

The Process Improvement Handbook

**A Blueprint for Managing Change and
Increasing Organizational Performance**

Tristan Boutros

Tim Purdie

Illustrations by Dustin Duffy



New York Chicago San Francisco
Athens London Madrid
Mexico City Milan New Delhi
Singapore Sydney Toronto

Contents

Forewords	xvii
Preface	xxi
Acknowledgments	xxv

Part I Introduction

1 Introduction	3
Overview of <i>The Process Improvement Handbook</i>	6
The Purpose	6
The Audience	7
Navigating the Handbook	8
Part I—Introduction	8
Part II—The Process Improvement Knowledge Areas	9
Part III—Applying the Process Improvement Body of Knowledge	10
Relationship to Other Management Disciplines	10
Process Improvement Manifesto	11
Agility	12
Quality	12
Leadership	12
Communication	12
Respect	12
Discipline	13
Enterprise Perspective	13
Service Orientation	13
Continuous Learning	13
Human-Centered Design	14
Adapting the Handbook to Your Needs	14
Contacting Us	15
Chapter Summary	15
Chapter Preview	16

Part II The Process Improvement Knowledge Areas

2	The Process Improvement Context	19
	Process Defined	22
	Types of Processes	22
	Process Owner	23
	Relationships among Policies, Processes, and Procedures	24
	Policies	24
	Processes	26
	Procedures	26
	Using Policies, Processes, and Procedures	29
	Best Practices for Developing Policies, Processes, and Procedures	30
	Benefits of Developing Policies, Processes, and Procedures	31
	Process Improvement Defined	32
	Process Improvement Organization	33
	Responsibilities of a Process Improvement Organization	34
	Benefits of a Process Improvement Organization	34
	Process Improvement and Operations Management	35
	Differences between Improvement Projects and Operations	36
	Similarities between Process Improvement Projects and Operations	37
	Role of a Process Improvement Manager	37
	Process Orientation and Organizational Structure	38
	Leadership and Process Improvement	43
	Summary	45
	Chapter Preview	46
3	Process Maturity	47
	Process Maturity Model Defined	49
	Process Maturity Levels	50
	Assessing Process Maturity	53
	Approach	55
	Timeline	58
	Results	60
	Chapter Summary	60
	Chapter Preview	61

4	Process-Oriented Architecture (POA)	63
	Enterprise Architecture Defined	66
	Process-Oriented Architecture Defined	67
	Core Principles of Process-Oriented Architecture	67
	Benefits of Process-Oriented Architecture	70
	Process-Oriented Architecture Road Map	71
	Creating a POA Governance Framework	72
	Implementing Process Models	75
	Managing Processes	77
	Building an Enterprise Process Ecosystem	80
	Enabling the Process-Oriented Enterprise	83
	Chapter Summary	83
	Chapter Preview	84
5	Creating a Process Ecosystem	85
	Enterprise Modeling Defined	88
	Process Ecosystem Defined	88
	Benefits of Modeling and Constructing a Process Ecosystem	90
	Applicability of the Process Ecosystem	91
	Process Ecosystem Components	91
	Strategic Goals	92
	Policies	93
	Processes	93
	Procedures	93
	Key Performance Measures	94
	Process Dashboards and Scorecards	94
	Personas	94
	Resources	94
	Risks	96
	Business Rules	96
	Other Components	96
	Building a Process Ecosystem	98
	Design the Ecosystem	98
	Implement the Ecosystem	99
	Monitor the Ecosystem	100
	Sample Process Ecosystem	101
	Process Backbone	103
	Process Modeling and Management Systems	103
	Simulation and Optimization	105

Managing a Process Ecosystem	105
Role of a Process Improvement Architect	105
Role of a Process Improvement Coordinator	106
New Management Obligations	106
Chapter Summary	107
Chapter Preview	108
6 Managing Process Improvements	109
Process Improvement Framework	112
Environmental Factors and Organizational Influences	113
Organizational Profile	114
Super System Map	114
Leadership	116
Strategic Planning	117
Hoshin Kanri	118
Process Management	121
Just Do It	123
Kaizen	123
Lean Six Sigma	128
Rummler–Brache	136
Selecting a Process Improvement Methodology	139
Other Process Improvement Methodologies	141
Agility and Process Improvement	145
Performance Management	146
Key Performance Metrics	147
Process Monitoring Plans	148
Process Dashboards	149
Process Enablers	152
Workforce Management	152
Human Performance System	152
Quality Management	154
Knowledge Management	155
Benefits of Knowledge Management	156
Knowledge Management Tools and Practices	157
Chapter Summary	158
Chapter Preview	159
7 The Process Improvement Organization (PIO)	161
Charter of a Process Improvement Organization	164
Process Improvement Services	165
Project Intake	166
Process Improvement Project	166

Kaizen Event	170
Process Change Request: Just Do It	171
Process Mapping (As-Is or To-Be)	172
Root Cause Analysis	173
Consulting	174
Process Training	176
Quality and Performance Assessments	177
Other Process Improvement Services	177
Roles and Responsibilities	178
Process Improvement Coordinator	179
Process Improvement Manager	180
Process Improvement Architect	182
Process Improvement Governance	184
Purpose of Governance	185
Governance Structure	185
Implementing Governance	198
Department Controls	199
Chapter Summary	202
Chapter Preview	203
8 Process Improvement Aptitudes	205
Overview of the Dictionary	208
Using the Process Improvement Aptitudes Dictionary	208
Skills, Competencies, and Techniques Defined	209
Process Improvement Skills	210
Facilitation Skills	210
Change Management Skills	211
Project Management Skills	211
Time Management Skills	212
Analytical Thinking Skills	213
Negotiating Skills	213
Decision-Making Skills	214
Communication Skills	215
Training Skills	216
Coaching Skills	216
Process Improvement Competencies	217
Building Partnerships	217
Collaboration	218
Credibility	219
Flexibility	219
Initiative	220
Business Knowledge	221

Sound Judgment	222
Resilience	223
Strategic Implementation	224
Situational Awareness	224
Process Improvement Tools and Techniques	226
Process Mapping	226
Force Field Analysis	229
Fishbone Diagrams	231
5 Whys	233
Brainstorming	235
Check Sheet	237
Pareto Analysis	238
5S	240
Affinity Diagram	242
Tree Diagram	244
A3 Report	245
Scatter Diagram	246
Building, Recognizing, and Retaining Talent	248
Valuing Workforce Members	250
Continuous Learning	250
Rewards and Recognition	251
Performance Management	252
Other Talent Management Practices	252
Chapter Summary	253
Chapter Preview	255

Part III Applying the Process Improvement Handbook

9 Case Examples	259
Recognize What Failure Is	262
The Challenge	262
The Solution	262
The Result	264
Achieve Customer Delight	265
The Challenge	265
The Solution	266
The Result	266
What Can Go Wrong, How To Make IT Right	268
The Challenge	268
The Solution	268
The Result	269

Remove Roadblocks	269
The Challenge	269
The Solution	270
The Result	270
Reward and Celebrate	271
The Challenge	271
The Solution	271
The Result	272
30 Days Gets Results	274
The Challenge	274
The Solution	274
The Result	275
Chapter Summary	276
Chapter Preview	276
10 Process Improvement Templates and Instructions	277
5S Template	279
5 Whys Template	281
A3 Template	282
Change Management Plan Template	284
Check Sheet	286
Communication Plan	287
Dashboard Measurement Plan	287
Data Collection Plan	288
Disconnect List Template	289
Force Field Analysis	289
Hoshin Kanri	291
Lessons Learned Survey Content	293
Meeting Minutes Template	296
Metrics Chain	297
Policy Template	298
Procedure Template	299
Process Map	300
Process Monitoring Plan	302
Process Profile Template	302
Process Value Analysis Template	304
Project Charter Template	305
Project Closeout Communication Template	308
Project Plan Template	308
Project Status Report Template	311
Quick Win Identification	312
Response Plan Template	312

Roles and Responsibilities Matrix	313
Solutions Prioritization Matrix	314
Stakeholder Identification Template	314
Stakeholder Management Plan	315
Super System Map Template	316
Voice of the Customer–Critical to Quality Chart	316
11 Conclusion	319

Part IV Appendices

A Process-Oriented Architecture Construct	325
B Process Improvement Governance Structure	329
C Acronyms	333
D Glossary	337
E Illustrations & Figures	351
F References	357
Index	361