



The Right Skills, at the Right Time, *at the Right Price*



## How To Fix a Broken Process

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## Overview

Fixing a broken process seems very simple, but in reality it can be complex and challenging to initiate, design, and then broadcast to the overall business team. In fixing the business process, many stakeholders are affected and may actually sabotage, intentionally or unintentionally, the new business process that is created.

This paper covers the process of changing a process, and the tools you'll need to design a new process.

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## The Nature of Process Change

The very mention of the word “change” can strike fear into the multitudes. Especially when it comes to our jobs. We want to do them well, and efficiently, and we want a sense of security. Change is inefficient—it makes us stop, evaluate, and then change our procedures before we do our jobs. It presents unforeseen circumstances that often increase stress. While some may thrive on change, most will find it difficult, undesirable, and uncomfortable. Especially for process-oriented jobs that require consistency, change is counter-intuitive. This is why it is vital that change management be considered when introducing change. Change management is a distinct discipline and should be factored into any serious corporate process change.

## Change Management Methodologies

Since the success or failure of change can directly impact the success or failure of an entire business, it is no wonder there are so many schools of thought on the subject. There are a variety of tools that are used to improve overall business processes based on different philosophies of management, quality measurements, process handling, and workload arrangement. Some of the most prominent are defined below.

**Lean Manufacturing** is a business model and collection of tactical methods that emphasize eliminating non-value added activities (waste) while delivering quality products on time, at the least cost, with the greatest efficiency.

**Total Quality Management (TQM)** endeavors to develop the culture, attitude, and organization of a company into one that strives to provide customers with quality products and services while reducing losses due to wasteful processes.

**Kaizen**, Japanese for “good change,” is the concept of continuous improvement of all functions, involving employees from the CEO to assembly line workers, and focusing on processes that cross organizational boundaries into the supply chain.



**5 S** stands for sort, straighten, shine, standardize, and sustain—a suggestion of how to organize a work space for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items, and sustaining the new order.

**Six Sigma** is a disciplined, data-driven approach and methodology for eliminating defects (driving toward six standard deviations between the mean and the nearest specification limit) in any process – from manufacturing to transactional, and from product to service.

**Quality of Service (QoS)** is the overall performance of a telephony or computer network, particularly that seen by users. It is measured using several related aspects of the network service, such as error rates, bandwidth, throughput, transmission delay, availability, jitter, etc.

**Theory of Constraints** is a management paradigm that views any manageable system as being limited in achieving more of its goals by a very small number of constraints. It adopts the common idiom “a chain is only as strong as its weakest link.”

**Best Practices** are methods or techniques that have consistently shown results superior to those achieved with other means. They are used to maintain quality as an alternative to mandatory legislated standards and can be based on self-assessment or benchmarking.

## Enacting Change

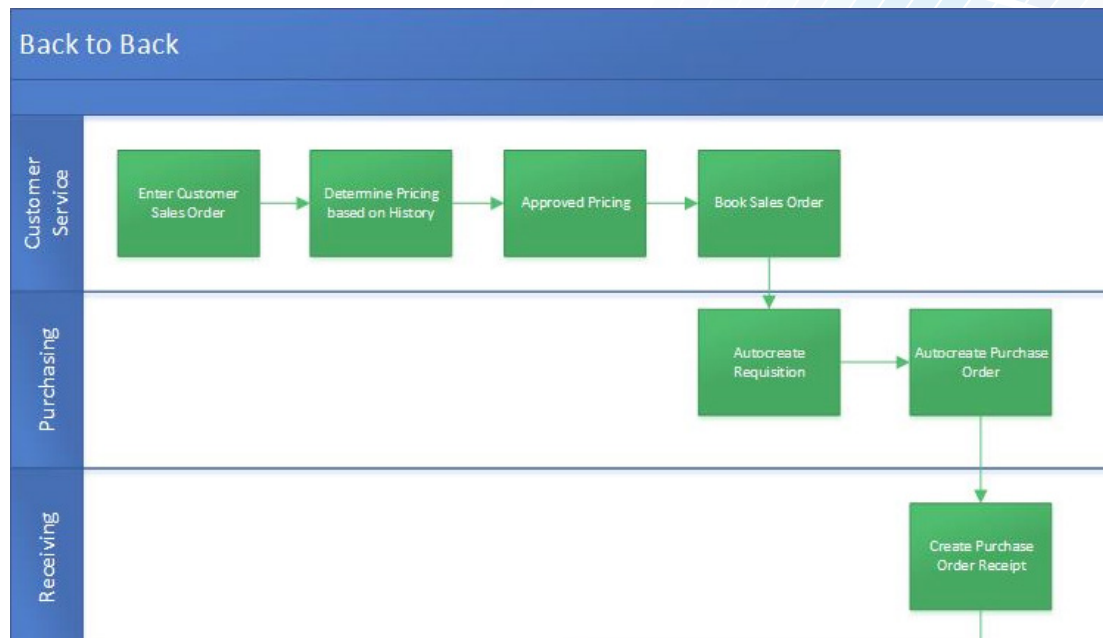
So, now that I’ve overwhelmed you with all the tools available to enact change, how do you do it?

### 1. Assemble a Cross-Functional Team

This is one of the key components to fixing a broken process. The team should include accounting, operations, maintenance... in short, every department that has a stake in the process. This cross-functional team will become the great melting pot, representing different disciplines that have different ways of looking at things and different interpretations of existing processes. There may even be disagreement on how a process works. By bringing these different points of view together, we are able to gain consensus and expose any hidden agendas.

### 2. Diagram the Steps

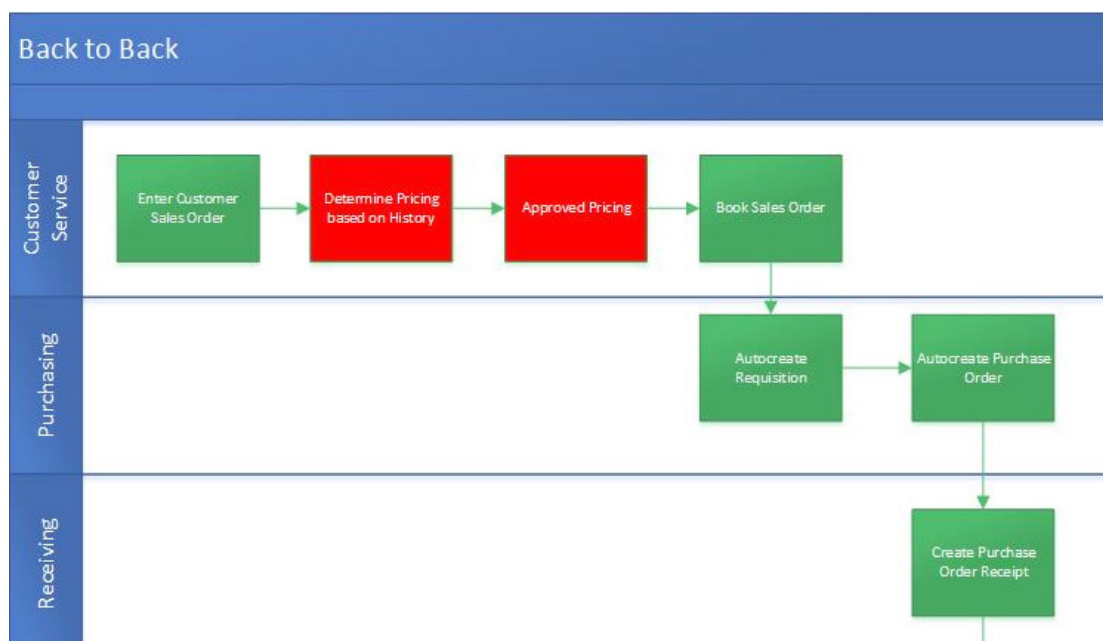
Quite literally. Get a whiteboard and start drawing boxes. Document what is actually getting done. As a change manager, it is your job to engage and challenge the team. There may be disagreement, and some may not readily speak up, but getting an accurate picture of the broken process is key to successfully fixing it. Select the person to run this session carefully. People can get angry and emotional when faced with change, and there is a fine balance between challenging a person and producing unnecessary stress. Make sure you take lots of breaks and introduce positive environmental associations, like snacks!



### 3. Eliminate “Non-Value-Added” Steps

Once you have connected the boxes on your whiteboard, review the overall process flows. Where is there waste? Is there an unnecessary step? Can a step be automated? Keep asking why you’re doing things the way you’re doing them. Examples of non-value types are:

- Notifications to nowhere
- Redundant steps
- Combinable steps
- No business value





#### 4. Assess Change Management

Some changes are no-brainers, while others have a major impact and can affect organizational policies. Changes within a department will likely be handled differently than cross-department changes, and those that affect the end customers should factor in customer attitude toward the change. Assess change strategically, and determine which changes are short-term and which are long-term. Identify the key stakeholders, decision makers, and champions that will play a part in implementing the change. Identify who is NOT on board with the changes, and why, because they can jeopardize success. You want this to be a consensus, not a cram-down.

#### 5. Enable Process Change

Make no mistake, you will need management sponsorship in order for change to stick. Strategize on how to approach the management team, and identify the champions versus detractors. This may be your most challenging step. You may very well need a consultant to lead you through it—someone with a little bit of perspective, and with experience discovering problem behaviors. It's not unheard of that, come go-live day, you find out some people never had any intention of adopting this change and are going to continue their manual processes!

Internally, you will need the change management team, human resources, and marketing involved. An internal marketing campaign should be launched to prepare people and garner excitement around the change. If the process change will benefit customers, then an external campaign is in order.

#### 6. Implement Process Change

Now that you're prepared, don't be trigger happy. Take into account the timing of the change and considerations for implementation. Smaller changes may be able to happen immediately, but larger ones may take months or years. The change management team should meet early and often, and plan for education and training across all affected stakeholders. Anticipate culture shock and resistance. People won't just change because you say so. Consider incentive plans to reward changed behaviors.





## Conclusion

Fixing processes involves change. Key first steps should be assembling the right people and considering bringing in outside, unbiased help to facilitate the process. By first mapping as-is steps and eliminating wasteful steps, a new, more efficient process will emerge. When it comes time to implement the change, don't forget to first enable it. Understand the ramifications, get managerial buy-in, and identify a timeline that is realistic.

## About the Author

Ed McDonough has more than 20 years' experience implementing Oracle software projects across a variety of industries with particular focus concentrated on manufacturing and distribution. He has spearheaded new process re-engineering initiatives and project methodology designs that have resulted in increased project performance company-wide for several global manufacturing and distribution companies. Ed is a regular contributor to the Enterprise Resource Planning (ERP) software body of knowledge and Oracle applications community education and development, including authoring white papers, conducting training seminars, and speaking at software conferences across the nation.

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