



Process Management

by

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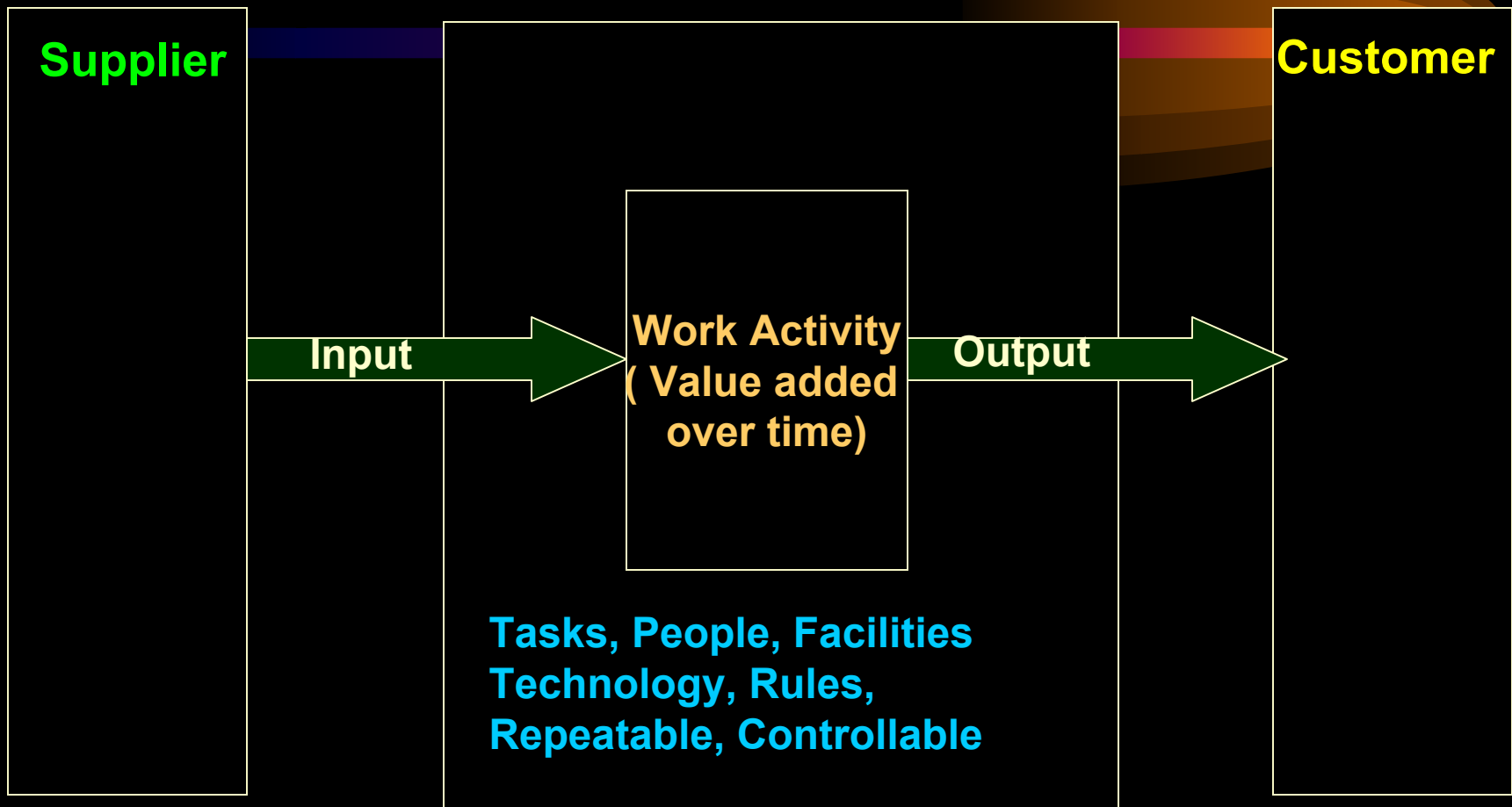
Purpose of the Presentation

- Share with you:
 - Why process management ?
 - What is process management ?
 - Link between processes & Work Instructions ?
 - Benefits of process management.

Process Definitions

- Work gets done through processes;
- Process is:
 - “ a systematic set of activities directed toward the achievement of a specific goal “ (by Dr. Joseph Juran).
 - “ a group of related tasks that put together create value for customer “ (Michael Hammer & James Champy).

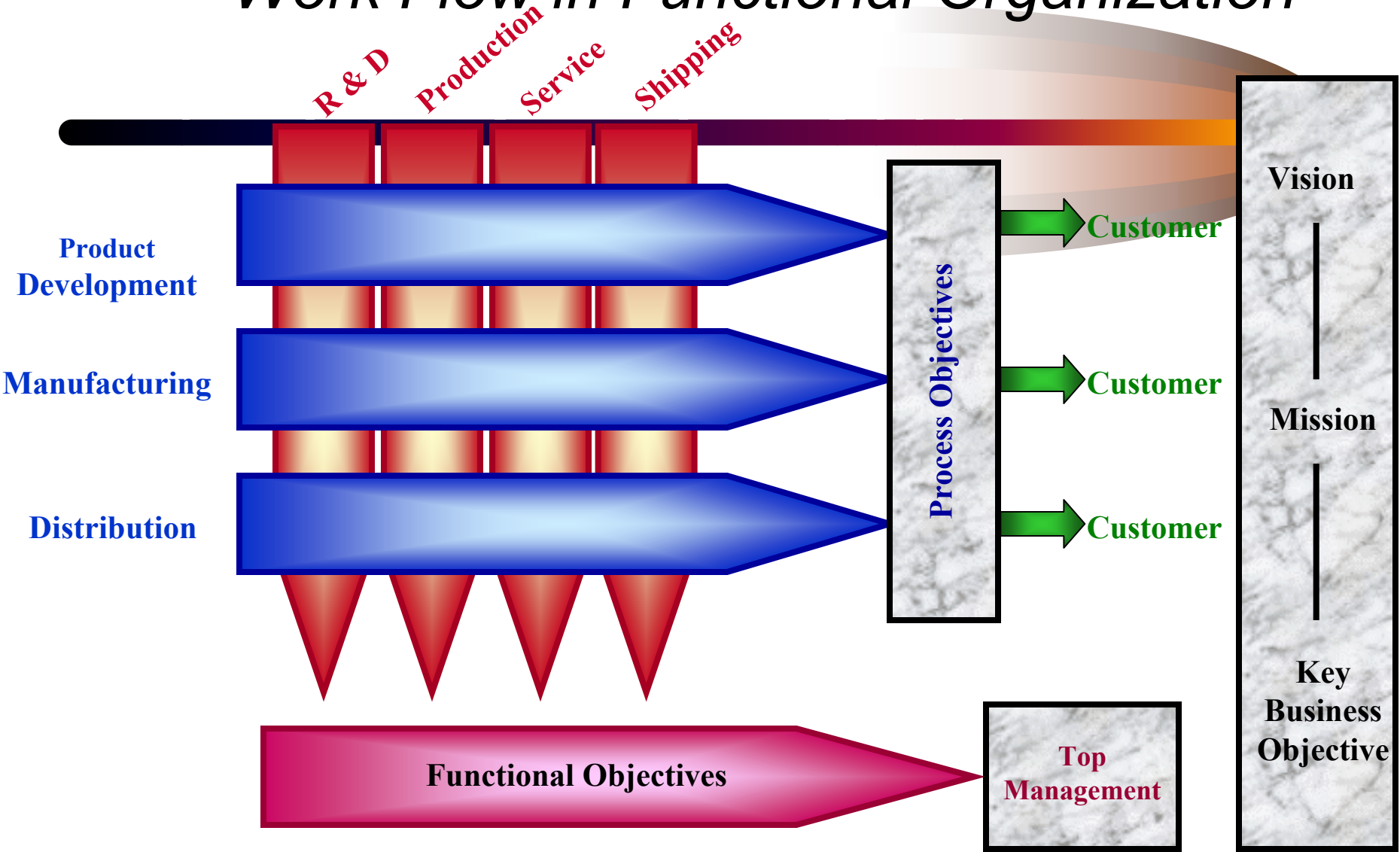
Basic Process Model



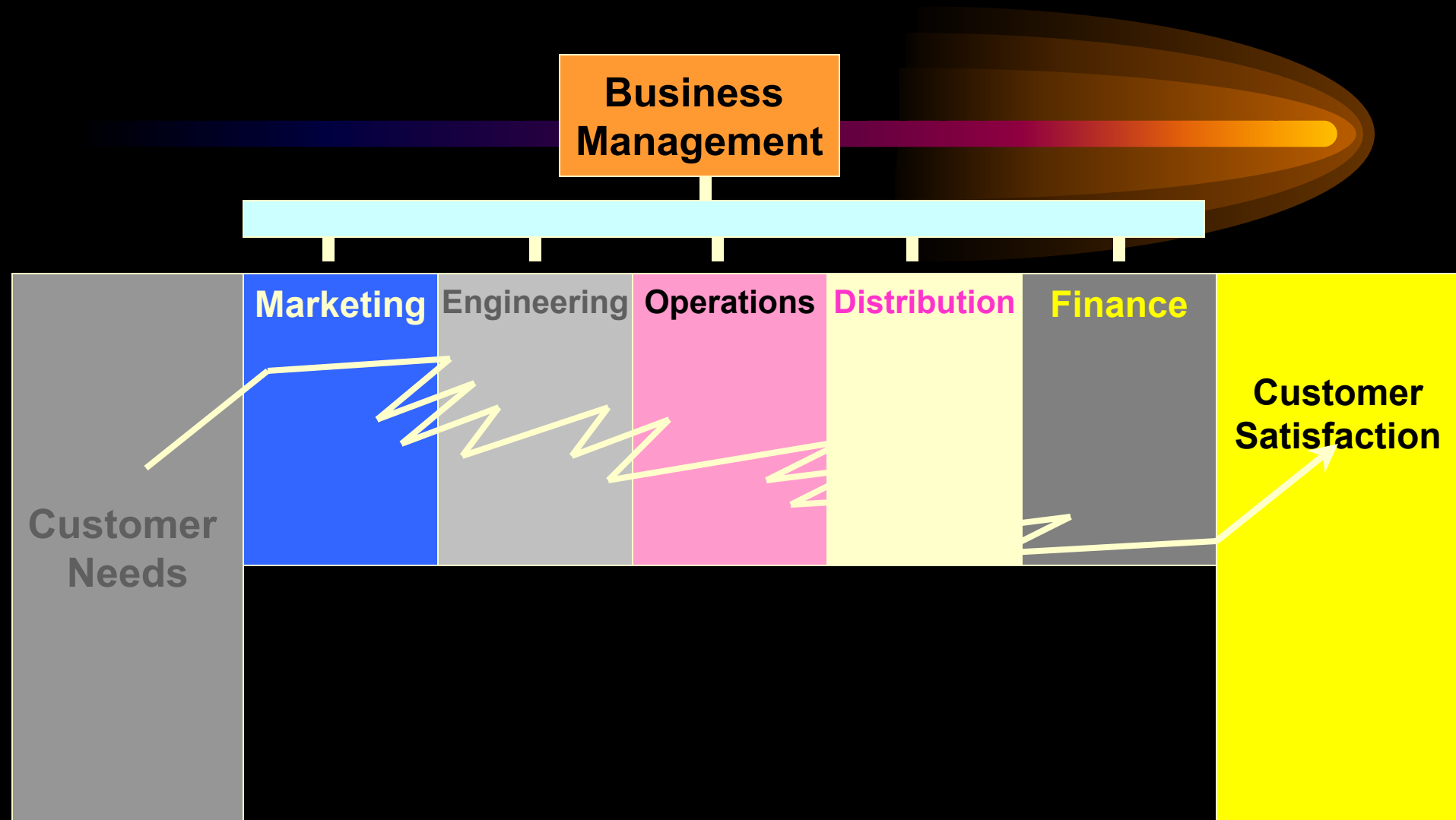
Process Attributes”

- Flow horizontally across the organisation through functions
- Invisible;
- Repetitive;
- Have an input and an output
- Are “ unmanaged “ in traditional organisations
- Need to be:
 - Controlled;
 - Managed;
 - Measured &
 - Continually improved (PDCA)

Work Flow in Functional Organization



Process Flows & Rework Between Departments



Examples of Business Processes

- Order fulfillment
- Product development
- Product Launch
- Procure material and services
- Invoicing
- Boarding pass for a seat in aircraft;
- Legal advise etc.

Quotes

- “ If you can't describe what you are doing as a process, you do not know what you are doing “
- 94 % of the troubles belong to the system (common causes) and only 6% are special causes” - *Dr. W. Edwards Deming*
- “ System is perfectly designed to produce the output it produces “ - *Anonymous*
- Doing things the same way and expecting different results — *Dr. Albert Einstein*

Undesirable Consequences of Poor Process Management

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

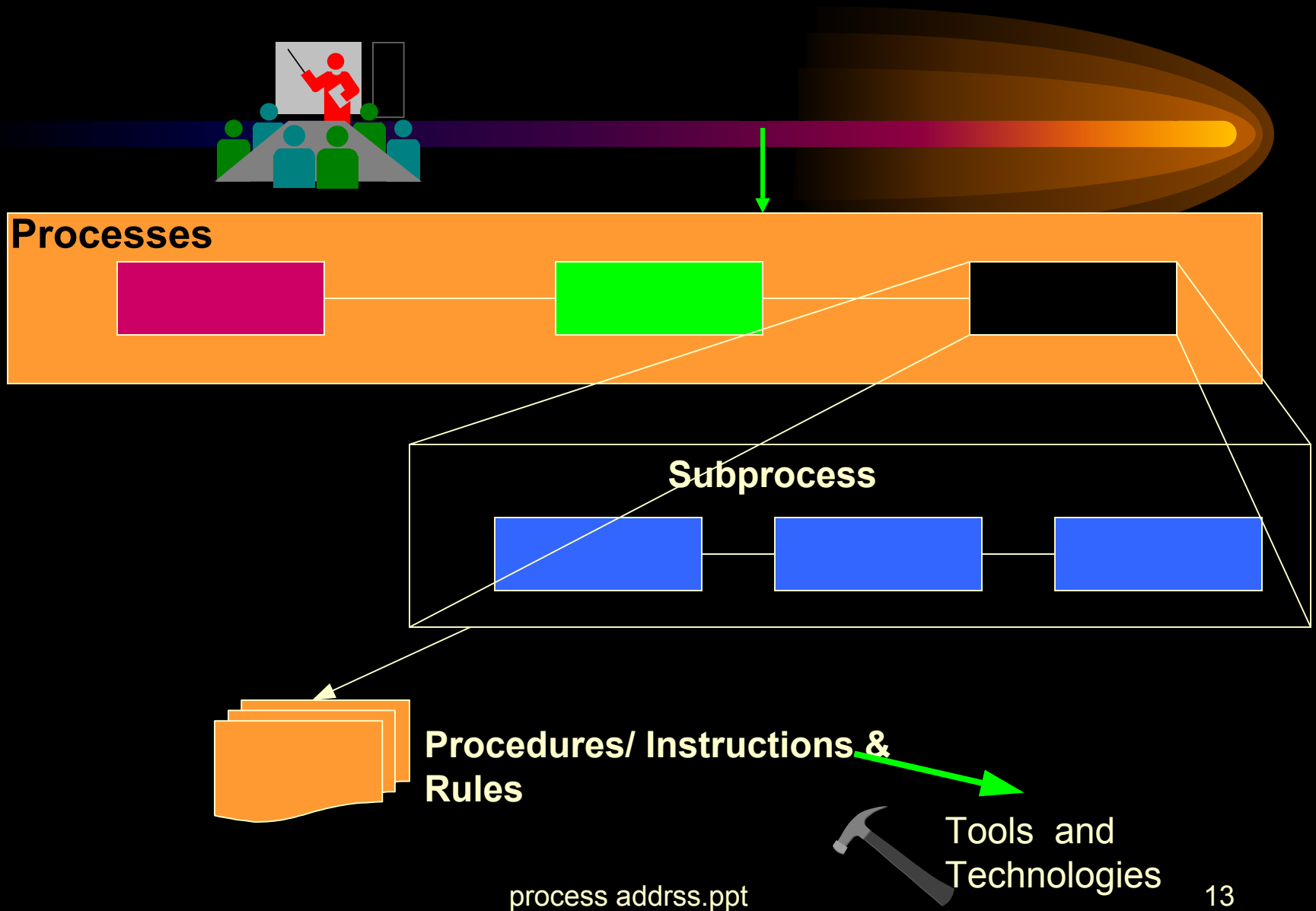
Process Measures

- **Process Effectiveness:** The process is effective if the output meets customer needs e.g. % of orders delivered on time to the customers.
- **Process Efficiency:** 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. Deming Cycle - Process Management



Link Between Processes & Work Instructions



Why is Company Doing it (Benefits of Process Management

- Makes the process visible;
- Helps employees possess common, accurate knowledge of the working of the process as a whole. (few of them are fully knowledgeable about the complete process. A process flow diagram often provides this missing knowledge);
- Clearly identifies internal and external customers;
- Identifies where process begins and ends;
- Examine the logic or lack of logic in sequence of steps;
- Uncover potential problems, bottlenecks in the system, unnecessary steps and rework loops;
- Provide basis for business process improvement/reengineering.