Skillbook
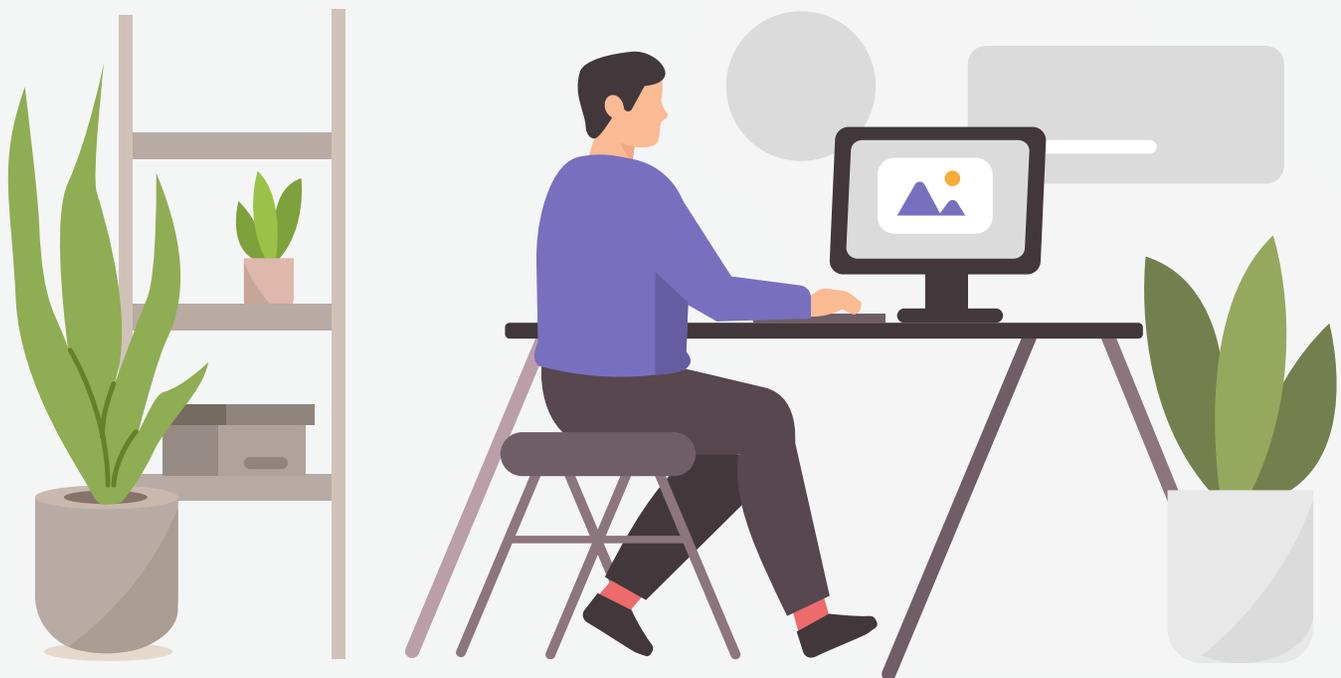
Designing Better Business Processes

Strategy Tools
Skills

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Skillbook

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1. Introduction

Every time that you follow certain steps to complete a task, you're using a business process. Perhaps you have a procedure to follow when you deal with a customer complaint, write a report, or manufacture a new product.

When processes are efficient, they can streamline your work, enhance its quality, boost customer satisfaction, and minimize errors or delays.

But, when processes are inefficient, work will more likely fail to meet the required standards or deadlines. This can result in poor customer satisfaction, wasted effort, wasted resources, and increased costs.

In this **Skillbook**, we'll explore what business processes are, why they're important, and how you can design ones that work for you. You'll learn:

- What business processes are used for, and how they can benefit you and your organization.
- How to map out your business processes.
- How to analyze business processes to make them more efficient.
- How to implement and review business processes.

2.   Why Use Business Processes?

Put simply, a business process is a set of coordinated tasks and activities that accomplish a specific organizational goal.

The emphasis is on **how** you do the work (the business process), rather than **what** you do (your organizational function). An end product can be delivered in many different ways, so you need to make sure that you're taking the most direct and efficient route toward completing it.

For this reason, business processes are particularly helpful when you're training new team members, or when you need to hand over tasks to another colleague or a different department.

Examples of common business processes include ordering stationery, canceling a product order, dealing with a customer complaint or refund, developing and marketing a new product, and setting up a contract with a new supplier.

Business processes can provide many organizational benefits. For example:

- **Improved productivity.** A more streamlined, efficient process can help people to organize and manage their tasks more effectively. This reduces the likelihood of mistakes, duplicated efforts and wastage.
- **Reduced costs.** Processes can help you to identify areas of wastage and bottlenecks (areas where delays or setbacks tend to occur), which add little value and reduce cost efficiency.
- **Better quality standards.** When everyone follows the same process, work will likely be completed to a consistently high standard across the department or organization.
- **Cross-functional collaboration.** Processes can cut across different business functions (for instance, one process may require input from various departments). This can encourage cross-team communication, integration and collaboration.

3.   Designing Better Business Processes

n this chapter, we'll show you how to design a detailed business process using a three-step approach. The three steps are:

1.   Identify objectives and key activities.
2.   Create a process map.
3.   Use swim lane diagrams to add detail.

Step One: Identify Objectives and Key Activities

Let's say that your objective is to create and send out an e-newsletter to your customers. This will require you to do the following:

- Decide on a theme.
- Identify the source material.
- Design the layout.
- Write the lead article.
- Develop the supporting material.
- Edit and proofread the text.
- Prepare the final version.
- Approve the final version.
- Email the newsletter.

It's important to explore each stage of a process in detail, because some processes might include subtasks that you aren't aware of. Consult people who use the process regularly to avoid overlooking anything important.

Action:

Think about a business process that you already use, and that you want to improve. Write down the main objective of the process at the top of the table on the following page. Then, below it, list all of the activities that need to be completed for you to achieve the objective.

List your activities in the order that they will need to be done. But don't worry if there's some information missing, or if the sequence isn't quite correct, as we'll look at how to organize and refine the process later in the chapter.

| Business Process (*include details of your main objective*) |
| --- |
| |
| **Activities** |
| 1. |
| 2. |
| 3. |
| 4. |
| 5. |
| 6. |
| 7. |
| 8. |

Step Two: Create a Process Map

When you've identified the main activities that your process needs to include, the next step is to create a process map that shows how the activities fit together. The easiest way to do this is to organize your tasks into a flow chart. This can be particularly useful when you need to communicate complex processes in a simple way.

Flow charts provide an "at a glance" overview of a process, but they can also help you to focus on the detail of each stage, without feeling overwhelmed by the wider objective. They use different shapes and symbols to indicate the actions that you need to take at each stage.

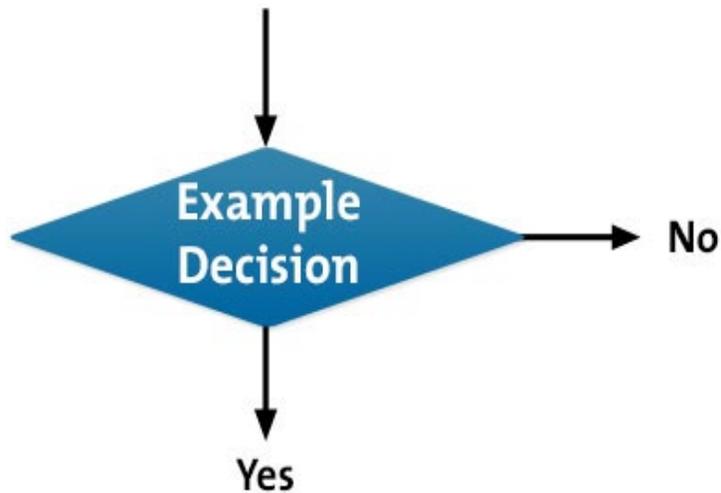The four main symbols that you'll likely use in a flow chart are:

1. Elongated circles (also known as "terminators"). These signify the start or end of a process.
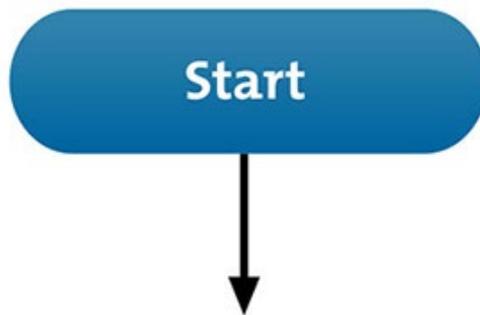
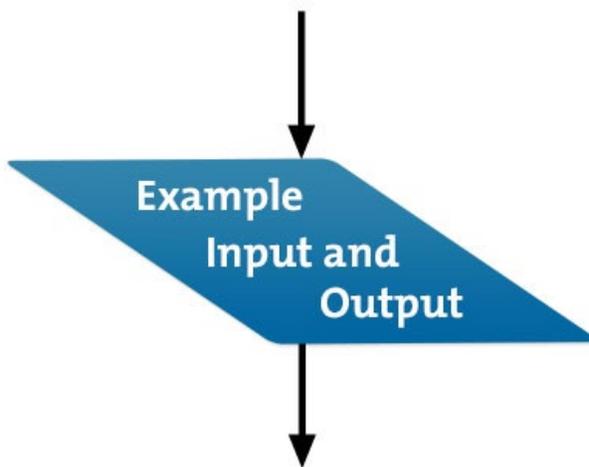**2. Rectangles.** These show instructions or actions.
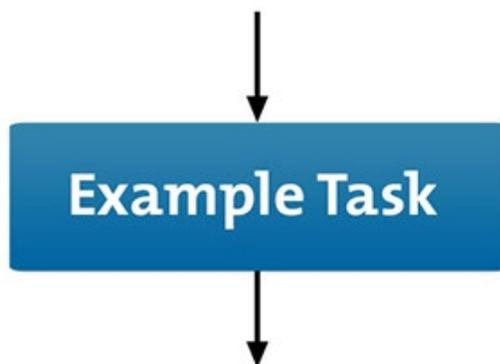
3. Diamonds. These prompt you to make a decision. The answers are usually "Yes" or "No," or "Go" or "No-Go."

4. Parallelograms. These show inputs and outputs within the process, such as materials, services or people.

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Note:

For a full list of the different symbols that you can use in flow charts, see the Appendix on page 20.

Here's a process map for our e-newsletter that has been created using flow chart symbols:
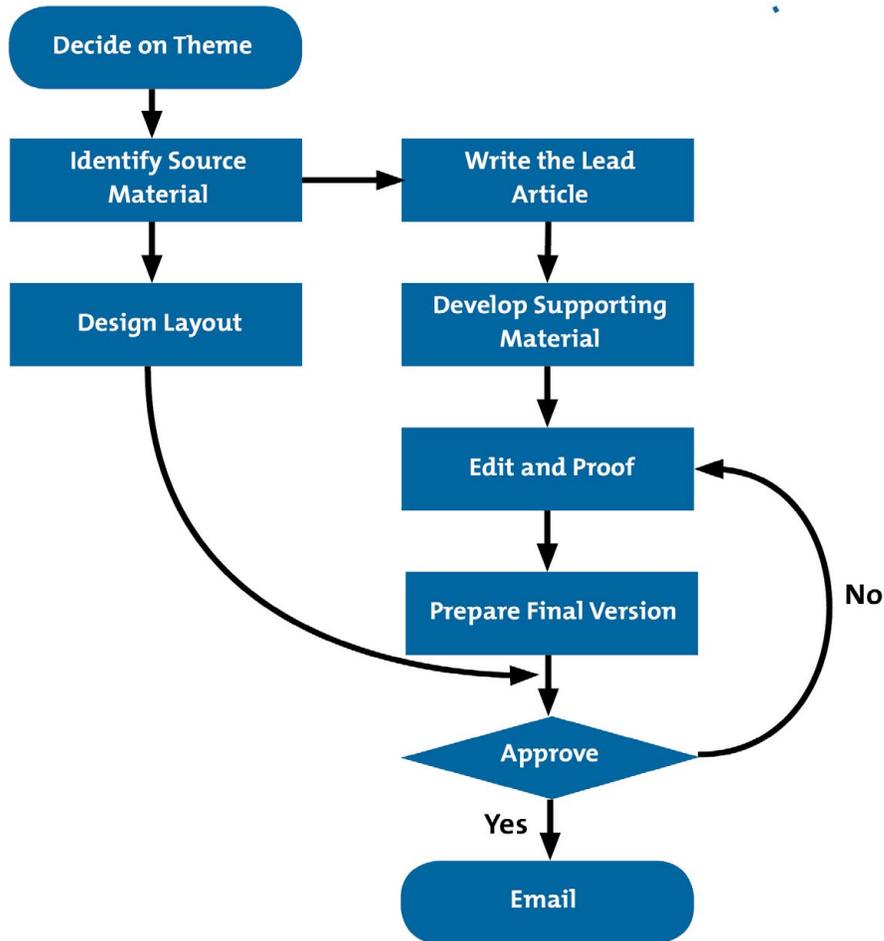
Action:

On the following page, create your own process map for the steps that you listed in the table on page 4. You may want to print out the page and draw your map by hand. You may also find it helpful to refer to the list of flow chart symbols in the Appendix on page 20.

Process Map

Step Three: Use Swim Lane Diagrams to Add Detail

Now that you've drawn up a basic map of your process, it's time to add some detail. For example, you might want to show who is responsible for each task.

Swim Lane Diagrams (also known as Rummler-Brache diagrams) are particularly useful for doing this.

They clarify who is responsible for each part of the process, and show how a task moves between people in different parts of the organization, from start to finish.

They can also help you to identify and improve areas where collaboration and communication are important, and reduce inefficiencies. For example, if several people review a piece of work during a process, you might discover that some of these reviews are unnecessary.

To create a swim lane diagram, you first need to work out who is responsible for each task in the process. For our e-newsletter, we could list tasks by the person responsible and their department or role, as shown below:

| Stage	Person Responsible	Department/Role
Decide on theme	Charles	Marketing Director
Identify the source material	Erica	Creative Director
Write the lead article	Joanne	Marketing Manager
Design the layout	Erica	Creative Director
Develop the supporting material	Greg	Senior Marketing Assistant
Edit and proof	Joanne	Marketing Manager
Prepare the final version	Erica	Creative Director
Approve	Charles	Marketing Director
Email	Timothy	Marketing Assistant

Action:

Write down each stage of your process in the table, below. Then, identify who is responsible for each stage, and their department or role.

Stage	Person Responsible	Department/Role

Now, you can start to organize this information into a swim lane diagram. To do this, assign each person involved in the process a horizontal row or "swim lane," and then map their responsibilities in the correct order.

Here's a swim lane diagram for our e-newsletter:
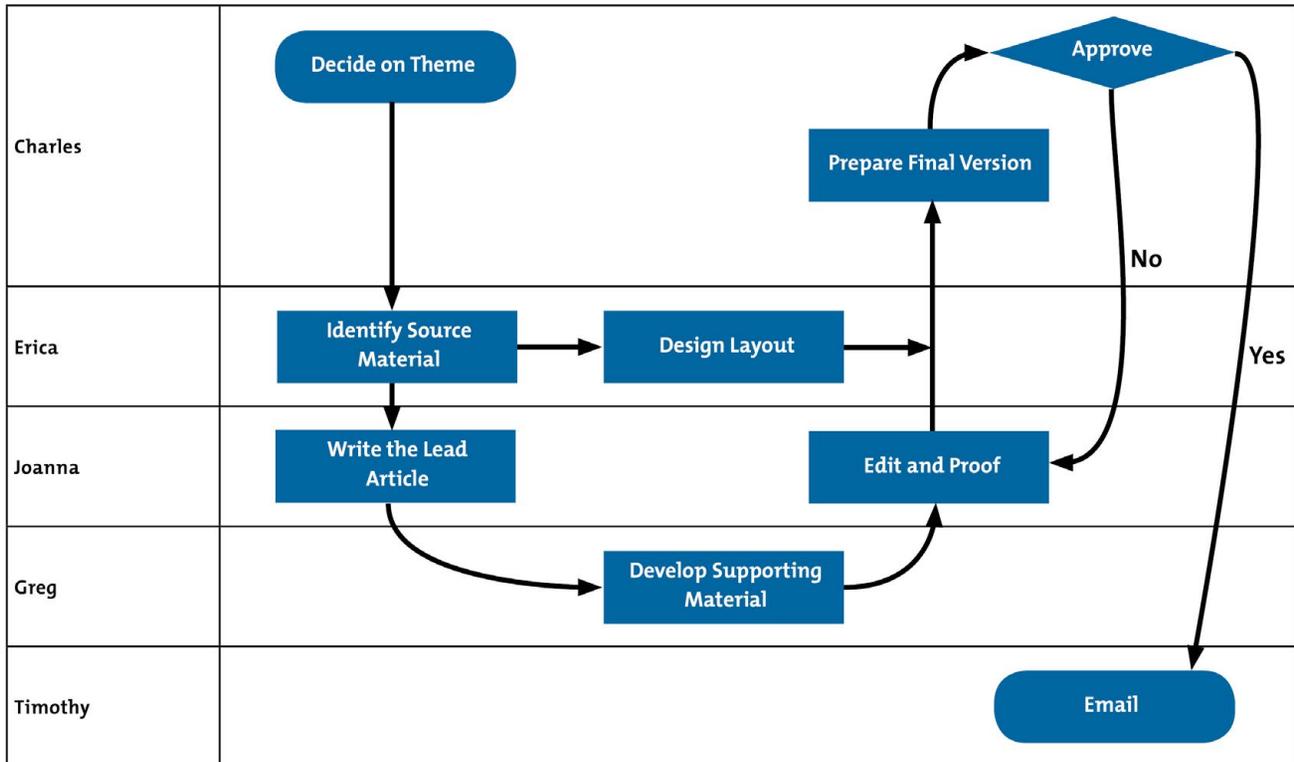
Action:

Create your own swim lane diagram using the space on the following page. Assign a row to each person involved in the process and write down their names in the left column.

It's helpful to assign the swim lanes in sequence, with the first lane assigned to the person who is responsible for the first task.

Person	Swim Lane Diagram

4. Analyzing Your Process

Once you've mapped your process onto a swim lane diagram, you can use it to identify areas for improvement.

Start by considering the following questions:

- Are there any gaps, or missing steps?
- Is there any duplication or overlap, where different people or departments perform the same task?
- Are there any areas where employees or customers get frustrated?
- Where do costs go up and/or quality go down?
- Which steps take the most time, or cause the most delays?
- Are there any bottlenecks – areas where people are already working at full capacity and can't take on any additional demand?

If you identify a problem, you need to find out what's causing it. You can do this with tools such as Root Cause Analysis or the 5 Whys. Speak to the people who are involved in the process, too. Are there any areas that are causing issues or delays? Can they suggest any improvements?

Action:

Look closely at the swim lane diagram that you've created for your process. Then, taking into consideration the questions listed above, see whether there are any areas that you can streamline, remove or improve. Remember to include suggestions for improvement from the people who will be using the process.

Now, in the box on the following page, write down four or five areas that you think can be improved.

Process Improvements
1.
2.
3.
4.
5.

Redesign the Process

If you do identify any problems, think about how you can redesign the process to avoid them. Get together with the people that will be using it and brainstorm some options.

Be sure to test any new process improvements before you implement them formally.

For instance, if you are considering removing a stage because you've identified a duplication, you should first investigate whether there is a legitimate need for it. A stage may have been duplicated for quality control purposes, or to ensure that proper financial or safety standards are being upheld.

Action:

Redraw your swim lane diagram on the next page, taking your process improvements into account.

Revised Swim Lane Diagram

Note:

Once you're satisfied with your process, write it out as a formal procedure. This will help to ensure consistency, and you can use it to answer questions that people using it may have. Include your process map and swim lane diagram to supplement and enhance your procedure document.

5.   Implementing and Reviewing Your Process

R olling out a new process can be a project in itself. You need to make sure that everyone involved knows what they need to do, and that they have everything they need to do it.

Changing your process will likely involve updating systems or software. So, you need to make sure that you have all the resources in place before you do so.

Action:

List everything that you'll need to roll out your process in the table, below. This might include new software, recruiting a new team member, or organizing training for your team.

Resources Needed for Rollout
1.
2.
3.
4.
5.

Tip:

Consider running a pilot of your new or updated process before you make the final transition to it. This will help you to smooth out any problems and get people to "buy in" to it.

Review Your Process

Few things work perfectly straight away. So, after you roll out your new process, be sure to closely monitor how it's working to ensure that it's meeting expectations.

Ask for feedback from the people using it. Do they think that it has improved things? Or, are they encountering problems or frustrations? If they are, don't be afraid to go "back to the drawing board." Doing this will help you to refine and perfect your process.

6.   Key Points

Every organization relies on efficient business processes to ensure that work gets done on time, and to the highest standard. But when processes aren't efficient, it can result in mistakes, wasted time and energy, and increased costs.

So, it's essential that you review and refine your processes regularly. To do this, you first need to map out your process using flow charts and swim lane diagrams. This will help you to see how all the different pieces fit together. It will also make it easier for you to identify problems, such as bottlenecks or duplications.

You should also gather feedback from the people that will be using the process, as they will likely have suggestions for improvement, too.

Once you've finalized your process, you can begin to roll it out. Before you do this, you need to make sure that everyone is on board and that they have all the resources they need to carry it out.

Be sure to monitor the rollout of the new process, to ensure that it works and that it meets everybody's expectations.

Appendix

Appendix I: List of Flow Chart Symbols

1. Elongated Circle/Terminator (signifies the start and end of a process).

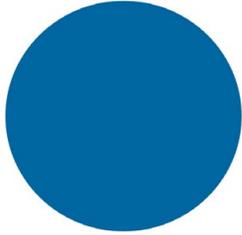**2. Rectangle** (shows instructions or actions).

3. Diamond (shows where a decision must be made).

4. Parallelogram (shows inputs and outputs).

5. Connector (shows a move from one process to another, particularly when there are sub-processes involved. It may also be used when you move from one page of a complex, multi-page process to another).

6. Document (shows when a step produces or involves a document).

7. Preparation (shows something that is being set up or arranged).