

# Basic Principles for Process Development

## - To change your business processes



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## Background

After have been working with process development for almost ten years I needed to summaries my experience in the field for myself and try to reflect there over. This with the purpose to try to define a framework that could help me in my future work as a process developer. The indent is also that the reader should get help in how to conduct process development on there own.

This is not a new method or technique for process developing but a conceptual framework for process developing.

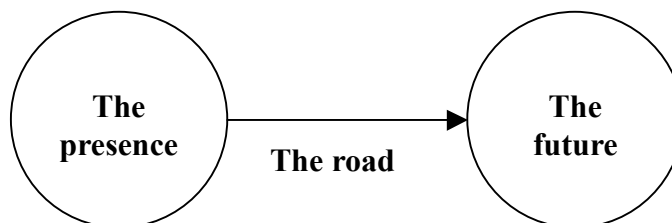
## What is Process Development?

First of all we need to understand what a business process is. I have seen many definitions during my years but all have had the focus on activities and customer value. I would say that a business process is a series of activities designed to produce a product or service. It includes all the activities that deliver particular results of steps for a given customer (external or internal).

The next step is to understand what we mean with development regarding to the development of business processes. Development is in some extend moving from situation “A” to situation “B”. It does not always mean that “B” is better or more preferred than “A” even though the word “development” suggests that it would. Therefore I prefer to talk about “change” rather then about “development”. “Change” also focus on the journey between “A” and “B” rather on the “development of “B” which I believe is more crucial for the successes of a process development project.

Change can be divided into three basic steps:

- The presence
- The future
- The road between the presence and the future



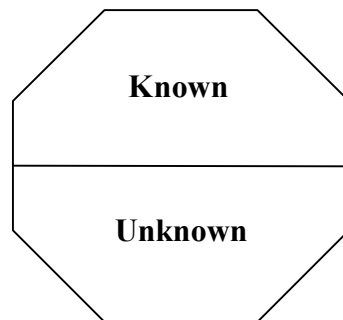
Picture 1: Basic structure for process development

I try to help people to understand the presents, develop the future and to find the way there between. A process development project can contain many different issues. It can involve the analysis, development and implementation of strategies, culture, roles, activities, artefacts, IT-systems etc. But the most crucial success factor is people and how to handle them.

## To understand the presence – where are we on the map?

### 1.1 Why do you need to understand the presence?

Every process development effort needs to start with understanding the presence. If we compare us with a pathfinder we realize the first thing we need to do is to find where we are. By know where you are you also get an idea on which action you can take to get where you want to go. If you don't understand the presence it is a big risk that the action you take or propose will not affect the process or the implementation of it in positive way.



Picture 2: When starting a process development project some part of business are known and some parts are unknown

In some cases is it not enough to know the presence but you also need to analyze the past so you understand how the past is influencing the presence. This is important when try to move into the future. In many cases I have discovered that people don't adobes necessarily changes (in my view) because they have experiences from the past that influence them.

In many process development project that I have been involved in have paid to little attention to this. There have mainly been two arguments against this. The first one is that "we know how this already works" and the second one are "we don't have time for this". Both of these arguments don't stand over time.

The first argument that "we already understand the current situation" is not true. There hasn't been a process development project where I have discovered that people have different views in how things really work. This is not so strange since today's business operations can be quite complex due to the increased need to understand the interaction between customers and suppliers. You will always find new understanding of the current situation by analyzing it. The main question is when have you understood enough to move on?

Often it will consume more time to correct things afterward then giving it time in the beginning. I will thou admit that in some cases it is not applicable to analyze the presence and that is when you have your back against the wall and you need change quickly and the solution is quite straight forward.

### 1.2 What do you need to understand?

In this stage you have several areas (black holes) that you need to understand. For example it can be:

- The current process
- The IT-system
- The people involved in the process
- Legal constrains

The main thing here is not to have a complete list of all things that needs to be analyzed when doing process development but to give you an idea of the things that can affect you. Each effort has it owns areas to analyze and it is the process developers responsibility to identify them Not all areas needs to be analyzed in the same detail level.

### **1.3 Who can help you understand the presence?**

The best why to understand the situation is to live in the situation and the people that currently are working in the environment to be analyzed know best how it works. It is one of the reasons why organizations try to have key users participating in process development projects. But often these people have a hard time to leave there day-to-day business operations so you, as a process developer, need to find another way to get this information. The key here is to remember that the closer you are to the source the better the information is that you get.

It is always a risk to have other tell you how things are because the risk for bias increases. This since you cannot be sure that the source has understood the situation correct and those can or will inform you correct.

To avoid this you should in the best of worlds talk directly to the people involved, visit and study them in there daily business operations and validate the information by talking to many sources and to use your own easy.

#### **Main Lesson:**

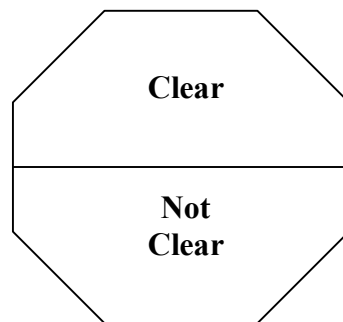
- Analyze the presence by going as close as possible to your target and validate the information

#### **Read more:**

- Defining and Analyzing a Business Process: A Six Sigma Pocket Guide by Jeffrey Lowenthal

## To define the future – where do we want to go

The future is not clear when starting a process development project. You cannot have a complete solution at the start of the development project. There are many reasons for why it is like this. The first one is that you often don't know enough about the current situation and the current situation has a great impact on what you want to change and what you can change. When starting analyzing the current solution you will discover new knowledge that will affect the future solution.



**Picture 3:** When starting a process development project some part of the future business are defined and some parts are not cleared

Another problem that you can have is conflicts about the future solution between different stakeholders. They have different interest and where they want to solve or achieve their problems or goals. This makes it difficult to have a clear picture about the future solution.

The last aspect is how to describe and communicate the future front-up. Often you can have a clear picture about the future but it is hard to describe and communicate it to others. Here you need to find a way to communicate that it is understood by those you want to understand.

### 1.4 How to define the future

As wrote above is it hard to describe the future front-up but you need to start somewhere. I think the best way is to start with defining the “rules” on a general level for the future business. Often these rules are connected to the overall business strategy regarding business operation. For example “our customers are “X” and we are solving there problem “Y” by offering high quality services and products. Here we know that quality is a very important factor for the business operation and we need to develop processes that support that.

The next step is to define rules or patterns on a process level. I think it is important to develop processes or a business that have a similar why to solve problems and conduct there business. This makes it easier for the organization, suppliers and customer to understand and predict how the business is going to act. Often is it more cost effective for the organization to not allow exception flows, since every exception is generating extra work and resources.

<b>Areas of development</b>	<b>Level</b>
Business strategy	Business Level
Business rules	
Business goals	
Process rules	Process level
Process goals	
Customer view	
Realization view	
Internal structure	Organizational level

Picture 4: Different areas for process development

After that the rules and patterns are defined you can define goals for the process, both external and internal. This will help you in the next step where you should define what the process should do from a process customer perspective. It is a good idea to start with a customer perspective on the process because it is for them the process exists. Often the users/organization is focused on their own work and cannot separate it from what actually the customer wants.

When the customer view has been defined it is time to define the internal business operation so the customer view can be achieved. Here you can connect the process development to the internal goals and rules of the organization.

The last step is to design the functional structure of the organization so it works together with the new or changed processes. A mistake that often is made is that the functional structure is not considered or changed when doing process development. The structure of an organization is vital for its ability to work according to the new processes. The structure is not only the functional organization, it is much more. The structure consists of all items that help the organization to fulfill their goals such as templates, tools, IT-systems, knowledge, social norms, values etc.

**Main lesson:**

- The solution is evolved during the process and not front-up

**Read more:**

- Process Innovation: Reengineering Work Through Information Technology by Thomas Davenport
- Lean Thinking by James P. Womack and Daniel T. Jones
- Business Modeling with UML: Business Patterns at Work by Magnus Penker and Hans-Erik Eriksson

## **To lead the change from the presence to the future**

The most difficult part of a process development project is to lead the change, to go from “A” to “B”. The reason for this is that here you need to get the affected people accepting and adopting the change so it gets implemented. If you don’t manage this, the change will not be realized.

When leading the change there are two different groups of people that you need to lead. First is it the people who are developing the change, often a process development project, and second is it the people who are affected by the change. It need not always be the people within the organization; it can also be people outside the organization.

In some cases you separate the process development from the implementation of the changes. It can be two separate projects or the development is done as a project but the implementation is done by the line organization. I think this is a mistake because both tasks are closely connected to each other and they are both needed for a success to take part.

### **1.5 Manage the people who are affected by the change (the line organization)**

Most people are suspicious to change and that is a sound human reaction or instinct. Why should you leave your comfort zone? Why should you risk or jeopardize what you have? To make people leave there comfort zone and risk what they have you need to have two things;

1. People need to have a clear vision of where they should go and also why they should go there.
2. People need also a strong or clear leadership that is driving the change.

Without know where to go or why they should; people will not leave there comfort zone. To develop a vision of the future I think that you need cooperation between the people who are affected by the change and the people who are developing the change. This is not something that is developed or implemented during a coffee break. It something that will take time and you need to have a strategy for how to implement the vision and the change.

This work can only be done if you have a strong leadership with key stakeholders that the affected people trust and look up to. The leadership needs to consist of both formal leaders (Managers) and informal leaders. If this group of people is not involved, the affected people will not move.

#### **Main lesson:**

- Have a good involvement and communication with the affected persons

#### **Read more:**

- Leading Change by John P. Cotter (1996)

## **The process development project**

To manage a process development project successfully you need to have goals, competence and structure. Without these three aspects will you not succeed with the project. You need goals to know what the project should achieve and competence and structure to know it should achieve it.

### **1.6 Goals**

Goals are very important in a project since it gives the team members guidance in what they should do. Goals can be on different levels both in time and scope. You can have long term goals and short term goals. They can be very broad and very narrow.

The goals should be measurable and achievable so the project members can accept the goals and work according them. If goals are not accepted by the project members will the project get diffuse and it will lose momentum. Goals can be related to the product/result of the project but they can also be related to the work process within the project. A skilled process developer will use a variety of goals to drive the project forward.

### **1.7 Competence**

To get result from a process development project you need to have competence within in the team from different areas. The team needs to have knowledge about how project work is conducted, the product/result that they want to achieve and the business that is affected.

You need to find people who know how a process development project should be managed and who also know how they should act as a team member in a project. Here is it important to not only to have experience from working in a project but to have experience from working in a process development project. There are differences between projects. For example is a construction project different from an IT development project.

You need also to have knowledge about the solution that the project wants to achieve. For example if you are developing an SAP solution you need to have knowledge about SAP. If you are developing a CRM solution you need to have knowledge about customer relation management.

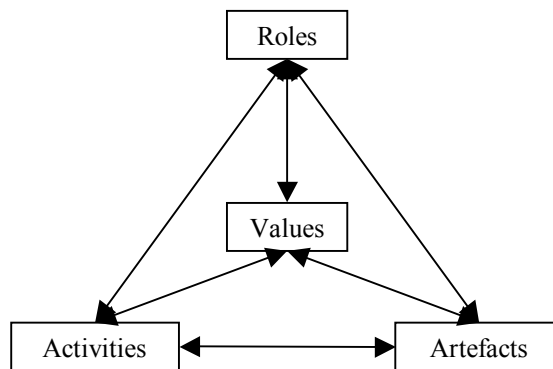
At last you need to have people who have knowledge about and experience from the business that is going to be developed or changed.

It is almost impossible to find people who have a good knowledge in all areas so you need to find people who together create a good mix of competences.

### **1.8 Structure**

To be able to manage a process development project and to achieve results you need to have a structure for the project. The structure will help the project and its members to plan and conduct the work within the project. The structure can be divided into the following areas:

- Roles – who shows different areas of responsibility and which competence that is needed.
- Activities – who shows what the roles should be doing
- Artefacts – shows what the activities should result in and who is responsible for that
- Values - which values do we have in the project



Picture 5: The relationship between different areas within process development

Values within a process development project are very important for the outcome of project. Values are nothing that exists from the beginning in the project but something that is developed over time. Therefore has management an important role to drive the development of good values.

To have an effective development process should you continuously evaluate the development process. This gives the participant the possibility to give feed back on who the process work is conducted and the possibility to improve the development process.

### 1.9 What will a process development project deliver?

When a process development project has reached the position B they have created something. Some of it is visible for the organization and some of it is not so visible. At a high level a process development project results in new work practices, which in there turn can consist of new:

- Goals
- Activities
- Artefacts, both Internal and external)
- Competence/knowledge
- Values

#### Main lesson:

- Have clear goals for the project and staff it correctly and provide a good infrastructure for the project.

#### Read more:

- A Guide to the Project Management Body of Knowledge, Third Edition (PMBOK Guides) by Project Management Institute