Process Management – 10 Questions That Can Change Everything

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In high performing companies, things seem to just work, and work well. Priorities are clear, people are engaged, there is a tangible operating rhythm, and the results are well above the mark. There is also a spirit of continuously striving to take performance to the next level, which creates a certain pride among the Line Managers and Operators (our term for front-line employees). Most of us, at some point in our careers, have experienced high performance, whether as a customer or as an employee of a well-managed company.

Many companies have become adept at improving one off business processes, but may struggle in deeply embedding process management principles into their organization. However, we contend that there are some common themes that underpin most, if not all, of high performing companies. There is something consistent about how they run – a set of fundamentals that form the very foundation of their operations. Our quest has been to identify those common themes and organize them into a simple, proven framework – a Process Management Framework that can be used to deeply embed an enduring customer focus and a set of operating principles.

Imagine for a minute, that every Line Manager in your company could answer the following 10 questions and their answers reflected the reality of the operation they look after.

1. Who is our customer?
2. How does the customer measure success (or their experience)?
3. What is our current level of performance, across the set of end-to-end enterprise processes, relative to those customer success metrics?
4. What key operational factors drive our ability to consistently meet those customer success metrics?
5. How are we performing over time relative to those key operational drivers?
6. How are those key operational drivers controlled, improved, or otherwise managed?
7. Who is accountable for performance relative to those customer success metrics and related key operational drivers?
8. How do we ensure repeatability and predictability across the operation?
9. How are operations managed throughout the set of end-to-end enterprise processes?
10. How do we identify and solve problems to both improve performance and learn?

The answers to these questions, when implemented and managed effectively, provide the foundation necessary for high performance. These questions should strike you as basic “table stakes” for running any operation relatively well. However, we have found that although they are grounded in common sense, they are not common practice. The foundation outlined by these questions is occasionally cultivated as a standalone framework, but often it serves as the bedrock of an integrated Process Excellence Model (sometimes referred to as Operational Excellence, Lean Six Sigma, etc.). Depending on your jumping-off point, these questions can literally change everything – from stabilizing performance to providing the foundation to accelerate your overall Process Excellence journey.

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This Article introduces a Process Management framework for translating and applying the concepts of Lean, Six Sigma, and related disciplines to daily operations.

The Process Management Framework

A quick search on Wikipedia yields the following definition for a system: A set of interacting or interdependent components forming an integrated whole. The Process Management Framework illustrated in Figure 1 organizes the common themes mentioned earlier into a system of reinforcing components, that we call "Operating Fundamentals", to establish or strengthen the foundation necessary for high performance.

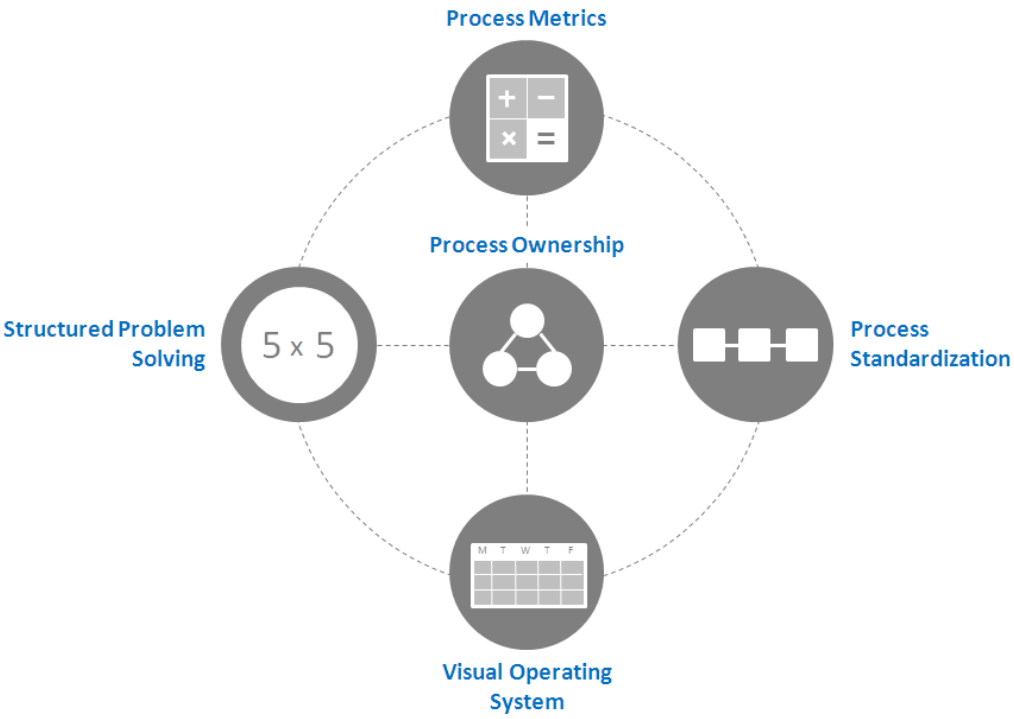

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Figure 1 – Process Management Framework

While no one Operating Fundamental alone establishes the aforementioned foundation, the five fundamentals working together intend to do just that. A brief overview of each Operating Fundamental follows.

Process Metrics

Process Metrics focuses on translating the voice of the customer into well-defined customer success metrics *and* identifying, managing, and continuously improving the associated key operational drivers. This is the essence of Six Sigma – the transfer function – applied to daily operations. Line Managers who intimately understand the voice of their customers and, equally as important, the vital few factors that drive (or, alternatively, that can compromise) dramatically increase the likelihood of consistently meeting or exceeding them. Understanding and managing

key operational drivers, correlated to customer success metrics, is essential for achieving and sustaining high performance.

In addition to monitoring customer success metrics, and the associated key operational drivers, Line Managers and Operators should understand and manage five standard operating metrics: volume, aged backlog, speed (e.g. cycle-time/on-time), productivity, and quality (e.g. accuracy). We have found that high performing companies manage these metrics consistently across all processes, even if not correlated directly to the customer success metrics.

Process Standardization

Process Standardization is achieved through three basic elements: Process Design and Definition, Standard Work, and a Personnel Qualification System.

Processes should be designed (via workflow, business rules, etc.) to achieve both efficiency and effectiveness. The application of practical Lean techniques is a common, and highly recommended, way of satisfying this goal. Whether manual or automated, a well-designed process is the first step toward effective standardization.

Expressing the process design through well-defined Standard Operating Procedures (SOPs) is the logical next step. SOPs provide the "how-to" and are principally used for training and reference. Standard Work Instructions are execution documents – outlining the tasks, task sequence, and time standards – key for establishing repeatable and predictable operations. Standard Work can be applied to high-volume transactional work and lower-volume sometimes more complex knowledge work…the latter often in the form of checklists.

SOPs and Standard Work Instructions are considered process standards. All Operators must be trained and qualified to process standards before being released to production – whether working on an assembly line or in a check-out line. Line Managers, trained in job instruction, should be conducting the initial and routine training to the process standards. Once adequately trained, Operators complete a set volume of work (either a number of "units" or for a period of time) to demonstrate they can perform the work consistent with the process standards while meeting productivity, time, and quality requirements to be considered qualified. As Process Management maturity grows, Operators can be cross-trained and qualified in multiple jobs. This creates a basis for advancement and the bench strength to shift production capacity with changes in work volume.

Having Operators perform work that have not demonstrated the capability to perform to process and performance standards presents a significant risk that many companies take. This applies to Accountants, Sales Professionals, or Material Handlers just the same. It is a risk that high performing companies strive to avoid.

Visual Operating System

A Visual Operating System (VOS) establishes the forums to drive performance, learning, and improvement. These forums typically include the work teams (Line Managers with their Operators), end-to-end enterprise management teams (the Enterprise Process Owners and sub-process Owners), and executives.

We recommend that work teams meet every day around a visual display to review their performance, allocate resources, and drive improvement. They should be squarely focused on the key driver metrics (in full view of their effect on customer success metrics) along with the five standard operating metrics. A daily focus on closing the gap between the current and target condition, relative to performance, is the engine of continuous improvement.

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The enterprise management team should meet routinely (i.e. weekly) to review horizontal performance across the end-to-end enterprise process, with the same focus on performance improvement. Having the individual Line Managers (i.e. Process Owners) appreciate end-to-end performance provides the context for them to better manage the improvement efforts of their work teams. The overall goal is to achieve and sustain daily, autonomous improvement in all operations – the very outcome a properly structured VOS enables.

The capstone of the VOS is the Leader Floorwalk, which in many companies on a Lean journey is included in Leader Standard Work. Our recommendation is to have executives walk the operation (or engage virtually if the work teams are geographically distributed) and ask the 10 questions as they interact with Line Managers and their Operators. They will gain a keen understanding of the current and target conditions, the efforts to close the gap between the two, and they will reinforce their expectations for living the Operating Fundamentals.

Structured Problem Solving

Running operations to a clockwork rhythm or cadence, with a focus on closing the gap between current and target conditions, triggers focused problem solving. Many operational problems can be solved by simply framing the barriers, determining obvious countermeasures (at least obvious to the Operators who live and breathe the work), and experimenting the way to improvement. Focusing on barriers and countermeasures is a sure fire way to eliminate waste and solve simple performance problems.

Some problems are complex and require a more structured way to solve them. Enter, 5x5 Problem Solving. The 5x5 concept is a simple, straightforward process for applying a standard 5-step process, using 5-why analysis, to solve problems. It uses A3 Reports to reinforce the PDCA thought process. Teaching Line Managers (typically to coaches) and Operators (typically in A3 thinking) to apply the 5-steps has proven fast and effective time and time again.

Regardless of the process and format used, teaching and coaching the front line to solve problems – obvious waste, simple barriers, and more involved problems – is a common characteristic of high performing operations and, at scale, high performing companies.

Process Ownership

Process Ownership aims to appoint high performers, with demonstrated leadership capacity, to lead end-to-end enterprise processes. It is vital that these leaders have the authority equal to that accountability. Authority does not need to come from titles or through direct reporting relationships, but Process Owners must be positioned as proxies for senior leaders to effectively drive enterprise performance and influence through their grasp on the current condition and how to improve it.

In addition to Enterprise Process Owners, sub-processes across those end-to-end processes must also have Process Owners appointed. Our recommendation, where feasible, is to have Line Managers assume the role of Process Owners. This network of Process Owners along an end-to-end enterprise process forms a chain of customer-supplier relationships. These relationships are key to ensuring interdependent processes are synchronized and that the cause and effect relationships between discrete sub-process metrics (and the associated improvement activities) are effectively managed to deliver strong enterprise performance.

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Implementing Operating Fundamentals

The way in which organizations take action on models, metrics, methods, and recognition systems is important to successfully implement this set of Operating Fundamentals.

The regular use of simple, visually compelling models of each end-to-end process is one of the critical success factors in providing the means to communicate the importance of cross-departmental collaboration in performing for customers. Such models set the stage for a continuing dialogue on what needs to be done to improve performance, meet or exceed customer success metrics, and tell stories of success and opportunities for improvement.

The critical to customer success metrics need to be annotated on each of these models to assure needed focus and the top few (typically 3 to 4) of these metrics must make it onto the senior leadership scorecard in order to assure ongoing management attention.

The importance of an integrated use of improvement methods is equally important. Methods must not trump results. The focus needs to be on creating value for customers and the company, and the specific method to be used (e.g. Lean, Lean Six Sigma, etc.) has to be recognized as the means – and not the end.

Aligning reward and recognition systems to focus attention on the contributions of those individuals and teams that succeed in improving operational performance is an important element in maintaining momentum and reinforcing cross-departmental collaboration.

Conclusion

As previously stated, we contend that there are common themes that underpin most, if not all, high performing companies. We have organized those common themes into an integrated, proven Process Management Framework, that provides the foundation for answering the 10 questions outlined above. Our strong belief is that Process Management is a necessary prerequisite to achieving and sustaining high performance. It is at the foundation of Process Excellence…and 10 simple questions can make all the difference.

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