



CUSTOMER MANUFACTURING GROUP

Without appropriately changing a culture to coincide with, actively support, and be a foundational part of the new "should-be" process, the integrated process will never achieve its goals and, it may in fact collapse during the development effort.

Change is very seldom free and easy, and changing an organization's culture never is. It starts at the top.

USING BUSINESS PROCESS IMPROVEMENT TEAMS TO INCREASE CUSTOMER SATISFACTION AND IMPROVE PERFORMANCE

A CUSTOMER MANUFACTURING GROUP CASE STUDY

The Background:

As a core value the company had a belief in providing customer service at a level that exceeded industry norms.

Two factors had converged that required attention for the company to continue to provide service at this level. First, as other companies in the industry got better, the company needed to raise its level of customer service to continue to exceed industry norms. Secondly, the company's growth over the last decade had reached a point where customers' needs exceeded the capabilities of the processes they had in place. This manifested itself in terms of people who were working in ways that were not effective or efficient, and were providing less customer service than their values and competitive realities required.

The company believed that failure to resolve these issues would limit their success going forward.

The Company:

The company is a leading financial services business, which had been operating for over 15 years with consistent profitable growth.

Their Issue:

Aside from not providing a superior customer experience, the company found too many of its work processes were person-dependent. That is, without a specific person available, processes came to a halt.

While internal and infrastructure aspects of running the operations were very much process-based, they were not process-driven or managed. Specifically, there were absolutely:

- No performance metrics or measurements of any of the process steps or for any of the many people responsible for effecting their execution.
- No standard process maps or information flows upon which to build a management-metrics database.
- No standard or at least modeled process times for an entire quote/buy/fulfillment cycle, for any one point in the cycle to another, or within any single process activity.

Things just happened, and pressure was brought to bear on the staff to correct problems that arose but not to identify and eliminate the root causes.

All of these made for a very inefficient internal operation and consumed excessive amounts of time creating or reinventing an ad-hoc process for each type of client project as they occurred. And the squeakiest wheel always got the grease, which often became a matter of who had the most grease.

Additionally, as the company grew — in terms of number of clients, types of projects, and activity volumes — increasing demands were being placed on the company's infrastructure to perform up to their previous lower volume, high quality standards.

As a consequence of all this, process and processing mistakes were increasing which had a deleterious impact on clients, and on interaction with the various pertinent government agencies and departments. Long-time clients began to be concerned about the

CASE STUDY

company's increasingly visible goofs, while new clients began to second-guess their decisions to work with the company.

An ever-increasing amount of time was spent putting out fires, tracing down errors, and apologizing to all concerned parties. Even rudimentary customer communications regarding project status — a previously highly recognized competitive strength — had begun to slip.

The key producers were increasingly busy trying to produce while the beleaguered staff was just that.

And then, the market began to drop, first just a bit here and there in various segments and then precipitously across the industry. Previously struggling to adjust to record growth — with process systems that couldn't keep up — the company now had to be concerned about how to manage their operations in a much more efficient and effective manner, by necessity.

Customer Manufacturing Group's Role:

We were brought in to coach several process improvement teams. The goal was to improve several customer-facing processes while teaching the teams how to conduct their own process improvement projects in the future.

One of the goals associated with each process was to ensure that the company's clients and its own operations staff knew at all times the status of all activities associated with new and on-going projects. And from the internal operations perspective, all personnel would know precisely their own roles and responsibilities and each others'.

Four critical processes were targeted for improvement. We defined the deliverable for each of the four processes to consist of:

1. Fully documented process maps of the entire process flow, from start to finish.
2. Process maps that would identify the individual activities and include cognizant department responsibilities, action to take, when to do it, links to upstream and downstream activities, and would reference all supporting documentation, and identify any customer contacts that were required.
3. Time-line charts for the entire process, standard process times for each activity and wait or queue times between individual steps (usually involving a wait for various documents from a

company external source, e.g., the client, a project partner, a government agency, etc.)

Our Process and What We Did:

1. With management's help, identified all appropriate members for each process team. This included both supervisory and staff-level personnel. These were people who were intimately involved in all or at least part of the process activities; they were the action takers. (The teams consisted of 5-8 people, with some people on more than one team.)
2. Assigned team leaders for each process. A key point here was that a team leader could not be the senior-most executive(s) who oversaw that process.
3. Set committed-to team meeting schedules, and as process development activity progressed, worked with the team to establish individual roles and duties for certain aspects of process definition and mapping.
4. Before getting into the nitty-gritty of each process mapping activity, we ensured that all team members fully understood the purpose and objective of each process and the purpose and responsibilities of the team.
5. Laid-out the "process-process," that is, the overall process development and mapping activity, including our role and the team's role.
6. One key team issue was to decide on the appropriate documentation technique for each process map. There is a plethora of software process mapping tools available on the market, from very simple to very complex. Given the company's concerns with regard to time and money resources that would be consumed by each process team, the teams decided to use Visio as their map tool since it was already available to them and a few of the team members were at least somewhat familiar with it.
7. An underlying objective of our involvement was to — as subtle as possible — lay the ground work for the formation of authorized and empowered post-development process teams, that is, the team that would then become responsible for the implementation and full flow and activity of the process and for its maintenance, after the process was approved.
8. Once all the above groundwork was in-place, we began the actual process mapping activity. Our methodology for each process team was to guide, advise, question and to initiate thoughtful discussion.

CASE STUDY

9. To begin the process development and mapping, our methodology was to first develop the current "as-is" process, and once mapped, to analyze and evaluate it, and to identify deficiencies, redundancies / duplications of activities by different departments, performance gaps and loop-holes, problem areas for communications break-downs with clients and project partners, and internal operations, other error-prone activities, and inefficiencies in general.
10. After the as-is process was seemingly finished, we instituted a brief review break in the schedule to enable each team member to step back and confirm that the process as mapped was indeed the way things actually happened. The technique here was to follow the mapped process in their daily work to find errors, identify critical missing steps and crucial supporting documentation that had been left out, and so on. This did result in some changes to the previously "finished" process map.
11. Next came the activity of developing and mapping the "should be" (or "must be") process. The first step — before beginning any mapping work — was to identify all the process and activity problem areas associated with the real as-is process that needed to be modified or eliminated, and any new activities that needed to be added.

Two very key elements were carefully evaluated for inclusion in the "should be" processes:

- a. Identification of all customer value-added / customer touch points. These needed to be made more customer-friendly, efficient, and effective; some to be modified and new ones to be added. This was an aspect of the company's operation that had begun to slip noticeably, and had to be given new life.
- b. Eliminating all the time and energy-consuming waste in the process, that is, process steps that added no value to the customer or to internal operations. The biggest target here was multiple redundancy paperwork and document processing within and between departments. The company had become a huge paper factory, largely "just because," as in, because no one ever looked critically at this operating characteristic before.

This was a crucial management-involved step because many changes impacted the current organization (structure and

management), company policies and practices, executives' roles, and in some cases, an executive's personal beliefs, feelings, and conduct. Any and all changes to the as-is process had to be agreed on by all parties before the actual mapping of the should-be could begin.

12. As each should-be process map was completed, it was transformed into a formal company document in complete detail inline with its objectives. An official company process folder was established in the computer master database, and rules were established regarding the authorities and responsibilities for maintaining the integrity of the process as documented and for effecting any subsequent changes to the process.
13. The new process for each activity was communicated to cognizant department personnel, and training or familiarization sessions were scheduled for employees who would be tasked with working with the process.

An integrated process improvement undertaking will include the basis for making continuous process improvements (which involves process and management metrics), lean thinking, constraint analysis, and cross-functional team development, to name a few of the stones in the new foundation.

The Results:

Upon completion of our new process-ready assignment, circumstances arose that made these improvements critical to the company's on-going success. During the seven months of our engagement with the company, the national economy as a whole and the specific industry involved began to rapidly tank. Having more effective and efficient processes in place helped the company weather this storm.

Epilogue: Culture and Process Change; Not Strange Fellows but Necessary Bed Fellows

All businesses (or any organization for that matter) have cultures. If a business has heretofore not had a process-driven internal approach as part of that culture, it might be best described as one that operates on the basis of individuals' preferences, charisma,

CASE STUDY

embedded best practices based on historical perspectives, closely guarded turf and silo protection, and a host of other operational attributes. Many of these are quite frankly cemented firmly in-place in order to maintain the comfort zones that have been established throughout the organization.

If not overtly process driven, all organizations have processes for most of the operational activities, some documented — in one form or another — and some not, and usually without regard (or much of it) to the upstream and downstream activities that surround it. Everyone is responsible for doing a certain thing; "things" rule the day.

All of this comprises an organization's "as-is" culture, and changing this type of culture is usually a very daunting task.

Committed, Total Involvement:

Making a change from a sometimes loosely strung-together series of individual things to a comprehensive, fully integrated process flow can change everything. The two largest issues involved here are: 1) The functional aspects of converting the processing of individual things into a one-piece-flow in which the ankle bone is indeed seen as connected to the head bone each effecting the other as well as all bones in between, and; 2) Changing the culture — for everyone concerned — at all levels of the organization. The latter is often the most arduous undertaking of an integrated process improvement project.

Without appropriately changing a culture to coincide with, actively support, and be a foundational part of the new "should-be" process, the integrated process will never achieve its goals and, it may in fact collapse during the development effort. Change is very seldom free and easy, and changing an organization's culture never is. It starts at the top.

An integrated process improvement undertaking will include the basis for making continuous process improvements (which involves process and management metrics), lean thinking, constraint analysis, and cross-functional team development, to name a few of the stones in the new foundation. The most senior responsible management must play active roles in encouraging, nurturing and participating in the project work and in aiding all concerned to keep their "eyes on the prize" — more effective and efficient operational flows that also add value to all the customer-facing activities.

Improving an organization's ROI also includes improvement in the return on all internal assets employed. This is one of executive management's primary responsibilities and often involves significant changes in processes . . . even their own.

What Is Our Standard Management Process Improvement Methodology?:

Aside from varying logistics and mechanics we employ in our management process improvement projects, we mold our activities around the following core concepts.

Process Management (PM)

PM defines that all work is done via documented processes with controls, feedback, and performance limits.

Constraint Analysis (CA)

CA defines how to allocate resources such that total system throughput is optimized.

Continuous Improvement (CI)

CI defines the mentality and processes for discovering how to improve the performance of each activity within the process . . . and of the process itself.

Lean Thinking (LT)

LT describes the attitude of applying 'just enough' resources to an activity to get the job done with no waste. Within the CMS concept we apply LT to the entire process as a whole and combine it with CA, in effect "balancing the line" from start to finish with just the right amount of appropriate resources applied at the right time.

Looking for the Foundation:

Using the above principles and our Customer Manufacturing[®] System model, we begin our assessment of a client's operations by looking for a foundation or master plan that incorporates these process guidelines. Without them, many marketing/sales operations metaphorically resemble the Winchester Mystery House in San Jose, California; a 160-room structure with no logical, rational design or layout, just separate rooms, some connected some not, but each taking up space and costing a great deal of money.

More About Customer Manufacturing Group

If you would like more information about how to apply a process to improve your marketing/sales function, simply contact us and we'd be happy to help you get started. From sweeping marketing/sales management process strategies to specific branding or product launch services, Customer Manufacturing Group can help.

Detailed information on our services and a number of Special Reports and cassette tapes and CDs are also available.

If you'd like to learn more about Customer Manufacturing Group, or for a complimentary subscription to *Customer Manufacturing Updates*, give us a call at (800) 947-0140, fax us at (408) 727-3949, visit our website at www.customermanufacturing.com, or e-mail us at info@customermfg.com.

We have offices in major cities in the United States, and our experts travel extensively throughout the world. If you'd like to schedule a meeting when we're in your area, just let us know.

Customer Manufacturing and System to Manufacture Customers are Registered Trademarks of Customer Manufacturing Group, Inc.