The BPTrends Process Redesign Methodology

In earlier chapters we considered how a company might decide to modify a process or select a specific process for redesign. In this chapter we want to consider how a company might go about redesigning a business process or creating a new process. For our purpose here, we will assume that the process to be redesigned is a reasonably large process and that the company involved wants to do anything it can to make the process more effective. In other words, we will be considering a methodology for a significant business process redesign effort.

This chapter will provide an overview of how analysis, project management, change management, communication and facilitation must all be woven together to achieve results. It will also suggest how a team can be assembled and suggest some of the roles that will be required.

There have been a number of books published describing redesign methodologies. Most focus on major phases, as we do here, and some go into exquisite detail, defining a process with hundreds of tasks or steps. The methodology we describe here is the BPTrends Process Redesign Methodology, which was designed to structure the training of new process change practitioners. We have already introduced the BPTrends methodology in Part I of this book when we discussed enterprise development. In essence, BPTrends suggests that companies develop a business process architecture and create institutions that will allow the company to prioritize its subsequent process work. We refer to the methodology that puts an enterprise process capability in place.
as the BPTrends Enterprise Methodology. If this methodology is used, then an enterprise level BPM group will prioritize and scope future business process change efforts. Unfortunately, most companies lack a sophisticated enterprise level process capability, and thus the BPTrends Redesign Process Methodology is designed so that it can either accept information from the enterprise level or generate the information needed for a redesign project from scratch. (See Figure 13.1.)

**Figure 13.1 The BPTrends Process Redesign Methodology.**

The BPTrends Process Redesign Methodology assumes a process redesign project that takes place in five phases. Once the project is complete, it assumes that the process and associated process management system will work together to execute the process on a day-to-day basis, and that one of the things that the process manager will do is to maintain and improve the process on an on-going basis. The methodology also assumes that most implementation phases of most projects will involve other groups, like IT or Human Resources, in the development of components, like training courses and software applications, that will be needed for the new process design.
The BPTrends methodology is designed to provide a framework for a variety of best practices. It assumes that most organizations will already be using specific techniques like SCOR, Balanced Scorecard and Lean Six Sigma. Thus, the BPTrends methodology is designed to provide a project framework into which more specific techniques and practices can be incorporated.

Figure 13.2 takes a somewhat different look at a process redesign project. In this case we picture the five phases in the middle of the diagram, and surround them with some of the broad concerns that anyone contemplating a major process redesign project should consider. Just above the five phases, we suggest that anyone undertaking a process redesign project will need a variety of modeling, analytical and design techniques we focused on in Chapters 8, 9, 10 and 11.

Below the five phases in the center of Figure 13.2, and in addition to analysis and design techniques, we suggest that individuals will need skills in conducting research, interviewing, and group facilitation. In other words, you can't analyze information until after you've acquired it. In most cases, you do this by asking questions of employees and managers who perform the process you are attempting to redesign. In other cases, you must gather and analyze data from reports and historical records that document how the process has behaved in the past.
The outer section of Figure 13.2 suggests two more skill sets required for a process redesign project. At the top we list project management. A process redesign project is, first of all, a project. Projects need to be managed and process redesign team leaders need training in project management skills. They need clear goals, a plan, a schedule, a team, milestones and all of the other things that assure that the work gets done in an orderly manner.

At the same time, the project team needs a communication plan. The team manager needs to talk with those working on the project and he or she needs to sell the changes to be made to all the stakeholders who will be affected by the change. Some might prefer to call this change management. Whatever it is called, it requires its own set of skills. People resist change and their resistance is only overcome if someone can explain how the change will benefit them. That requires that the person managing the communication understand the needs and interests of each of the processes’ stakeholders and manages to communicate with them in terms they understand.

We have already discussed analysis, modeling and design considerations. In this chapter, we will talk more about the management and communication issues. We don't really address interviewing and group facilitation in this book, but we recommend some good books in the Notes and References at the end of this chapter that will provide interested readers with some help in this important area.

We strongly recommend that companies use an experienced facilitator to actually manage a redesign project. The facilitator might come from a redesign group inside your organization, or he or she could be an outside consultant. In either case, the facilitator will probably have his or her own specific approach to business process redesign. What we want to do here, however, is to provide managers and redesign team members with a broad overview of what will happen in almost any large business process redesign effort.

The methodology we describe is best suited for a large-scale effort. Some changes in business processes are routine. They are adjustments made to correct a minor problem or to implement some minor change in the ways things must be done. A change in the price of an item, for example, must be communicated to salespeople, altered in sales catalogs, and changed in software systems. These changes are initiated by the process manager who is responsible for the process or by departmental managers who are responsible for the specific activities that need to be changed. We are not concerned with such routine changes. Instead, we describe an approach that can be used to undertake a major overhaul of a value chain or a major business process.
Major business process redesign projects are usually managed by a steering committee and undertaken by a team that represents all of the functional managers involved in the change. Unlike the less-formal techniques used by managers who need to adjust a process, a major business process redesign effort usually requires a systematic methodology that defines phases and responsibilities and provides the basis for a project plan and schedule. A significant part of the effort will involve keeping senior managers in the loop---communicating with them---to assure their support when it's time to implement the process. This communication process isn't a direct part of business process redesign, but it's vital to assure that the changes get implemented. Assuring that your team has someone knowledgeable to manage the entire project, including all the communication aspects, is another reason we recommend the use of an experienced facilitator.

Why Have a Methodology?
Large projects take time and involve many different people. If they are well planned, they can be conducted efficiently, minimizing the time required of those involved and assuring that results will be obtained in a relatively short time. Outside consulting companies routinely analyze and redesign large business processes in 3-6 months. On the other hand, we know of projects that started off to analyze a process and were still at it 2 years later when the whole project was scrapped. Projects that lose their way usually do so because the people involved don't have a good plan, don't have concrete milestones, and don't have practical criteria that allow them to decide when a task or phase is complete.

What's even worse than a project that gets lost in the swamp of analysis is a project that completes its work and submits a good redesign that never gets implemented. Implementation failures occur because key departments, managers, or employees haven't committed to the project. A good redesign effort requires a lot more than a process redesign. It requires that the company go through a change process that systematically gains the commitments of all relevant stakeholders. At the same time, it requires that the implementation be planned with as much care as the redesign and that managers and employees involved in the process have their job descriptions and incentives changed so that they are judged, and rewarded, when the project meets its goals. If customers or other companies are involved, care must be taken to assure that they are just as committed as your company people are to the new process. Thus the methodology we describe is not simply a plan for redesigning a process. It's a plan for both a redesign and for securing the support of all the people necessary to assure that the new process will be implemented.
How Does It All Begin?

In the earlier chapters of this book, we described an enterprise alignment cycle. We argued that every organization should establish a process that linked corporate strategy with a business process architecture group. The business process architecture group, in turn, should identify process changes mandated by changes in corporate goals and then generate a prioritized list of projects. Each project should be assigned a sponsor who is responsible for undertaking the project and assuring that the scope of the redesign corresponds with the goals the executive committee and the architecture group set for the project. In this chapter, we won't concern ourselves with the strategic and architectural functions, but assume that, somehow, a senior manager has been assigned goals and the responsibility for improving a business process. Thus, for our purposes here, a project begins with a senior manager who is responsible for undertaking a business process redesign.

What Happens?

Figure 13.1 provides a very high-level overview of the phases in our redesign process methodology. The project begins, in Phase 1, when the responsible manager sets things going. Typically, the manager, who we usually call the project sponsor, retains a project facilitator who will manage the actual process analysis and redesign effort. The facilitator then works with the project sponsor to develop a plan and schedule and to select other individuals to take part in the project.

Ultimately, the planning effort results in a business process redesign team that includes a wide variety of members, including process managers, employees, IT specialists, and others concerned with the process. This team documents the current process, going into only as much detail as seems appropriate.

Once the analysis is complete, the same or a modified team considers various redesign options and arrives at the one they think best. After the redesign is approved, a development plan is created that requires efforts from everyone involved in creating products necessary for the process change.
Finally, after each of the specialized groups has completed its work, the new process is implemented. Assuming all goes well, the new process is used until managers find need to correct it, or until the strategy and BPM group determines that the process should be revised again, in response to still newer threats or opportunities. We'll consider each of these phases in some detail below.

To keep things simple, we are assuming that the process redesign project is confined to a single company or division. Many e-business applications, especially supplychain-driven redesign projects, involve organizing several companies to work together. The essential process is the same as we will describe, but the establishment of steering committees and design teams can be quite a bit more complex. In some cases, goals and plans may need to be specified in legal contracts before the redesign team can even begin its work. In these cases, a strong BPM group is especially important.

**Who Makes It All Happen?**

Obviously the names of groups and the job titles will change from one organization to the next. Broadly, however, we assume that the ultimate decisions are made by a group that we'll term the *executive committee*. The executive committee may include a strategy group and a BPM group, or these groups may report to the executive committee. The strategy group provides inputs to the BPM group, which, with the approval of the executive committee, decides what business processes need to be redesigned. However it is organized in any specific company, the executive committee is probably made up of the CEO, the COO, and the heads of major departments and business units. The executive committee is responsible for adopting new corporate strategies and setting corporate goals. Once goals and strategies are adopted, the BPM group is responsible for determining which value chains or business processes should be modified to achieve new strategies or goals, and developing plans to assure it happens. The BPM group may have many of the same members as the executive committee, or it may have more specialists and planners.

A major redesign effort takes time and consumes the efforts of lots of executives and managers. Thus, it is only justified when it is determined that minor changes won't produce the desired result. A major redesign is usually undertaken only if the organization makes a major shift in its strategic orientation, or if a major new technology is to be incorporated that will impact a number of different subprocesses and activities within a major business process.
Once the executive committee decides a process redesign effort is justified, someone must be assigned to oversee the project. If the organization already has a process orientation and process managers, then the person responsible for the project is the process manager, and the project steering team is made up of the team of managers who normally work together to oversee the process. In this case, the project sponsor is either the project manager, or someone directly appointed by the project manager. In companies that do not currently have process managers, a project sponsor must be appointed by the executive committee. Since one of the goals of a serious process redesign effort should be to reorganize the process management system, the person appointed as project sponsor, in this case, is usually the individual who will emerge as the process manager when the redesign is complete. However it's arrived at, the project sponsor is the individual who is ultimately responsible for the redesign project. He or she does not manage the day-to-day work of the redesign team, but is responsible for approving major decisions and working with members of the executive committee to assure broad support for the work of the redesign effort.

At the same time, a process redesign steering team should be established. This team usually consists of high-level representatives of all of the departments or functions involved in the process. In some cases, the BPM group serves as a permanent redesign steering team. In other cases, the team is a subcommittee of the executive committee. In any case, you need to create such a team. This team has two key functions. First, it must approve the work of the redesign team and, second, its members need to assure that the managers and employees within each of their respective organizations understand, support, and will implement the redesigned process. The work that goes on with the redesign steering team is just as important as the redesign work itself. The team members must be powerful enough to commit their functional groups and to assure that their managers will be held accountable for a successful implementation effort.

Next, an individual needs to be selected to actually facilitate the process redesign effort. In some cases this individual is a consultant who comes from outside the organization. In other cases he or she comes from a business process group within the company. In either case, it's important that this individual is neutral and doesn't have any stake in, or any commitment to, the functional groups that will be engaged in the redesign effort. The project facilitator should be a consultant who understands how to facilitate process redesign. The facilitator does not need to understand how the specific business process works. Instead, he or she should be skilled in working with a design team to assure that they succeed within a reasonably short time. A good facilitator is the key to assuring that the analysis and design occur on schedule and don't get bogged down in an unnecessary analysis effort.
Finally, a process redesign team should be established. This group will actually struggle with the details of the process and make the choices about how to redesign the process. The team is usually composed of managers or supervisors from each of the major subprocesses or activities involved in the process. In most cases, technical specialists from human resources and IT should also be included on the project redesign team.

Phase 1: Understanding the Project

Ideally, the goals and overall schedule of any specific process improvement effort should be defined and limited by a charter or plan issued by the BPM group. The plan may have come from the strategy committee or the executive committee. If no project plan exists, the team responsible for the specific business process improvement effort will need to develop a plan. Specifically, they will need to determine the organizational strategy and the goals that the specific process is expected to support, and they will need to define how the specific process relates to other company processes and to company customers and suppliers. In effect, they will need to generate a limited version of the company strategy in order to define and scope their task.

Assume that a BPM group has assigned a priority to the project, created a general plan, and assigned a project sponsor. In that case, the first task of the project sponsor is to identify a steering committee, "hire" a facilitator, and oversee the elaboration of the project plan. In most cases the project facilitator manages the actual day-to-day work of the project. In some cases the facilitator will be an outside consultant, and in other cases it may be an internal facilitator provided by a corporate business process improvement group. In either case, the facilitator will probably begin by interviewing a number of people to assure that he or she understands what everyone expects. In effect, the facilitator begins by checking the completeness of the plan.

Interactions between the project sponsor, the steering team, and the facilitator will also help refine the project plan. The same group should also work together to assemble the process design team – the individuals who will be responsible for actually analyzing the existing process and then developing the new process design.
In most cases, it is the project facilitator who actually writes out a formal planning document and then modifies it after he or she receives inputs from the sponsor and other team members.

Once the project plan and a schedule are completed, they should be reviewed in a joint meeting that includes everyone involved in the project. This is a critical meeting, and the outcome should be an agreement on the scope and goals of effort to be undertaken. If someone's unhappy with the project, this is the time to deal with it. Otherwise, throughout the other meetings and later, during implementation, you are likely to have someone resisting the new process.

Major Activities
Figure 13.3 provides an overview of what's involved in the planning phase. Figure 13.2 uses a process diagram to show who is involved and what happens in what order. Most of the tall activity boxes represent meetings in which members of all the groups get together to review proposals and agree on plans. These meetings and the consensus-building effort that they represent are an important aspect of any major business process improvement project.

Most of the detailed work of this phase is done by the facilitator in conjunction with the steering team.

- The executive committee appoints a project sponsor and creates a steering team. They, in turn, appoint a facilitator and a process redesign team. Most of the detailed work is undertaken by the project facilitator, who interviews senior managers and those currently involved with the process. The facilitator creates and presents draft documents for the sponsor and steering team to review and approve.

- Refine the scope of the process to be analyzed and redesigned. If the corporate committee created documents describing strategy changes, goals, measures, and a description of how the process should be changed, then one begins with them.
  (This information can be documented on an organization diagram and on an organization goals and measures worksheet\(^1\), or in any other reasonable format.)

\(^1\) In this chapter we will mention several worksheets that can be used to document a process or record decisions about a redesign. We have introduced these worksheets in various other chapters as we discussed analysis and design issues.
**Figure 13.3** An Overview of Phase 1 of the Process Redesign Methodology.
The sponsor, steering team, and facilitator should begin by reviewing everything that has been documented. If no documentation of this sort has been prepared, then the team should create them. Unless the BPM group has already done it, the team should also review or create a value chain or process relationship diagram to assure that everyone understands how the specific project fits with other corporate processes. If the project is large, the team may want to create a high-level process diagram, define the major subprocesses that make up the overall process, and define their relationships. In this case, the team may also subdivide and different groups may focus on different subprocesses, or they may prioritize the analysis and improvement of subprocesses.

- Review project goals. The team should review the goals set for the project and explore how they relate to corporate strategy and goals. If the process is large or complex, the team may want to identify which subprocesses lead to which goals or create subgoals for different subprocesses. If a process management system is going to be created or redesigned, then managers from the different functional units should definitely be included on the redesign team.

- Once the project is scoped, it needs to be described and a business case for the project needs to be built. We have discussed this in some detail, using the gap model, in Chapter 8. The team will review and document project assumptions, requirements, and constraints. The more familiar the team becomes with the specific process, the more likely it will see alternatives or identify constraints that the corporate committees overlooked. The team should document every assumption and constraint it identifies to clarify its thinking about the nature of the process. Facilities, manufacturing machines, computer hardware, and software systems are often sources of constraints. Changing them, or working around them, can often impose huge costs on a project and render an effective redesign impossible. It's important to find out what constraints might limit redesign as early as possible.

- Create a project schedule and budget. As the team learns more about the specific project it is planning, it will either create or refine the schedule and the budget developed by the business BPM group.

- Benchmark data describes industry averages for specific types of tasks. Or, in some cases, it describes what competitors have achieved. In most cases it's hard to get good benchmark data, although it's widely available for packaged applications from the vendors and in some industries from associations. If benchmark data is to be used to determine minimal goals for a redesign effort, this fact should be identified in the planning stage and a plan developed to secure it.
• Determine who will take part in the actual analysis effort. Identify the members of the process redesign team. In most cases, only some of the members of the team will actually take part in the workshops in which the process is analyzed. The overall team should determine who will take part and arrange for them to be available for the time required. The analysis and design work will take place during meetings, which are often called workshops. It's best to have a neutral, trained facilitator to run the process, and we'll assume one is available throughout the remainder of this discussion.

Outcome

This phase ends with a detailed project plan for a specific business process that has been approved by the executive committee, the business BPM group, the process sponsor, and the project steering committee. When everyone agrees on the plan, it's time to begin Phase 2.

Phase 2: Analyze Business Process

The goal of this phase is to analyze and document the workings of an existing process. Some organizations will have already done this analysis. In other cases, the project team will be creating a completely new process, and there will be no existing process to analyze. Still other project teams will decide to skip the analysis of the existing process and focus on creating a new process. Most process redesign teams, however, should develop at least a high-level overview of the existing process simply to provide a starting point for redesign efforts. A few organizations will undertake a detailed analysis of an existing process and then proceed to develop a detailed time and cost model of the current process in order to run simulations to study how specific changes would improve the efficiency of the existing process.

The actual work during this phase is typically accomplished by the facilitator and during meetings between the facilitator and the process redesign team. The team that is to analyze the process meets with the facilitator. Some facilitators prefer to have the team together for several days in a row and to work through the analysis in one push.
Other facilitators prefer to meet for 2-3 hours a day, usually in the morning, every other day for several weeks, until the analysis is complete. There is no correct way to do this. It depends on the company, the facilitator, and the scope and urgency of the project.

The facilitator runs the meetings and helps the team analyze the problem. The facilitator usually draws diagrams and makes lists on whiteboards or large sheets of paper that are put up around the meeting room. The facilitator is usually supported by a scribe (or analyst) who takes notes as the team makes decisions. If a process modeling software tool is used, it is usually the scribe who uses the tool. The team members don’t need to use the tool or worry about it. The main goal of using a software tool is to capture the information and make it easy to print notes and create diagrams to document the process. Between team meetings, the facilitator and the scribe work together to assure that the documentation is accurate and then print documentation so that the team members will have it when they arrive for the next session. A specially designed process-modeling tool makes it possible to document a morning session and then provide printouts of the resulting diagrams in the course of an afternoon. Companies that run intensive efforts, where the team meets every morning, are usually forced to rely on a software tool to assure that the documentation can be prepared promptly between sessions. Software tools are discussed in more detail in Chapters 15 and 16.

Major Activities

Figure 13.4 presents an overview of Phase 2 of the process redesign project. The activities of this phase are undertaken by the process redesign team, guided by the facilitator.

• To assure that things move quickly and smoothly, the facilitator usually reviews the plan and interviews a variety of stakeholders to get up to speed on the process and the problems that call for a redesign. In addition, to assure that the process design team gets off to a fast start, the facilitator will often create a first-draft version of the process. In this case, rather than having the team define the process from scratch, the facilitator begins by proposing an overview of the process and then works with the process redesign team to refine the strawman version. This is a reasonably painless way to introduce organization and process diagrams. The facilitator puts up diagrams of a process the team is familiar with and talks them through it. The diagrams are easy enough to understand that the team quickly gets into identifying activities or flows that are wrong or missing.
<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Committee</strong></td>
<td>Project Approved and Initiated</td>
<td>Redesign Plan Presented and Reviewed</td>
</tr>
<tr>
<td><strong>Strategy Committee</strong></td>
<td></td>
<td>Redesign Approved and Initiated</td>
</tr>
<tr>
<td><strong>BPM Group</strong></td>
<td></td>
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<tr>
<td><strong>Process Sponsor or Owner</strong></td>
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<tr>
<td><strong>Project Steering Team</strong></td>
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<tr>
<td><strong>Process Improvement Project Facilitator</strong></td>
<td>Facilitator Conducts Interviews and Drafts Strawman As-Is Process</td>
<td>Redesign Plan Drafted</td>
</tr>
<tr>
<td><strong>Process Redesign Team</strong></td>
<td>As-is Process Defined in Detail</td>
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<tr>
<td><strong>Support Groups</strong></td>
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<tr>
<td><strong>Managers and Employees Who Implement Process</strong></td>
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<td><strong>Elapsed Time</strong></td>
<td>3-6 weeks</td>
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• Document the current (As-Is) process. Use process diagrams to document an As-Is version of the process. If the process is large, begin with a high-level As-Is process relationship diagram that identifies the key subprocesses. Then develop a separate As-Is process diagram for each subprocess. Repeat this process until you arrive at an As-Is process diagram that shows activities and describes the process in as much detail as the team feels necessary. The goal isn't analysis for its own sake, but a diagram with enough detail so that the team can easily see what will need to be changed to improve the process and to achieve the project's goals. A good facilitator can help the team focus on creating "just enough" analysis and avoid getting lost in details.

• Agree on the names of processes, subprocesses, inputs, outputs, and activities. Different groups often use different terms to refer to the same processes and activities. One important outcome of a process analysis should be an agreement on what processes and outputs should be called. This is especially hard if many different functional groups are involved, and it's very hard if multiple companies are involved.

• Identify any "disconnects" or deficiencies in the current As-Is process. Record findings on a process analysis and improvement worksheet.

• Activities are linked by lines that show where inputs to the activity come from and where outputs go. The lines should be labeled. The flows between activities can be products, documents, information (data), or money. If the inputs or outputs are complex, it is probably worth describing them on a process analysis and improvement worksheet.

• Determine necessary characteristics of each activity. As we've said before, we use the term activity to describe the smallest unit of process we intend to model. Each activity needs a name, and it should probably also be given a written description to be sure everyone will know just what it entails. An activity can be performed by an individual, automated by a software system, or performed by a combination of a person and a software system. You should note how each activity is performed. In other cases, it may be important to document how decisions are made during an activity. If the flow from an activity branches, it is often useful to include information about how it is determined which path a given output takes. If many different business rules are used to make decisions, it might be worth listing the rules that are applied. If specific goals, subgoals, or quality measures are associated with an activity, they should be defined. All of this information should be noted on an activity worksheet or recorded by means of a software tool.
• This is another point at which interview and group facilitation skills are required and where a knowledge of change management will pay off. The team will need to interview people, individually or in groups to get information about the As-Is process and its problems. The questions to be asked should be well thought out. Moreover, as team members interview employees, they will also have to answer questions about the changes that might take place. Employees will want to know what the team is trying to accomplish. Employees will usually leave these interviews with an initial bias for or against change, depending on how the project is explained to them. If the team members are skillful in explaining the project in a way that makes sense to the interviewees, and suggest how the work will benefit them, the interviewees are much more likely to support the project in the future.

• Develop a process management design. Usually a subset of the entire process design team, made up of managers, meets to document the current management process. As we have suggested, the management process involves organizational, process, and functional aspects. It also involves establishing goals and measures for the process as a whole and for each subprocess and activity. And it involves actually taking measures and evaluating deviations from the expected results. If this has been done in the past, then existing managers should be able to provide specific data on which activities and subprocesses have been performing well or failing in the recent past. Similarly, there should be documentation on corrective actions that have been attempted. If this data doesn't exist, then the As-Is management team should at least document the structure that does exist and develop a document specifying where the management process breaks down. At a minimum, the team should develop a good idea of who is specifically responsible for managing each existing subprocess and activity.

• Although we have not emphasized it up to this point, a process redesign effort typically requires changes in both the specific activities that make up the process and the management system that monitors and controls the process in everyday use. In our examination of hundreds of business processes, we have consistently found that there were more problems with the management systems that control the process than with the activities that comprise the process. That is why the team should consider how the management system will support the process before going into the specifics of process redesign.
Useless or poorly ordered activities will result in an inefficient process. On the other hand, even a relatively well-designed process that is managed by supervisors who haven't established clear measures or who don't reward behavior that is critical to the success of the process is just as likely to be inefficient. In reality, in any major process redesign effort, we usually find opportunities to improve both the process structure and the management system. We will devote a subsequent chapter to management and measurement problems.

If the team plans to do cost studies, then each activity should be analyzed to determine its cost, the time it takes, the outputs produced per unit of time, and so forth. Time and cost can be documented on an activity table, but if you are really going to do cost studies and compare alternatives, then it's much better to use a software product and enter the information into tables associated with the activity on the software product diagrams. This is done on an activity cost worksheet.

Refocus on the project goals and challenge old models and assumptions. After the process analysis is complete, it's usually useful to revisit the goals, assumptions, and constraints defined during Phase 1 and to challenge each one. Can it be achieved? Can you do better? Is the assumption or constraint valid? Is there some alternative that will ease or remove the constraint? Revise the goals, assumptions, and constraints as appropriate. This is a good point at which the team might redraw the gap model to summarize what they have learned and what changes they are considering.

Recommend changes in the effort as necessary. If, in analyzing the current version of a process, the team realizes that assumptions are wrong or that opportunities exist that weren't previously recognized, they should communicate their recommendations to the steering team or the executive committee and suggest changes in the scope of the project effort. Do not proceed to a redesign phase with flawed goals or assumptions. That's just a formula for a project that will end in acrimony.

Summarize all the findings in a redesign plan. At the end of the effort, the redesign team should summarize their findings and propose a general approach to the redesign of the process. This redesign plan should take into account all of the assumptions, constraints, and opportunities the team has discovered.
• Present and defend the redesign plan before all of the higher-level committees and obtain their approval. Depending on the organization, this may be a public process or it might take place on a one-on-one basis. The key thing, at the end of each phase, is to obtain the approval and commitment of all those who will later have to assure that the new process is actually implemented. As with other employees, the team will need to explain the project in the terms each executive will understand, explaining the benefits of the change for that executive. If an important manager doesn't accept the proposal, it's better to stop and either deal with the objections or come up with a new design. The alternative is to create a plan that will be "dead on arrival," since a key manager won't support implementation.

Outcome

The outcome of this phase is a set of documents and models describing the existing (As-Is) process, a draft plan for the redesign of the existing process, and the support of all key senior managers.

Phase 3: Redesign Business Process
The goal of this phase is to create a design for a new or improved process. In some companies this phase is combined with the previous phase, and the design team moves smoothly from documenting the As-Is process to creating a new or To-Be process. In other cases, this phase is undertaken without having first undertaken Phase 2, or it is undertaken by a slightly different design team.

The actual work during this phase, as with the analysis phase, is normally accomplished during meetings between a facilitator and the process redesign team. The team that is to improve the process meets for 2-3 hours a day, usually in the morning, or for several days at a time, depending on the facilitator and team member schedules. The number of days or meetings will vary greatly depending on the scope of the project and the level of detail being created or redesigned.

Once again the facilitator runs the meetings and helps the team consider alternatives. The facilitator is usually supported by a scribe (or analyst) who takes notes on what the team decides. Between team meetings, the facilitator and the scribe work together to prepare documentation so that the team members will have it when they arrive for the next session. Many software tools include the ability to send results to team members via the Web so they can study them online between meetings.
## Major Activities

The major activities in Phase 3 are illustrated in Figure 13.5.

<table>
<thead>
<tr>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyze Process</td>
<td>Redesign Process</td>
<td>Redesign Process</td>
</tr>
<tr>
<td>Executive Committee</td>
<td>Redesign Approved and Initiated</td>
<td>To-Be Redesign Process, Development, and Implementation Plans Presented and Reviewed</td>
</tr>
<tr>
<td>Strategy Committee</td>
<td>Innovate and Consider Could-Be Options</td>
<td>To-Be Process Created</td>
</tr>
<tr>
<td>BPM Committee</td>
<td>To-Be Process, Development and Implementation Plan Drafted</td>
<td>To-Be Redesign Process, Development, and Implementation Plans Approved and Initiated</td>
</tr>
<tr>
<td>Process Sponsor or Owner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Steering Team</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Improvement Project Facilitator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Redesign Team</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers and Employees Who Implement Process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elapsed Time</td>
<td>6-15 weeks</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 13.5** An overview of Phase 3 of the process redesign project.
• Review As-Is process and improvement goals, and identify specific opportunities to change the As-Is process. Depending on the scope of the design team's mandate and the schedule, the team may focus on very specific types of improvements, or may relax all possible assumptions and speculate about radically different ways of organizing the process.

• This is the point at which the redesign team ought to do some brainstorming and consider really innovative options. Generate a list of possible Could-Be processes and consider the benefits of each. If someone is skilled in TRIZ, this is a good point to use this innovation technique to help generate some alternative possibilities. In most cases, the solution will be obvious and the tendency will be to move quickly from the existing process to the obvious To-Be process. That tendency should be resisted, if possible, and some time should be spent considering if a real breakthrough in thinking about how the process is done is possible. A breakthrough isn't likely, but when it occurs it often results in huge savings or sharp increases in productivity, so it's worth considering.

• Design the new or improved process. The team's decisions should ultimately result in a new process that is documented on a Ta-Be process diagram. In complex projects, the team may create several alternative Cauld-Be process diagrams and then choose among them. The new design should eliminate disconnects and unneeded activities and streamline the activities, subprocesses, and the overall process whenever possible.

• Design a management process to support the new To-Be process diagram. The management process should specify who is responsible for each activity and subprocess. It should also establish measures for activities and subprocesses. This should be indicated on a role/responsibility worksheet.

• Rationalize reporting relationships. In some cases, changes in a process may suggest a new organizational chart that regroups employees and creates reporting relationships that will allow improved accountability and efficiency. New processes will probably require that employees and reporting relationships be established. In either case, the team should prepare a new organization chart indicating the hierarchy and reporting relationships of employees involved in the new or redesigned process. When appropriate, the process redesign team should review the actual jobs or roles involved in the process, and determine which functional managers will be responsible for which of the new process activities. This information is recorded on one or more process responsibility worksheets.
• Cost or simulate new process options. In some cases, design teams will want to compare alternate Could-Be process options to each other or to the current As-Is business process. Or if the process is new, the team may want to simulate it to learn more about it. This can be very valuable, especially if the process is complex. Simulation often reveals problems that no one notices when simply looking at diagrams. To do costing or simulation, however, the team will have to use a software tool and will need the support of someone who has experience in building cost or simulation models. If the team is already using a tool like Proforma’s Pro Vision, which is designed to represent To-Be process diagrams and do simulation, it will simply be a matter of entering more specific information about how each of the activities will function. If a spreadsheet is to be used, then the team will want to document the costs and times involved in each activity on an activity cost worksheet.

• Provide detailed documentation of new activities. If specific activities (i.e., jobs, software systems) are being modified or created, they should be documented on an activity worksheet.

• When the team arrives at a fully documented To-Be process design, it should arrange to present the proposal to the executive committee, project manager, and steering team. It’s important that these groups not only understand the new process but approve it. These are the senior managers who will have to work to assure that the new process is actually implemented. A lukewarm approval from senior management is a recipe for a failed implementation phase.

Outcome

The outcome of this phase is documentation describing the new process and management structure that the design team proposes. This design will probably not be in enough detail to satisfy the requirements of software developers or of job analysts, but it should be sufficient to convey to business managers the exact changes that are being proposed. The redesign plan should be approved by senior managers.
Phase 4: Implement Redesigned Process

The goal of this phase is to acquire the space and resources, create the job descriptions, train employees, set up management systems, and create and test software systems needed to implement the new process.

The work of this phase is handled in a variety of different ways. In some cases, the design team is sophisticated enough to continue to refine the To-Be process diagram into a detailed software requirements document that can guide software developers. In other cases, the design team that created the To-Be process diagram and the activities worksheets will hand their work over to a new team that will develop specific software requirements. Similarly, the original design team may undertake the creation of new job descriptions, salary and incentive structures, and so forth. In most cases, however, they will pass their design on to specialists in the human resources group for detailed specification.

Major Activities

Figure 13.6 provides an overview of the activities in Phase 4.

As Figure 13.6 suggests, Phase 4 involves additional participants in the new process development effort. Although representatives of IT have probably been involved in the earlier phases, at this point they will shift and become active on IT software development teams if new software applications need to be created. Similarly, human resource specialists will probably work with other human performance specialists to redesign jobs and provide needed training if new jobs need to be created or if new skills need to be provided for those already working on the process being redesigned.

The managers on the process redesign team, working with others in their various functional areas, should refine the management systems, managerial job descriptions, and measures required to assure that all managers involved with the new process will understand the changes required and the new criteria by which their performance will be judged.
Figure 13.6 An overview of the major activities in Phase 4 of the redesign effort.
Various groups will test their work individually, and then, if it's a large process, it will probably be given some kind of field trial to assure all the pieces work together, before the new process completely replaces the old.

This phase varies in length, depending on the nature of the changes that were selected during the redesign phase. It also varies because different specialized groups may become involved in this phase. Thus, this phase usually begins with the development of a new plan by the steering team, working in conjunction with the various groups that will actually develop the infrastructure needed to implement the new process.

In a typical case, IT people will be engaged to create or acquire new software to implement activities in the new process that are to be automated. In the process they will probably need to refine the To-Be process diagrams to create more detailed workflow models, use case models, and any of a variety of other UML software diagrams, depending on the nature of the software application to be developed.

Human resource people will be engaged to create new or modified job descriptions and to negotiate needed changes with unions and existing employees. Training people will develop materials necessary to train employees to perform new tasks. In the course of their work, human performance analysts will probably develop job diagrams and prepare job analysis worksheets. (See Chapter 6 for a discussion of how human resources might follow up the work of the process redesign team.)

During this same period, the managers involved in the effort should create or refine their management system. If the company is already organized around processes, and the process team is headed by the manager for the process being redesigned, then it will be much easier. In this case, it is a matter of refining how the process management team functions and checking all existing goals and measures to assure that they conform with the changes in the process. If, on the other hand, the company is not organized around processes, this is the point at which they ought to consider doing so. Obviously, a shift in the management of the organization will need to involve the executive committee and cannot be undertaken lightly. A project manager will need to be appointed. Managers currently reporting to department heads will need to be reoriented to become members of the process team and to report to the process manager. Goals, measures, and incentive systems will need to be renegotiated. Some measures and incentives may continue to flow from the department structure, but most should be tied to the overall performance of the process. If a company is really converting to process management, this can easily become a redesign project in its own right.
The alternative: To redesign a process, and then leave subprocess managers responsible to department heads and not to an overall process manager is a recipe for failure. In spite of the redesign, departmental managers will tend to manage to achieve goals chosen for departments and not for the process, and silo thinking will tend to reinsert gaps and disconnects where information and materials are passed between departmental units.

Outcome

This phase ends when the various groups developing infrastructure and materials needed to implement the new process have completed their work and tested their materials.

Phase 5: Roll-out the Redesigned Process

The goal of this phase is to transition to the new process. Many companies have redesigned processes and then failed to actually roll them out. This occurs for a variety of reasons. The foremost reason is that senior managers resist the change. Even managers who recognize that the old process is defective may be unwilling to endure the hassles and problems that changing to the new process will entail. Functional managers may not want to make seemingly minor changes in the way things are done within a department to support the goals of a process that's largely outside the focus of the department. Similarly, employees may resist using the new procedures or the new software systems.

The process sponsor and the steering team should plan for the transition. They should work with senior executives to assure that they have the "push" they will need to get all the relevant managers to try the new process. They should work with middle managers and employees to convince them of the advantages of the new process. In many cases, salaries and incentive systems will need to be changed to assure that managers and employees are rewarded for implementing the new procedures. And they should work with managers responsible for the process, at all levels, to assure that they have management plans in place so that the managers can measure the success of the new process.
Major Activities

Figure 13.7 provides an overview of what takes place in Phase 5.

![Diagram showing major activities in Phase 5 of a process redesign project.]

Figure 13.7 Major activities in Phase 5 of a process redesign project.
Few people like change. We all rely on habitual behaviors to make our tasks easier, and change upsets all that. Major changes, in which some employees are laid off and others need to learn to use new software systems, result in even more dissatisfaction. If employees, supervisors, and managers don't see the reason for the change, it's much worse. Thus, a good transition plan calls for meetings that acquaint everyone involved with the nature of the change and the reasons for it.

It also requires managerial pressure to assure there is no backsliding. Senior managers on the project steering team need to communicate to the managers below them their support for the change. The new management system needs to provide ways for senior managers to measure the results of the change, and everyone needs to understand that those measures will be carefully watched to make sure the new process works as designed.

If the change is extensive, then individuals need to be designated so that anyone having problems can get in contact with someone who can deal with the problem. Senior managers should follow up their initial meetings with subsequent meetings to let everyone know that the desired new results are being obtained and that management appreciates everyone's effort.

The activities of this phase vary greatly, according to the nature of the new process, the amount of change required, management support, and the resistance offered by those currently performing the process. In many cases the work of this phase will be subcontracted to a team of change management specialists.

Outcome

The outcome of this phase is a new process. Beyond the transition, managers will need to work to assure that the new process meets its goals and to identify new problems that will require subsequent changes. Maintaining a process is a full-time management job.
Summary

By way of a quick summary, the major phases in a process redesign project include:

- Phase 1: Understand Project
- Phase 2: Analyze Process
- Phase 3: Redesign Process
- Phase 4: Implement Redesigned Process
- Phase 5: Roll-out Redesigned Process

Figure 13.9 provides a slightly different way of looking at a process redesign project. In this case, we have listed the phases as a series of boxes. Within each box we have listed the key objective and the major steps in each phase. We have also listed the diagrams and the worksheets used in each phase. We have already described the various diagrams in early chapters. We will provide examples of the worksheets in later chapters. We mention them here to lay the groundwork for their use in the case study. In most cases, companies won't use the worksheets, and we provide them only as a way of showing the kind of information that a company needs to gather and the decisions that should be documented.

This overview cannot begin to provide detailed information about what should happen in each phase of a redesign project. Hopefully, however, it provides an introduction, and it should become clearer as we consider a detailed case study in Chapter 16.
Major Steps and Objectives

Corporate Process Management
- Undertaken by executive committee, strategy committee, process architecture committee, or process sponsor
  - Determine corporate strategy
  - Identify opportunities and threats
  - Identify corporate processes to be improved
  - Scope projects
  - Set general goals for project

Diagrams and Worksheets That May Be Used
- Organization goals and measures worksheet
- Supersystem diagram of organization
- Value chain diagram

Phase 1: Understand Project
- Undertaken by process sponsor, steering team, and project facilitator
  - Refine scope of project
  - Establish project schedule and plan
  - Detailed diagram of organization
  - Organization opportunities and threats worksheet
  - Project plan and business case

Phase 2: Analyze Process
- Undertaken by project facilitator and process redesign team
  - Define As-Is process
  - Define As-Is activities
  - Define As-Is management system
  - Identify key disconnects
  - Detailed diagram of organization
  - As-Is process diagrams to various levels of detail
  - As-Is process analysis and improvement worksheet
  - As-Is specific activity analysis worksheets
  - As-Is activity cost worksheet

Phase 3: Process Redesign
- Undertaken by project facilitator and process redesign team
  - Eliminate disconnects and improve process fit
  - Define May-Be processes
  - Define To-Be process
  - Define To-Be activities
  - Define To-Be management system
  - To-Be process diagrams to various levels of detail
  - To-Be process diagrams with measures
  - To-Be process analysis and improvement worksheet
  - To-Be specific activity analysis worksheet
  - To-Be activity cost worksheet
  - Process/function role/responsibility worksheet

Phase 4: Implement Redesigned Process
- Managed by project sponsor; undertaken by several specialized teams
  - Create and test new software needed for new process
  - Create new job descriptions required
  - Develop training
  - To-Be workflow model
  - Use case and other software models
  - Job model
  - Job analysis worksheets

Phase 5: Roll-out Redesigned Process
- Managed by business managers responsible for the new process
  - Manage transition and change
  - Manage ongoing process

13.8 An overview of process redesign.
**Notes and References**

Once again, many of the ideas incorporated in the BPTrends methodology are derived from conversations Roger Burlton and I have had. Other ideas derived from discussions with Geary Rummier.

There are many good books that describe redesign methodologies in more detail. Among some of the best are:


There are a number of good books on facilitation. My particular favorite is by Ingrid Bens and is *Facilitation at a Glance: A Pocket Guide of Tools and Techniques for Effective Meeting Facilitation*, GOLA/QPC, 1999. This small pocket book pulls many techniques together.