

Synergizing Business Processes

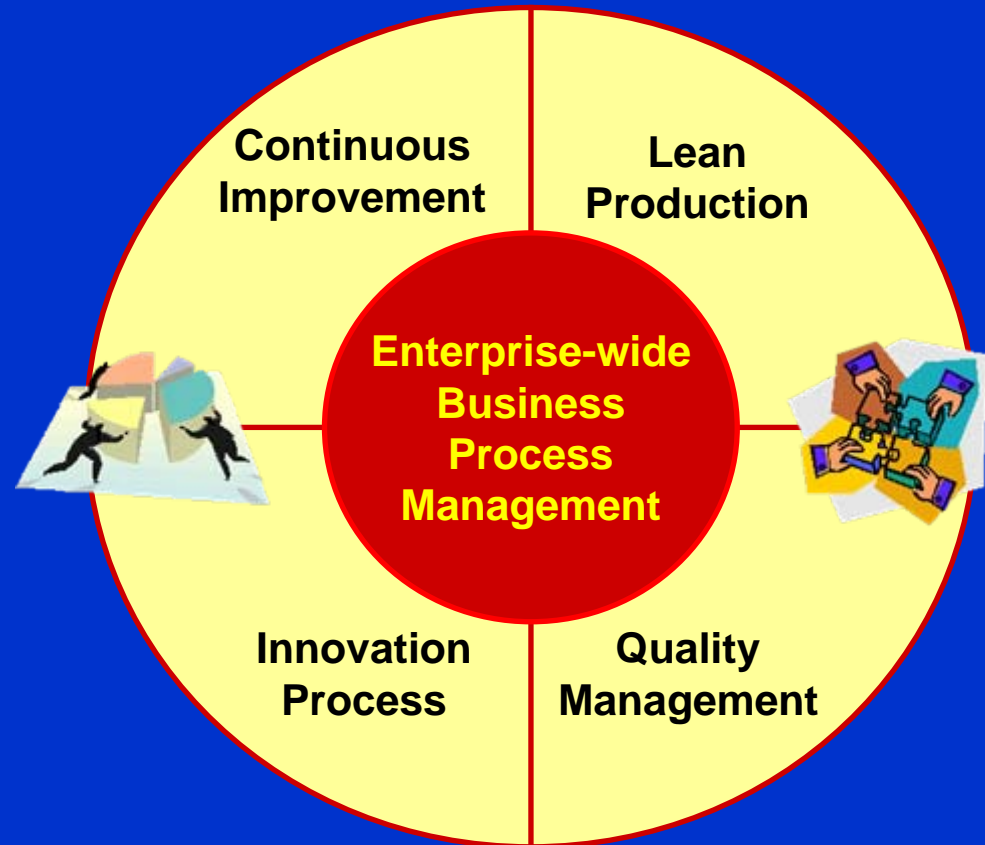
50 Ten3 SMART Lessons

50 Slides + 50 Executive Summaries

By: Vadim Kotelnikov
Inventor, Author, and Founder
Ten3 Business e-Coach
www.1000ventures.com

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**Holistic Business Systems Approach to
Process Efficiency and Quality Management**



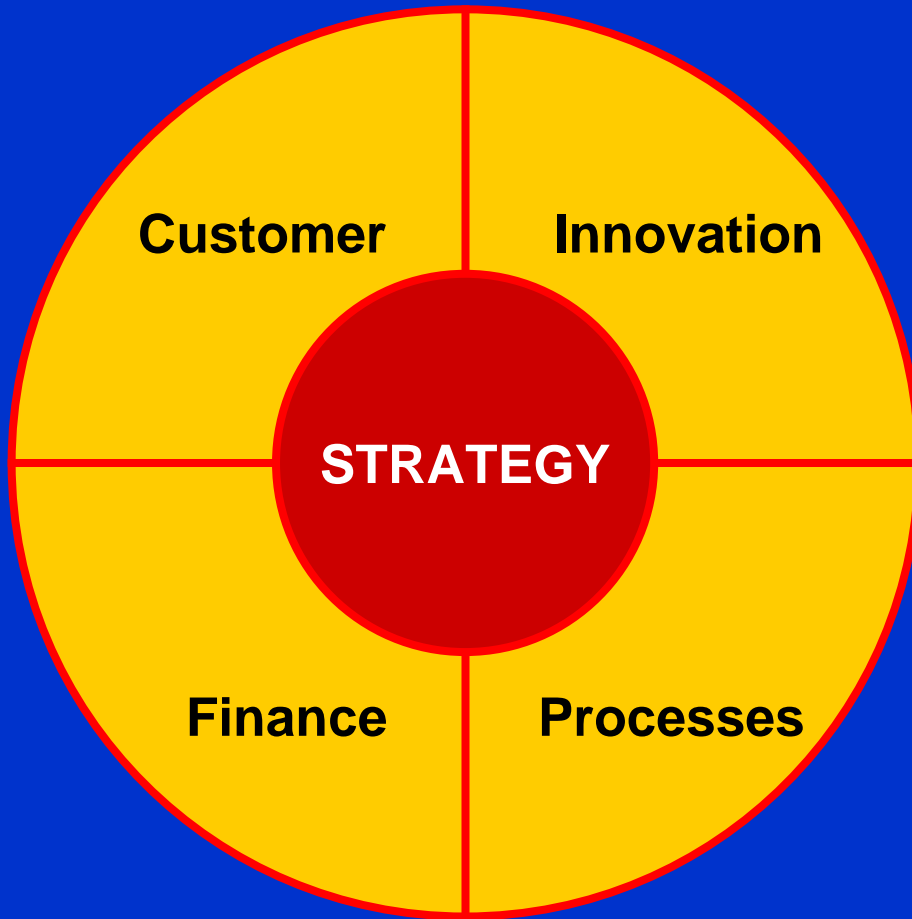
'Leader of Business Synergies' (S-Leader)

Synergizing Business Processes

- 1. Business Process Management: a Big Picture**
- 2. Enterprise-wide Business Process Management (EBPM)**
- 3. Continuous Improvement, Kaizen, Lean Production**
- 4. Quality Management, Six Sigma**
- 5. Process Innovation, Innovation Process**

Balanced Business System

Dynamic Balancing of Your Business Wheel



The primary goal of any business is to increase stakeholder value.

It is achieved through a dynamic balancing of competing values.

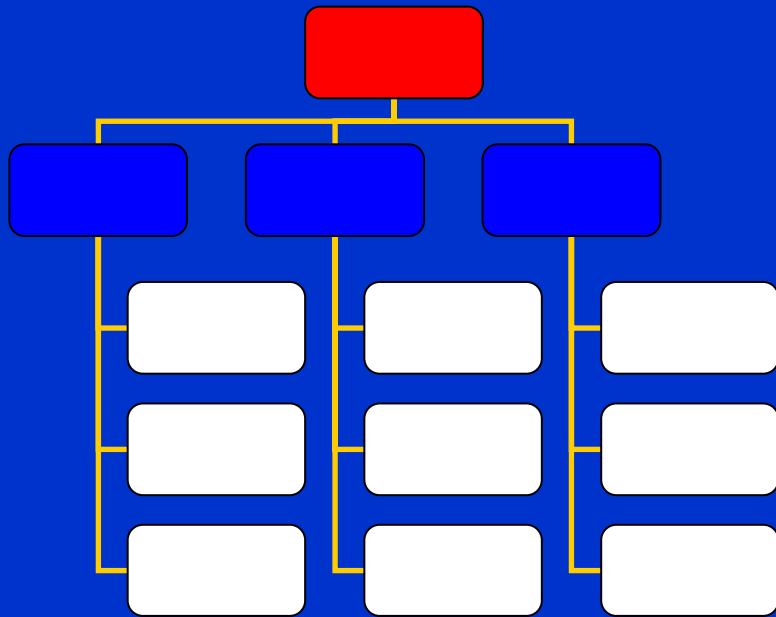
In order for a business to maximize economic value, it must balance customer satisfaction and competitive market forces with internal cost and growth consideration.

If your business wheel is unbalanced, it will roll neither far nor fast.

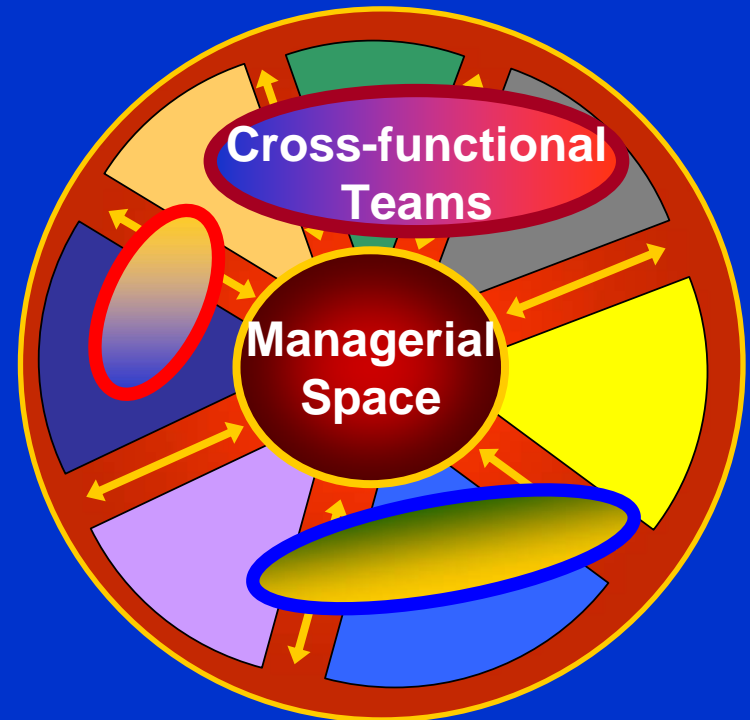
Enterprise-wide Business Process Management Shift from Functional to Cross-Functional Paradigm

“Old functional paradigm has done more to impede customer focused, business performance improvement over the past two decades than almost any other factor.” – Andrew Spanyi

Old Functional Paradigm



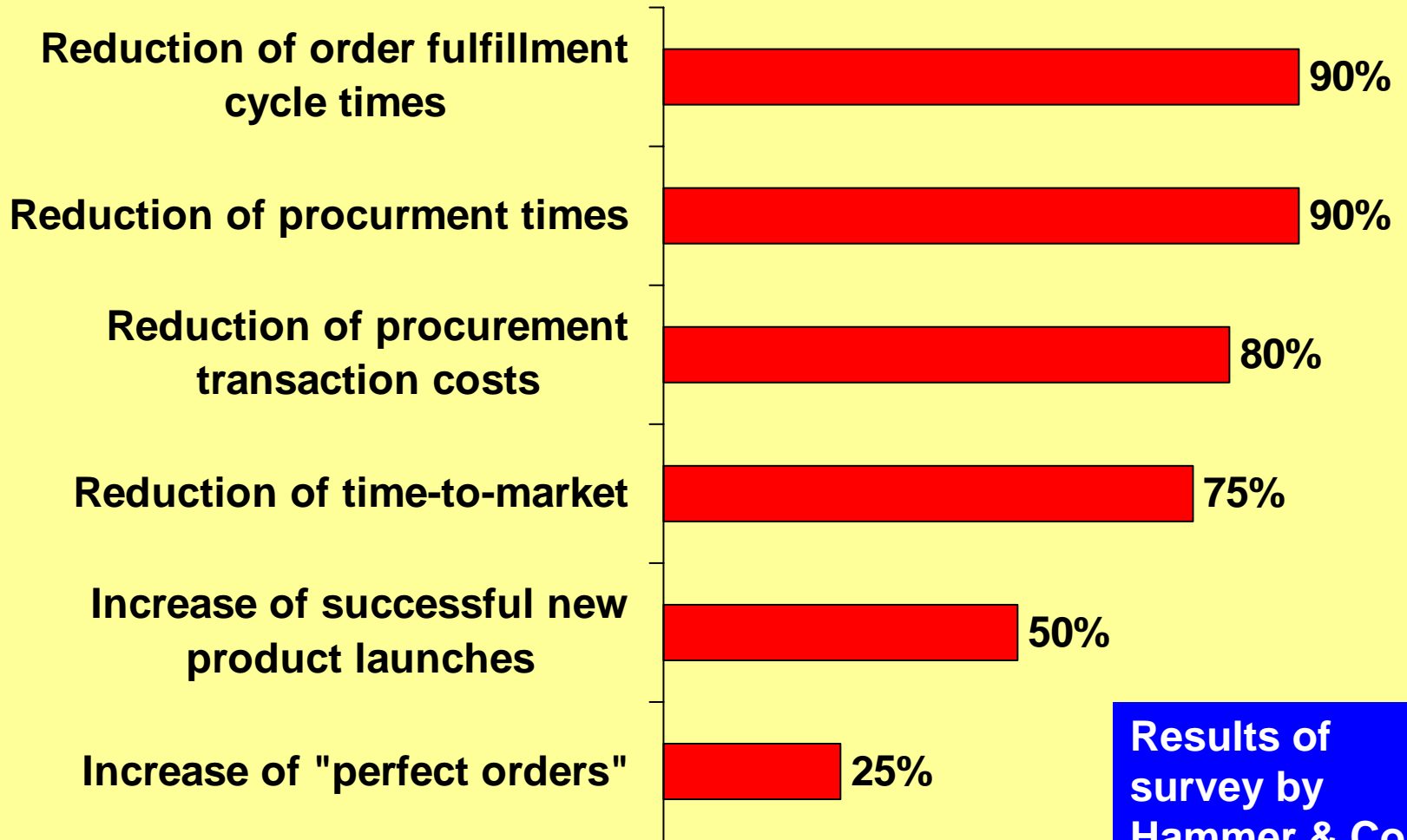
New Cross-functional Paradigm





Enterprise-wide Business Process Management

The Payoffs of Process Approach to Business



Results of survey by Hammer & Co



Enterprise-wide Business Process Management (EBPM) Assessment Form

Assess Your Organization's Progress Toward Excelling in Business Process Management

- 5** The entire set of enterprise business processes are being managed for improved performance.
- 4** The full set of customer-touching processes is being managed for continuous improvement.
- 3** Significant success with process redesign projects realized, and a few end-to-end business processes managed for continuous improvement.
- 2** Some prior success with process redesign projects, but not much sustainable process management.
- 1** Broad awareness of the need to improve and manage business processes exists, but little action so far.
- 0** Not much awareness of the need to improve and manage business processes exists.



Enterprise-wide Business Process Management (EBPM) Aligning Information Technology (IT) and Business

Major Barriers to E-Business Adoption

- ✓ getting the whole company to agree
- ✓ threat to valued existing partnerships
- ✓ security, privacy, and complexity
- ✓ insufficient business skills of the IT team
- ✓ insufficient leadership skills of the IT architect



**"E-business
is not
an IT challenge."**

– T.Kyle Quinn,
Director,
e-Business IS,
Boeing Co.

Cutting Costs and Generating Business Value: Best Practices

By Stacy Smith, Intel Corp.

- Run IT like a business
- Measure and manage IT business value to predict and track project value before, during and post-implementation
- Move toward continuous process optimization and IT modernization
- Measure and manage overall IT capability
- Characterize the costs and risks of not moving forward

**Best
practices**

Continuous Improvement Firm (CIF)

Definition and Positioning

CIF is a firm continuously improving on customer value due to improvements in productivity initiated by all its members

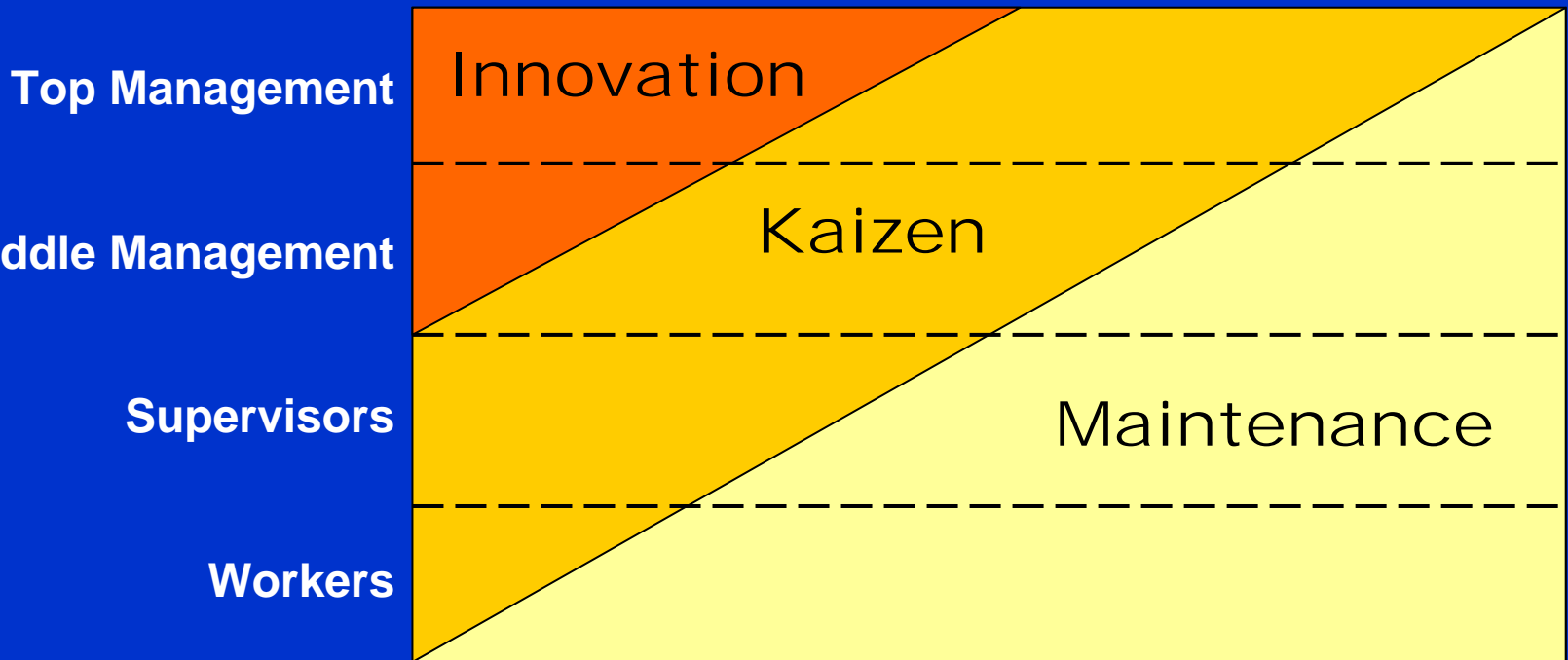


CIF versus Mass Production (MP Firm)

| Issues | MP | CIF |
|-------------------------------------|--|--|
| Strategic advantage | Large volume of homogenous output | Production flexibility |
| Workforce | Narrow specialization | Multi-skilled |
| Output based on | Forecasted demand | Real demand |
| Productivity success factors | Quality of management; its ability to plan and to direct the implementation of those plans | The ability of the entire work force, not just management, to constantly improve both the product and the processes whereby it is produced |

Kaizen – Japanese Strategy for Continuous Improvement

Job Functions as Perceived by Japanese Managers



Innovation

drastic improvements in current processes

Kaizen

small continuous improvements in current processes

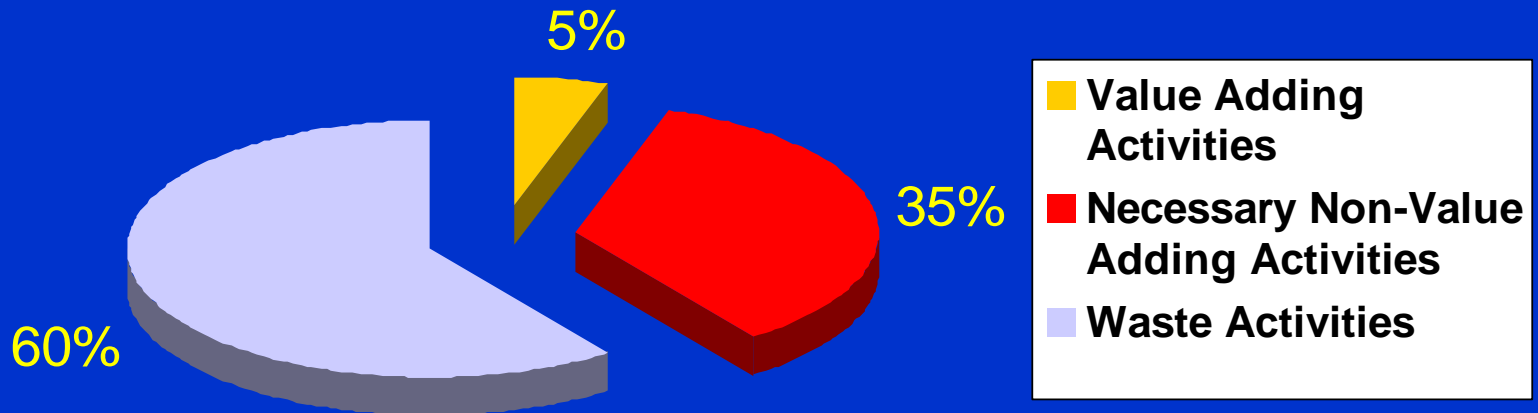
Maintenance

activities directed to maintaining current technological, managerial, & operating standards

Lean Production – Doing More With Less

Main Target: Removal of Waste Activities

For most production operations, only a small fraction of the total time and effort actually adds value for the end customer.



By clearly defining “value” for a specific product or service from the end customer’s perspective, all the non value activities – or waste – can be targeted for removal step by step.



Toyota Production System

5S

7 Wastes

Suggestion System

Visual Controls

Defect Warning

Total Preventive
Maintenance (TPM)

Standard Operations

Just
In
Time
(JIT)

Autonomation

Load Leveling

Results for a sample year:

- More than 700,000 improvement suggestions.
- That is an average of over 10 improvement suggestions per employee per year.
- Over 99% of suggestions were implemented.

Key Benefits

- 1. Greater clarity on where to apply Six Sigma techniques and for what results**
- 2. Fewer overlapping initiatives and more cross-departmental collaboration**
- 3. Reduced the frequency of project collapse due to tribal warfare**
- 4. Because of the big picture view, you can decide when to deploy DFSS (design for six sigma) methodology as opposed to the traditional DMAIC (define, measure, analyze, improve, control)**
- 5. Greater sensitivity to the human side of change**
- 6. More efficient process improvement methods**



Innovation Process

Traditional vs. Flexible Model

TRADITIONAL MODEL

**Project
Start**

**Concept
Freeze**

**Market
Introduction**

Concept development

Implementation

FLEXIBLE MODEL

- phases are overlapped; no design is locked down earlier than absolutely necessary not to miss a newly emerging technology
- effective for rapidly changing business environment

**Project
Start**

**Concept
Freeze**

**Market
Introduction**

Concept development

Implementation



Yin

Passive, Receptive



Outside-In

- Look at your business Outside-In
- Adapt your processes to the needs of your customers
- Make it easy for your customers to do business with you

Yang

Active, Creative

Inside-Out

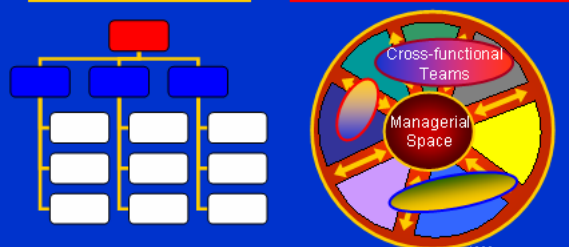
- Look at your business Inside-Out
- Innovate to exceed expectations of your customers
- Help your customers and suppliers benefit from your innovations

Synergizing Business Processes

New Management Model
Shift from Functional to Cross-Functional Paradigm

"Old functional paradigm has done more to impede customer focused, business performance improvement over the past two decades than almost any other factor." – Andrew Spanyi

Old Functional Paradigm **New Cross-functional Paradigm**



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Transforming the Traditional Functional Mindset
Excerpts from "BPM - Approaches & Best Practices" by Andrew Spanyi, 2003
In far too many organizations, senior management's traditional functional mindset represents one of the most significant barriers to change. Indeed, there is reason to believe that the traditional functional paradigm has done more to impede customer focused, business performance improvement over the past two decades than almost any other factor.

This way of thinking stands in the way of executives understanding and improving the flow of cross-functional activities which create enduring value for customers and shareholders. It promotes the type of thinking that impedes the effective deployment of enabling information technology. It promotes also "silo behavior" and turf protection, and an undue pre-occupation with organization structure. This mindset contributes to the mistaken belief that if it was somehow possible to properly define the boxes on the organizational chart, and fill in the names of the "right" people in the key boxes - then the organization's performance will automatically improve. Yet, little is further from the truth. Further, it encourages a distorted view of performance measurement and executive rewards, shifting focus away from meaningful measures such as the timeliness and quality of services provided to customers, and towards less significant measures around functional departmental performance. It reinforces a task focus and traditional command and control behavior, where questions such as "What is the scope of my responsibility?" and "Who are the key subordinates who can help me look good?" are foremost and top of mind. Moreover, traditional functional thinking has also led to outdated management practices in the areas of goal setting and problem solving and it stifles innovation. So what to do? How can you transform the traditional functional mindset such that your organization is designed to make it easy for customers to do business with the company and easier for employees to better serve the company's customers?

An effective way of transforming the traditional functional mindset is to embrace enterprise business process thinking and install enterprise business process management (EBPM) practices. What does this involve? Frankly, it requires a lot of very hard work, and concepts which will make some of your executives very, very uncomfortable. Why do it? Simply because the benefits of making this mental model transition are significant.

- ◆ 50 PowerPoint slides +
- ◆ 50 Half-page Executive Summaries

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Sample slide
with a half-page Executive Summary

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