

Getting Started with Process Improvement Projects

Guide to Process Discovery & Sample Templates

Introduction: Before You Begin

Getting Started with Process Improvement

You know there are opportunities to improve your existing processes. The good news is that you've already taken the first step to investigate ways to address these inefficiencies or make improvements to meet key business goals. This guide is designed to highlight some of the key steps and success factors as you begin your process improvement project. Process discovery is the initial step in any project – identifying goals, current process, people involved and the outcomes you are looking to achieve. To help you get started each of the guide's five sections will provide tips, techniques and sample templates developed through real-world projects.

Step 1: Select the right process to start

Determining where to start can be a daunting task. Choosing the right project to begin with is a critical first step. This section provides tips on the types of processes to look for, as well as the ones to avoid. Initial success here is an important step to ensuring future successes.

Step 2: Define the process

Understanding the process is a crucial step, but often times you'll hear different descriptions depending on who you ask. This section highlights what information to capture from key stakeholders and tips for documenting the process so that there is a common language among all stakeholders within the project.

Step 3: Identify process participants

To understand the process fully, you must identify all of the people involved in the end-to-end process. This section provides a template and examples to ensure that you are capturing all of the people involved throughout the process.

Step 4: Interview and observe end users

Involving the end users is a critical component of process discovery, and can dramatically reduce development time and speed user adoption. It is recommended that you interview and shadow end users within their environment, to uncover potential 'white space' opportunities for improvement. Involving end users and making changes early in the process reduces development design and rework costs by as much as 75%. This section provides tips and proven techniques for capturing end user tasks.

Step 5: Measure from the start

It's critical to measure from the very start of any process improvement project. This section highlights how to set goals, define metrics and analyze possible improvements against your objectives. This section will help illicit important information toward establishing your business case for process improvement.

STEP 1: Select the Right Starting Point

Pick the Right First Process

- » Start with processes that lack rigid definition and broad-reaching exposure
- » Ensure improvements to the process provide substantial value towards meeting any existing business objectives
- » Avoid overly complex, politically charged, or highly distributed processes
- » Look for immediate and recognizable pain points that can easily be addressed
- » Look for any manual, paper-intense, ad Hoc, or inconsistent tasks or processes.

Gather Necessary Process Knowledge

- » Run workshops with the key stakeholders to ID potential projects
- » Perform high level preliminary review to understand each process
- » Work with the executive owner to rate the criteria
- » Rank process improvement targets with stakeholders

Project	“Cool”?	Achievable?	Meaningful ROI?	Reusable?	Overall
Accounts Payable	?	✓	✓	✓	✓
Change of Address	X	X	✓	✓	X
New Product Introduction	✓	✓	✓	?	?
Employee Onboarding	?	✓	✓	✓	✓

Tips & Techniques:

Some Targets to consider: new customer intake, contract management, procurement, product change reviews, or instilling control & visibility for a particular compliance deadline.

STEP 2: Define the Process

Conduct stakeholder focus group meetings to obtain agreement on the goals and the success criteria.

The first step to define your process is to develop or validate a written narrative that describes the entire process. This should be completed before you actually map the process using a modeling tool.

- » Outline the “what” in terms of the expected outcome and the required capabilities to achieve it. Look for ‘measurables’ and ‘quantifiables’.
- » Then investigate and determine the “why” and “how” of the system from the standpoint of stakeholders and system interactions. Look for triggers and dependencies.

INPUTS	PROCESS	OUTPUTS
Dealer Contract	Auto Loans Doc Check Process	Loan Packet
Driver's License		Incomplete Loan Packet
Proof of Insurance		
Vehicle Invoice		
Loan Application		
Credit Report		

Tips & Techniques:

Use the following questions to guide the discussion and capture the necessary data.

1. Describe the process at a high level
2. What is the mission of the group that owns the process?
3. Who are the customers? What roles (who) will be involved? Who are the process participants?
4. What are the inputs & outputs? What data and/or resources will be consumed or produced?
5. How would you prioritize goals? What outcomes are the system or service expected to deliver?

STEP 3: Identify the Process Participants

PARTICIPANT (PERSONA)	
	Title of the participant
1.	Mailroom assistant
2.	Data entry clerk
3.	Claims processor
4.	Claims adjuster
5.	Office Assistant
6.	Accounts Receivable Processor
7.	Document Scanner

List all process participants who do work within the process.

Examples:

- Customer Service Rep
- Agent
- 'Claim' Processor
- Underwriter
- Customer Liason

Tips & Techniques:

1. Participants should be identified by their role, most commonly job title.
2. Participants can be non-employees such as Customers, Partners and Suppliers.
3. Do not duplicate any participants
4. Use Job Titles that you and others can easily identify and understand.
5. It is recommended to list participants in the order of their first appearance in the process.
6. The list of participants will be used later to map out swimlanes when you map out the process.

Process Participants Template

PARTICIPANT (PERSONA)

Title of the participant

STEP 4: Interview & Observe End Users

Preliminary Questions and Answers

- » What is your name and job title?
- » What are your responsibilities?
- » When it comes time for your annual review, what performance metrics you rated on?
- » Are there things about the process or systems that could be changed to make your job easier?
- » What are your key pain points?
- » Talk me through your day...
 - ▶ What is the first thing you do when you come in in the morning?
 - ▶ Are there any meetings or special projects that come up during the day?
 - ▶ Are there any distractions that can take you away from your regular activities?
- » Ask the participant to process a piece of work. Observe what they are doing and continue to ask 'what are you doing now?', 'why are you doing that?'.
- » If the current process is paper based:
 - ▶ How much is spent on paper per month? (file folders, paper, labels, etc.)
 - ▶ How much is spent on printing per month? (toner, ink, printers)
 - ▶ How much is spent storing, archiving, and retrieving documents? (services such as Iron Mountain, cost per foot for on-site storage)



STEP 4: Interview & Observe End Users

Detailed Questions and Answers

The following questions are guidelines to help uncover more details around the baseline metrics, possible inefficiencies or dependencies.

It is important to have the user actually walk through how they typically process work so you can compare the time it actually takes for each task. Often times you will identify 'whitespace' or additional inefficiencies that otherwise would not have been identified in an interview.

- » What is the average loaded labor rate for each process participant type? (Note: loaded labor rate is the employee hourly rate plus employee benefits, capital expenses, and other overhead.)
- » How many items are processed per month?
- » How much is currently spent on maintenance and support of current software systems used in the process?
- » How much time is spent on reporting each week?
- » What percentage of your team's time is spent doing non-value added work?
 - » Is the work that you do regulated by an outside agency, and are there associated fines with violation of regulations?
 - » Is your organization held to service level agreements (SLAs) by your customers? If so, are there penalties associated with those?
 - » What is the current error rate for your process?



STEP 4: Capture Process Participant Tasks

It's recommended to take an 'agile' approach to identifying and documenting the process participants tasks within the process. Agile style task analysis is like a miniature 'story' told in the First Person perspective. This 'captures' more of the real nature of the work.

PARTICIPANT	ACTION	PRIMARY OBJECT	WORK OBJECT TYPE
Title of the participant	Task that the participant does	Item/person with which the participant interacts	They type of object with which they interact (Document, Person, System)
Indexer	Scan, index, and file incoming apps	Auto loan/lease paperwork	Document, Equipment
Doc Check Analyst	Receive and validate data in the app	Auto loan/lease data & docs	Document & Systems

Tips & Techniques:

1. Sometimes it is easier to select the Participant and the Primary Object first, and then describe the Action.
2. How much detail? There is no set answer, although you should capture all of the major interactions between people and their environment.
3. Rule of thumb – less than 40 tasks is probably too little detail, more than 150 is too much.
4. See sample Object Types on the next page for examples.

STEP 4: Capture Process Participant Tasks

Sample Object Types

WORK OBJECT TYPE	PRIMARY OBJECT WITH WHICH THE PARTICIPANT WORKS
Customer	The customer of the business
Person	Another person in the company, a supplier, or partner
System	Any software system
Document	A physical paper document or its electronic equivalent
Queue	Any storage area where work “waits” before it is selected
Storage	Any storage area, physical or electronic, where an object is routinely stored (NOT a queue)
Business Rule	Any formalized instruction the participant is expected to follow
Goods	Any product or service of the company
Materials	Any physical items that are used in the performance of the task
Equipment	Any physical machines of any kind that are used by the participant in a task
Company	The company as an entity
Other	Any object that does not fall into this list is designated as “other”

STEP 5: Measure & Analyze

- » You cannot manage what you cannot measure. Process improvement is all about **Lean BPM: Removing non-value added work and simplifying the process.**

MOTIVATION	METRICS	CURRENT COST	GOAL	BASE UNIT	GOAL AS %
Why do we want to improve this process?	Measure that represents the value of what needs to change	Current value of the metrics	Target value for the metrics	Base unit of measure	Goal as % of improvement
<i>Reduce costs</i>	<i>Cost per claim</i>	<i>\$ 200</i>	<i>\$ 75</i>	<i>Dollars</i>	<i>63%</i>
<i>Reduce processing time</i>	<i>Time to complete</i>	<i>80</i>	<i>24</i>	<i>Minutes</i>	<i>70%</i>
<i>Improve quality</i>	<i>Reduce rework & exceptions</i>	<i>35</i>	<i>5</i>	<i>Count</i>	<i>86%</i>

Tips & Techniques:

1. Goals are essential to process success; they drive the process design activity
2. Choosing MEASURABLE goals is absolutely critical.
3. Costs, Performance, Quality and time are very closely linked. Improving one is highly likely to improve the other in a similar fashion.
4. In some cases, goals or the 'possibilities' are not known. In this case you can 'skip' goals and use improvement activities to 'size' the goals (then come back to this step)

Goal Assessment

Goal	Priority	As-Is Situation	Proposed Solutions	Impact
Remove Paper	2	Paper-based process Intake Storage Search Retrieval	Eliminate paper by: Scanning of Incoming Documents Faxes stay electronic Auto-search and Ad-Hoc Search Electronic Work Item Presentation	\$ Reduce/eliminate paper cost \$ Processing Efficiency ↓ Reduce Loss & Damage of Records ↓ Fewer paper cuts
Maximize Efficiency, Keep up	1	Mail room & clerks are both packaging and routing work	Mail room to scan & index work for automated routing to clerks	\$ Paper Processing Efficiency
Grow the Business	1	Work cannot be added without adding clerks	Increase productivity by: Automating manual data entry tasks Reducing steps in process Adding intelligent workflow Requiring electronic form submission	\$ Processor Efficiency

Tips & Techniques:

1. Analyze process improvements mapped to your specific goals.
2. It's important to rank the goals first to ensure that you focus on those that have the most impact to the business or your project.
3. Assess the proposed solutions to address each goal by listing each of the actions identified
4. Define the impact to the process and/or business by taking these actions within the proposed solution.
5. Analyze if the potential impact is aligned to your initial goals and metrics defined in the goals template.
6. Tools such as simulation can be leveraged to validate the existing process performance and to examine the likely process performance improvements under varying workloads. (A free trial of analystView, a simulation plug-in for Microsoft Visio 2010 is available at www.global360.com/analystview.)

Where to Get Help

Need Help?

You know opportunities exist to improve your most critical business processes. Yet, identifying those key business areas for improvement, creating a BPM strategy for success, and building a compelling ROI-based business case to secure management buy-in is the single biggest hurdle you face in getting your BPM project off-the-ground.

This is where Global 360's viewPoint Assessment can help. Global 360's viewPoint Assessment helps you evaluate key business areas for improvement, create a strategy for success, and build a compelling ROI-based business case - all designed to secure executive sponsorship, accelerate your project, and implement change in the most effective way. Within two to four weeks, your assessment team will assess your goals and organizational readiness, mentor the team on effective process discovery and then work with you to deliver solution recommendations to address key success factors.

To learn more information or schedule an assessment, visit: www.global360.com/vpassessment.

About Global 360

As the leader in process and case management solutions, Global 360 specializes in eliminating productivity killers – too much paper, too many manual processes and too many system interfaces – that prevent businesses from delivering exceptional customer experiences. Global 360's business process management suite (BPMS) reduces the complexity in how businesses operate. As the originator of Persona-based BPM, Global 360's intuitive, out-of-the-box user applications improve worker productivity and deliver the information managers need to run their business. Tightly integrated with Microsoft SharePoint, Office, Visio and more, Global 360 transforms your Microsoft investments into an enterprise-class process platform. By reducing paper, automating processes and empowering individuals at over 2,000 customers in 70 countries, Global 360 is changing how work gets done. www.global360.com.

Awards & Recognition

