

SEVEN TENETS OF PROCESS MANAGEMENT

APQC's Proven Approach

Process management is a management practice or approach that defines the governance of specific business processes, enabling improved business agility and operational performance. Years of process-based research have uncovered seven essential tenets on which to establish a strong process capability.

APQC's Seven Tenets of Process ManagementSM are:

1. Strategic alignment
2. Governance
3. Process models
4. Change management
5. Performance and maturity
6. Process improvement
7. Tools and technology

Creating a process-focused organization not only requires time and resources, but most importantly, it requires a fundamental shift in thinking about how each individual contributes to the organization's products or services. This shift helps each contributor think about what occurs upstream as well as downstream from his or her individual activities within the process. This horizontal view of work provides a more holistic understanding of how work is accomplished and the requirements to effectively execute the process end-to-end.

These tenets of process management (Figure 1) are seen time and time again in best-in-class organizations and consistently enable the success of process management programs and initiatives.

Seven Tenets of Process ManagementSM

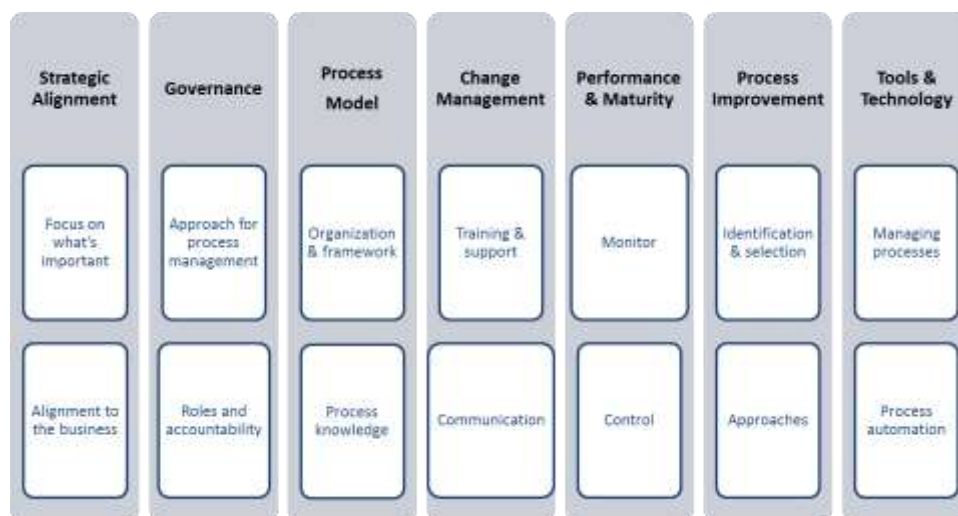
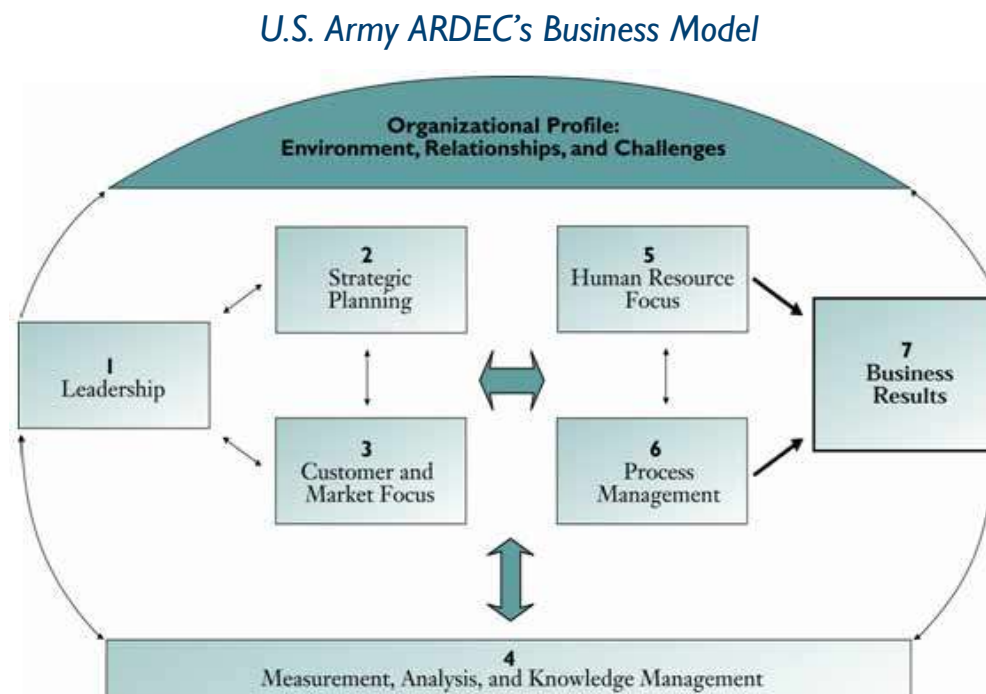


Figure 1

STRATEGIC ALIGNMENT

Strategic alignment refers to the ability of the organization to focus its efforts on the processes and capabilities that are most critical to achieving long-term goals. Process management, as a business management approach, must be directly linked to organizational objectives; it must help the organization reach its strategic goals. Effective business leaders integrate process management into the business model. Tools like the Malcolm Baldrige model help organizations see the connections and points of alignment between actual work processes and strategic objectives.

Figure 2 illustrates how one organization, the U.S. Army Armament Research, Development, and Engineering Center (ARDEC), uses the Malcolm Baldrige model to describe how it creates, delivers, and captures value for its customers.



ARDEC's business model aligns roles and activities to the overall organizational structure, with arrows indicating important connections between different elements of the organization. The linkage of process management directly to business results communicates to stakeholders that ARDEC is focused on effective process execution.

GOVERNANCE

Governance is probably the most important of the tenets because it assigns accountability for process activities. Governance defines the roles associated with process management and the approach that will be taken, ultimately determining how process ownership and process accountability will be assigned, how budgets will be allocated, and how the process management business case and its policies and procedures will be created.

When determining the governance structure for process management, keep high-priority goals in mind. Leading practitioner Air Products and Chemicals shaped its business case by focusing on how process

management would reduce costs by “thinning out” its processes and simplifying work. Strong business cases are defined and focused on specific business objectives.

PROCESS MODELS

Process models capture the organization's knowledge about its processes and serve to visually represent the complex relationships between organizations and the work they do. They ignite understanding and by establishing a framework, organizations are better able to understand core processes as well as supporting processes, and can plainly see how the supporting processes affect the performance of core processes.

Process frameworks illustrate a hierarchy or decomposition of processes. By contrast, a process model shows how those processes are managed across the organization. The model provides a structure for collaboration, deployment, and improvement of processes defined in the framework. Figures 3 and 4 are examples of a process framework and a process model.

APQC’s Process Classification Framework® (PCF)

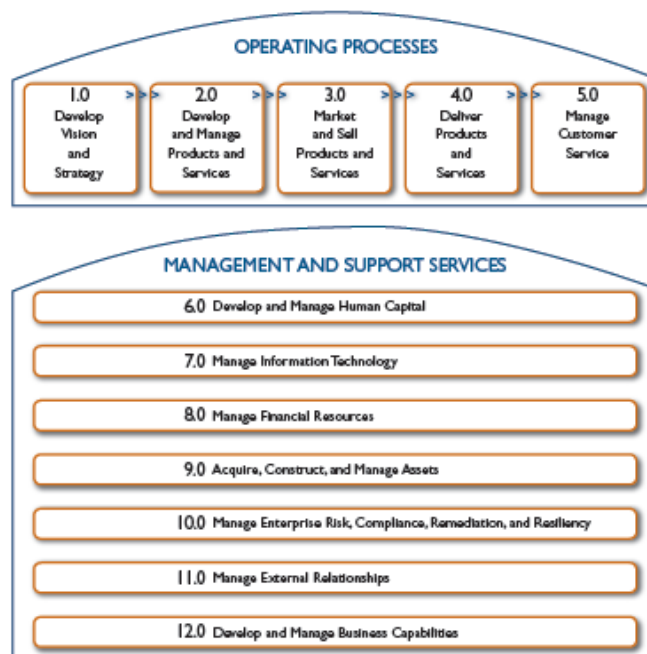


Figure 3

Example Process Model

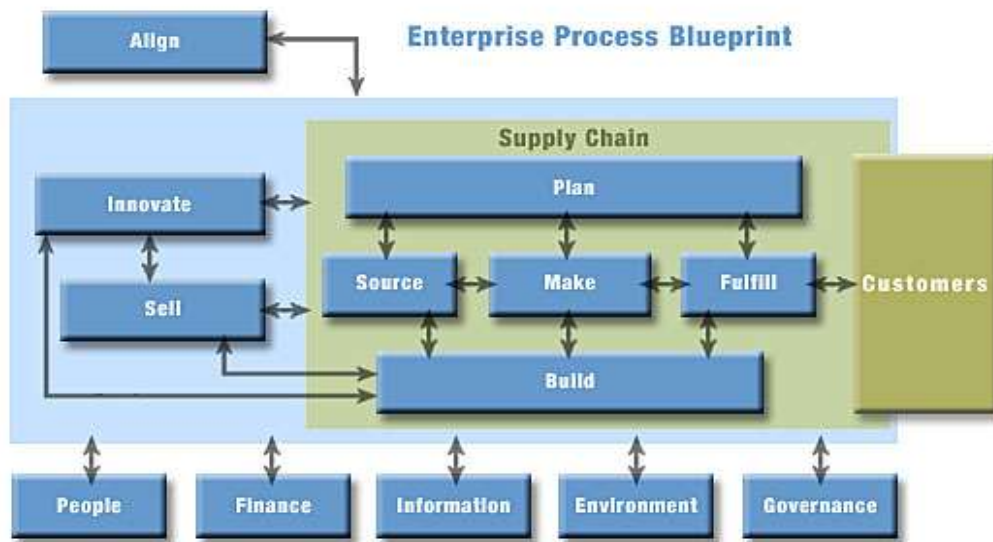


Figure 4

CHANGE MANAGEMENT

Change management is all about engagement, training, two-way communications, and providing consistent explanations and directives. Without a planned change management approach, organizations are doomed to fail in establishing and internalizing process thinking. The change management plan must include a comprehensive communication strategy to ensure that the workforce understands the new focus. Best-practice organizations repeatedly cite promoting the value of process management as the most important component of their change management strategy.

PERFORMANCE AND MATURITY

Performance and maturity refer to the capability of an organization to measure the performance of processes and, at a high conceptual level, measure the maturity of the processes in meeting needs and process management activities. Levels of performance and maturity within an organization must be evaluated regularly. These factors indicate how processes are performing as well as the overall effectiveness of process management efforts. If an organization has an accurate picture of how it is performing and where it is in maturing its process strategy, it can determine what it will take to increase the strength and efficiency of its processes.

PROCESS IMPROVEMENT

Naturally, efforts to understand an organization's performance tie directly to process improvements. As an organization advances in maturity and deepens its understanding of its own performance, it learns new ways to improve processes. Process improvement is divided into continuous and breakthrough improvements. Continuous improvement focuses on executing the existing processes more effectively. Breakthrough improvement looks at how to change the process for higher performance by asking "why do we do this"?

TOOLS AND TECHNOLOGY

Tools and technology enable successful processes through automation and standardization, and can provide breakthrough capabilities in process models, change management, and governance. This, in turn, improves processes, thereby enhancing performance and potentially leading the organization to a greater level of process management maturity. When tools are created that facilitate the execution of the BPM vision, the work force is better able to contribute to improvement efforts. When an organization implements measurement technology, performance progress can be effectively tracked and cited to gain executive, cultural, and financial support.

CONCLUSION

APQC's Seven Tenets of Process Management consistently form the foundation for successful process management programs and initiatives. If leaders focus on building strengths in those seven areas, they will substantially increase their process management program's alignment with strategic goals, the work force's support of process management, the organization's maturity, employees' ability to get work done, and overall performance.

ABOUT APQC

APQC is a member-based nonprofit and one of the leading proponents of benchmarking and best practice business research. Working with more than 500 organizations worldwide in all industries, APQC focuses on providing organizations with the information they need to work smarter, faster, and with confidence. Every day we uncover the processes and practices that push organizations from good to great. Visit us at www.apqc.org and learn how you can make best practices your practices.