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We Do What?!?

Helping Companies Understand and Improve Their Business Processes

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You've been asked by the CFO to investigate whether there's any way to speed up customer payment. For some reason the turnaround on receivables is taking an average of 120 days.

No problem! You're a facilitator. You may not have the answer, but you know where to find it. So you roll up your sleeves and get to work. You plan a facilitated session with Subject Matter Experts (SME's) to walk through the billing and collection process. You'll work with the SME's to identify problem areas and develop recommendations for solutions. In preparation, the CFO gives you a high-level verbal picture of how the process works today. You take copious notes, ask numerous questions and feel like you've got the lay of the land.

Session day arrives. After the usual icebreakers and introductory activities, you start to walk through the picture painted by the CFO when the whole room erupts with laughter…What's going on here?

Unfortunately this is a true story. Having spent hours in preparation, I was startled to realize that my perception of how the process worked, based on the Project Sponsor's information, was not reality. I had asked the right questions of the wrong people.

That was Lesson #1 in my process improvement adventure. Since then I've traveled a long way to discover that time spent in pre-session preparation will dramatically reduce, if not eliminate, wasted effort down the road. So I offer these "Lessons Learned" to help you defuse the landmines and clear the path for successful facilitation of process improvements.

- **Get the 'what' from management.** As part of your pre-session investigation, you'll need to clarify the process improvement scope and get an understanding of the organizational climate. So, from the Project Sponsor and other key management personnel, find out the 'whats':
  - What are the problems they're encountering that are forcing process improvement?
  - What are the target improvement goals? What do they hope to achieve?
  - What is the process scope?
  - What are the organizations involved?
  - What are the organizational (human, structural, and cultural) or technical obstacles to improvement in this area?
  - What deliverables are required from this work session to enable the project to move forward?
  - What's the decision-making process for non-consensus?
- **Clearly scope the process.** This 'scoping' is what your pricing, planning and deliverables are based on. If it is ill-defined or misunderstood, your effort will be truly worthless.

So first, identify the triggers that kick-off and terminate the process being improved. In our initial illustration of receivables turnaround, you might ask "How do you know when to bill the client? How do you know when the client has paid their bill? If the bill goes to collection, what are the possible outcomes?" Document these for use in your work session to eliminate confusion and keep the participants focused.

Second, determine the complexity of the process. This will allow you to accurately estimate your time commitment to the project and validate that you have the right participants involved. To determine complexity, ask both the Project Sponsor and key SME's the following questions:

- *Does the process get triggered by multiple methods (e.g., phone, web, customer walk-in)?* If so, how does each differ? Are different organizations involved depending on which method is used? For example, is a customer request received by phone handled the same as a web-based customer request?
- *Is the process performed at multiple sites?* If so, is each site using the same steps, templates, tools? This is especially relevant when dealing with organizations that have an international presence. Know which sites you are working with and make sure they are represented in the work session.
- *Is the process performed independently by several departments within the company?* In some companies, each division has its own method of billing clients. You must determine whether the company is trying to standardize the process across all divisions or simply improve one division's performance. Even if standardization isn't the goal, consider investigating what's being done elsewhere in the company. You may be able to reuse parts of their existing process.

- **Pre-interview selected subject matter experts**. Why pre-interview if these people are going to be in your work session? Aren't you just creating more work for yourself? You pre-interview to gain buy-in from reluctant players, make sure people have a common, if only general, understanding of the session goals, and to get the real lay of the land. Plan on spending at least 30 minutes in each interview. Target those SME's that are most resistant, yet most critical, to the process improvement effort.

  - *Gaining Buy-In.* Change is difficult for people and SME's are no different. They are the people with the most knowledge about the way the process works and may feel their knowledge can be their power. So change can be even more difficult if they perceive it as a loss. By contacting select SME's you have the opportunity to reduce the fear by tapping their knowledge and asking for their help.
  - *Level-Setting.* It's sometimes amazing how many inaccurate assumptions can be made due to lack of information or misunderstanding. In your pre-interview, clarify the definition of the process. Review the session objective and process scope. And finally, validate their understanding of these concepts through questions like:
    - What is your area of expertise?
    - How does your expertise fit into the process we just talked about?
    - Who else should be involved in our improvement discussions?
  - *Getting the Real Picture.* You've met with Management to get the 'whats'. Now is the time to validate them. Use "Is it true that…" and "I've heard that…" statements to mention organizational obstacles or improvement goals you want validated. Understanding the "sea level" view of the organization will help you strike the right tone to make the session most productive.

- **Position the work session as investigation and discovery.** You will not walk out of initial sessions with the "answer" to all the process problems. You will walk out with knowledge of the key problems, suggested ways to eliminate them, and an action plan for further work. Communicate this message to everyone involved. Your work session is not the end — it is only the kick-starter for analysis and implementation.

- **Present yourself as a guide rather than an expert**. This is simply clarification of roles. As a facilitator you are an expert in process – facilitation process. You know how to plan and manage the necessary environment and activities to move a group toward its objectives. However, you are not an expert in their process. Make that extremely clear from the start.

  The SME's are responsible for providing the detailed information regarding how the process works, how forms and data interact with each step, and how notifications, approvals and decisions occur. You are responsible for knowing and applying the techniques necessary to extract and capture that knowledge.

- **Ask for and review related documentation**. If I'm not supposed to be an expert, why do I need to review documentation? Sifting through available information will provide you with phenomenal insight into the organization's mind. You'll become familiar with proprietary language and acronyms. You'll discover questions requiring answers. You'll find answers to questions. Ultimately, you will facilitate a better work session because you've tailored your approach specifically to that organization. You can reference their own work and words while guiding them toward the session objective.

- **Understand that all may not be as it seems.** Even the best analysis may result in limited improvements simply because we're not looking in the right place. To minimize this, be aware that:

  - *Back-end problems may be the result of front-end errors*. Let's use our initial illustration to demonstrate. We analyzed the Billing and Collection processes to determine whether we could reduce the turnaround on receivables. The resulting improvements made minimal impact. Further investigation revealed that the "heavy hitters" occurred earlier in the food chain. Due to inadequate interfaces between Order Processing and Billing, statements containing incorrect information were being sent to customers. As a result, customers took additional time to clarify, validate or dispute their bills before paying. Be aware that process problems may result from upstream processes.

  - *Automation does not equate to integration.* When customers tell you that their systems or processes are integrated, beware. True integration still remains an unattainable goal for most. Instead, their processes, and perhaps the interfaces between their systems, have been automated. In many cases, such automation just "paved the cow path" – replicating exactly what was done manually. If that is the case, reviewing automated tasks may reveal other sources of improvement.

Although I had to spend some time learning to "improve my process" through pre-session preparation, it has paid off over and over again. Taking the time to ask the right questions of the right people makes for better sessions and better results.

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