



## PROCESSES: MINDING YOUR PS AND QS

I'm not going to talk about the popular phrase and how you should be minding your Ps and Qs when thinking about Performance and Service Improvements (P&SI or  $\psi$ ). What I am going to discuss here is a simple way of thinking how processes (Ps) link into the strategic framework and what questions (Qs) you should be thinking about – your organisational Ps and Qs.

### THE “PS”

I believe that Processes are the bedrock of the organisation and the way in which you can gain and sustain competitive advantage at a strategic level – they are, after all, unique to you in a way that (say) IT isn't. However, processes cannot work in isolation, they need to be considered in the organisational context of Mission, Vision & Values (Purpose) and translated so that they make sense to people at the tactical level (Procedures). The problem is that there is often disconnect between what people are supposed to be doing (Procedures) and what they are actually doing (Practice).



“So what?”, I hear you cry – Well, in an ideal world, the organisational context (Purpose), would inform your Processes; for example, if your company's mission is to be the cost leader for vehicle widget production in the UK, then all of your processes should be designed to help you achieve that. For example, many organisations have focused on taking costs out of their organisation by using “Lean” techniques to identify and eliminate waste – that's great and easy to justify as there is a nice RoI that can be delivered, but take too much cost out and your customers may start to get dissatisfied with poor service (see my last White Paper: Processes – “the Good, the Bad and the Ugly”). These processes then have to be taken down to the operational level by defining work instructions (or procedures) so that people actually do in practice what they should be going.

Another way of thinking about this is imagining the process layer of the pyramid not being there and asking how you will be able to deliver your mission at the operational level. All the levers that you can use at a process level are silo based and vertical - you will not be able to make any fundamental





changes to ways of working at the organisational level, let alone changing the ways that people work (their Practice). Equally, when organisations look at delivering Performance & Service Improvements (PSI or  $\psi$ ) they are often led at a departmental / operational level, which means that the end to end process is not considered, so what is a great improvement in one department can often lead to major problems in another.

One example I can cite is where I was working to improve the performance of a call centre: The call centre's metrics were based on how quickly they could finish a call and how long people were waiting in the queue to be answered (the easiest things to measure). What this led to was call centre staff being rewarded for finishing off a call, or passing the call on to the second line help – overloading the second line help area, unhappy customers having to call back a second time to get their problem sorted out, so more calls to deal with; a downward spiral of performance. By looking at the end to end resolution process and changing the metrics, we were able to substantially reduce the numbers of incoming calls, the volumes having to be dealt with by the second line help and improved customer satisfaction.

As well as looking at this “top down”, we should think about “bottom up” and start by asking “What do people do around here?” i.e their current working practices. If people's practices are different from their procedures, then either they have not been documented completely or (more of a concern) they're either doing things incorrectly/the wrong way (being inefficient) or doing the wrong things (being ineffective). There's little point in documenting procedures for their own sake, but equally if there is a big mismatch between procedures and practice then that needs to be investigated to see if there is an opportunity for P&SI ( $\psi$ ).

## THE “Qs”

This is where I seek inspiration from Rudyard Kipling, from the “Just So Stories”:

“I keep six honest serving-men  
(they taught me all I knew);  
Their names are What and Why and When  
And How and Where and Who.”



This is used in journalism and police investigations as the basics in information gathering. It is also a fantastic way of defining requirements as it asks all of the fundamental questions: What are you doing? Why are you doing it? When do you do it? etc.

In fact, there is a whole modelling technique called FAST (Functional Analysis Systems Technique) that we use as part of our Lean Value approach to define a hierarchy of value adding processes. FAST uses the technique of “how and why?” to constantly ask “how do you do this?”. For example, you may remember me talking about the “Order to Cash” process in a recent White Paper (IT doesn't matter – Business Process Does), where “how” you deliver the Order to Cash is by placing an order, processing the order, etc. before collecting the cash:

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The really important bit here is, however, asking the “why” question – every element of this end to end process should be supporting the overall objective, i.e. the answer to “why are you processing the order” must be “in order to deliver cash from that order” etc. This approach is a great way of structuring processes into their logical groupings and also to test whether lower level activities are contributing to the higher level objective, i.e. adding value to the process and organisation.

## LEARNINGS

So what are the key learnings you can take away from this White Paper?

1. **Processes have strategic value & guide procedures:** they don’t sit in isolation – they can help frame an organizations strategy to add competitive advantage, but they must be translated into Procedures that become every day Practice (i.e. top to bottom alignment).
2. **There can be a disconnect between procedures and practice:** If you don’t have a functioning process layer, what people are really doing (Practice) will be driven by departmental priorities, rather than organisational priorities, which is clearly sub-optimal.
3. **Processes are fragmented by functional silos:** functional fragmentation undermines process performance.



Above all – when delivering P&SI ( $\psi$ ) remember your Ps and Qs (as above):

- Why are you doing this (Purpose)?
- Who does what, when and where (Process)?
- How do you do this (Procedure)?
- What are people really doing (Practice)?



## ABOUT US

Performance through Process helps organisations to deliver lasting Performance & Service Improvements to their operational processes by deploying our unique process maturity model. We only use seasoned and approved process consultants and apply a rigorous governance structure honed over numerous successful process improvement projects.



**Performance through Process' logo is based on the Greek letter  $\psi$  (PSI - Performance & Service Improvement). You'll see that in everything we do as it underpins everything that we deliver.**

- Our Performance & Service Improvement approach and low overheads gives you market beating rates and the governance you would expect from the big firms. **We understand that you want added value at a competitive price.**
- We can offer you genuine objectivity and integrity through our experienced consultants and by providing you with a full service facility through our partnerships with complementary organisations. **You can trust us to deliver - reliably and time after time.**
- We will work with you and for you: we see ourselves as an extension of your team, working alongside you and challenging you, but always with the end goal in mind. **We aim to be your first choice for pragmatic, trusted advisers.**

A recent process reengineering programme applying these techniques to the "Order to Cash" process for Airwave Solutions Limited (the UK's prime communications provider for our emergency services) delivered: a tripling of customer satisfaction; integrated systems; a single source of truth for products, prices and orders; significant backlog of orders cleared; centre of excellence for order handling; a new process dashboard; £Ms of additional revenues (and still rising). As Chris Elliot, Transformation Director, Airwave Solutions Limited said:

"This cross company re-engineering initiative focused on developing a best in class, end-to-end Order to Cash process. The team moved quickly to build an effective plan, develop the deliverables and activities, and most importantly, delivered early quick wins and longer term benefits that had a tangible improvement to the bottom line and customer satisfaction."

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