

# Power of the Processes

by Sunil Thawani

## What is a process?

Process is defined as “ a systematic set of activities directed toward the achievement of a specific goal “ (by Dr. Joseph Juran). Processes create value for customers and every work gets done through processes. Boarding pass for a seat on an aircraft, legal advice, meal in restaurant, an advertising campaign, goods delivery etc. are all examples of process result.

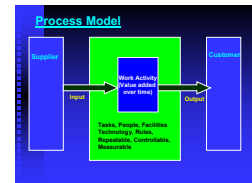
Some of the activities for goods delivery process i.e. order fulfillment comprise of : receiving the order, entering it into a computer, checking the customer’s credit, allocating inventory from stock, picking inventory from the warehouse, packing it in a box, loading the box into the truck and so on. The process output - goods delivered to customer is the customer’s only concern which is created by the sum total of these related tasks.

Process is also defined as:

- “ Set of interrelated or interacting activities which transforms inputs into outputs”) ISO: 9000)
- “ Process is a group of related tasks that put together create value for customer “ (Michael Hammer & James Champy)

Processes flow horizontally across the organisation through various departments and has an input and an output. Refer figure.

Processes are repetitive in nature like budgeting, procurement, order booking etc. and need to be controlled and managed on a continuous basis.



Since output of a process depends upon input and the way process is designed, it is important to measure the effectiveness and efficiency of processes.

- The process is effective if the output meets customer needs e.g. % of orders delivered on time to the customers.
- It is efficient when it is effective at the least cost e.g. time taken to deliver goods to customer on time.

Maximizing effectiveness and efficiency together means that process produces high quality at low cost i.e. providing most value to customer.

Dr. W. Edwards Deming, Quality guru once remarked, “ If you can’t describe what you are doing as a process, you do not know what you are doing “

## **Why process management?**

Today business is conducted in a very dynamic and uncertain environment characterized by customer demands, competitive pressures, cost impacts, constraints and complex continual changes. These factors have an impact on organization's ability to respond to market needs and meet its business goals. Rarely do organisations make changes in their processes that are at the very heart of it. Success in achieving market needs and business goals depends on large cross-functional business processes like product development, product launch, invoicing, manufacturing etc.

Over a period of time, if management does not pay attention to its business processes, these become obsolete, ineffective and/ or inefficient. Moreover Processes are “invisible” and essentially “unmanaged (orphans)”. Why unmanaged – traditionally each functional piece of the process is the responsibility of a department, whose Manager is held responsible for the performance of that piece. However no one is held accountable for the entire process. Usually management pays more attention in managing functions or organisation structure than processes.

Many companies are still primitive in the ways they manage their processes and have informal & haphazard processes with number of undesirable consequences like:

- Customers receive inconsistent and often inadequate services, even to the extent of sometimes compromising the company image;
- Managers continually struggle to manage the “horizontal” interactions between people in different parts of the company;
- High cost of poor quality;

Though business processes are central to the organisation and create value for customers, few people understand how their work relates to the overall process in which they operate/ participate.

Managements need to make sure processes remain effective and efficient in the face of the many changes that occur over time i.e. processes are adaptable.

The need for having efficient and effective processes and their management cannot be undermined.

## **What are the benefits of process management?**

Processes can be made “visible” through flow diagrams. Flow diagram is a graphic representation of the sequence of steps of a process and is an easy and user-friendly means of depicting a process.

Some of the benefits of mapping and process management are:

- Makes the process visible;
- Helps employees possess common, accurate knowledge of the working of the process as a whole. Employees often find that, while each member possesses detailed knowledge about his/ her segment of the process, few of them are fully knowledgeable about the complete process. A process flow diagram often provides this missing knowledge;
- Allows an individual employee to see the inputs to the process, what activities are performed on the inputs to add value for customers and see the outputs of the process;
- Clearly identifies internal and external customers;
- Employee can see what he/ she is doing in context with others;
- Can be used for developing process based job descriptions;
- Provides basis for process orientation & management;
- Identifies where process begins and ends;
- Examine the logic or lack of logic in the sequence of steps;
- Uncover potential problems, bottlenecks in the system, unnecessary steps and rework loops;
- Provide basis for business process improvement/ reengineering.

## Conclusion

Is process management applicable only at workplace?

At one seminar, Dr. Stephen Covey was speaking about first habit of highly effective people of “ Be Proactive “. A man, let’s say Mr. John, came up to him and said, “ Stephen, I like what you are saying, but every situation is different. My wife and I just do not have the same feelings for each other we used to have. I guess I just do not love her anymore and she doesn’t love me. What can I do?”

Stephen: “The feeling isn’t there anymore?”

John: “ That’s right. What can I do?”

Stephen: “ Love her”.

John: “ “ I told you, the feeling just isn’t there anymore “

Stephen: “ Then you got all the more reason to love her “.

John: “ But how do you love when you do not love?”

Stephen: “ My friend, love is a verb. Love – the feeling – is a fruit of love – the verb. So love her. Sacrifice for her, listen to her, empathize with her.....

Love the verb (actions/ processes) can only get love the feeling (result/ output).

If we want the desired results - be it workplace or our personal life - we need to focus on processes. And that’s the power of the processes.

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