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## Optimizing Organization Performance

### PART 2: Improving Processes

- Problems /Causes - Opportunities/Constraints
- Process context and scope
- Finding ideas for change
- 4Dimensions Model
- Process Improvement Patterns
- Process change management

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## Restaurant process changes?

Self Service

Eliminate Cooking!

Eliminate Waiters

Create new experiences

OpenTable.com®  
Make Restaurant Reservations Online  
Free - Instant - Confirmed

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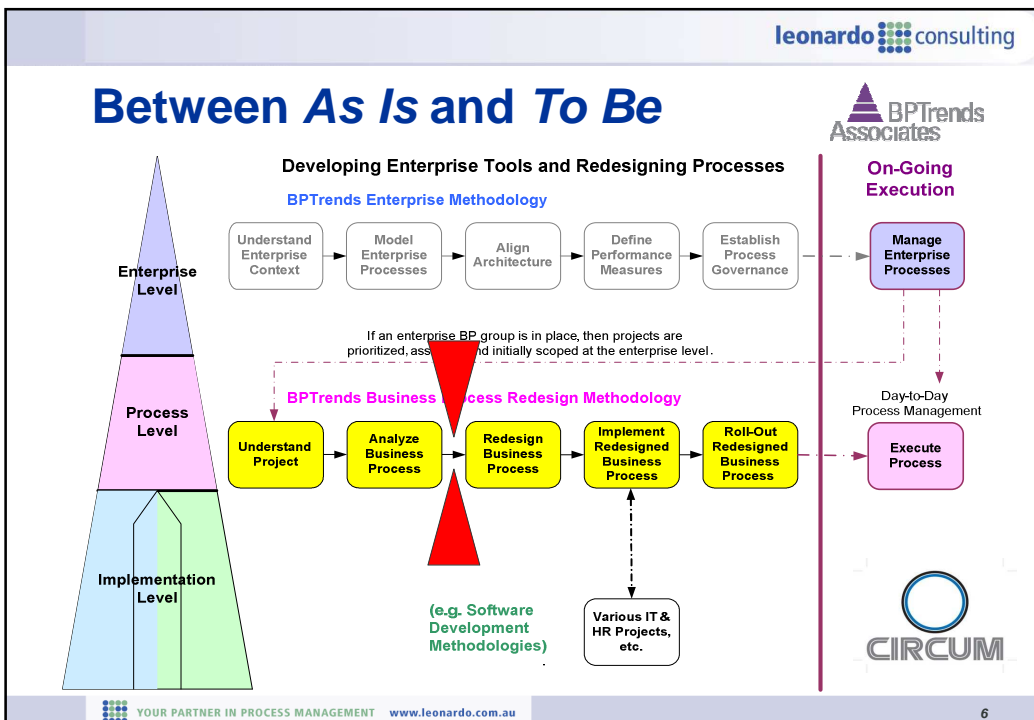
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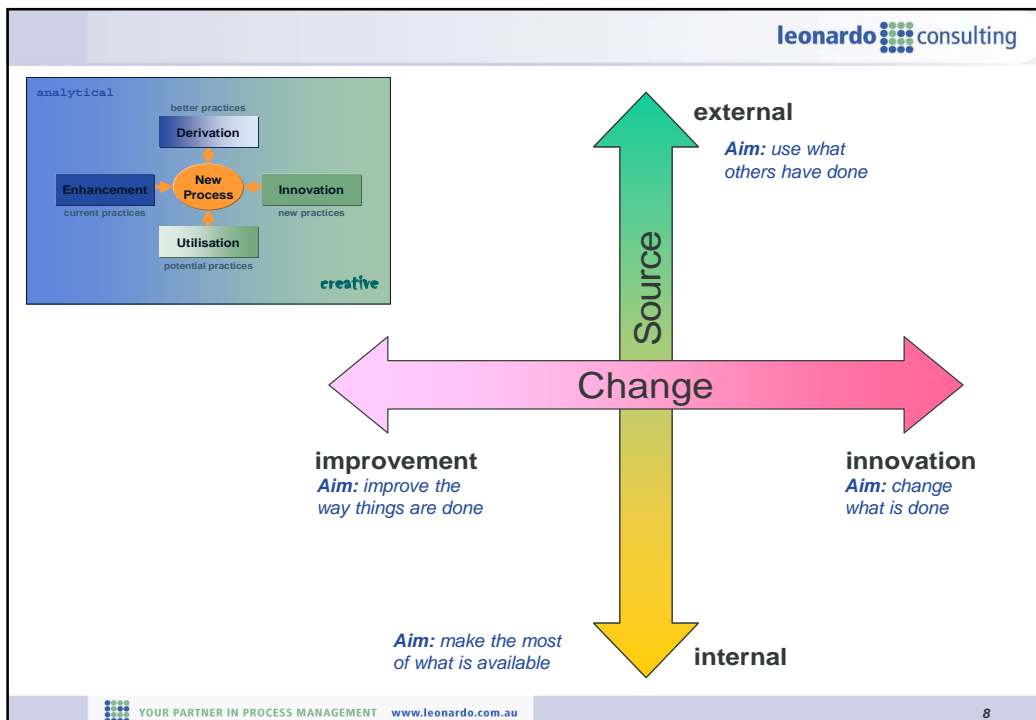
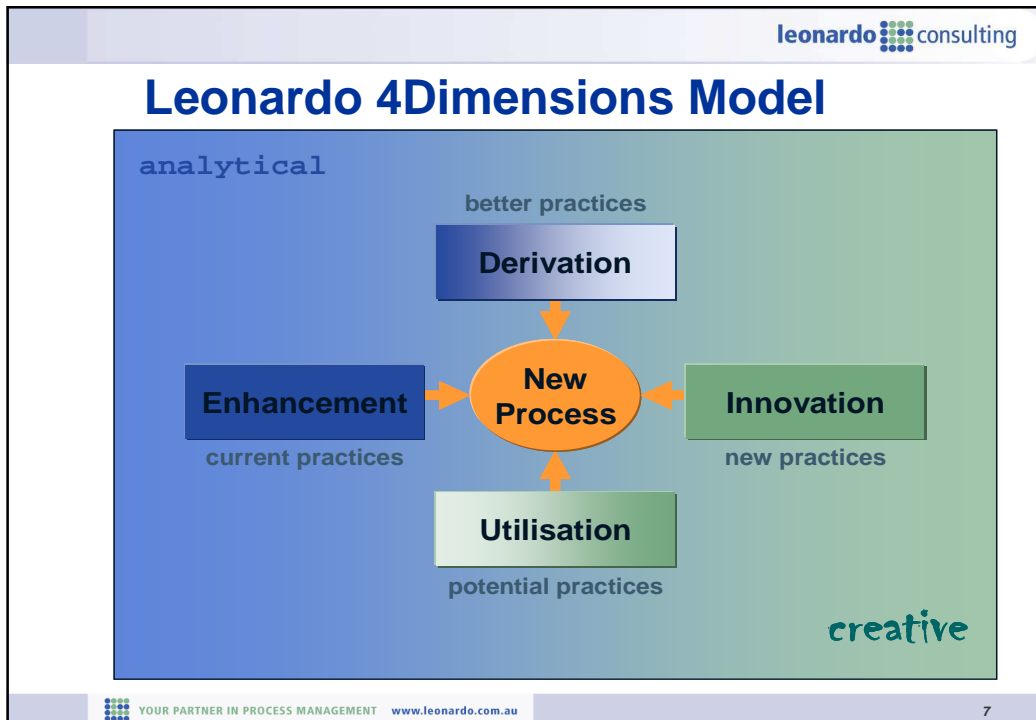
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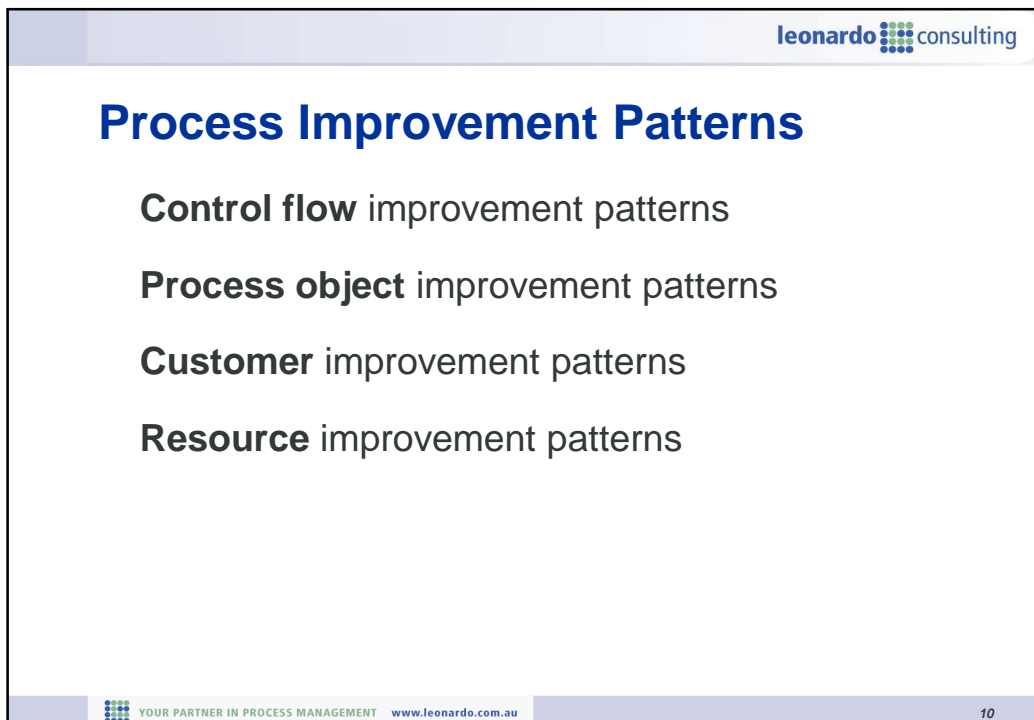
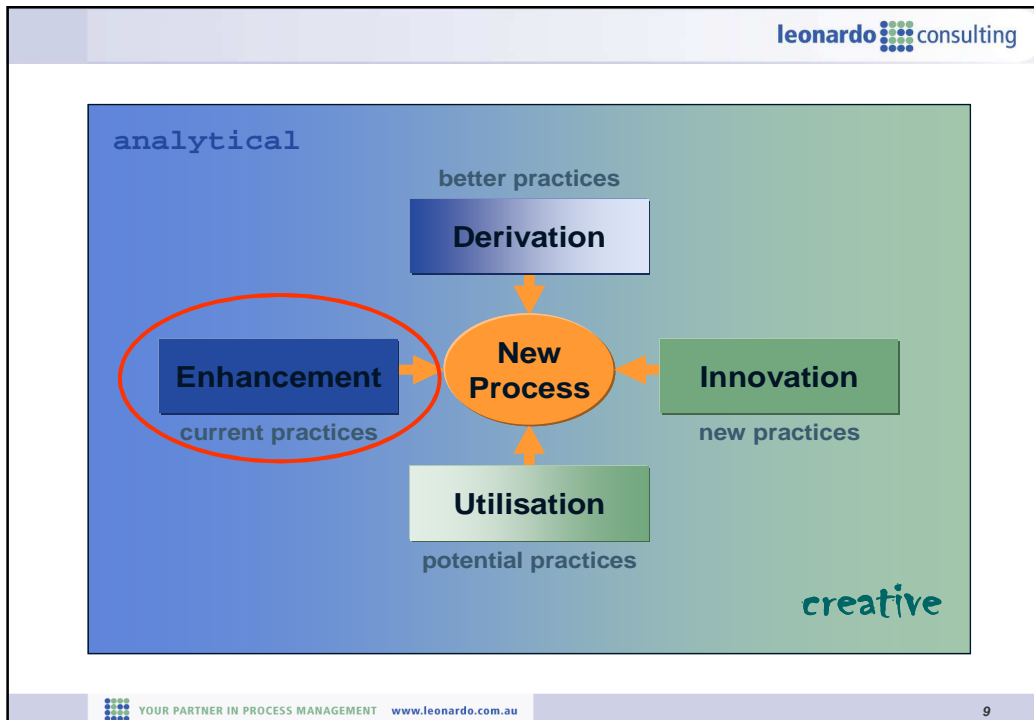
## Process Improvement

- ▶ Finding *Problems* & their *Causes*
- ▶ Finding *Opportunities* & their *Constraints*
- ▶ Find all Problems & Opportunities
- ▶ Analysis, not typing
- ▶ Customers/stakeholders may not know
- ▶ Scarce resources – cull from a complete list

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## Control Flow Improvement Patterns

<p>1. Elimination</p>	<p>9. Individualise</p>
<p>2. Replace</p>	<p>10. Decouple (Horizontally)</p>
<p>3. Insert</p>	<p>11. Decouple (Vertically)</p>
<p>4. Improve</p>	<p>12. Integration</p>
<p>5. Delay</p>	<p>13. Specialise</p>
<p>6. From Push to Pull</p>	<p>14. Natural Order</p>
<p>7. Re-Sequence</p>	<p>15. Optional</p>
<p>8. Consolidate</p>	

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## Control Flow Pattern 5: Delaying

- ▶ Tata conducts the final car assembly in local garages
- ▶ Dell delays the final PC assembly until the customer order arrives
- ▶ Henry Ford added assembled the wheels after shipment of the car

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## Object Improvement Patterns

- Eliminate object types (*eg reports*)
- Eliminate objects (*eg paper invoices*)
- Substitute objects (*eg magnetic card for physical key*)
- Digitalize objects (*eg electronic books*)
- Harmonize objects (*eg design for containerization*)
- Separate objects (*eg standard vs exceptions*)
- Design objects for process (*eg iPod*)

## Customer Improvement Patterns

- Empower customer
- Disempower customer
- Eliminate customer
- Individualise customer
- Consolidate customer
- Involve customers early
- Involve customers late

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## Example (#4): Individualize Customer

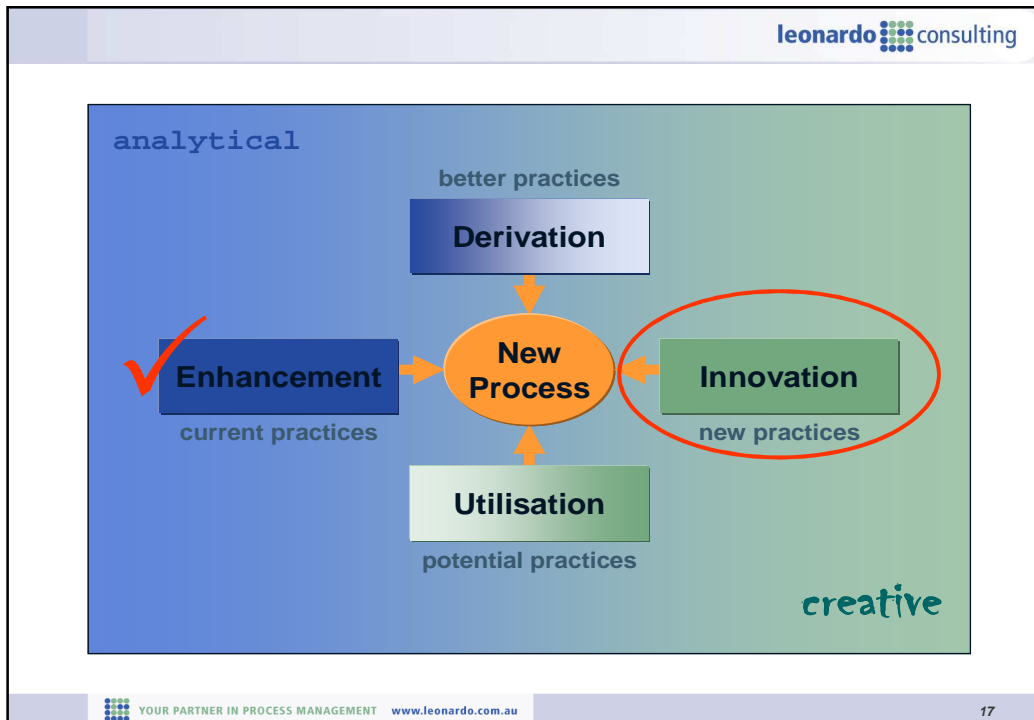
The screenshot displays the 'Blank Label Custom 2.0' website. The main headline reads 'Get Compliments Custom Dress Shirts from \$60-Free Shipping & Free Returns'. The process is broken down into three steps: 'STEP 1: The easy way to customize your shirt', 'STEP 2: Choose your fabric, color, and collar', and 'STEP 3: Select your size and quantity'. Below the steps, there are sections for 'ONE-OF-A-KIND CUSTOM', 'SEE THE CLASSICS', and 'THE LATEST COLLECTION'. A large green button at the bottom right says 'CO-CREATE NOW!'. The website also features a navigation menu with 'FABRIC CHOICES', 'BLANK LABEL', 'CUSTOMIZING', and 'HOW IT WORKS'. A banner at the bottom of the website states 'Co-create your custom men's dress shirt within 10 minutes' and lists 'FABRIC', 'STYLE', 'INDIVIDUALIZE', and 'SIZING' as key features. A footer at the bottom of the slide reads 'YOUR PARTNER IN PROCESS MANAGEMENT www.leonardo.com.au' and the number '15'.

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## Resource Improvement Patterns

- Increase resources
- Reduce (eliminate) resources
- Engage different resources
- Standardize resources
- Improve resources
- Involve resources early
- Involve resources late

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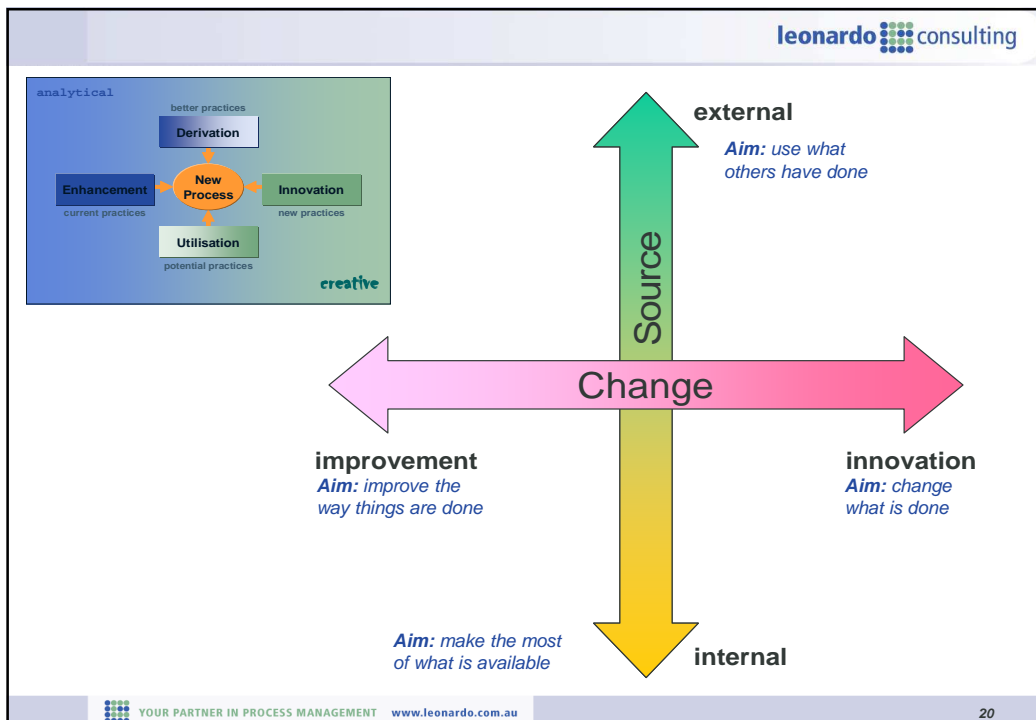
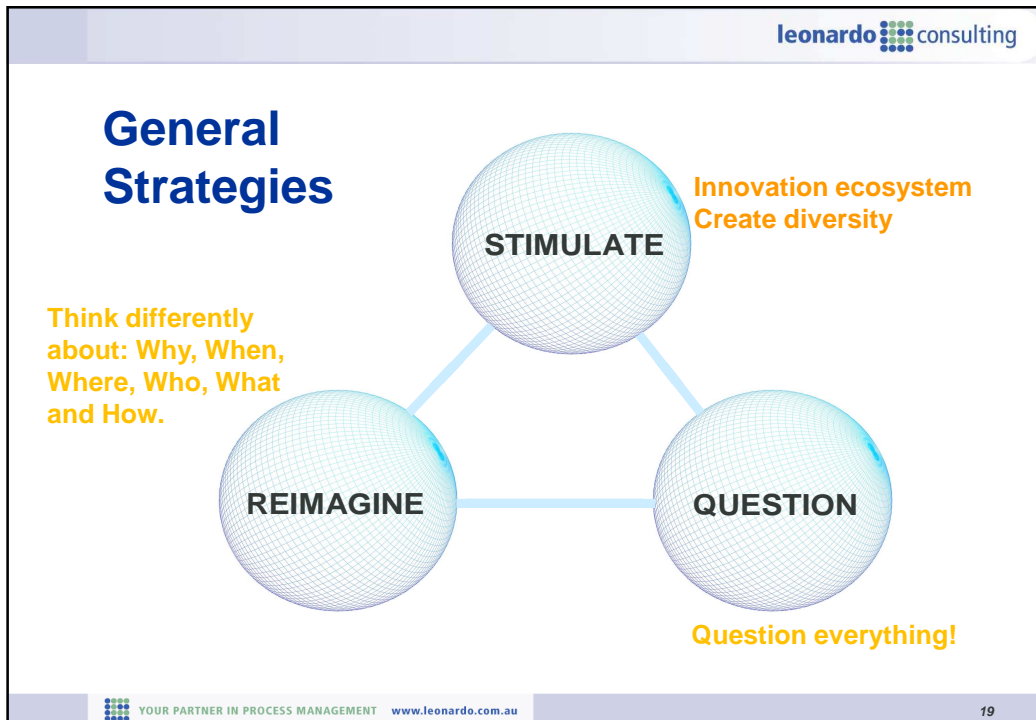
## Improvement or Innovation?

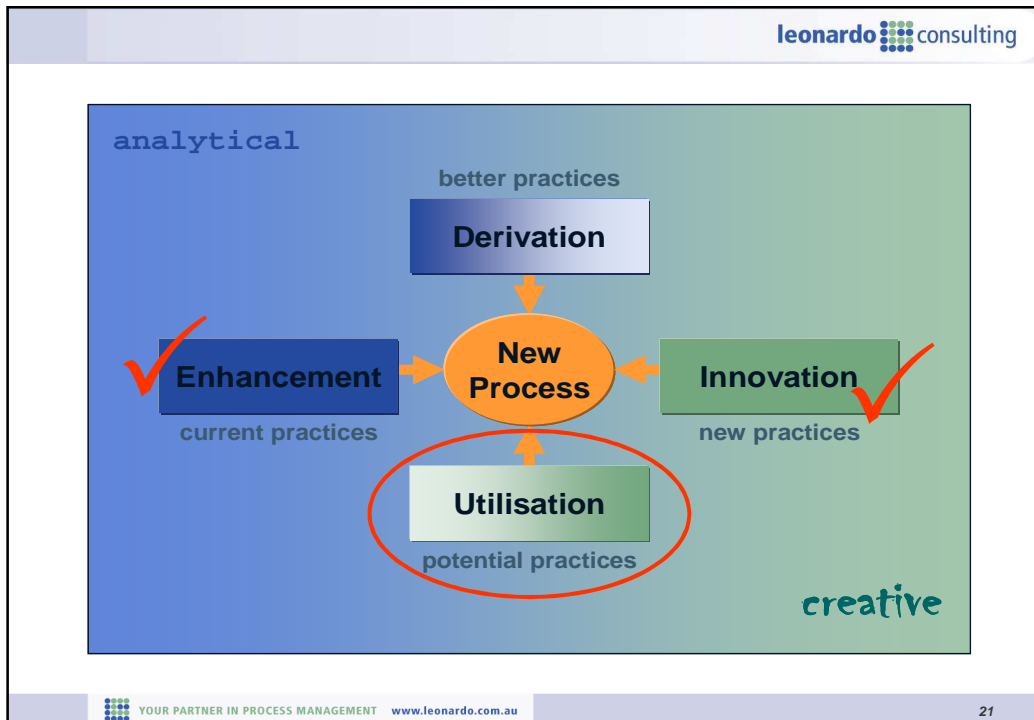
- ▶ Process Innovation = *doing the right things* = effectiveness
- ▶ Process Improvement = *doing things right* = efficiency

**Burj Khalifa Example**

<p><b>Improvements</b></p> <ul style="list-style-type: none"> <li>•better queuing</li> <li>•faster lift entry/exit</li> </ul>		<p><b>Innovations</b></p> <ul style="list-style-type: none"> <li>•pay later by time</li> <li>•create virtual tower</li> </ul>
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The slide includes the Leonardo Consulting logo in the top right corner and footer information at the bottom.






## The Process Utilisation Matrix

	People	Data	Systems
Better	Make better use of the experience and expertise of staff, customers and suppliers.	Make better use of data assets.	Maximise the return on existing systems.
Different	Use people in different roles; involve people differently.	Use existing data differently; derive new data from existing data.	Use existing systems in different ways to improve performance.
New	Involve new people in process analysis, redesign and execution.	Obtain new data relating to process performance.	Introduce new systems to improve performance or product/service range.

The Leonardo Consulting logo and 'YOUR PARTNER IN PROCESS MANAGEMENT www.leonardo.com.au' are at the bottom.


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## Check In



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analytical

better practices

Derivation

Enhancement current practices

New Process

Innovation new practices

Utilisation potential practices

creative

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## Process Derivation

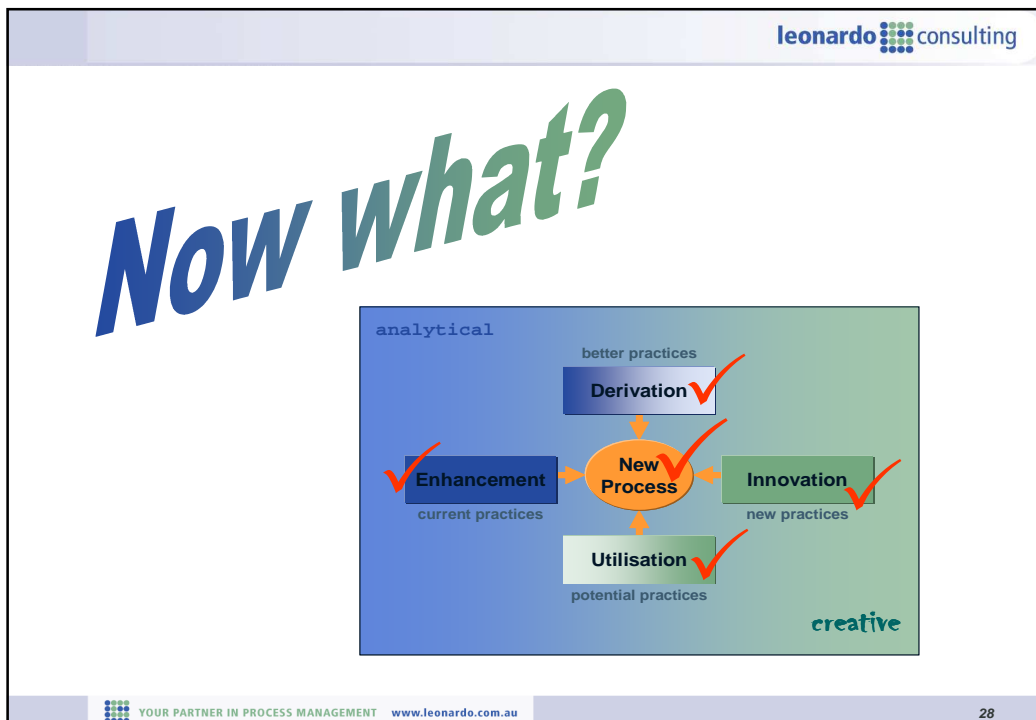
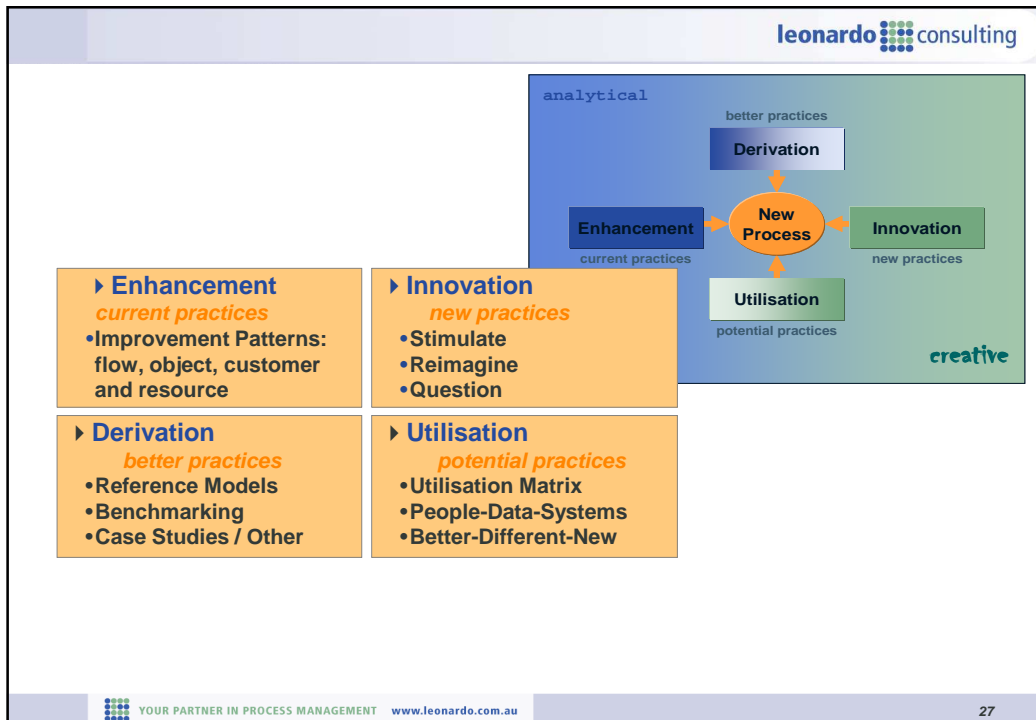
- ▶ Identify potential 'better practices'
- ▶ Learn from the experiences of others
- ▶ Emulate existing or proposed practices
- ▶ Look outside & inside for improvement ideas

## Exercise: Making It Concrete!



You are CEO of a "ready mix" concrete company and want to reduce the time from order receipt to delivery and get the delivery there when it was promised.

Where will you look to derive process improvement ideas?



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## Stepping Up To Change

Kotter, 1996, 2002  
Cohen, 2005

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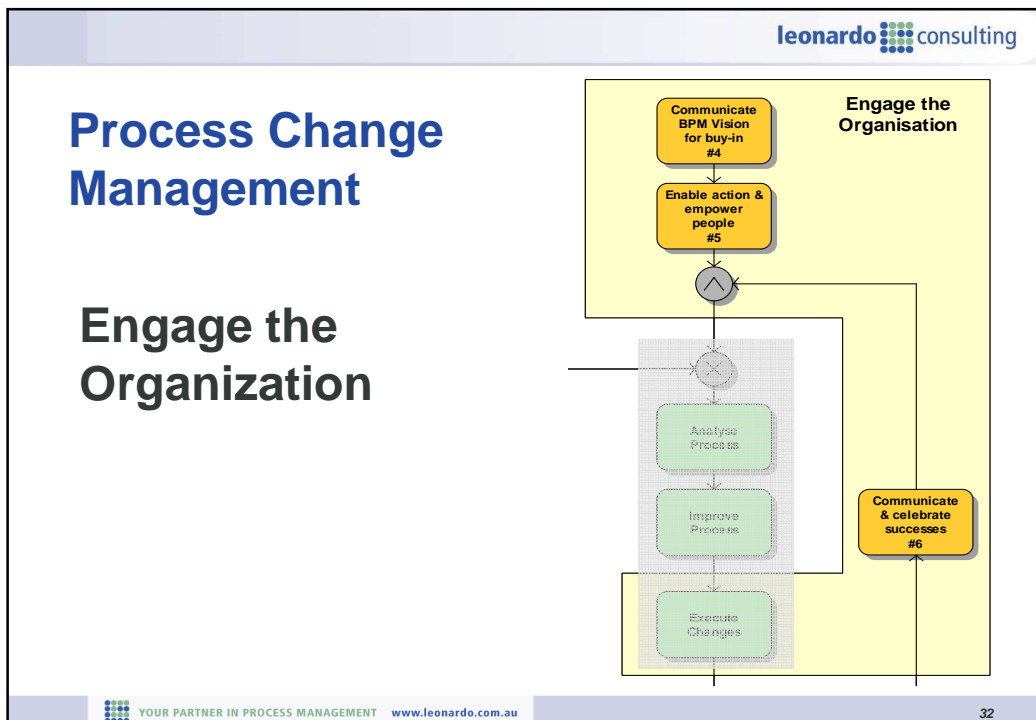
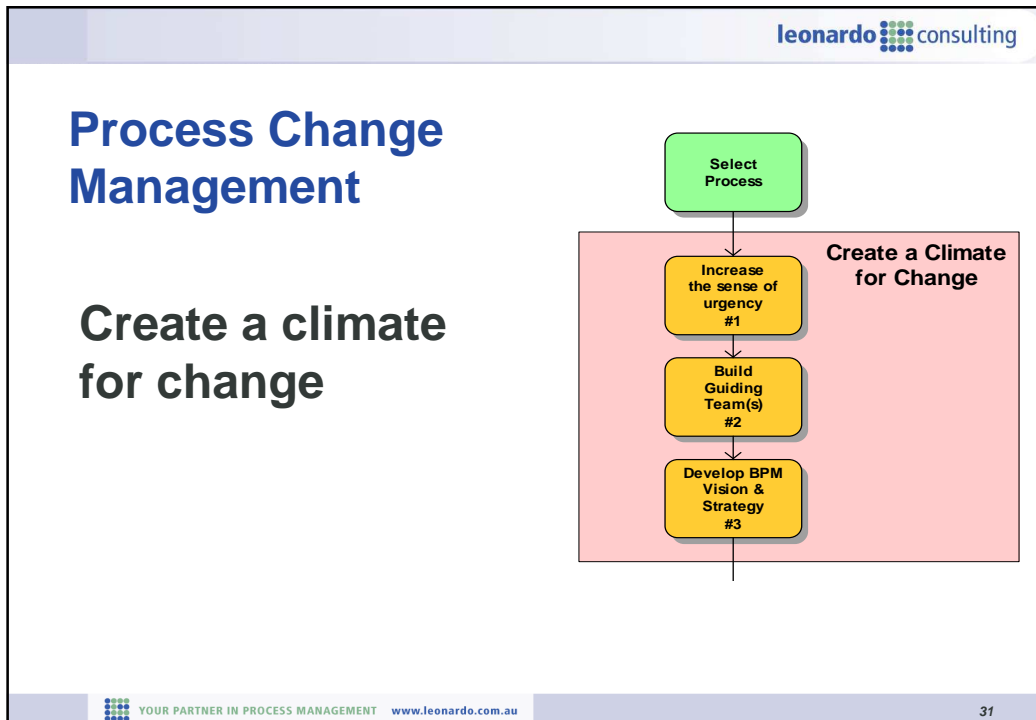
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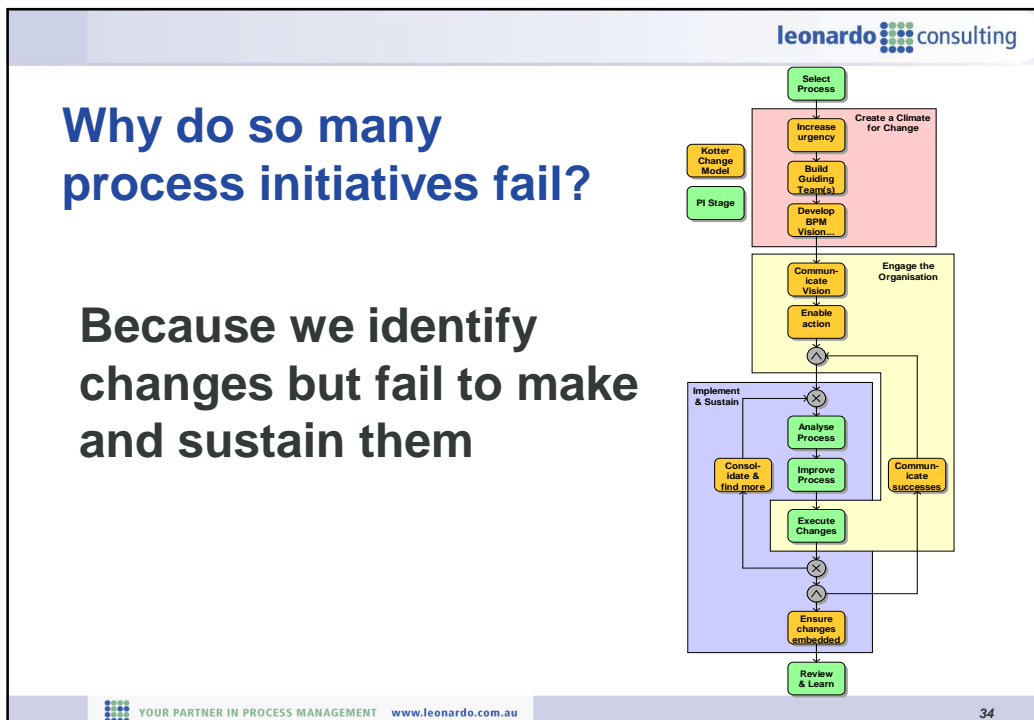
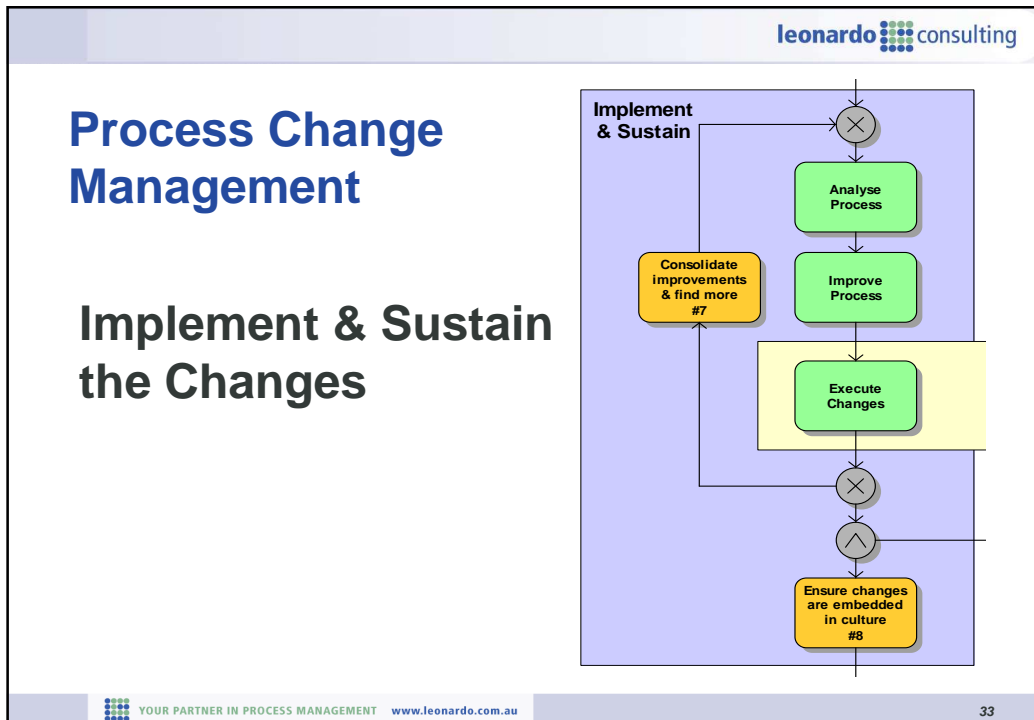
## Why do so many process initiatives fail?

- ▶ **Start at the wrong end**
- ▶ **Change needs to start early**
- ▶ **Important large changes**
- ▶ **High cross-functional impact**
- ▶ **Make the To Be the new As Is**
- ▶ **Include Change Management in the 'Process of Process'**

### Process Change Management


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- ▶ **Problems & causes + opportunities & constraints**
- ▶ **Generating change ideas – difficult, but vital**
- ▶ **Enhancement, Innovation, Utilization, Derivation**
- ▶ **Improvement patterns**
- ▶ **Enhancement:** flow, objects, customer, resources
- ▶ **Innovation:** stimulate, reimagine, question
- ▶ **Utilization:** better/different/new use of people/data/systems
- ▶ **Derivation:** reference frameworks, benchmarking, publications etc
- ▶ **Include Change Management from the start.**



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## Optimizing Organization Performance

- ✓ PART 1: The Process-driven Organization
- ✓ PART 2: Improving Processes
- PART 3: Measuring & Managing Processes
- PART 4: Establishing the Office of BPM

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## Optimizing Organisation Performance

PART 3: Measuring & Managing Processes

- Why measure?
- A system of measurement
- Types of measures
- Key issues in measurement
- A future of measurement
- Common failure modes

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## A Network of Thought Leaders



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**Prof Thomas R Gullede**  
President, Enterprise Integration,  
Professor Emeritus, GMU



**Dr Richard Soley**  
CEO, OMG



**Gladys Lam**  
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**Celia Wolf**  
Managing Director  
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**Michael Rosemann**  
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**Andrew Spanyi**  
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Spanyi International



**Paul Harmon**  
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**Roger Burton**  
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CEO, ES Consulting



**Prof Thomas H Davenport**  
President's Distinguished Professor of IT &  
Management, Babson College



**Alec Sharp**  
Principal, Clariteq Systems



**Leandro Jesus**  
Partner, ELO Group Auxiliary Professor, University of Rio  
de Janeiro Vice President, ABPMP Brazil

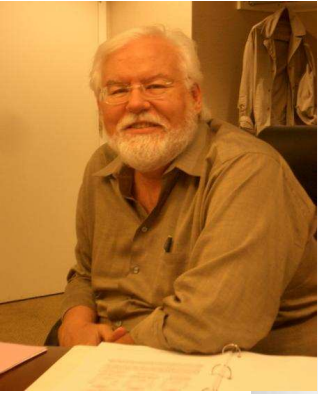
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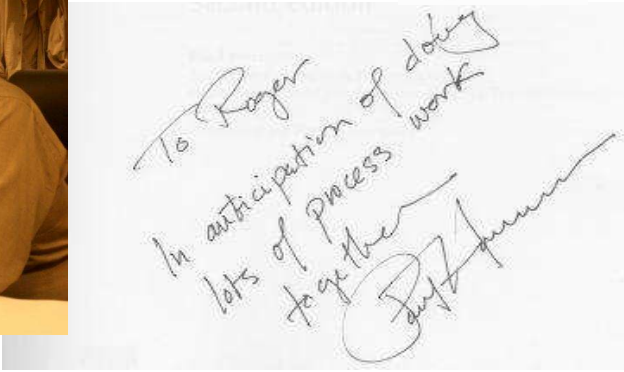
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## Paul Harmon

Chief Methodologist, BPTrends Associates  
Executive Editor, BPTrends







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**Prof Michael Rosemann**  
*Professor*  
*Head of Information Systems Discipline*  
*Co-Leader of the BPM Group*  
*Queensland University of Technology*

I highly recommend Leonardo Consulting as the leading provider of BPM services related to consulting, training and process improvement and implementation.

Best regards



*Prof. Michael Rosemann, PhD*



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## Adding Value

- 10 years of high quality service delivery
- Uniquely placed to deliver process-centric enterprise architecture services
- Solid track-record with large enterprises
- Extensive partnerships
- Experienced expert consultants
- Strong focus on methodologies
- Commitment to build capability

*education – consulting - software*

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