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A Resource Guide for
Business Process Improvement
*"Strengthening Interdependent
Work Relationships"*

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This **Resource Guide for Business Process Improvement** focuses on developing managers understanding of the importance of interdepartmental work process relationships. This module is entitled "Strengthening Interdependent Work Relationships" and addresses how departments and divisions can focus on their outputs and learn how their outputs may or may not be meeting the requirements of their customers. Of key importance in this effort is the six-step Team Based Problem Identification and Problem Solving Process called I.D.E.A.S. which provides an organizational model for improving processes .

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Introduction

Within International industry today, there are a variety of "organizational transformation" initiatives which are designed to have organizations focus on both the needs of their customers and the processes within the organization which enhance Quality Customer Service and nurture life-long customer loyalty. The organizational benefits of such an approach include: expanded market share, increased productivity, customer responsiveness, and profitability. Over the years, these initiatives have become known as: "Total Quality Management"(TQM), "Continuous Quality Improvement," "Business Process Improvement," "Reengineering" and "ISO 9000"...to name a few.

At The Center for Organizational and Personal Excellence, our perspective includes the elements of: philosophy, principles, strategies, and tools & techniques which impact "the way organizations do business". These elements provide the conceptual framework and practical application that are necessary in order to strengthen interdependent work relationships. But conceptual framework and practical application alone do not guarantee success within organizations today. Success is measured "one customer at a time," through their perceptions, as a result of their experience in being provided with products, services and information, which are provided by every interdependent department within the organization.

With the objective in mind of "strengthening interdependent work relationships," this Business Process Improvement Resource Guide has been developed. The intent of this guide is to provide our clients with the necessary resources to both establish an organization-wide common problem identification and problem solving methodology and facilitate functional and cross-functional teams in their quest to improve processes, reduce waste, enhance productivity and increase the value-added features of their business to customers.

Dr. Daniel Duffy, Executive Director

The Center for Organizational and Personal Excellence

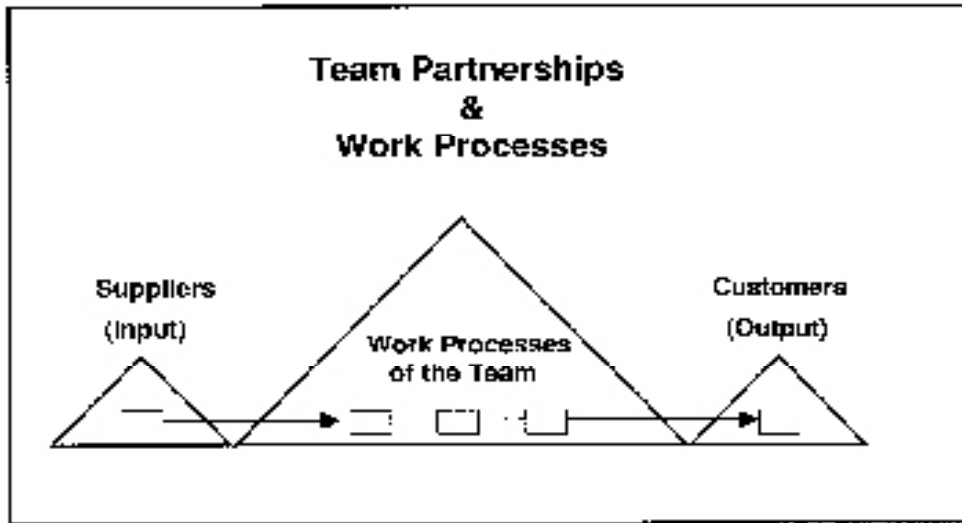
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Business Process Improvement is a method of identifying the interdependent work relationships (processes) within the organization. Once these work relationships are identified, they can be used to establish "customer/partner" requirements in order to clarify the role(s) and provide measurement for the services that each division, department, team, and individual contributes to the organization.

Process Focus is the key to Continuous Improvement. In order to adequately understand this focus, the organization must think about the horizontal nature of work and processes, not the vertical nature of organizational structure.

Key Partnerships For The Team

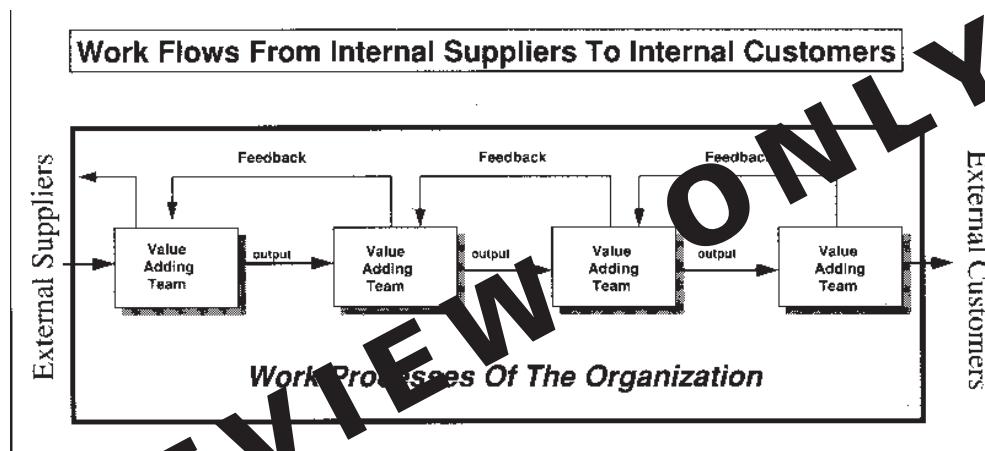


The above diagram illustrates a "process orientation" view of how work team partnerships are established within organizations based on the interdependent nature of the work processes that each contributes.

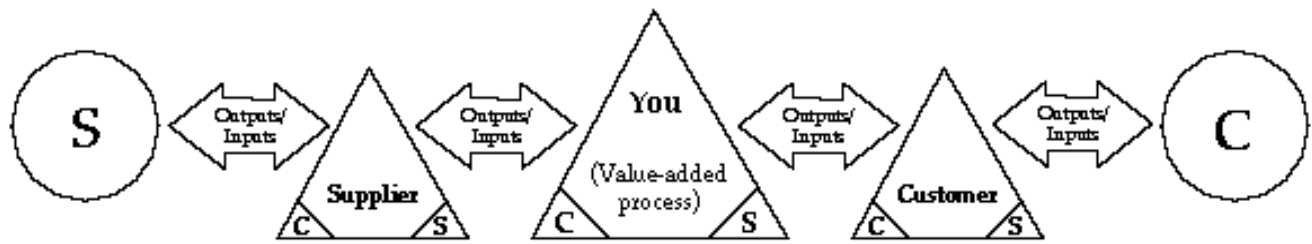
In the diagram on the previous page, a team receives input from a supplier and delivers output to a customer. As this diagram illustrates, no team is an island, and every team works to support other teams and counts on support from supplier teams.

The three boxes within the triangle of the team represent the process the team operates to transform input into output. Every step must add value to the output. The Work Improvement Process, which will be covered in detail, will summarize the steps ranging from identifying team or department outputs to development of process measures and identification of areas for improvement.

In the diagram that follows, the individual team is shown as a link in the chain of customer value. Each team takes input and transforms that input into value-added output. Outputs are then handed off to the next team in the chain. The chain is as strong as the partnerships between teams. Every team is equally important to the satisfactory delivery of products and services.



The above diagram depicts the importance of: the identification of customer requirements, the determination of effective measurement indicators and the strengthening of organization communication in the form of "feedback linkages" between and among all "value-adding teams" within the organization.



External Supplier--Internal Supplier/Customer Relationships--External Customer

Work Processes of the Organization...
The Key to Improvement of Our Interdependent Work Relationships.

***External Supplier:** A person or company that supplies us or the organization with a service or product.

***Internal Supplier:** A person or department that supplies us or our work group/department with a service or product.

***Internal Customer:** An internal person or department that receives input from another internal process.

***The Internal Customer-Supplier Chain:** Even though not every one deals with the external customer, everyone's job can directly impact the ultimate (external) customer. The internal customer-supplier chain is only as strong as its weakest link!

***External Customer:** A person or company that pays us or our company for a service or product.

***Customer:** A customer is someone who receives and acts on your output. Customers can be internal or external. It is beneficial to consider those within the organization as both "internal partners" and "internal customers"--"partners" in that you need to work together with them, "customers" in that you need to focus on satisfying their needs.

***Customer Requirements:** Customer requirements are what the customer wants, needs or expects of your output, ie. timeliness, accuracy, cost, completeness, quantity. The requirements should be as specific as possible.

***Measurements:** Measurements help you collect facts for making decisions. You need measurements to tell you:

1. Whether your work process is capable of meeting your customer's requirements.
2. How well you are controlling your work process.
3. Whether your output meets (or exceeds) your customer's requirements.

***Measurement Characteristics:** The characteristics to measure are: customer satisfaction (such as new and retained customers); innovation (such as new products and services); flexibility (such as speed of response); productivity (such as efficiency and unit cost); business results (such as attainment of financial and marketshare goals) and employee satisfaction (such as employee retention and employee ratings).

***Specifications:** Specifications are the important, measurable aspects of your output that match up with your customer requirements. Ideally, you should have a specification for each and every requirement.

***Work Process:** A work process is the sequence of activities that are carried out in performing a task.

***Performance at the Business Unit Level:** A business unit delivers a set of products and services to a variety of customers. Business units measure performance on customer goals (such as responsiveness to customer needs); marketing goals (such as growth and market penetration); financial goals (such as profit and cash flow); and human goals (such as employee skills and employee retention).

***Performance at the Team Level:** Ideally, a team "owns" and operates a process. The characteristics of team-level performance to quantify are:

1. **Quality** (such as rework and customer satisfaction);
2. **Quantity** (such as output/input, progress on goals and amount delivered);
3. **Timeliness** (such as percent on schedule and cycle time);
4. **Use of Resources** (such as cost versus budget);and
5. **Leadership and Involvement** (such as time with customers and time in improvement of business processes).

***Performance at the Individual Level:** The characteristics of individual performance to evaluate are:

1. **Technical Skills** (such as the level and variety of technical and business skills);
2. **Individual Effectiveness** (such as time management and fundamental skills);
3. **Individual Communication** (such as feedback, delegation, and listening skills);and
4. **Team Communication** (such as team self ratings and meeting skills).

In order for our interdependent work relationships to be strengthened, each functional area of the organization should develop a Team Mission Statement which serves to clarify the organizational role of the team (or department). This statement is the preliminary step in The Work Improvement Process.

Defining the Team Mission: Review the organizational principles, including values and vision/mission statements. In addition, review the organization's strategy of : Involvement, Focus on a Moving Customer, Measurement and Continuous Improvement. Based on this review, involve Associates in creating a mission statement for your team (or department) which is in alignment with all of the above.

In approaching this exercise, consider your groups answers to the following questions:

1. What is the fundamental purpose of our team or department?
2. What is the unique accomplishment our team must make in order for the organization to achieve its mission?
3. What role do we fulfill that no other team or department can fulfill?
4. What must be noteworthy about our products and/or services?
5. What will be characteristic about how we work as a team?

A good method to approach the above questions is to address them in a group meeting with answers being recorded on flipcharts. Work to craft a mission statement that reflects the groups understanding of their unique contributions to the organization.

Does Your Team (or Departmental) Mission Statement reflect...

- a. **Sufficiency:** Is our total contribution to the organization's mission reflected in our team mission?
- b. **Boldness:** Will our mission inspire this team (or department) to strive for peak performance?
- c. **Uniqueness:** Does our mission not duplicate or conflict with our understanding of the mission of other teams (or departments)?
- d. **Stakeholder Buy-In:** Would our stakeholders (suppliers, customers and partners) agree that this is the mission of our group?
- e. **Simplicity:** You can read the mission to any organizational Associate and he/she will understand what we do and what we want to achieve.
- d. **Succinctness:** Will our mission easily be remembered by the people on our team.

If Associates know what their team or department stands for, if they know what standards they are to uphold, then they are much more likely to make decisions that will support those standards. They are also more likely to feel as if they are an important part of the organization. They are motivated because life in the company has meaning for them.

Terrance Deal and Allan Kennedy, Corporate Cultures

Process Step	Question to Be Answered	Output Needed for Next Step
1. Identify Output	What is our product or service (output)?	A statement describing our output.
2. Identify Customers and their Requirements	What do our Customers Require?	A Single list of Customer Requirements.
-Identify and Prioritize Customers	Which Customer provides an opportunity for improvement?	A listing of customers; prioritized based on opportunity or problem to be resolved.
-Brainstorm Outputs Produced for that Customer	The specific Output Provided to this Customer is..?	A specific listing of Outputs for a particular Customer...
-Prioritize Outputs for that Customer	The Priority Ranking of this Output is..?	A Rank Order list of Customer outputs.
3. Solicit Feedback from Customer	Are there any Gaps Between What I Give You and What You Need?	Completed Customer Interview Form with Nonconformances Identified.
4. Use I.D.E.A.S. Process	How can the Problem Identification and Problem Solving Process provide solutions to the problem?	The application of I.D.E.A.S. a Problem Identification and Problem Solving Methodology, to a problem.

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Process Step	Question To Be Answered	Output Needed For Next Step
5. Phase I: Identify Opportunities	What is frustrating me/us the most in dealing with this customer?	Selection of an area for focusing the problem solving process.
6. Phase II: Determine Influential Factors	Does data analysis confirm that the problem exists?	List of the most influential factors
7. Phase III: Evaluate Alternatives	Do we have a common understanding of the suggested solutions?	A Plan for Implementing the Solution
- Eliminate Unnecessary Steps in the Process	Does a Standard Operating Procedure (SOP) currently exist which may address this problem (process)?	Standard Operating Procedure (SOP) created or updated based on input from process stakeholders.
8. Phase IV: Apply and Measure	Has a monitoring and measurement plan been created which determines the extent to which the "desired state" has been achieved?	Execute the Plan and Evaluate the Solution
9. Phase V: Success and Beyond	Has the chronic area of waste been eliminated?	Verification of the improvements effectiveness
10. Repeat Process for Next Output, Customer or Problem.	Has a Team Presentation been made via Storyboard to the leadership team?	Development of future plans and celebration of team success(recognition)

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Step #1: Identify Output

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Question to Be Answered: What is our product or service (output)?

Considerations: Your output is the product or service you generate as part of your job and then pass on either to the next group in the work process (internal partner/customer) or to an external customer. Ultimately, your output must help satisfy the external customer's needs.

In going through the ten steps, consider how you will plan, audit and document your progress, as well as how you will share your results with others (see Team Business Process Improvement IDEAS storyboard document).

Note that it is critical that you also proactively work with your suppliers to go through Steps #1, 2 and 3 for a second time--this time with you being the customer. This will ensure that you are fully understanding both your customer's requirements and your outputs.

Activities/Questions: List possible outputs of your work group.

Use Words that:

- describe what is visible and tangible about your output;
- express what action is taken to generate the output;
- are not so general that they can describe anyone's job, but not so specific that they appear insignificant.

Examples are:

- Service A provided
- Product X produced
- Product Y sold