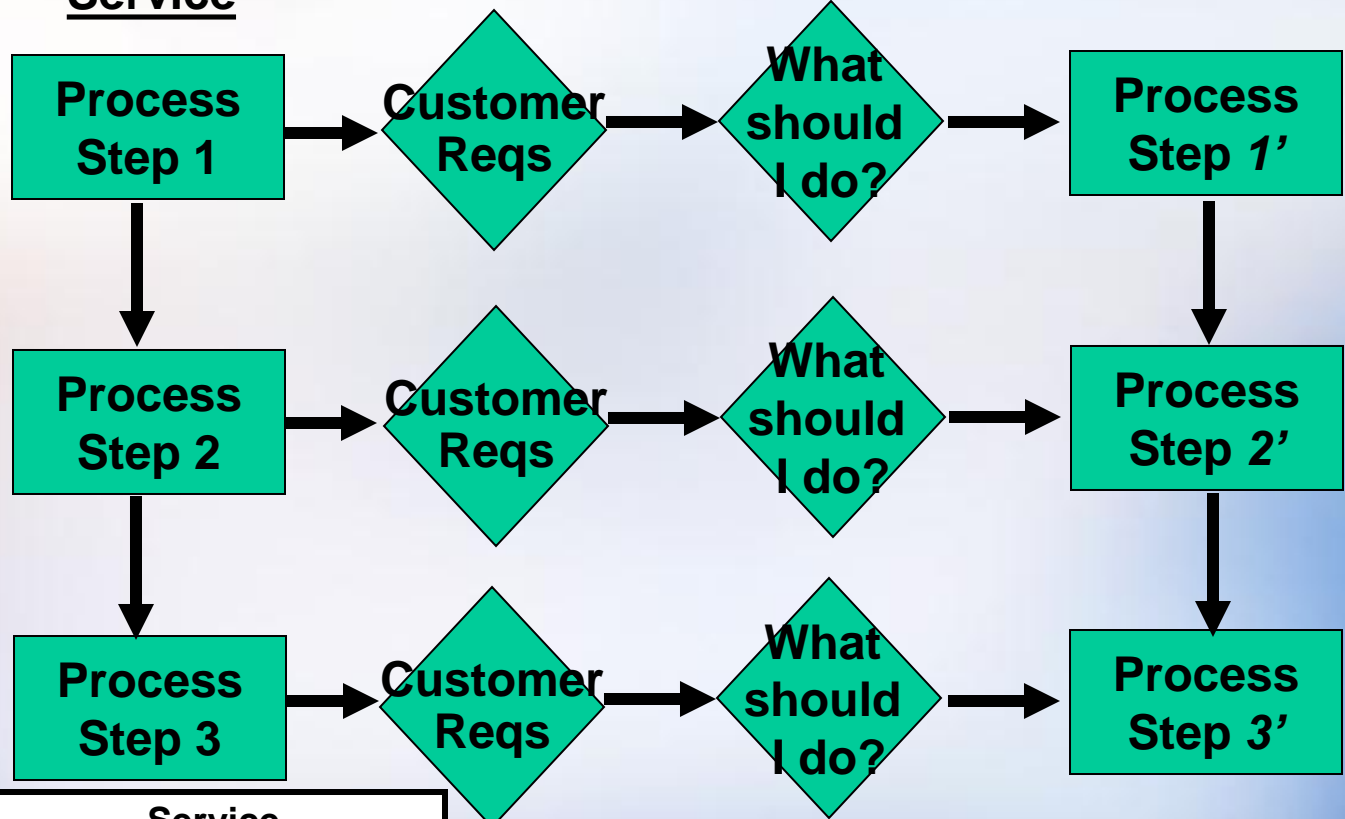
Sub process : **Manage Family Size**
 Sub Process Ref : **Name of Person**
 Process Owner : **HR Steering committee**
EPM Linkage – EL-15(Human Resources Management)
 Preparation Date : **31/03/04**
 Modification Date: **31-01-05**

Service vs. Manufacturing

Manufacturing



Service



	Mfg	Service
Map	X	X
Standards	X	X
Follow Process	X	Unless Cust. Req ▲'s
Variation	Enemy	Advantage

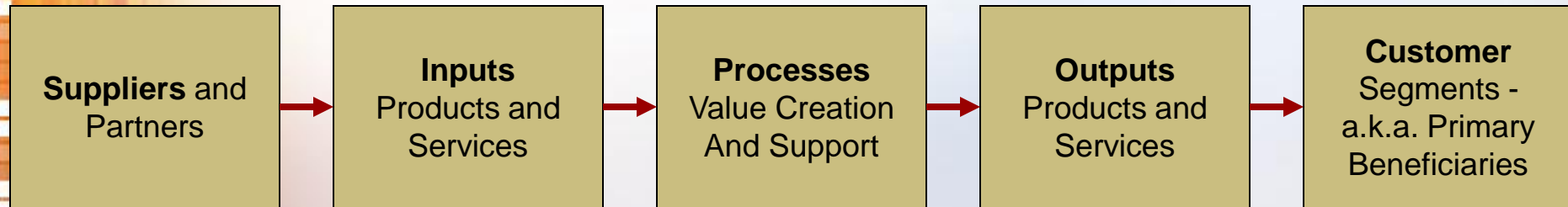


Measure

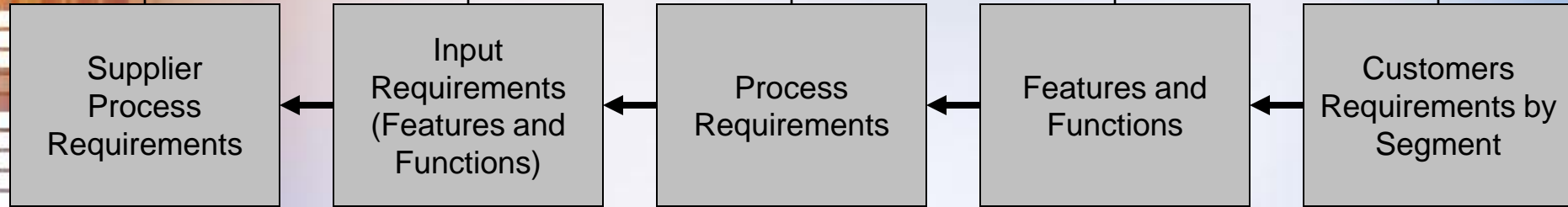


Value Chain Approach - SIPOC

Execution →



Design ←



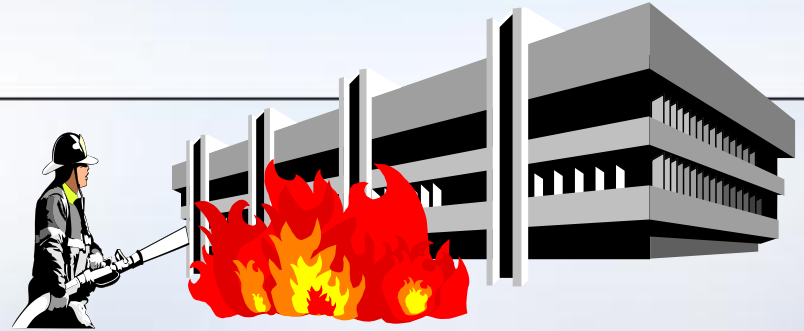
Measurement



Stabilize

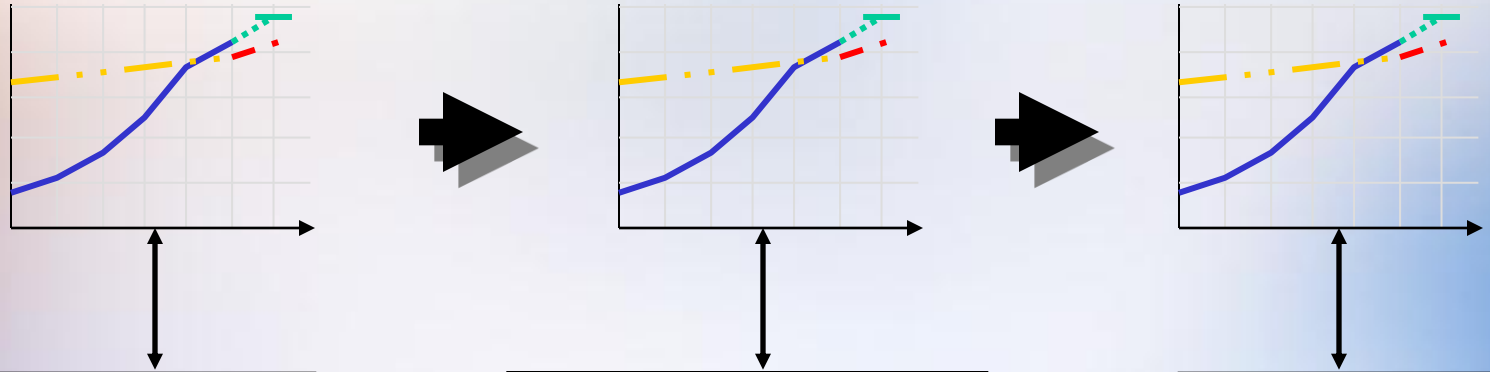


Looking Below the Surface

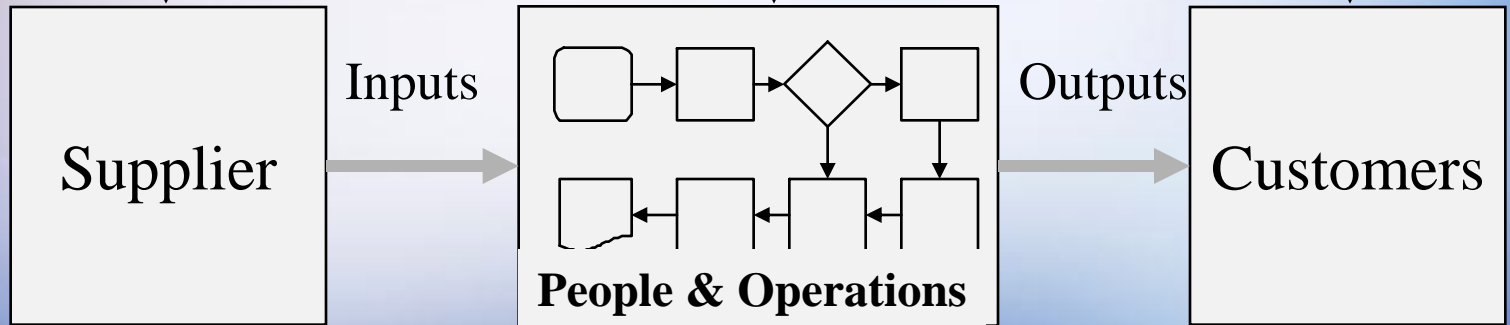


Events

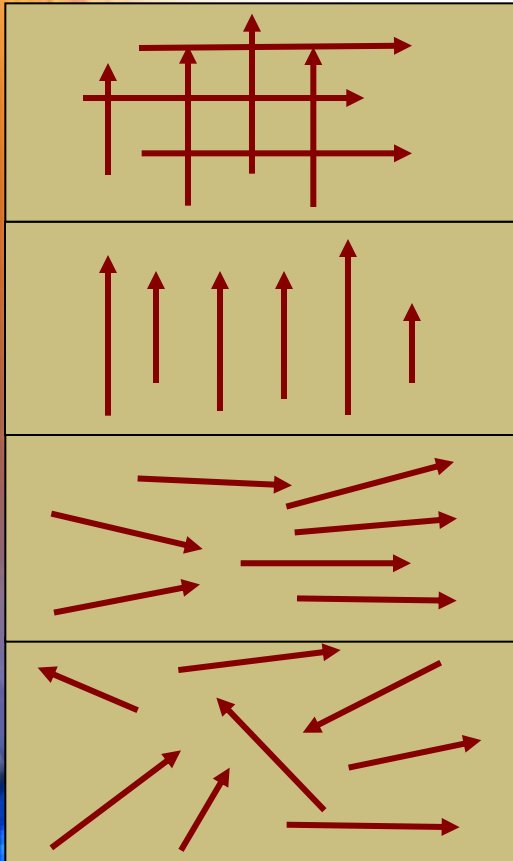
*Performance
Patterns*



*Structure
& Systems*



Process Maturity Levels



Integrated Approach

Operations are characterized by processes that are repeatable and regularly evaluated for change and improvement in **collaboration with other affected units**. **Efficiencies across units** are sought and achieved.

Aligned Approach

Operations are characterized by **processes** that are **repeatable** and **regularly evaluated for improvement**, with **learnings shared** and with **coordination** among organizational units.

Early Systematic Approach

The organization is at the **beginning stages** of conducting operations by processes with **repeatability**, **evaluation**, and **improvement**, and some coordination among organizational units.

Reacting to Problems

Operations are characterized by **activities** rather than by processes, and they are largely **responsive** to **immediate needs** or **problems**.

Improve



What Separates The Winners?

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MEMO TO ALL EMPLOYEES
PLEASE USE THE EMPLOYEE SUGGESTION
BOX ONLY TO SUBMIT IDEAS THAT CAN BE
IMPLEMENTED WITHOUT MONEY, TIME, OR
EFFORT.

Who's Job Is Improvement?



Improvement = Survivability

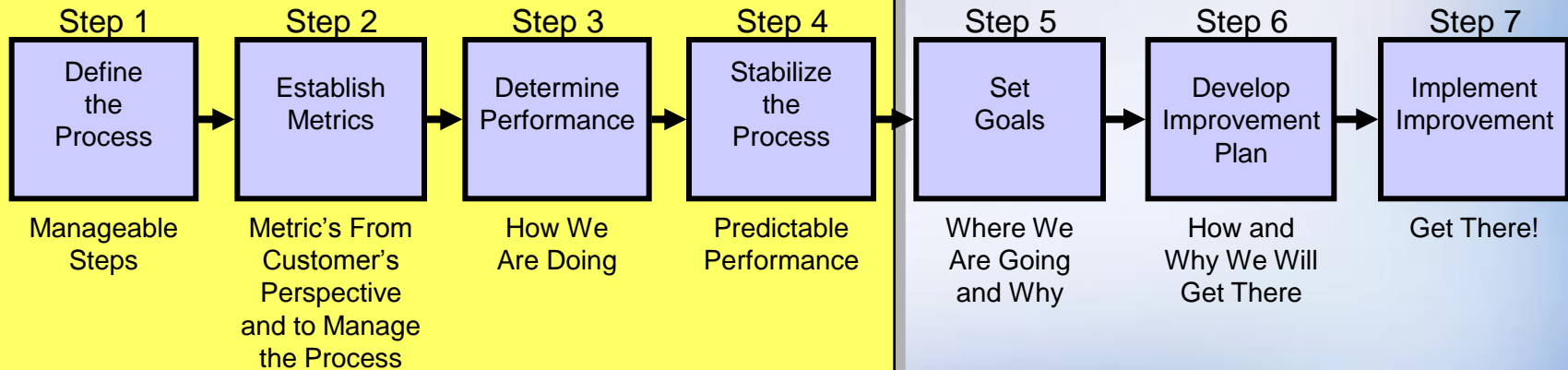
Type of Change		Who Is Involved?
Level of Change	Suggestions	Everybody
	Formalized Continuous Improvement	Everybody
	Breakthrough Improvement	All Leaders Within Their Span of Control
	Sacred Cows	Senior Leaders

PBM SEVEN-STEP METHODOLOGY

PBM is a management approach that defines an organization as a collection of processes focused on customer satisfaction and waste reduction by defining measures, stabilizing and improving processes

Quality	Timeliness
Efficiency	Cycle Time

Return to Step 3



for Business Excellence

If You Establish A Process ... Others Can Follow

“Do not follow where the path may lead. Go instead where there is no path and leave a trail.”

-- Ralph Waldo Emerson

QNM is about improvement and change!

*Nobody likes change
but a wet baby!*

Sir John Harvey Jones
CEO
ICI Corporation

QNM is about improvement and change!

*You can either
change through
people or processes!*

John Vinyard
(The Guy You Are
Currently Listening To)

QNM is about improvement and change!

Characteristic of the Change	Change Through People	Change Through Processes
Speed	Slow	Faster
Errors	Many	Fewer
Repeatability	Little	Strong
Integration	Little	Strong
Changeability	Slow	Fast
Legacy	None	Strong

SUMMARY

A Recap



Next Steps

- 1. Define your Enterprise Systems Model**
- 2. Name your Processes Under Each System**
- 3. Give Each Process (and system) an owner**
- 4. Teach the owner how to improve the process**
- 5. Hold them accountable for process improvement**

The Bridge

Author Unknown



An old man going a lone highway; Came in the evening cold and gray;
To a chasm vast, both deep and wide;
The old man crossed in the twilight dim' The swollen stream was as naught to him;
But he stopped when safe on the farther side; and built a bridge to span the tide.

“Old man,” said a fellow pilgrim near; “You are wasting your strength in labor here;
Your journey will end with the closing day; You never again will pass this way.
You’ve crossed the chasm deep and wide. Why build this bridge at eventide?”

The laborer lifted his old gray head. “Good friend, in the path I have come,” he said,
“There follows after me today; A youth whose feet must pass this way.
This chasm which has been naught to me; To that young man may pitfall be.
He, too, must cross in the twilight dim; Good friend, I am building this bridge for him.”

Processes Are Your Bridges

Thank You

