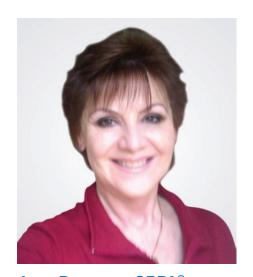# White Paper
Communicating Business Process Improvement to Stakeholders

WP0018 | November 2011

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Process Improvement is about investigating what causes things to happen the way it does in a process by examining all of the elements that affect the process, including the materials used in the process, the methods and machinery used to transform the materials into a product or service, and the people who perform the work. The aim of process improvement is to eliminate wastage of money, people, materials, time, and to create opportunities for the improvement of performance and customer satisfaction.

The key benefits and drivers of process improvement is to make processes work better, to reduce the costs of the process, improve efficiency and thus revenues, to improve relationships with customers and to improve employee motivation and morale. In a nutshell, process improvement is about making the organization's processes more efficient, effective and agile in order to adapt faster and better to external changes, thereby making it more competitive and more profitable.

It is easy to understand the benefits of process improvement; what is not easy to understand is why so many process improvement projects fail or fail to launch. Primarily, this failure is due to a lack of sponsorship from senior management, insufficient budget and a lack of stakeholder buy-in to the vision. Failure to develop a Business Case to support the need for a process improvement initiative is another reason why process improvement projects are not given the attention and management oversight needed to ensure success. The Business Case describes the financial justification for the project in terms of the value to be added to the business as a result of the improvement.
(A guide to the Business Analysis Body of Knowledge®)

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> **TIP:** The word 'Case' in Business Case is taken from the Legal Profession which means presenting an argument for or against something (Barbara A Carkenord – B2T Training). Thus Business Case is interpreted as presenting an argument to support the need for a business initiative that is designed to bring value to the organization.

Important Points to consider when developing a business case for process improvement

- What is the business problem? Increase in customer complaints?

- How does the current process align to the organization goals and how would any future improvement align to strategic goals?

- The current process should be mapped using standard practice modeling techniques.

- You should assess the measurements of the current process: How many employees are involved in the process? Where are they located? How many times does the process run (what are the peak and trough volumes)? What is the duration of the process from start to finish? What system applications are used in the process? How many outputs are created, who do they go to?

- It is important to calculate the cost of the current process.

- Identify and gain consensus from the process stakeholders regarding the problem/s identified with the process (including measurements).

- Determine the key business benefits to be gained by improving the process/es and assess the cost to the business if nothing is done. Benefits include: monetary savings, elimination of duplication and rework, reduction of customer complaints through service and turnaround time improvement, improved staff morale due to training and skill improvement, automation of certain processes, reduction of duplicate data and redundancy, and so on. Quantify each benefit and establish the metrics and success criteria to be used to measure improvement success.

- Establish the key roles and responsibilities of the business improvement team members.

- Incorporate feasibility studies and cost vs benefit analysis of potential solutions to improve the business process. Use economic calculations to determine the potential return on investment and the payback period that the organization can expect when the improvement is implemented.

- Gain consensus from stakeholders on the best solution approach. Ensure the stated business problem is the real problem to be solved by using the technique of root cause analysis. Make sure the business scope and project scope equally reflect the work effort estimates of the Process Improvement Team as well as the Direct and Indirect stakeholders who will be impacted.

- Present the business case and improvement recommendations to the Business Sponsor for approval and funding. Most projects are initiated to solve a business problem (or to take advantage of a business opportunity) and there are risks associated to all projects.

The Process Improvement Team

The Process Improvement Team (consisting of the Business Sponsor, Project Manager, Business Analyst, Process Owner, SMEs, and other process personnel) carry out the individual tasks of the process improvement project. Very often, the process improvement team, which includes members from the key stakeholder community, is often a cross-functional team within the organization. The role of the Business Sponsor is therefore critical to the success of the project. The Business Sponsor has the responsibility and authority to manage cross-functional buy-in, co-operation and commitment to the process improvements. A process improvement project that is not actively driven by a Business Sponsor will in all likelihood fail or come to a standstill as the team attempts to manoeuvre cross-functional boundaries, conflict and organization politics.

A Business Analyst is a key member of the process improvement team and often manages the individual phases of the process, because other team members may not be as familiar with how to prepare a business case, evaluate and/or document existing processes, design and document new processes in line with the organization's goals, simulate new processes using process models, workflow models and process maps, assist with the planning of the process implementation, obtain approval and document metrics developed by process improvement team members for control and monitoring of the process.

As for all projects, the project manager is responsible for managing the improvement project, arranging for the resources needed to complete the project, and for ensuring that the project status is communicated to stakeholders. The Project Manager is also responsible for defining the project scope, with the assistance of the Business Analyst, and for developing and managing the project plan, managing and controlling project risks, managing and controlling all project changes and managing activity dependencies to avoid negative impacts to the project.

The Process Owner is accountable for the design of the new process as well as for its implementation and post-implementation control to ensure that the organization achieves the benefits described in the business

case. Various Subject Matter Experts will be required to provide and validate information on how the process currently operates and should operate.

Questions to ask when analysing a process

- What is the underlying goal of the process?

- Are there too many roles involved in the process?

- Are there too many hand-offs to different roles or other business units?

- Are there steps that add little value?

- Are there under-resourced steps causing bottlenecks or delays in the process?

- Do exceptions get in the way of most common workflows- are there too many exceptions?

- Is there another way to deal with exceptions?

- Is there poor collaboration or commitment to the process across organizational boundaries?

- How many systems, interfaces, functionalities are used in the process?

- Do the systems automatically interface and pass data or are users required to re-key data?

- What is old and does not work efficiently?

- What is new and might work well within the competencies and skill level of the users?

- What is out of synchronization with the main path of the process?

- Are there any issue/s with processes in different locations?

- Is performance reflective of performance measures?

- Is information unavailable to some users, causing job frustration?

- Does the data model provide for consistent formats, definitions? Does it support the concept of "one fact in one place"?

- Are there manual activities that could be automated?

- Is there a paper trail? Where does the paper end up?

- What are the acceptable time standards for the process from start to finish?

- Do interface designs support efficient hand/eye co-ordination or are they awkward to use?

Consider the positive and negative impact of the process on the customer. For example, in a retail environment, suppliers call on and take sales orders from retail business owners, thus there is a need for suppliers to build good relationships with owners in order to get sales. However, invoicing and billing is performed by an administrator in a back-office who has the responsibility to follow-up on outstanding invoice payments. The administrator is usually a bookkeeper and is not trained in customer service skills. The administrator also sees their role in the process from an internal perspective and not from the customer's perspective, hence there is a real danger of the administrator chasing the customer away from the organization through poor attitude, not understanding the customer's business, unreasonable demands, etc. In this case, the process improvement team may want to consider who will be responsible for managing the relationship with the customer and implement one primary point of reference so as not to estrange the customer.

It is important to remember that no matter what improvement design is implemented, it will have a direct impact on people. Remember too that process improvement is for the long-term success of the organization, so fear of implementing a good solution just to save jobs will make the organization less competitive and may decrease long-term financial viability. Ultimately it is the responsibility of the Business Sponsor to decide on job elimination or job re-allocation. The Process Improvement Team should ensure inclusion of suitably qualified HR practitioners.

Communicating to Stakeholders

For the process improvement project to be successful, findings and recommendations from the project must be communicated to stakeholders at regular and sustained intervals. People will automatically become resistant to change if they are not involved or are kept out of the communication loop. There are a number of different communication vehicles that may be used to communicate findings, improvements and implementation plans to stakeholders. Ultimately the Business Sponsor is the communication champion and must have a communication strategy and plan to follow throughout the project duration.

The communications plan should identify who needs to know what about new process changes, how they should be told, and when. A good communications plan must consider:

• Who needs to know about the process changes (for example, customers, unions, suppliers)

• What they need to know (for example, how their job will be affected by the process change)

• Which media is best to use to inform them of the process changes (for example, one-on-one meetings, paper bag lunchtime presentations, formal progress reports, etc.)

- When it is the best time to inform them (for example, weekly, after major milestones, monthly, etc.)

Often people do not want to hear about process change because it is too awful to contemplate the impact it will have on them. There are usually a lot of rumours and 'passage talk', which adds to their fear of change. A good communication plan must be able to provide information that stems the tide of rumours and 'passage talk' and focuses on the benefits to the organization and the individuals whose jobs are directly impacted by the change. Communicative activities should increase in frequency as the implementation date draws nearer to alleviate any last-minute resistance.

TIP: Use a small team to plan and manage communications – key is the Business Sponsor. Include an organization communication expert, usually from Marketing or a Communications Department. Allocate a place to go to get questions answered, such as a hotline, an "ask the Sponsor" website, lunch meetings, and information sessions with key business leaders. Make it fun and keep messages positive. Look for user champions.

Avoid: communication flows through middle-management. This will increase fear, resistance, confusion and distrust. Do not allow the Business Sponsor to abdicate the communication responsibility to anyone else, especially someone who is not impacted by the process or to a person who carries no credibility in the eyes of the users.

At the end of the project, the Process Improvement Team transfers their day-to-day responsibilities of the process to the Process Owner. A transition plan must be developed to ensure a smooth transition from the old process to the new process. It should include a Hand-over of Procedure Manual, Training Manuals and Metrics to measure improvement success. Support processes must also be in place to provide corrective action when problems are experienced. Findings, Lessons Learned and further recommendations must be communicated to Stakeholders to ensure continued future success and ongoing alignment to strategic goals.

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