

April 1998

Planning and Business Process Change

Contents

Purpose..... 1

Background 1

Process Design Principles 2

Planning Assumptions 2

Organizational Learning..... 2

Learning, Programming 2

Adopting a Process View 3

Effects on People 3

Difficulty of Change 3

Revolution – Evolution 4

Behavior Change 4

Change Management Model.... 4

IT Unmeasured Benefits 4

Process Management 5

Problem Management 5

History’s Lesson 5

Best Practices 6

Purpose:

The purpose of this paper is to present some of the recent academic thought on planning and business process change. It provides a perspective for agency staff and a framework for decision making.

Background:

In order to improve the business process organizations have tried many methodologies to address change. One of the most popular approaches was Quality Management or Total Quality Management (TQM). This process was a detailed bottom up approach to improving business processes. The Malcom Baldrige Award was created to motivate businesses to implement TQM. Today literally all the award winners have dropped TQM due to the detailed nature of the process and it’s drain on resources.

The current views address change in a more general approach. The following concepts interrelate into good process change concepts.

Ongoing Organizational Monitoring & Strategic Planning

1. Supports Accountability
2. Promotes Strategic Alignment
3. Fosters Strategic Thinking
4. Enhances Organizational Learning
5. Facilitates Internal & External Communications

A good performance management system allows us to stay

1. Mission - Driven
2. Results - Oriented
3. Performance - Based
4. Future - Directed
5. Change - Focused

Source: Jerome Paige National Defense University IRMC

Process Design Principles

1. Organize around outcomes - effects
2. Substitute parallel for sequential processing
3. Information is critical - aim to capture once and use many times. Move upstream information downstream.
4. Give customers a single access point for all their dealings.
5. Drive out redundant and Non-Value adding processes.
6. Don't automate existing processes.

Source: Russell Linden: Seamless Government 1995

Some Important Planning Assumptions

- Organizations are societies – People approach their tasks and actions in a thinking manner.
- There is a synergy in the interaction among people that produces unique and emergent organizational behavior and outcomes.
- Strategies which fail to take account of the individual abilities and systemic relationships within the organization are unlikely to produce the desired outcomes.

Organizational Learning

- Organizational learning occurs when people share ideas, reflect jointly on emerging patterns and insights, build common theory and plan together. The result of learning is consistent patterns of institutional action.
- Institutional action is the result of a coherent set of individual actions which are supported by a critical mass of opinion within the organization.

Learning, Programming & Thinking

To what extent does the current planning process in your agency

- Support Accountability
- Promote Strategic Alignment
- Foster Strategic Thinking
- Enhance Organizational Learning

Adopting a Process View

Bring processes into the foreground. If you can't see them you can't improve them.

1. Define and document your processes
2. Make people aware of the processes
3. Measure outcomes and reward performance within and across processes
4. Redesign and improve processes when necessary
5. Make someone accountable for the processes. A "Process Owner"

Source: Michael Hammer Beyond Reengineering 1996

How does adopting a process view effect people? It:

1. Effects their Job
2. Effects their Values
3. Effects their Systems
4. Effects their Skills & Knowledge

Difficulty of Change

"There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to manage, than to initiate a new order of things. For the initiator has the enmity of all who would profit by the preservation of the old system, and merely lukewarm defenders in those who would gain by the new one" – N. Machiavelli

Organizational change is like 300 people having simultaneous show stopping experiences. To have change each experience requires:

- A significant emotional event.
- A person to think, feel or do something differently, now and in the future.

Grow a Revolution to create evolution

- Educate and communicate with staff
- Participate in the process
- Negotiate
- Assemble Support and Joiners
- Motivate non joiners
- Roll over resisters with mass

Successful Behavior Change

If you ask people for better performance, you must

- improve their work processes
- give them better information and tools
- increase their authority to make decisions
- measure performance differently
- reward them for new behaviors

Improvisational Model of Change Management

Organizational change is not an event to be managed during a specified period of time.

- It is a process
- Not all outcomes can be anticipated before time.

Most important Traditionally Unmeasured Benefits of IT

Finance people and bureaucrats have tried to quantify information technology and while there are established methodologies for IT investment there are many benefits that are traditionally unmeasured.

- Maintaining performance level
- Avoiding Catastrophic loss
- Creating more flexibility and adaptability
- Improving responsiveness for Criminal Justice Changes
- Improving service quality
- Enhancing quality of work life
- Increasing predictability of operations

Source: Quinn and Bailey

Business Process Management

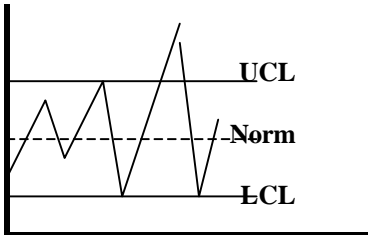
A very important concept to keep in mind in process diagnostics is to solve the problem and not the symptom. The problem may be generating multiple symptoms. By solving a symptom you can exponentially compound a problem or generate new ones.

BPM has been studied for many years, from those studies several patterns have evolved.

- Problems are random
- You can manage risk through predictability
- A change in a process can create more variation

The Nature of Variation in Problem Management

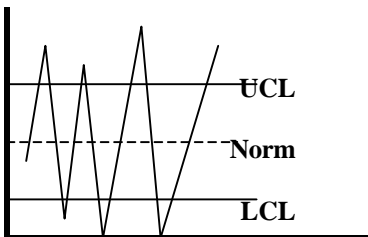
It is important not to react to a symptom. Treat symptoms as an individual situation. You need to find out what happen. Fix the problem and measure the response. The following is an analytical example to present a problem-solving model.



Policies and procedures are established to create upper control limits (UCL) and lower control limits (LCL).

Problems occur but are controlled by these limits.

When a problem jumps outside the control limit it should be treated as an incident and solved. The response to that solution should be measured and monitored for reoccurrences.



When numerous problems fall outside the control limits then more diagnostics may need to be conducted and the control limits modified to bring the problems under control.

It is important to see the pattern of symptoms or problems to develop solutions.

A Historical Perspective “History’s Lesson”

The Bureaucratic Paradigm states “When a bureaucracy confronts a problem, the solution is always to add something; a report, a policy, a system, but never to take something away. It is the job of the manager to identify old, redundant or ineffective methods and move then into the change process.”

Another historical analogy “If you always do what you always did, you will always get what you always got.” We also know from experience that culture effects time to implement. An organization's culture is very hard to

change. “We always did it that way” is a very common response.

Technologists predicted a reduction in the use of paper by using computers. Paper usage increased 100% from 1966 to 1996. The cause, computers made printing easy.

Best Business Practice

Today we are facing a crisis on a national level. There is a severe and increasing shortage of qualified information technology (IT) people. While the number of positions has expanded the enrollment in college IT programs has declined. There is a severe shortage of qualified technicians. As managers we not only need to solve business problems we have to find out how and who can solve a technology based problem.

Outsourcing has been debated for years. There are many success and horror stories in both industry and government. Current trends are moving toward outsourcing specific areas that cannot be supported by in-house staff and developing in interrelated working relationship with a contractor to train and augment in-house staff. The staff will then be able to continue support after the contractor is gone.

The American working force is changing at an ever-increasing rate. Business requirements are changing as well. New requirements and environments are also changing rapidly. As we continue to move through the information age, using industrial age management principles can cause problems.

The concepts presented in this paper are designed to give the agency leader decision and management tools related to planning and business process change. It provides a perspective for agency staff and a framework for decision making.