

# 12 Days of PEX-MAS



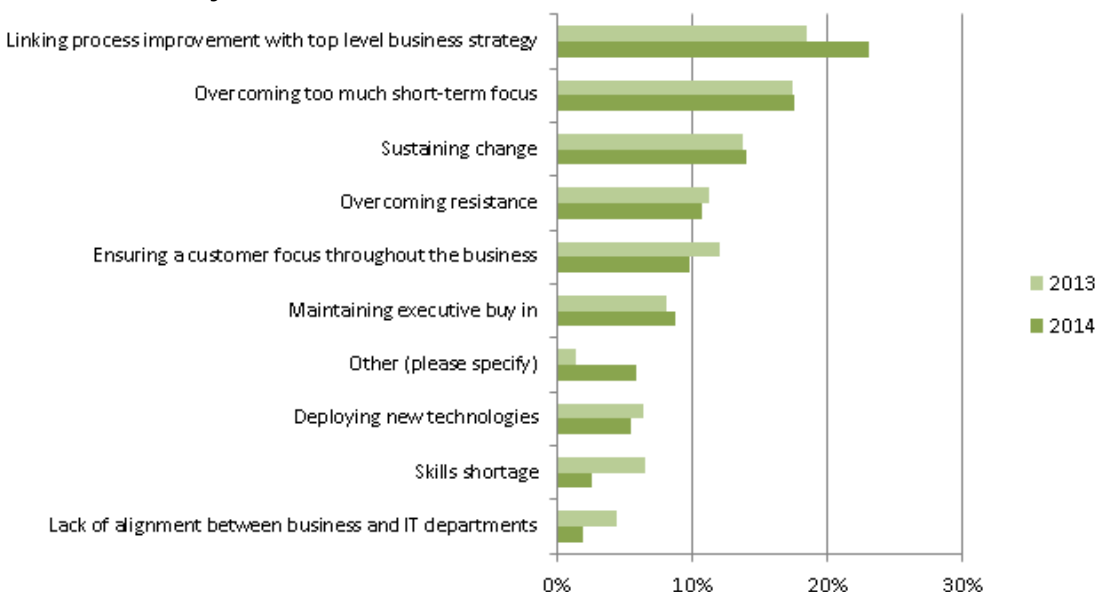
## Day 1: Linking process with top-level business strategy

It is a rare company indeed that is able to consistently get the balance right between having a clear vision that is understood by everyone in the organization and that is supported by the right systems and processes to achieve the results that leadership is looking for.

Process professionals have, for the past two years, consistently cited "linking process improvement with top level business strategy" (see chart below) as their main process excellence challenge in the year ahead in PEX Network PEX Week surveys conducted in 2013 and 2014. The percentage of professionals citing the challenge of strategic alignment rose moderately from 18.5 percent in 2013 to nearly a quarter of respondents this year.

"It's essential to tie any work I do here to the business goals otherwise I'm not going to get the support. Executive support will fall by the wayside as other priorities take over," explains Jeremy Tranmer, Operational Excellence Manager at mining giant Rio Tinto Minerals.

This sentiment has been echoed by many a process professional in recent years, and is a key focus at this January's PEX Week in Orlando. Top-level companies such as Disaster Kleenup International, Wells Fargo and Rolls-Royce will build on this theme, and share key points and actions required to ensure your process excellence projects continue to meet core business objectives.

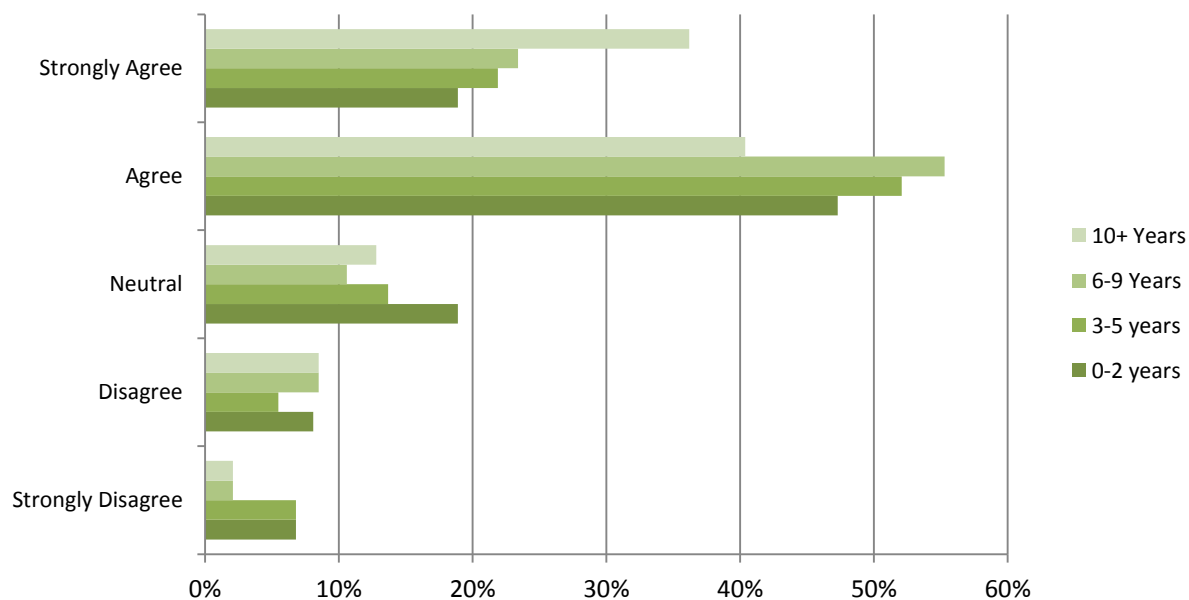


## Day 2 – Do process and strategy links strengthen with age?



While linking process improvement with top level business strategy never gets easy no matter how long an organization has been formally practicing process improvement, companies that have long had a formal process excellence program (6+ years) are more likely to agree – or strongly agree – with the statement that process improvements are aligned with the company’s strategic objectives than those who are just starting their journey.

The chart below outlines responses from our survey, which clearly shows a link between the age of the process improvement program and how closely linked to core business strategy it is. This could be a symptom of the lifecycle of a process team. In the early formative months, measurable successes are key, you need the quick wins to justify the resources and therefore are more likely to target smaller “low-hanging fruit”. As the team or department matures, faith in the resource grows and focus tends to move towards longer term, ambitious projects, more closely aligned with key business objectives.





## **Day 3: How highly regarded is process excellence at your company?**

Why do so many companies find linking process improvement to strategy so difficult? One of the reasons cited was that often the corporate strategy wasn't clearly articulated in the first place.

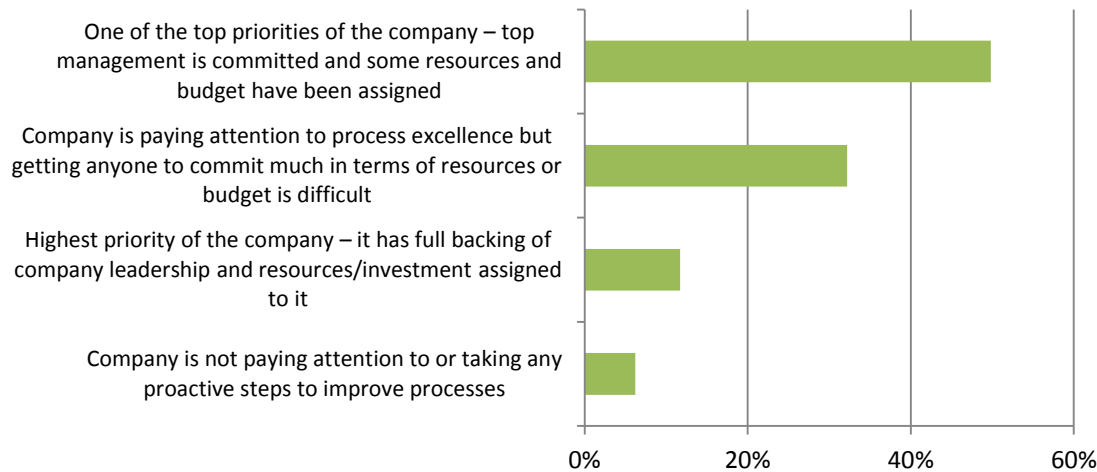
"Strategic planning is hard work and that's where everything starts," says David Behling, Director of Process Improvement at Goodwill Industries. "But so many people look to the fads to come up with the silver bullet. They misapply these new tools because they don't really understand them and aren't prepared to do the hard work necessary to get the fundamentals right."

When asked "which statement best describes how important your executive leadership team views process excellence at your company?" nearly half of survey respondents indicated that process excellence was "one of the top priorities of the company"; however, 32.2% of survey respondents reported that "getting anyone to commit much in terms of resources or budget is difficult". Full details of the results of this question can be seen in the chart below.

Tamarah Usher, Business Analytics Process Leader at agricultural company Monsanto (and speaker at the upcoming PEX Week USA) explains that it's not that leadership doesn't understand that execution is important but that there are multiple means through which corporate strategy can be achieved and executives must prioritize where to put their focus.

"I think leadership in most of these organizations agree that processes are important and the operational excellence work that we as process professionals do is important," she says. "Everyone would agree with the principle of improvement. But the amount of effort and resources we want to put into it is another question and that has bearing especially when we're looking for investment."

It's clear then that while process is seen as important, its true value is sometimes eclipsed by seemingly more immediate goals and objectives. Often overlooked is how process can in fact aid in achieving these goals, particularly when looking for investment. This January at PEX Week, companies Phytel, Hewlett-Packard and Monsanto are just some of the companies who will be demonstrating how process excellence will give you the competitive edge, help you grow your pipeline and increase value both to your shareholders and your customers.



## Day 4: What kind of PEX projects should you tackle?



Day 3 we looked at how well regarding your process excellence endeavours might be within your company. Interestingly it also seems that this could well have a direct impact on the type of process excellence project you undertake. The level of understanding and regard with which process excellence is viewed, actually can determine whether you are tasked with ambitious, far-reaching enterprise-wide solutions or quicker, simpler low-hanging-fruit in an attempt to demonstrate value and justify investment.

Our chart below shows clear correlation between level of company buy-in and scope of the project undertaken.

Companies who are paying less attention to process excellence tend to be those targeting “quick-wins”, the easy low-hanging-fruit. We can speculate that this is due to a need to continually justify the expense and resources used by the process excellence team. An increase in pressure to show deliverables in the short-term is likely to encourage behaviour that seeks out these quick-wins, possibly to the detriment of further reaching, long-term projects of greater value.

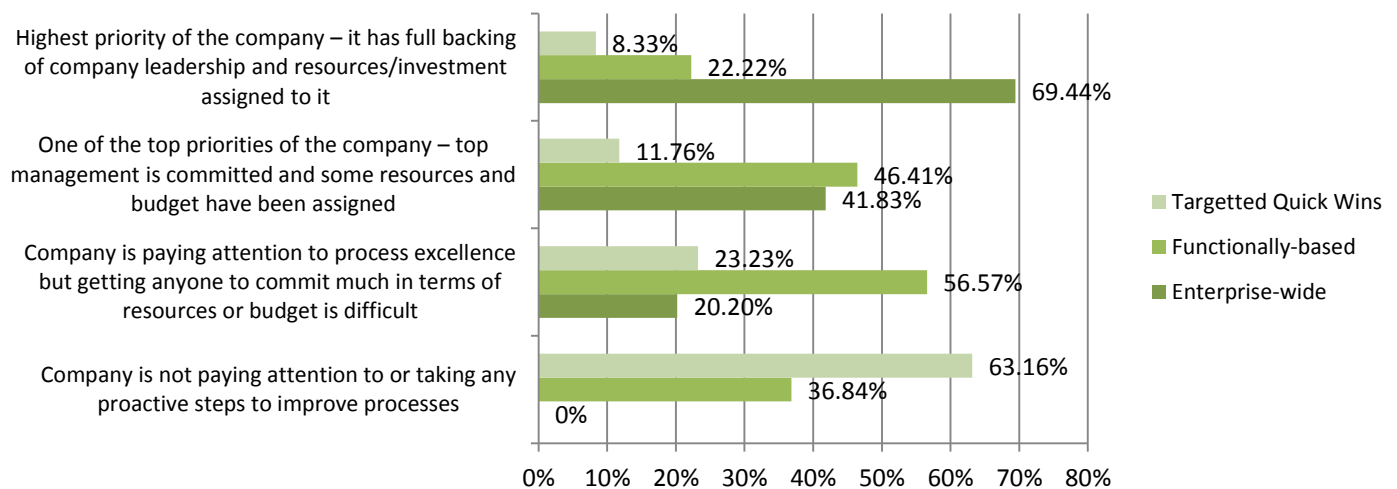
Furthermore, a company at which process excellence is given the highest priority tells an overwhelmingly different story. 69.44% of projects undertaken at these companies are enterprise-wide, indicating that by giving these departments room to breathe, they can properly plan and execute projects of far greater value, delivering longer term successes.

Also, age is a factor. Younger process excellence schemes will feel the most pressure to deliver. It is here that a few early quick-wins can help a team garner additional support and

resources. It's important in these initial months to demonstrate value to earn buy-in and support, once that support is earned, you would expect that company to move further up the table, thus being able to deliver longer-term projects of greater value to the business and their goals.

This January, Process Professionals at all stages of the journey will descend on Orlando for the largest global gathering of PEX Professionals in the world – PEX Week 2015. Here you'll hear and learn from business leaders who've climbed this table in the past, and perhaps share stories with others just starting out and looking for those early quick wins.

For more information on what kind of PEX projects you should be tackling, how to grab that vital low-hanging fruit and how to aim for further-reaching, more ambitious projects as you mature, download our agenda for PEX Week 2015.



## Day 5: Why don't you have a PEX Project?

The PEX Network C-level executive survey shed light on why some might be struggling to get process excellence projects off of the ground.

Over 60% of business executives cited "competing resources for time and resources" as the main reason their organization hasn't adopted a process excellence program (see chart below). It can be difficult in a tough economy to justify investing in fixing processes when there are so many other holes to plug: investment in machines or computers, for instance, or the training of staff in the skills critical to growing your business.

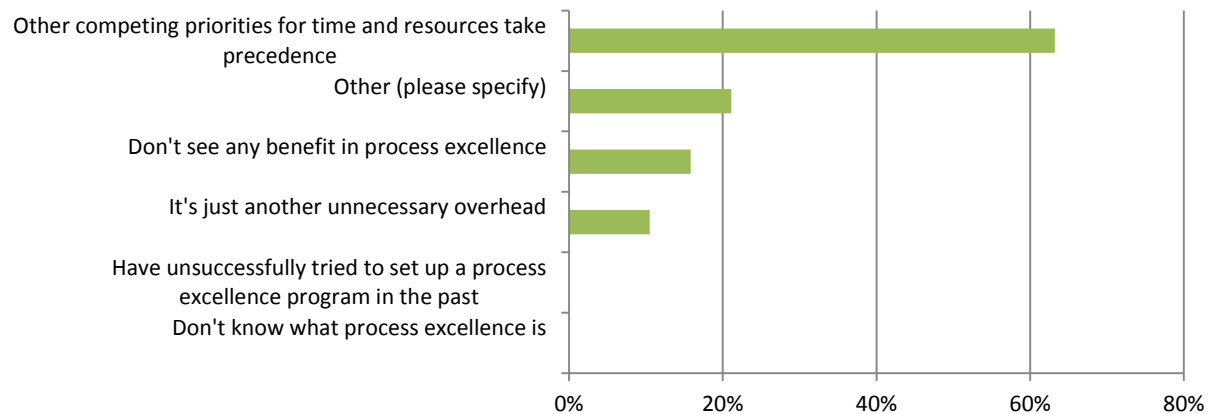
"In one's role as a process excellence and strategy leader – you need to be aware that some of your senior leadership may not have a strong affinity towards processes and therefore may not be highly receptive of those ideas," says one telephone interviewee from a major car manufacturer, who wish to remain anonymous. "But you need to influence them. You



need to turn them around and that's something that we as process professionals need to focus on."

In addition to influencing senior leadership, it is clear that in the face of competing priorities, it is focus and the discipline to follow a series of actions through is what can separate a company that consciously drives towards a goal rather than simply reacting to external forces.

Companies such as Accenture, Forrester Research and Microsoft Visio will be in Orlando this January for PEX Week 2015, where they will be explaining how best to approach Senior leadership with process projects, and how best to secure that vital support needed to get them off the ground. Download the agenda for more information.



## Day 6: What drives your process efforts?

Getting executives to agree that process excellence is the way to achieve corporate strategy, though, is not an easy task. Monsanto's Usher explains that for the "hard" benefits of process improvement. "You start to look at different benefits related to quality and growth and they're very hard to quantify because they're spread across initiatives in so many ways."



That leaves process improvement pigeon-holed into delivering cost savings or efficiency gains rather than as an enabler of corporate strategy. As Usher points out, "that creates problems in itself because people in the Process improvement department become feared by the organization.

The perception is that they're all about eliminating FTEs [Full Time Equivalents]."

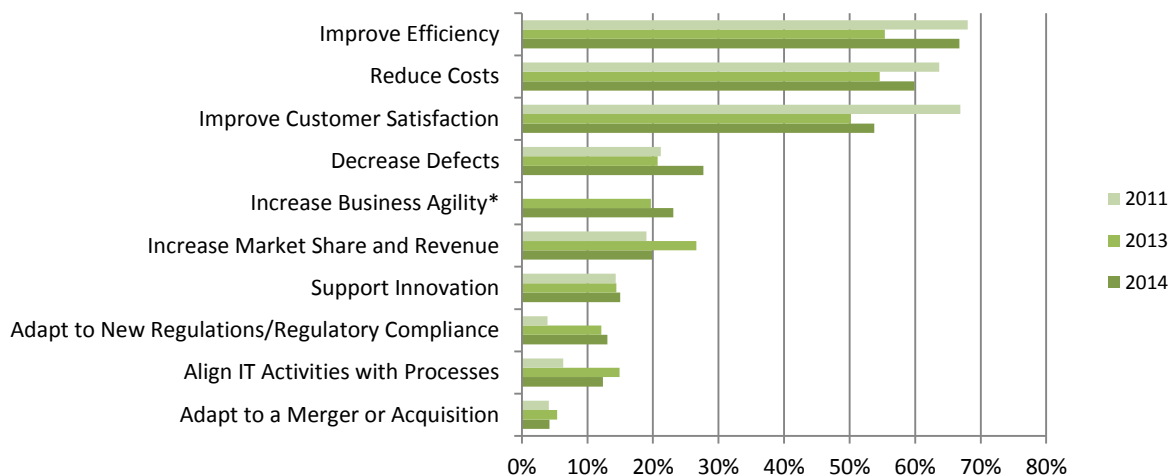
Indeed, cost savings and efficiency consistently come out the top of the list when process professionals are asked about the three primary objectives for their process improvement. Chart X, below, shows how these key objectives have remained remarkably consistent over the past 3 years. But is a drive to improve costs and efficiency perhaps too narrow a focus?

Mike Ensby from Bioclinica observes that “the true facilitation of a process excellence person is being able to take the high level ‘here’s where we’re going’ systems approach that senior leaders take – and translate that into what somebody needs to do everyday when they come into work.”

Jeremy Tranmer from Rio Tinto Minerals takes it one step further and says that process practitioners need to take a wider, more strategic and systematic view of how their work fits into corporate strategy.

“Instead of coming from the perspective of ‘we want to do process excellence’ and then trying to link it to strategy, we need to look at the strategy targets and goals first,” he says. “Then use whatever tools and techniques to best achieve these goals.”

Reduced costs, customer satisfaction, and improved efficiency are the three pillars of process excellence at January’s PEX Week in Orlando. Find out how companies like Microsoft, Rolls-Royce and Verizon can help you ensure your goals and project outcomes are aligned by [downloading the agenda](#).



## Day 7: What’s in a name? How do you define process excellence?



There are many different variations in how process practitioners define their mission at different organizations. One of the questions respondents were asked in PEX Network’s July 2014 survey was how would they define the purpose of the process excellence at their company.

Below are a couple of the many varied definitions that came back from respondents:

- “To continually improve the current processes & develop new and innovative ways to exceed our customer's expectations.”

- “Build a more agile framework that breaks down departmental silos and allows us to adapt to new products/services and customer experience changes quicker and with less manual work-arounds”

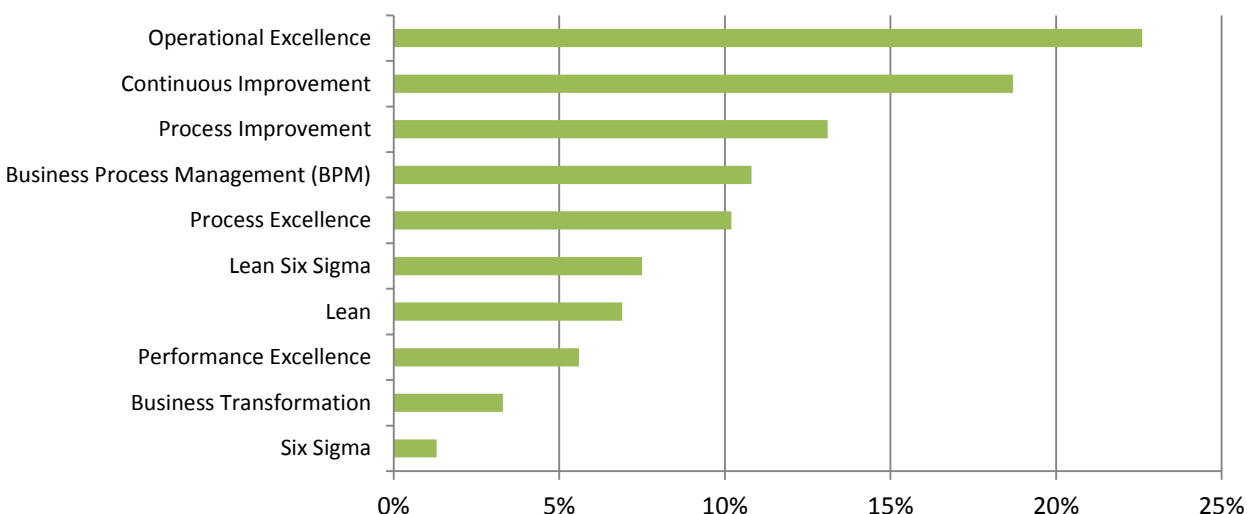
The range of names that companies use for process excellence also varies hugely. Some have been specific to the methodologies used to support process improvement such as Six Sigma, Total Quality Management, Lean, Business Process Reengineering, Statistical Process Control, etc.

Other common terms that companies use include “operational excellence”, “continuous improvement” and “process improvement” in addition to company-specific terms for their process excellence program (e.g. “The Toyota Way”). The chart below shows the most common naming conventions used by organizations to describe their process excellence program.

The problem, as we’ve mentioned previously, is that there is no one single term that the industry has consolidated around that encapsulates the meaning or purpose of process excellence.

“The branding is a challenge because what we call it can create confusion,” observes Paul Sandell, Senior Master Black Belt at Intel. “Within accounting and finance, for instance, the function is always called accounting and finance. There really is no other brand. But you go to other companies and process improvement can be called any number of things. This causes a great deal of confusion with not only the lay person within the organization but also with the business leadership.”

There will be many process professional at January’s PEX Week 2015, the largest global gathering of practitioners within this space, a great place to begin your journey of defining process and untangling the terms.



## Day 8: Your industry may determine your terminology



Day 7 addresses the range of names given to process excellence, the terminology surrounding the topic is infuriatingly fluid. For example, your industry could well determine the phraseology you use.

Adobe's Devin Rickard says that people rename process excellence when previous efforts have not been successful. The underlying tools and methodologies will be the same, but practitioners try to wallpaper over the cracks by calling it something different.

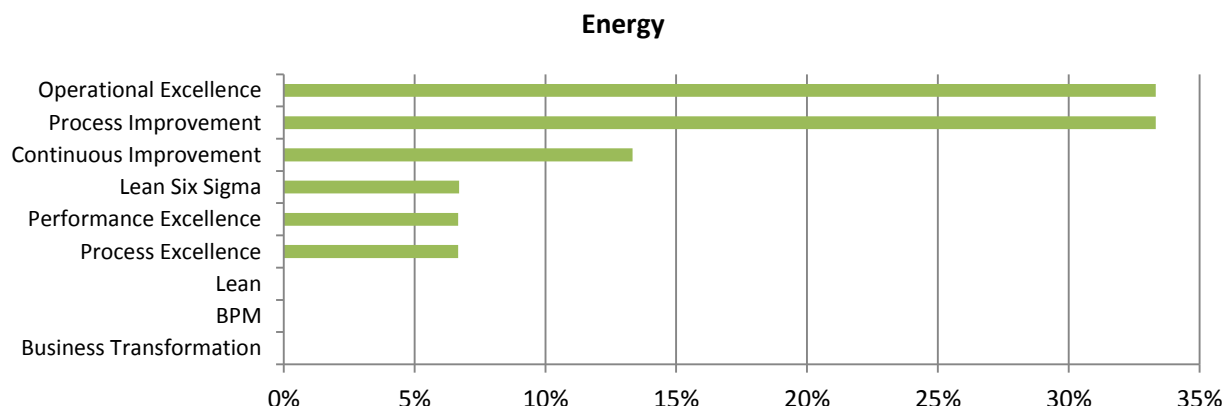
"The majority of executives here in the Silicon Valley have developed antibodies to a lot of the terminology of a business process professional – Six Sigma, Lean, Lean Six Sigma," he explains. "The executive community here is fairly tightly knit so if there's one company that has tried a large, executive level driven business process improvement effort and was not successful with it, the word is going to spread. You have to brand yourself in a way that doesn't trigger any antibodies."

Does lack of coherent terminology across companies matter? The answer is that infuriating consultant's response: it depends.

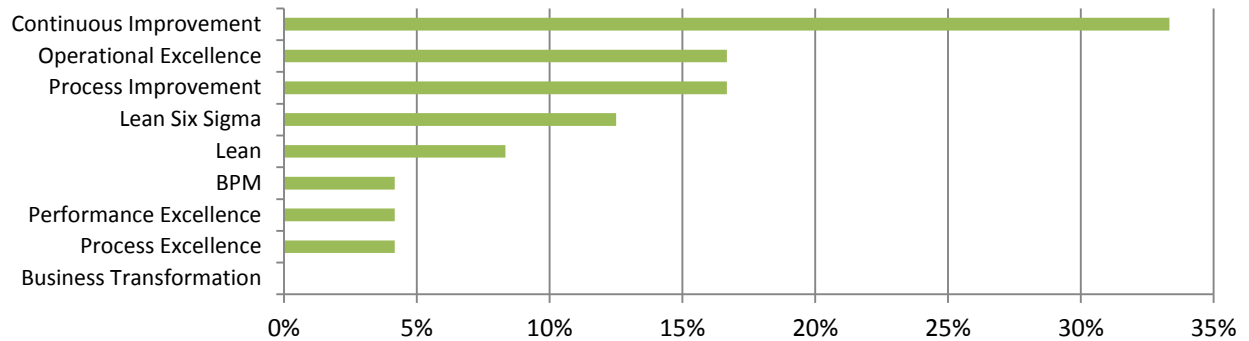
Within companies that have long practiced and supported process excellence, for instance, it is likely that the wider organization will have a reasonable understanding of what process excellence is and means. As David Behling, Director of Process Improvement at Goodwill Industries says, it doesn't really matter what you call process excellence as long as the name holds meaning for people within your organization: "it matters what everyone understands it to mean."

However, the larger question is whether the lack of a coherent "brand" across companies for process excellence means it will always be a struggle to get process improvement capabilities understood and accepted by business executives as a strategic function. For non-process experts, the vast array of terminology can be baffling and can lead to the lack of understanding that the various terms are all describing the same general set of capabilities and approaches.

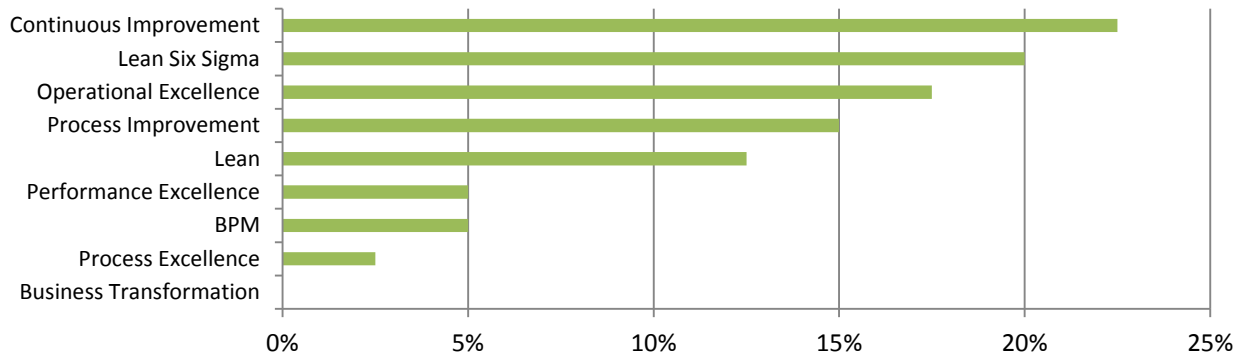
Some examples of different terminology used across different industries can be seen in the charts below. However if gaining a clear understanding of your intent in your business is a challenge you face, a good starting point might be PEX Week 2015, taking place in Orlando this January. [Download the agenda below for more information.](#)



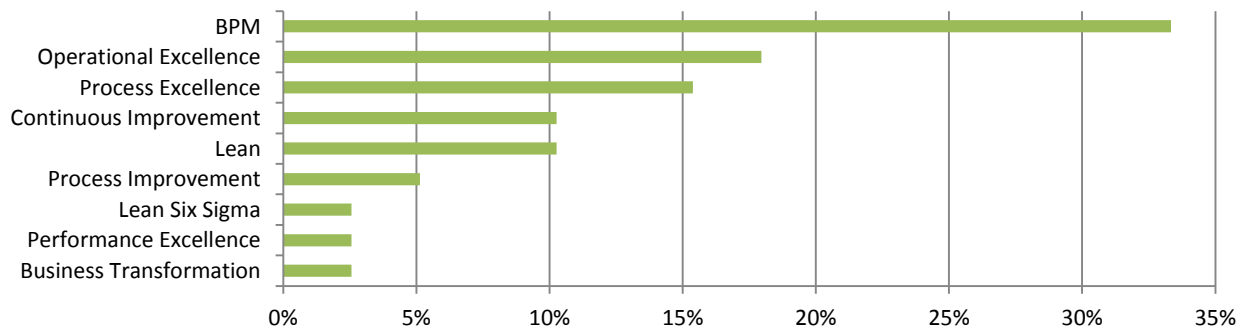
### Healthcare



### Manufacturing



### Financial Services



## Day 9: Prioritizing process within your organization



Yesterday we touched upon the link between Process Excellence and business-critical strategy, today we take this one step further by looking at level of priority a business affords your process efforts.

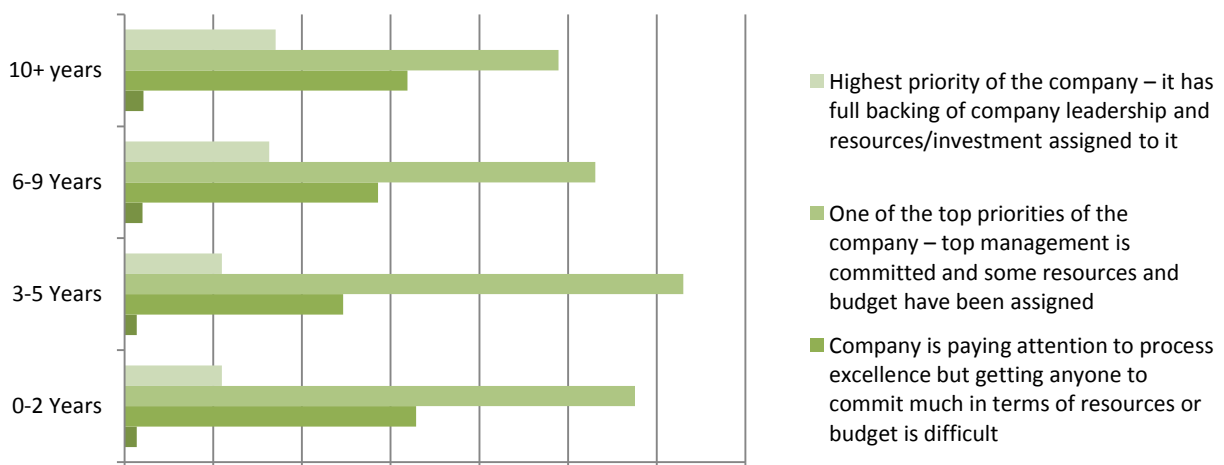
Interestingly, though, the priority level that an organization assigns to process excellence does not appear to have any correlation at all to how long an organization has been practicing process excellence. (see the chart below). At 0-2 years, for instance, 68.49% of survey respondents report that process excellence is either one of the top priorities or the top priority, a number which remains relatively consistent across all maturity levels. Indeed, a slightly smaller percentage (65.96%) of companies that have been doing process excellence for 10+ years report that process excellence is either one of the top priorities or the top priority (although moderately more report that it is a “top priority” than any of the other maturity levels).

These results indicate that support for process excellence remains relatively constant over the course of a deployment. In fact, at the beginning of a process excellence deployment it could be that support is moderately stronger, if the organization has a “burning platform”, which it believes employing process excellence methodologies will help resolve.

There is a risk, though, that if process improvement only is associated with solving a specific problem at a specific point in time, that it becomes something that burns brightly initially but quickly burns itself out.

“If you start everything with a big bang then people either expects a lot or they expect it to blow over,” says Ulf Pettersson, WCM Manager at Tarkett Ronneby. “If you start on a small scale and pilot in a small area you’re creating a pool for the need for other departments to follow. If you are able to show results, people want to know how it was achieved and they become interested.”

A great place to find out more information about how to implement your process strategies, and refine existing strategies to properly manage company expectations is PEX Week 2015 this January in Orlando. [Download the agenda for more information.](#)



## Day 10 – Who typically leads your process improvement initiatives?



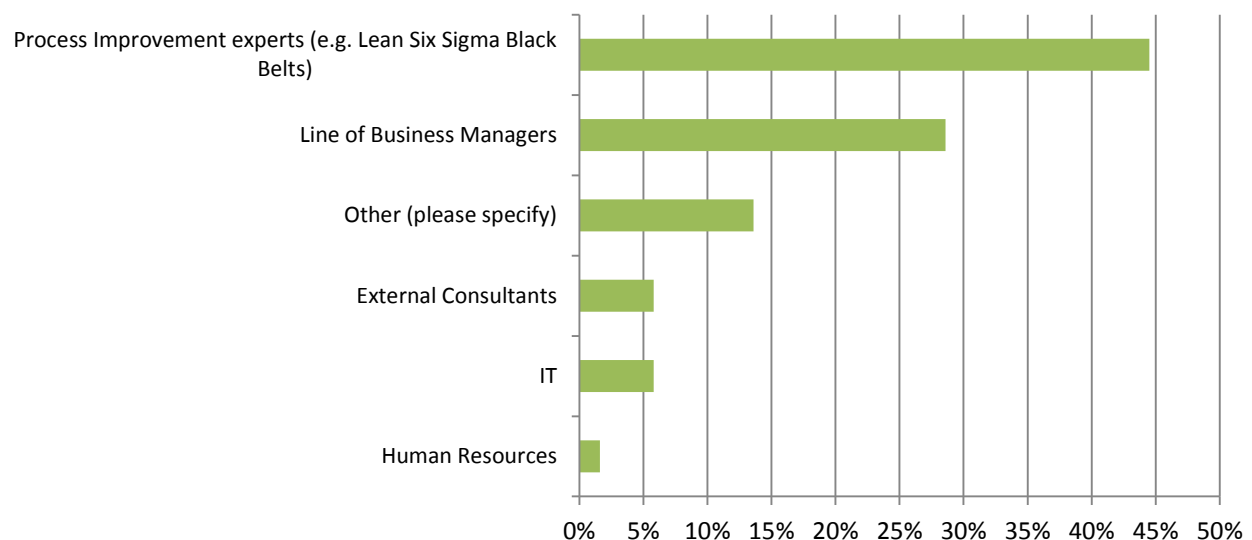
One of the ways to get incremental buy in throughout the organization is by focusing on getting business leaders involved in actually leading process improvement projects.

According to survey respondents, process Improvement projects are typically led by Process Improvement experts (44.5% of respondents indicated that projects were led by these experts versus 28.6% said it was typically Line of Business Managers who were responsible for leadership of these projects (see Chart 18, opposite). Many of the telephone interviewee felt, though, that this was not the best model to encourage linking process improvement with strategic objectives.

“The best models are what I call the mixed models where you have the full time process improvement professionals – Black Belts, Master Black Belts – working on projects as part of their day to day work but where every level of the organization and every person in the organization does some project work within either the business group they work in or expanding beyond in cross business groups,” says Paul Sandell from Intel.

“You want to put process improvement knowledge in the hands of everyone,” comments Goodwill Industries’ David Behling. “If it’s always the process improvement experts who are leading process improvement, then it’s not building culture.”

Learn more about how to build and refine that process improvement culture at this January’s PEX Week USA. [Download the Agenda for more information.](#)



## Day 11 – Technology usage in Process Excellence



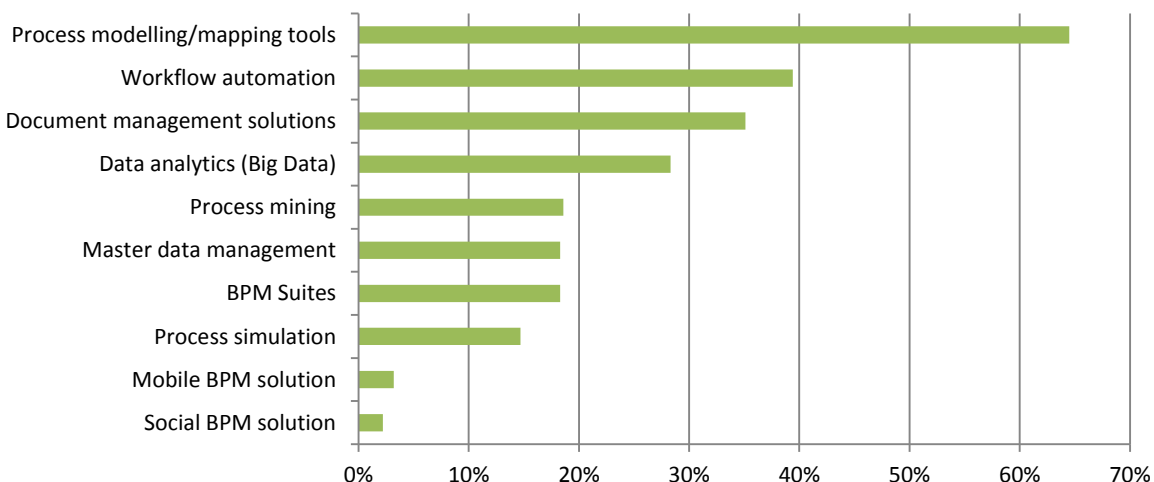
Technology is playing an ever greater role in all aspects of business operations. Whether it's supporting and automating processes or enabling new business models, Information Technology has transformed the art of the possible within companies.

Technology enablement, when correctly utilized, has the potential to make process improvements higher impact and with greater reach within an organization.

Currently, the vast majority of process excellence practitioners (64.5%), according to our 2014 survey, use process modelling or mapping tools to support their projects/initiatives (see the chart below).

Workflow automation technologies come second with 39.4% of respondents indicating some form of automation tool or technology is helping to support process, while Document Management solutions for supporting the flow of documents through processes rank third with 35.1% of respondents indicating that they already use a document management solution.

Invested in a new technology recently? Looking at spending on a new solution in the next year? All of the key technology players in Process Excellence will be in attendance at this January's PEX Week USA. To find out how you can meet them, trial solutions and find out what your competitors are investing in, [download the agenda](#).



## Day 12 – Future investment is technology-rich



In the year ahead, all categories of technology investment look set to experience growth over last year (see the chart below), perhaps an indication that an improving outlook for the global economy means that companies are starting to loosen the purse-strings on investment.

Interestingly, the technology that has emerged as a frontrunner for investment is big data and analytics technology. Over 30% of process professionals (33.8%) indicated the data analytics and big data technologies were an area of investment in the next 12-18 months.

While big data is somewhat of a woolly term – the software industry uses it to describe data that is of greater variety, volume and velocity than computers were able to effectively process until recently – clearly companies are starting to look more seriously at how data can be integrated and utilized more effectively to aid business operations.

“Today, we can monitor almost anything with embedded sensors that simply send data at unprecedented frequencies,” says Rob Speck, Vice President of Global Services at K2. “When we look at that exponential growth you can store in the enterprise, we can see that there’s value to having tools that can understand what’s going on, perhaps trends, correlations, patterns, that can actually help aid in future decisions.”

Adobe’s Devin Rickard says that within his company, data is becoming a much greater part of process excellence projects.

“Business people are increasingly savvy about data and their need to be able to make sense of it,” he explains. “With every project that we have going on, a huge piece is how are we going to measure things? Where are we going to get our data from? Are you going to be able to produce for me the reports and information that I need in order to be able to make decisions?”

Find out more about future tech and where you should be investing intelligently at this January’s PEX Week USA in Orlando, Florida.

