

PROCESS - HEART OF ANY BUSINESS

Controlling variability in processes is one of the secrets of success of Japanese corporations. Dr. Deming taught Japanese the concept of consistency using SQC techniques. Subsequently Business Process Reengineering provided the much desired thrust and better understanding of Process. Our experience of working with many companies in India and Middle East tells us that though Process is commonly used word but not many think in terms of Process. While conducting studies and workshops on BPR the participants think in terms of their tasks, activities, departments but not in terms of Processes. May be because they are not used to thinking in terms of Processes. This experience has encouraged me to share some of my thoughts on Processes.

What is a Process

In simple terms it is a series of tasks which deliver an output like withdrawing money from the bank. In cash withdrawal process the tasks are :

- * Present a filled in cheque
- * Receive token
- * Check balance
- * Check signature
- * Get signature of Officer
- * Deliver to cash counter
- * Call token no.
- * Surrender token
- * Collect cash

All the tasks involved put together make a process. Task oriented thinking focuses on the superficial whereas Process focuses on objective and final outcome.

Similarly, we have processes in our businesses like

- * Obtain contracts
- * Purchase material
- * Design product
- * Manufacture product
- * Deliver product
- * Collect payments

Typically, the tasks in Purchase material process can be :

- * Fill indent
- * Get approval
- * Send to purchase deptt.
- * Float enquiries
- * Receive bids
- * Assess bids
- * Finalise vendor
- * Place purchase order
- * Receive material

The completion of above tasks is an end to end process. It has delivered an output of material.

Process are there and we perform all the time. The above examples illustrates a fact that all work gets done through processes. It is the processes which are at the heart of any business institution like Hospital, Hotel, Insurance, University, Chemical or Software industry. Processes drive the business.

With the help of following figure let us understand Processes a little more in detail & look at some of the attributes :

(Picture of all work gets done thru processes)

- * There is an input which triggers the process like filled in indent triggers the procurement process
- * There is an output. Processes deliver result e.g. material
- * Processes relate to customer and their needs
- * It consumes resources (e.g. Manpower, material, machines)
- * It takes time (say 35 days for purchase process)
- * It is repeatable (purchasing is a regular / continuous activity)
- * It is controllable (lead times can be controlled)
- * It is measurable (lead time is measurable)

In an enterprise processes cross the functional boundaries to achieve results. e.g. Sales Order may go to Engineering for Design, Operations for Manufacturing and Warehouse for despatch. The following figure shows a process flowing from start of booking an order till collection from the customer. At places we find the process is flowing back & forth, say for clarifications. This is what is known as rework. It is a non value adding activity. It is frustrating for the person doing it. Some of the common examples are " tracking customers order fulfillment, clarifications by Purchase from Indentors, clarifications of design specifications by Engineering from Marketing / Customers. But why does it happen ? May be due to lack of Process & internal Customer orientation. May be process was not designed to meet the customer requirements. Though realising processes drive the organisation but rarely have they been designed in a planned and structured manner in line with customer requirements. Processes have evolved over a period of time. Process oriented thinking requires focus & concentration since processes have to meet specified objectives & deliver results. Everytime the process crosses the departmental boundary it adds the possibility of losing clarity / adding confusions. Similar to information flow in Chinese whisper game.

Some of the learnings from the above figure are :

- * Processes defy organisational boundaries rather than respect them.
- * Processes are " Orphans ".
- * Processes are left unmanaged
- * Processes are fragmented
- * Processes are invisible
- * Rework adds to inefficiency in terms of time, cost & value

Most of the organisations today are in the process of designing new processes using BPR methodology. On the concluding day of a dBPR workshop the team leader commented that we have not reengineered the existing process but have "engineered" it for the first time. The earlier process had evolved over a period of time as and one we learnt the requirements of our internal and external customers. While designing a Process some of the points to keep in mind are :

- * Mistake proof the design like a nut can close in a bolt only in one direction it cannot go otherwise.
- * Ease of implementation. Today organisation spend only 4-10 % of time on conceptualising and designing and 75 - 80 % time "struggling" to implement it.
- * Flexibility in process
- * User friendliness
- * Compatibility with other existing processes
- * Eliminate all non value adding tasks
- * In the end does it deliver what customer needs

There is a need to have simple, smooth and user friendly processes which consume minimum of time & cost and deliver maximum value to customers. To enhance business performance Process management is a must.

Sunil Thawani
Counsellor
TQM International Pvt.Ltd.
Pune

IN THE BOX

Processes drive the organisation

Processes are

" Orphans ", therefore left unmanaged
Fragmented
Invisible