

BUSINESS IMPROVEMENT: WHY AND HOW **. . .the Value Management way**

Over time, businesses and organizations grow and change. Their processes and systems can no longer meet the requirements of the growing business. The current systems must be improved either by making extensive changes to the existing systems or by replacing those systems entirely. Either alternative does not come without risk and a high rate of failure.

Business improvement can take place for both external and internal reasons. External reasons include changes in competition, supplier/customer relations, government regulation, and technology. Internal reasons may include mergers, growth, management direction, lack of flexibility, and process obsolescence. Most process change is motivated by the simple fact that the existing process does not live up to expectations. Perhaps people have been focused on the "how" and not the "what," "who", or "where." Perhaps the people performing the steps in the process feel comfortable and secure with "the way it has always been" and haven't re-evaluated the process for a while. Whatever the reason, the process is failing or has already failed.

When change is called for, attention to the organization's infrastructure or technology doesn't necessarily improve the process. Treating a symptom may not cure the disease. Changing a process or a group of processes requires dedicated work that is political as well as technical. It requires time, because the culture surrounding the process in the organization must be altered.

Business Process Re-engineering can be a highly complex and high-risk endeavor. Therefore, the business improvement project must be well organized and measurable. Since improvement projects often cross multiple departments and involve significant organization and infrastructure changes, an implementation strategy is needed.

Organizations need to examine their current suite of strategy, process and systems to determine if they are effective and efficient in supporting their core business, and, that the tools used are effective and efficient. A new strategy, process or system deployed with the latest techniques and support structure, provides little improvement if the new system merely supports the old ways of doing business. That is, the business process is state-of-the-art, but the business practice is "horse and buggy."

Customers ultimately define value and determine an organization's success. Without a customer focus, an organization risks missing what matters most in achieving its mission. With it, mission goals are easily developed to satisfy each demand, and the needs of the customer groups can be prioritized and matched with specific products and services.

Our model has developed into what you are about to examine. . . .

Business Improvement Step-by-Step

Here, in broad strokes, is the sequence of steps used in a business process methodology:

1. Understanding the priorities of the business

- Initialize the project.
- Understand business goals and direction.
- Formulate company objectives.

2. Collecting information - externally and internally

- Assess the competition and industry.
- Evaluate technology and infrastructure.
- Collect information for processes, infrastructure, and organizations.
- Collect information on customers, vendors and partners.
- Prepare preliminary project plan, costs and budgets.

3. Business blueprint

- Analyze processes and organizations.
- Define any new processes.
- Develop the strategy and begin the marketing.
- Begin gap analysis

4. Preparing for implementation

- Prepare strategic goals and tactical objectives.
- Perform infrastructure changes.
- Define and measure success
- Develop the process improvement implementation strategy.
- Complete gap strategy
- Define project standards and procedures

5. Implementing the new processes and systems

- Prepare simulations of new processes.
- Implement new processes.
- Validate processes and systems.
- Data conversions.
- Prepare “go live/cutover” plan.
- Manage exceptions.

6. Go Live and manage change

- Verify all previous activities.
- Follow up after implementation.
- Verify all new activities.
- Measure successes.
- Prepare post-implementation and “as-built” documents

Initialize

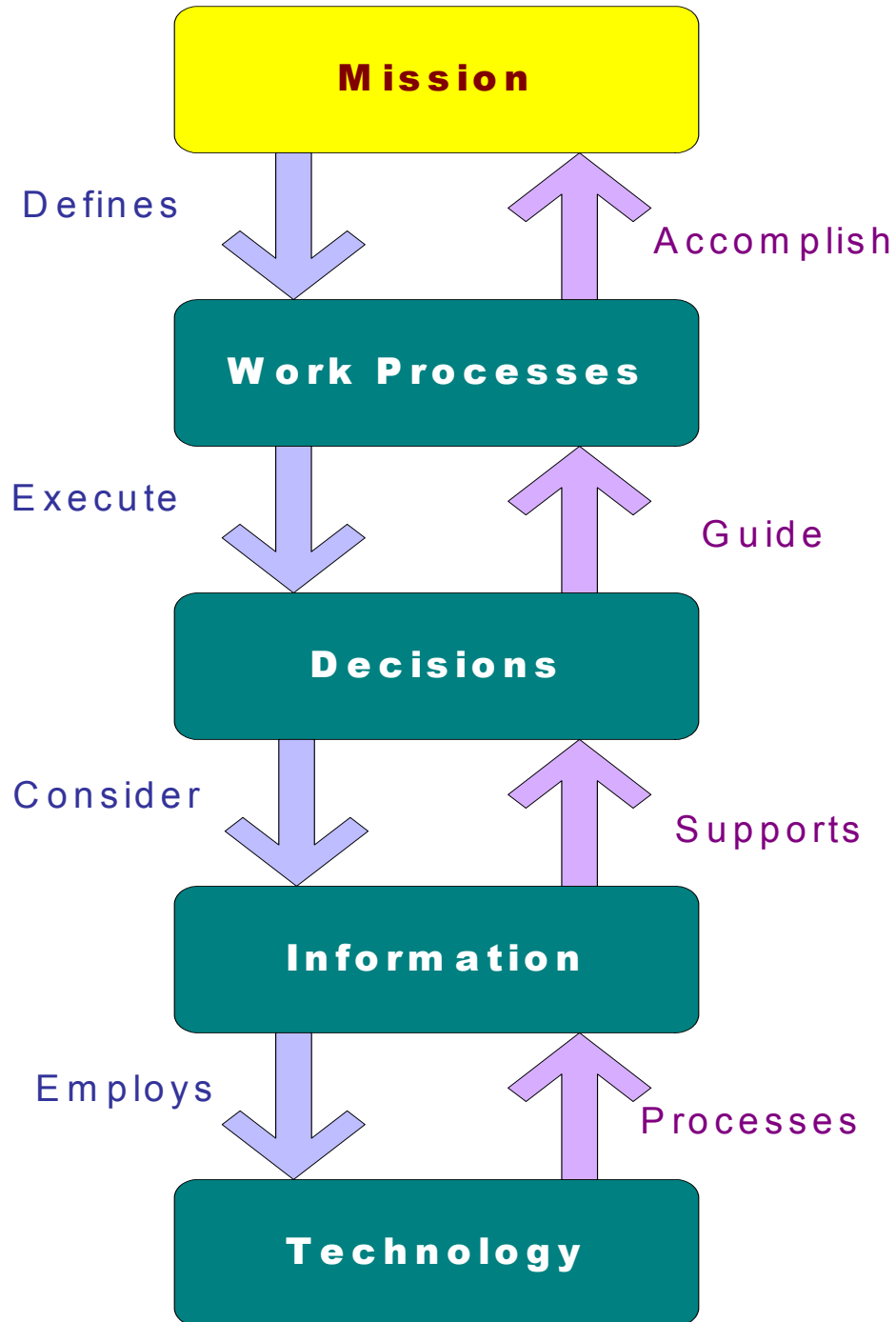
Analyze

Create

Transform

Value Management Partners Value Management Approach

Aligning your mission with business processes will maximize the return on investment and help you to achieve order-of-magnitude improvements in performance.



Value Management Partners Efficient Investment

Value Management Partners is dedicated to providing solutions to the business process and related project and technology issues that concern senior business executives. We place strategies and business issues into a clear context, diagnosing opportunities to create **value**, and help you shape and drive your process-enabled business capabilities.

