



XVIII Foro
Mundial
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Process Management - Principles for sustained success



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Agenda

- Introduction - The fundamental concepts “System” and “Process”
- Roles and responsibilities
- The building blocks of a generic process model
- Specific Process Framework of the organizations



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Motivation – Why think about systems ?



“System” is the most widely used concept in the history of mankind to understand, describe, investigate and communicate about all aspects of the World, e.g.

- **Human systems:** cells, organs, body, family , states, groups, organizations, games, sports, religions, culture
- **Natural systems:** elementary particles, atoms, molecules, flora, fauna, weather, ocean, planet system, The Universe
- **Technical systems:** cars, trains, airplanes, TV, mobile phone, computer, Internet, energy systems, IT systems
- **Business systems:** currencies, investment & financing, insurance



The Fundamental Concept “System”

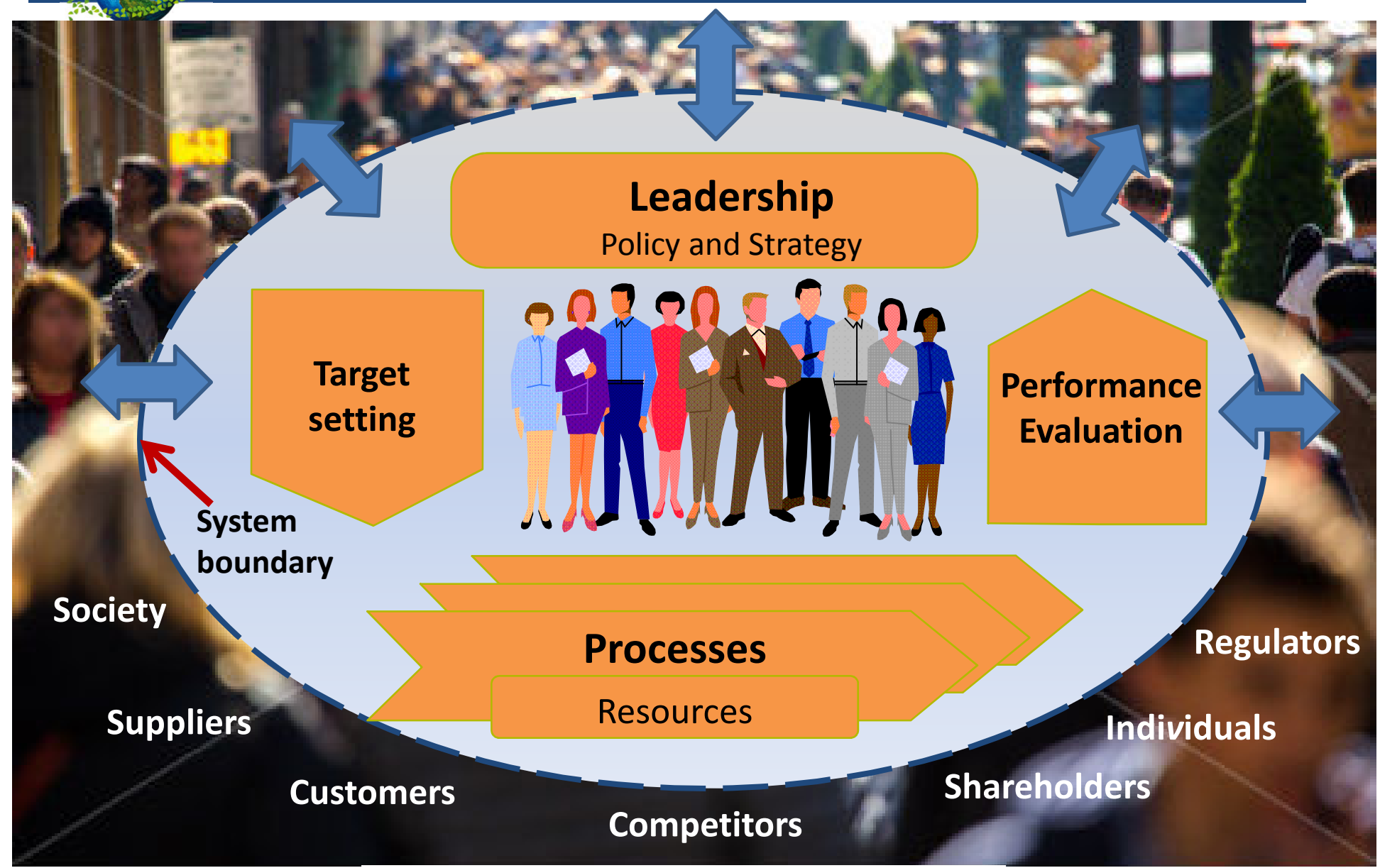
Definition:

Set of interrelated elements considered in a defined context as a whole and separated from their environment by an imaginary boundary

- **Elements** of a system may be natural or man-made material objects (tangible), as well as modes of thinking and the results thereof (intangible)
- Three important aspects of a system to be considered:
 - The characteristics of each individual element
 - The relationship and interaction between these elements
 - The impact of the system as a whole to its environment
- The term "system" should be qualified when it is not clear from the context to what it refers, for example control system, calorimetric system, system of units, transportation system, security system, periodic system of elements, management system etc.



Example: A generic model of an Organization

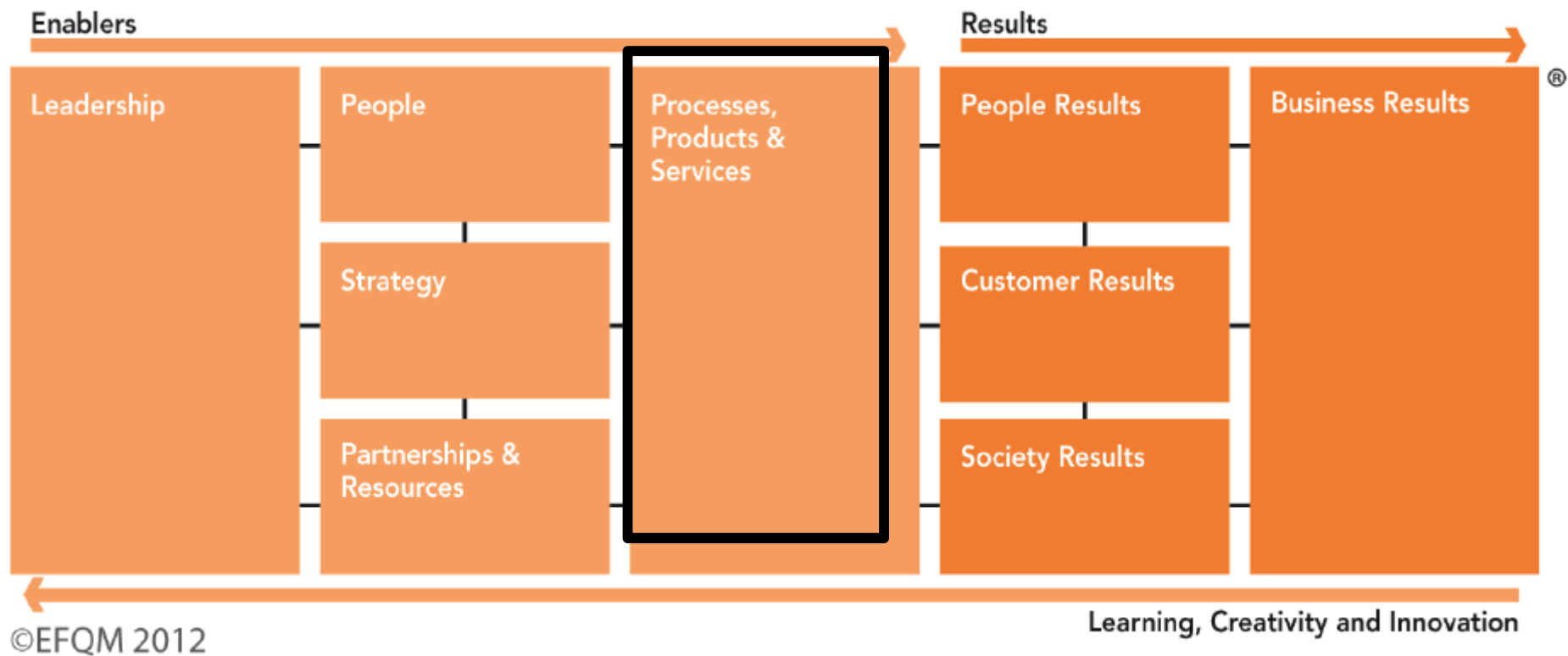




Motivation – Why think about processes ?

Excellence Models include “Processes” as the central assessment criterion:

Examples: The [EFQM](#) Excellence Model (Europe),
The [Malcolm Baldrige](#) Model (USA)

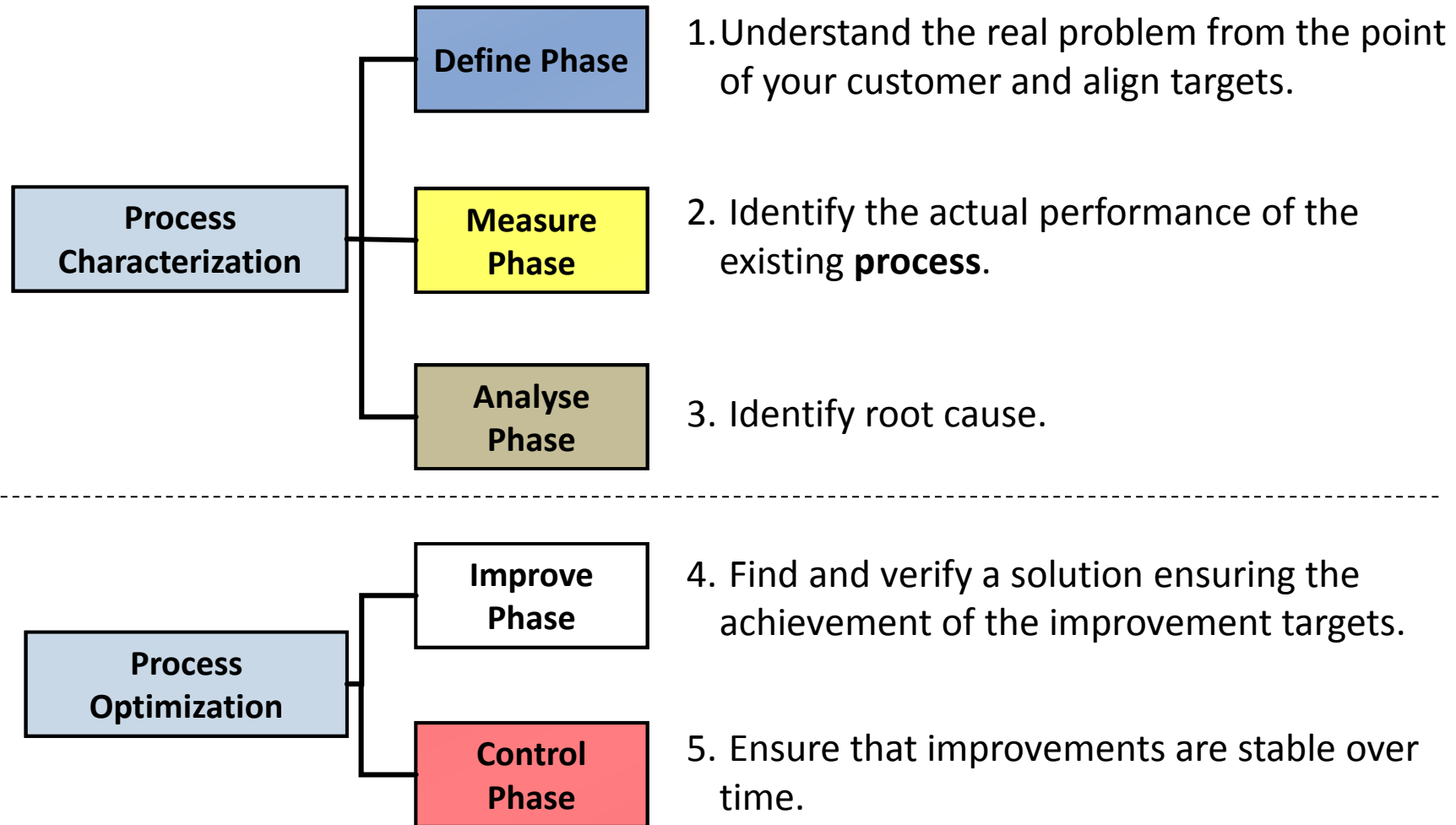




Motivation – Why think about processes ?

The DMAIC-flow of Six Sigma -

A process approach for sustainable improvement





The Fundamental Concept “Process”

A Process Management System based on 4 elements

**Definition
of “Process”**

**Assignment of Roles
and Responsibilities**

**The Building Blocks
of a Generic Process
Model**

**Organization
Specific Business
Process Framework**



Definition “Process”

- Set of **interrelated** or interacting **activities** which transforms inputs into outputs (ISO 9000:2005)
- **Types of activities** include
 - identification,
 - transformation,
 - transportation and
 - storageof objects
- Therefore “process” can be considered as a specific category of systems



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Overview - Assignment of roles and responsibilities

Process Management Directives



Process Owner



Process Leader



Process User





Roles and Responsibilities – Process Owner

Process Owner



is the expert and “architect” of the process

Rules

- **One owner** per process
- Conflict with process leader(s) to be escalated
- No process release without defined leader*

* Except for editorial amendment releases

Scope

Manage life cycle of a business process

Tasks

- Define, review, & release processes
- Define **KPI** including measurement procedure for KPI parameter
- Drive change projects including release of budget (e.g. for training or IT tool)
- Prepare process documentation according to IFX Process Management Rules
- Coaching of users and leaders
- Communication with other owners and contact partners
- Detailed tasks are described in the business process “Process Creation, Maintenance and Improvement”



Roles and Responsibilities – Process Leader

Process Leader



Head of process users in his area of effectiveness

Rules

- more than one leader possible
- conflict with owner to be escalated
- no process release without defined leader(s)*

*except for editorial amendments

Scope


Implementation & execution of business process

Tasks

- Provide the necessary resources (quantity, quality)
 - **Target setting** of process KPIs
 - In time approval for process release
 - Initiate measures and escalate in case of deviations
- Conduct ongoing monitoring of process performance according to the defined KPIs for the represented units
- Initiate reactions in case of deviations
- Support process owners for ongoing improvement of business processes



Relation Process Leader and Process Owner

Process Leaders:	Potential conflict of interests	Process Owner:
<ul style="list-style-type: none"> • Functional heads <i>or</i> a board with a speaker per process representing highly involved / highly affected units 		<ul style="list-style-type: none"> • 1 person as expert for the content of the process
<ul style="list-style-type: none"> • Represents the functional organization 		<ul style="list-style-type: none"> • Represents process organization
<ul style="list-style-type: none"> • Focus on the business impact 		<ul style="list-style-type: none"> • Focus on the entire process
<ul style="list-style-type: none"> • Foster process improvement based on business perspective 		<ul style="list-style-type: none"> • Fosters process improvement based on expertise and social acceptance, benchmarking
<ul style="list-style-type: none"> • Ensure implementation and compliance of the process in the organizational unit(s) they represent 		<ul style="list-style-type: none"> • Assumes the entire responsibility for the process – from creation and release of IT requirements to monitoring compliance



Roles and Responsibilities – Process User

Process User



Every person performing activities within a process

Rules

Follow business process he / she is working with

Scope

Execution of process according to defined process description

Tasks

- Execute the process in a customer- and output oriented way
- Adhere to all relevant rules and regulations
- Identify areas for improvement and report to process owner or his / her superior
- Identify and report deviations to superior or process owner



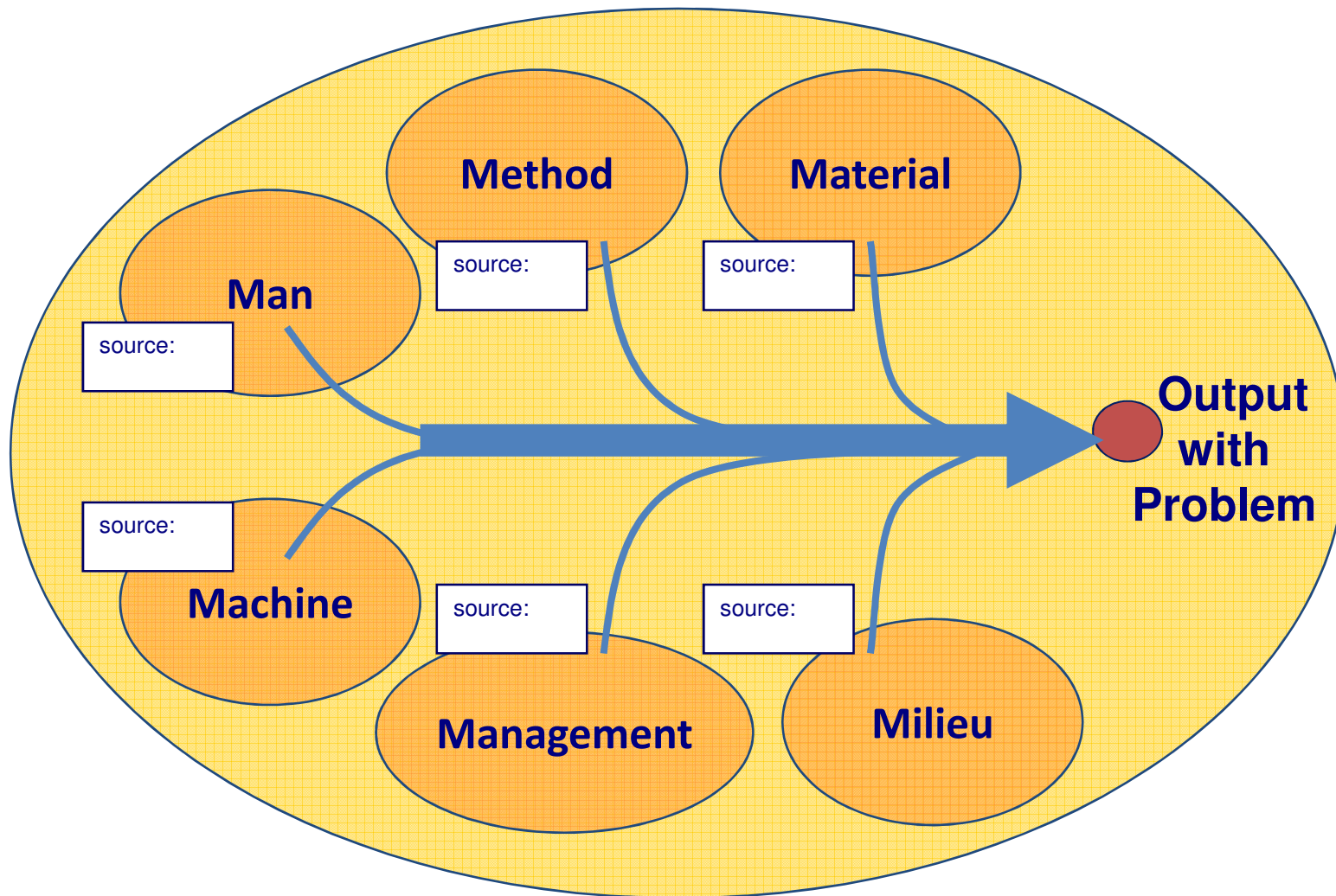
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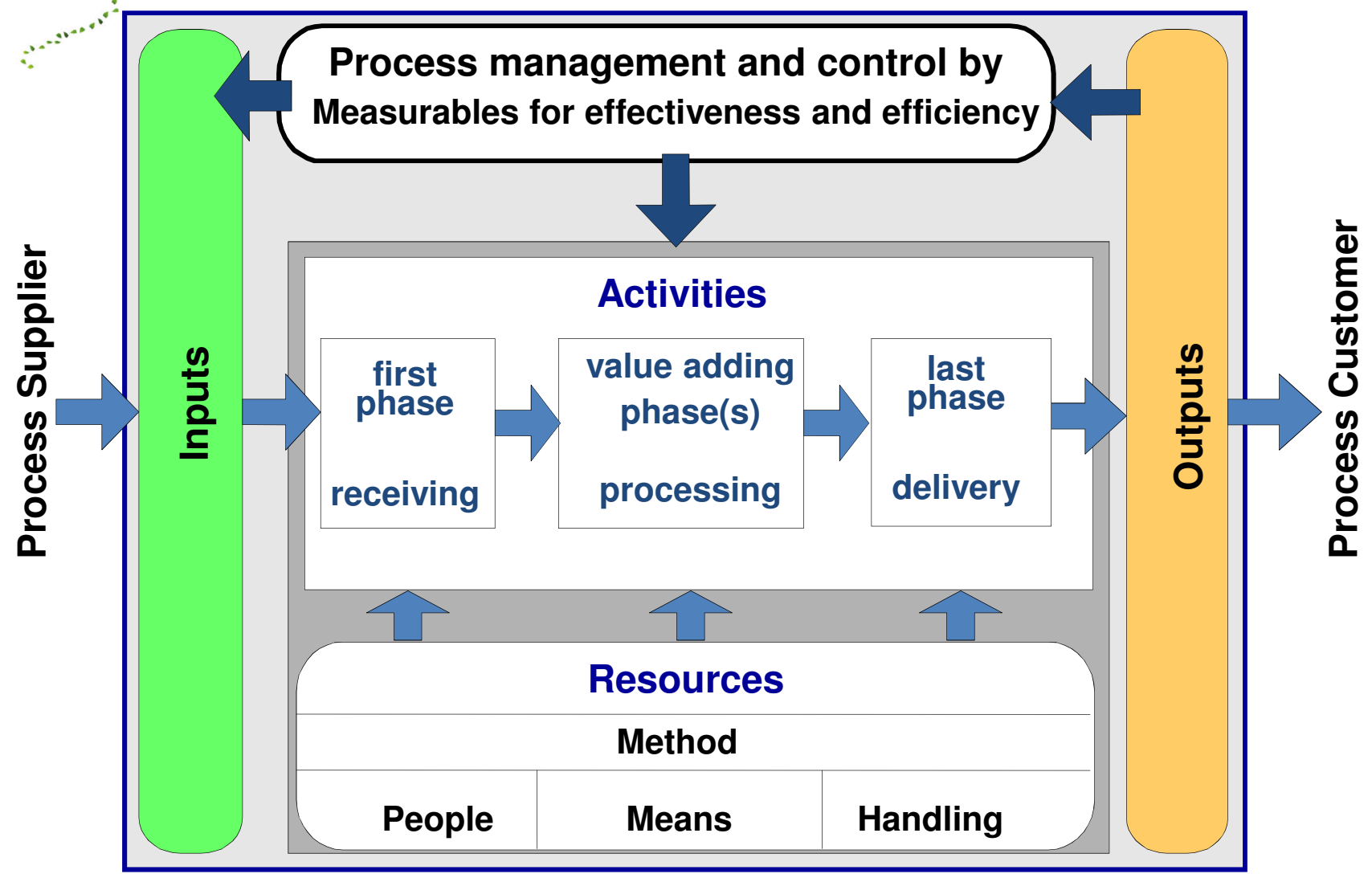
Cause and Effect Diagram (“Fishbone”, “Ishikawa”)

This very successful problem solving tool refers to several elements as potential sources of the problem





A generic process model





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Organization Specific Business Framework

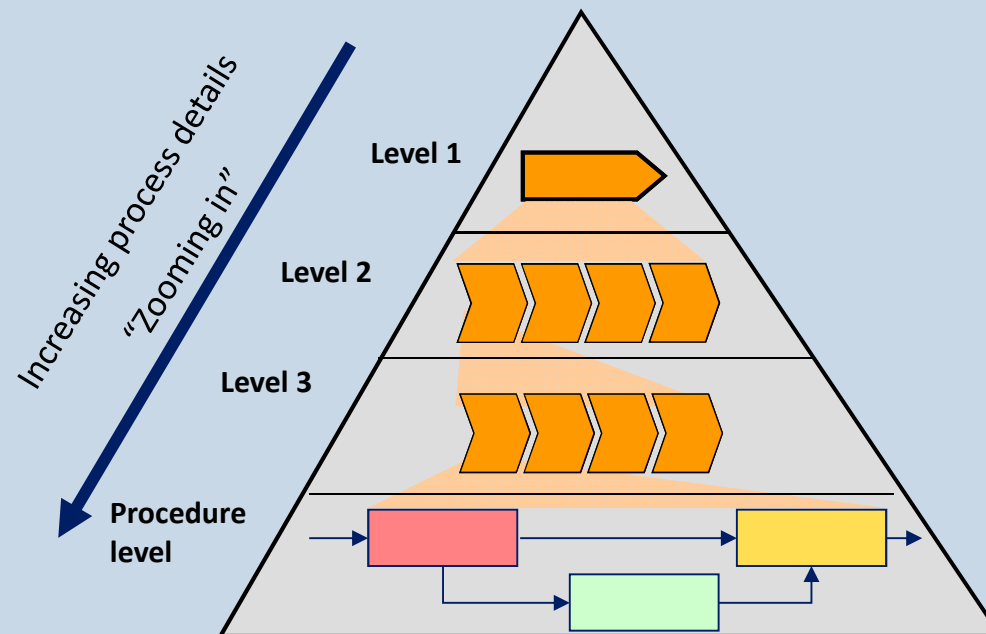
Rules

- Each company or organization is different ->
- No off the shelf "One fits for all" solution !
- Use standard frameworks (e.g. [APQC](#)) for orientation only
- IT-tools should be chosen to be "Fit for Purpose"



Process documentation hierarchy and granularity

- contains **all** business relevant processes
- is the basis for any documentation SW tool
- assures consistency of information by lean source management

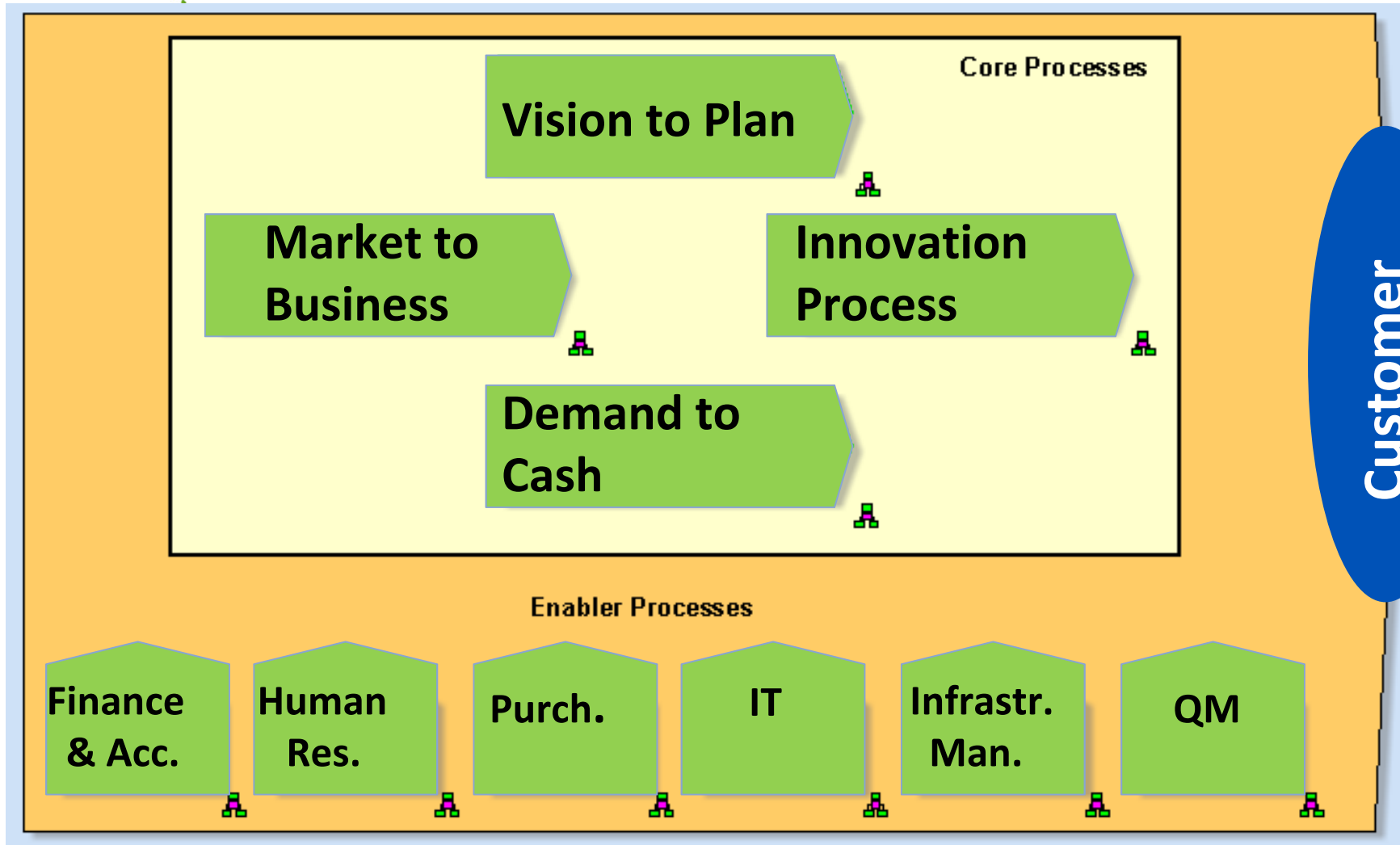




Example: Process framework



This represents Version 5 in a 18 year evolution





Group exercise

A guided tour through the process model



Exercise: A guided tour through the process model

Business case:

■ A 5-star luxury hotel (600 double rooms) located at a beautiful tropical beach has just finished to establish a new Conference Center linked to the main building.

The decision was made based on market research results, that there is an increasing demand for premium locations for international conferences.

■ Capacity: 1 ballroom size (capacity 500, can be split in 4 x 100)
10 meeting rooms (60 each, also can be split)



Exercise: A guided tour through the process model

The recently appointed process owner for “Conference management process” has to determine

- the additional processes needed to be added to the existing process framework of the hotel (task 1)

Use the process model from a birds eye view !

- the elements of an example process (task 2)

Use the process model on an operational level !



**Don't start from the perspective of an organizational unit!
Think “activities” first, regardless where will be allocated !!**



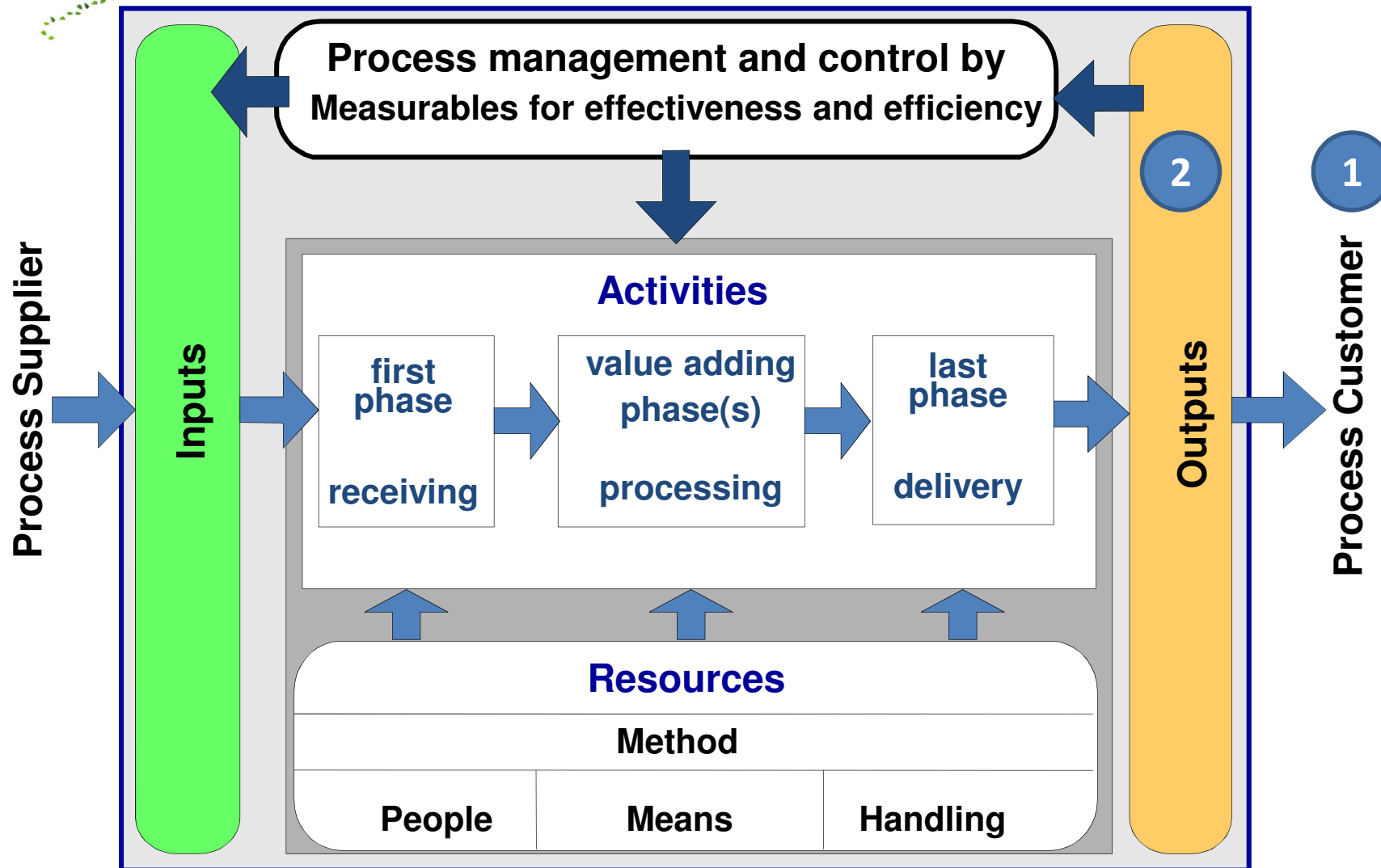
Task 1 (brainstorming) : Additional processes needed

- Marketing process
 - Competition analysis
 - Media presence (newspaper, TV, social media, trade fairs)
 - Measure the effectiveness of marketing activities
- Conference planning process
 - Logistic process (Transport to/from airport, display material)
 -
- Conference support process
 - Support from mass media
 -
- Sales process
 - Determine conference content, time, capacity needed
 - closing of contract
- Follow up process after conference
- etc.



Task 2

Determine the elements to build the example process “Conference Planning”





Elements 1 and 2 : Customers and process output

- Element 1: Who are the customers (external and internal) of this process ?
 - Customer 1: Organization who runs the conference
 - Customer 2: Suppliers of infrastructure, staff
 - Customer 3: Hotel room management
 -

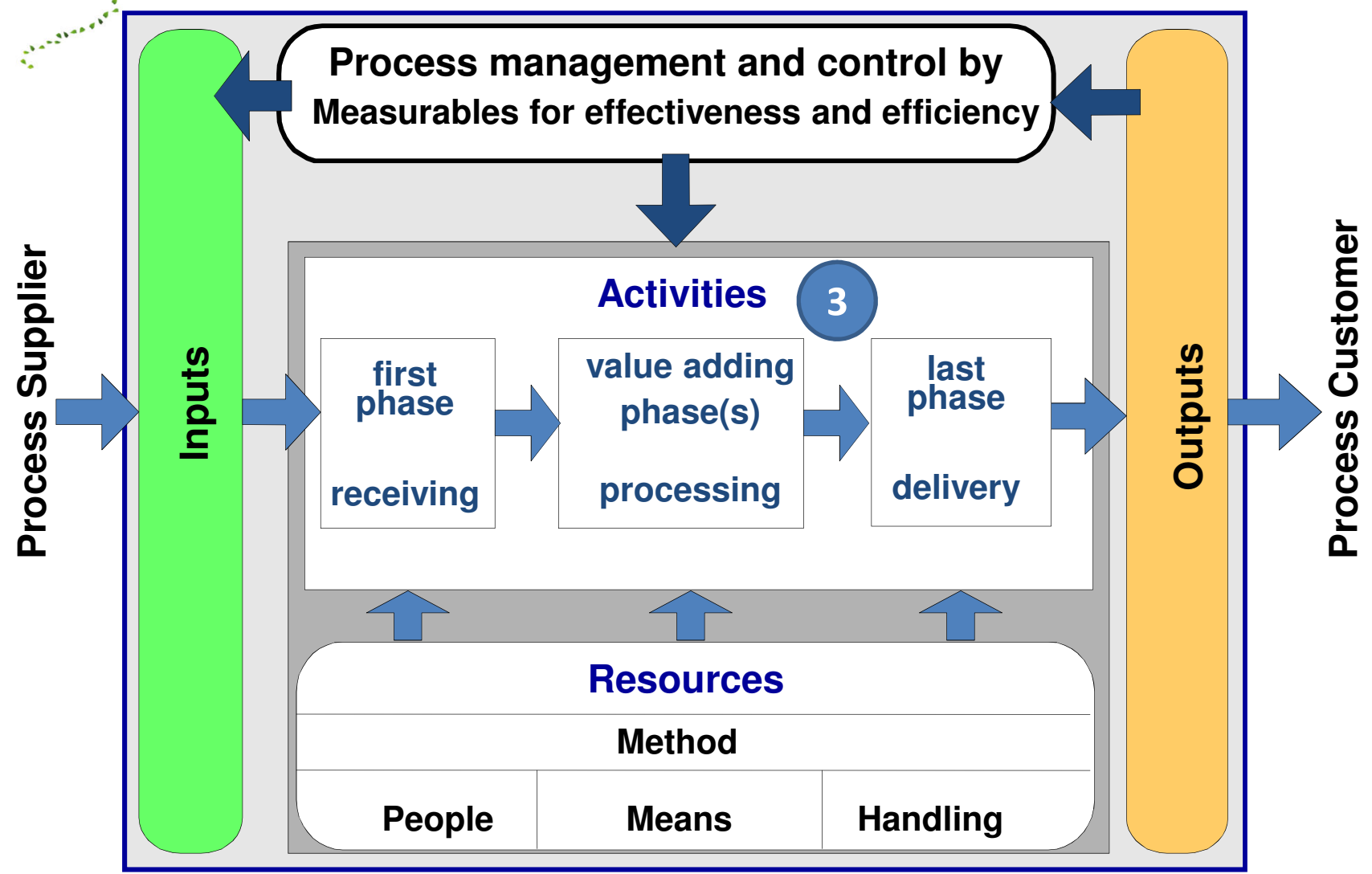
- Element 2: What are the expected process outputs and related requirements/expectations ?
 - For customer 1:

 - For customer 2:

 - ...



Task 2:





Element 3 : Activities

■ What are the value adding activities/ sub-processes of this process to produce the required output?

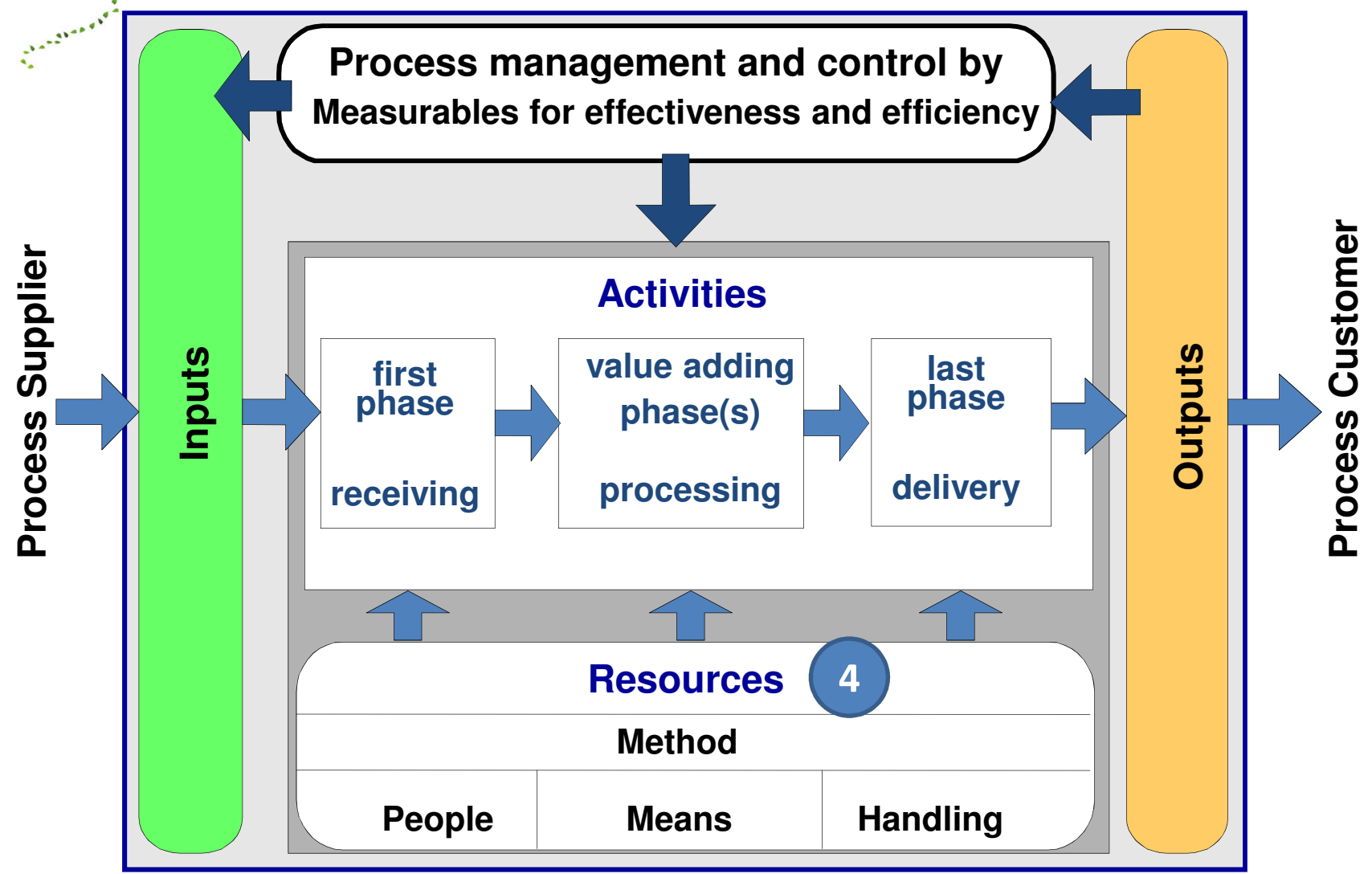


■ How does the last phase “Deliver” look like ?





Task 2:



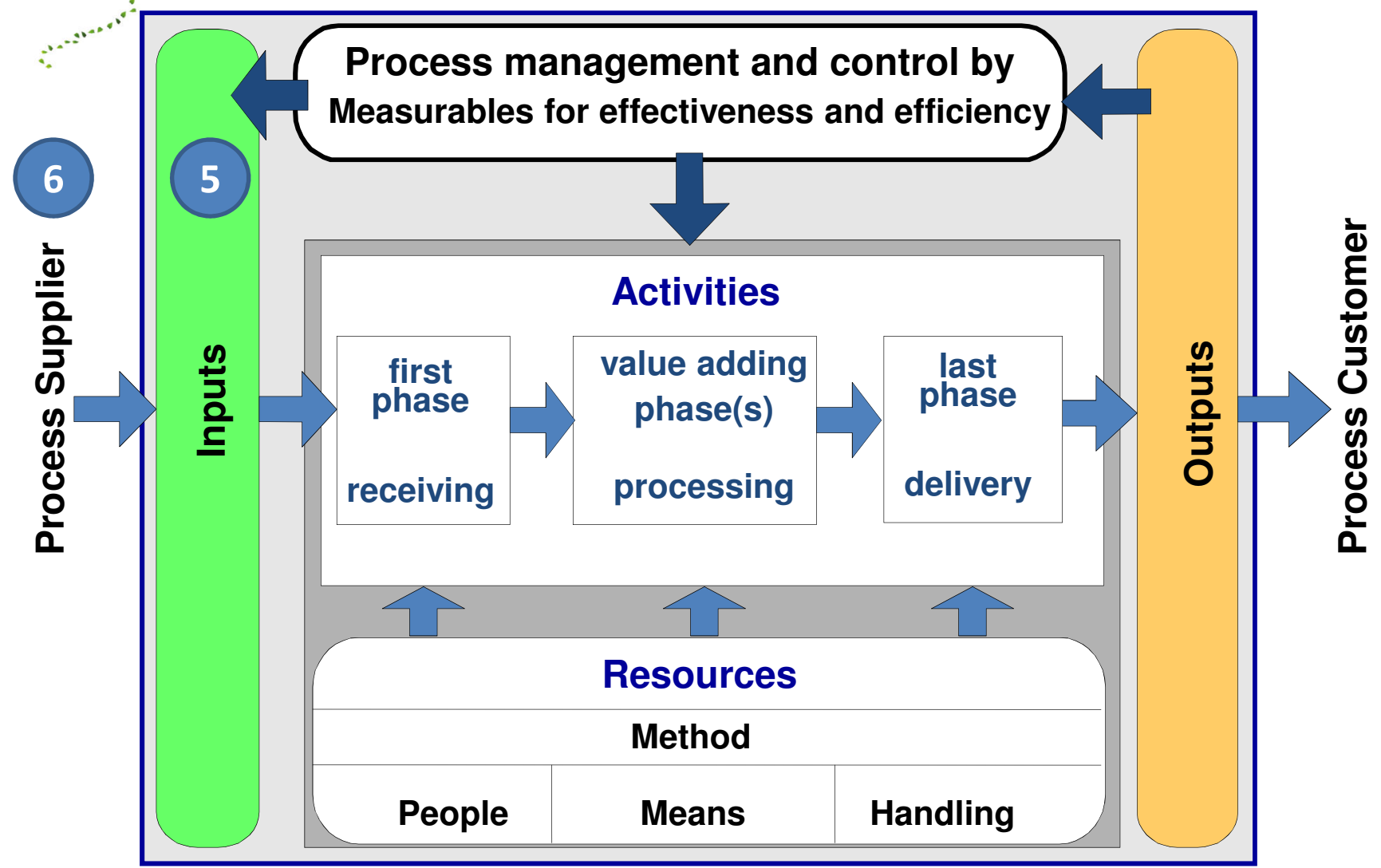


Element 4 : Ressources

- Which “**People**” are needed to perform the process
 -
 -
- Which “**Means**” are needed (i.e. infrastructure etc.)
 -
 -
 -
 -
- Any resources for “**Handling**” of means or information ?
 -
 -
- “**Methods**” (e.g. special technologies)
 -
 -



Task 2:





Elements 5 and 6 : Inputs and suppliers

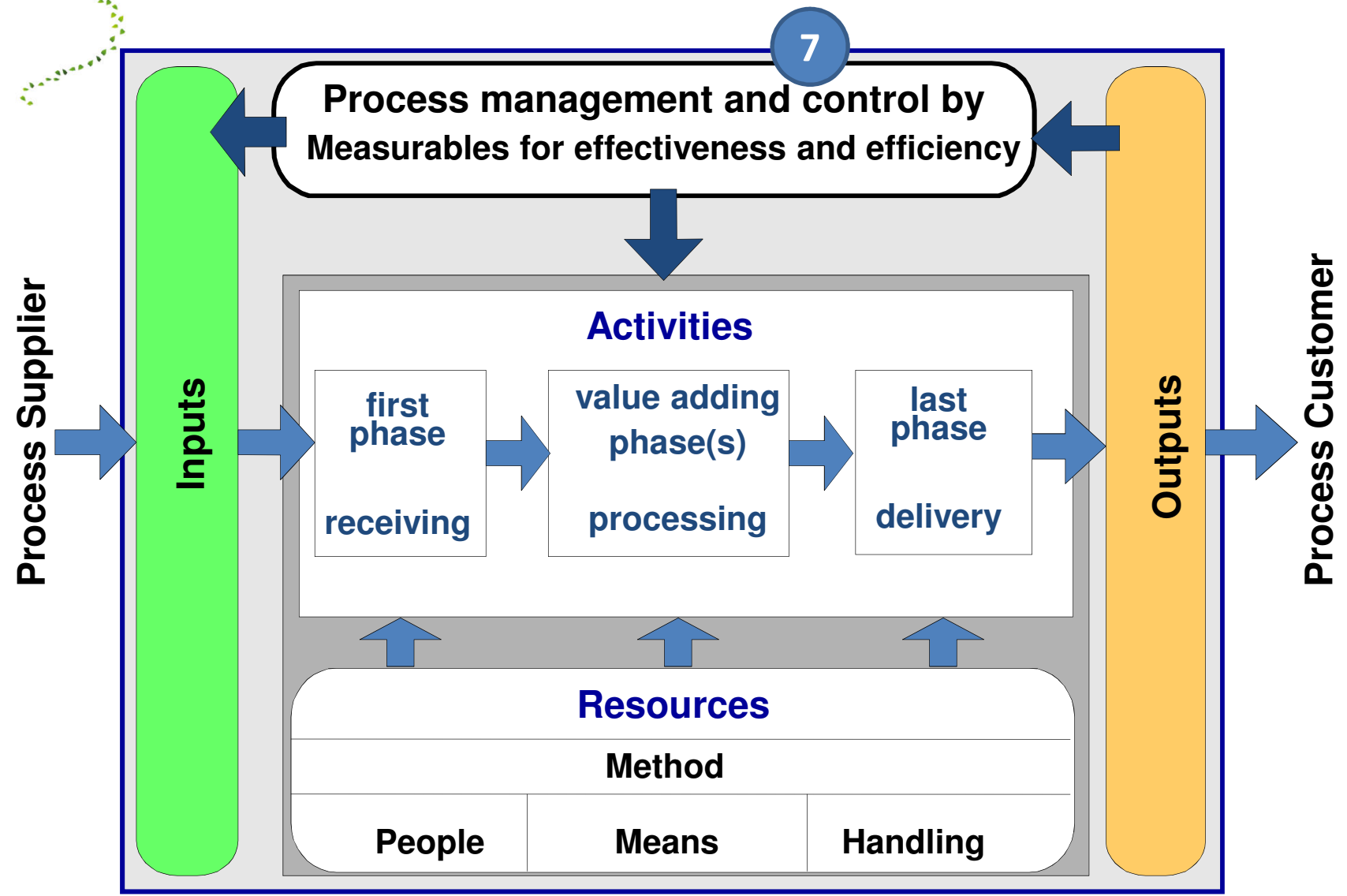
- Which “Inputs” (material, energy, information) are needed to perform the process
 -
 -
 -

- Which “Suppliers” (internal and external) are needed ?
 -
 -
 -

- How does the activity of the first phase “receiving” look like?
 -
 -



Task 2:





Elements 7 : Controlling the process performance

- How do we measure process effectiveness (i.e. meeting customer requirements) ?



- How do we measure process efficiency ?



- How do we measure supplier performance?





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¡GRACIAS!