

# BEVINGTONGROUP

## Restructures, Role Definitions and Process Reengineering

A Brief Introduction

Understand • Engage • Evolve

[www.bevingtongroup.com](http://www.bevingtongroup.com)

# Restructures are a necessary part of organisational life...

- ❑ **As the world changes around organisations they must adapt or performance will suffer**
  - Customer needs change
  - Supplier power changes
  - Technologies changes
  - Input prices change ....



- ❑ **As the environment changes organisational processes and structures become misaligned with today's reality**
  - Some teams are over-loaded
  - Others are over-resourced
  - Processes start to atrophy over time
  - Ability to meet current customer needs deteriorate
  - Ability to deliver services in a “lean” fashion declines
  - Under-utilised managers can “create work” which actually gets in the way.

## ..but they also carry risks

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- ❑ Inefficiencies and errors increase as processes where do not match organisational structure
- ❑ Increased pressure on existing staff
- ❑ Decline in staff morale
- ❑ Loss of key personnel
- ❑ Personnel return as higher paid contractors/consultants
- ❑ Customer service is detrimentally impacted
- ❑ Staff cynicism is high



## Answering a number of key questions helps to mitigate those risks

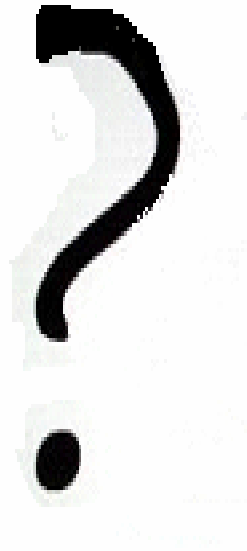
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*1. How will the new processes operate under a different structure?*

*2. Will the tasks that are done change in the restructured environment?*

*3. How will staff be engaged and their concerns addressed?*

*4. Are the roles appropriately sized?*



*5. How will stakeholder communication occur?*

*6. What are the key risks to the business during and after transition?*

*7. How does the Restructure align with a changing Regulatory Environment?*

## In order to answer the key questions it is important to be close to the detail

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**If we do not understand what people actually do in an organisation's overall process, then it is not possible to predict the outcomes if their roles are restructured**

**Existing documentation is not enough to understand what really happens today**

Job descriptions (if they are available) usually do not provide anything like enough detail to understand a role and how long it takes to perform any given task or activity

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Manuals are often out-of-date and simply do not reflect the reality of the current role

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Procedures documents reflect the way the job "should be done" not what is "actually done"

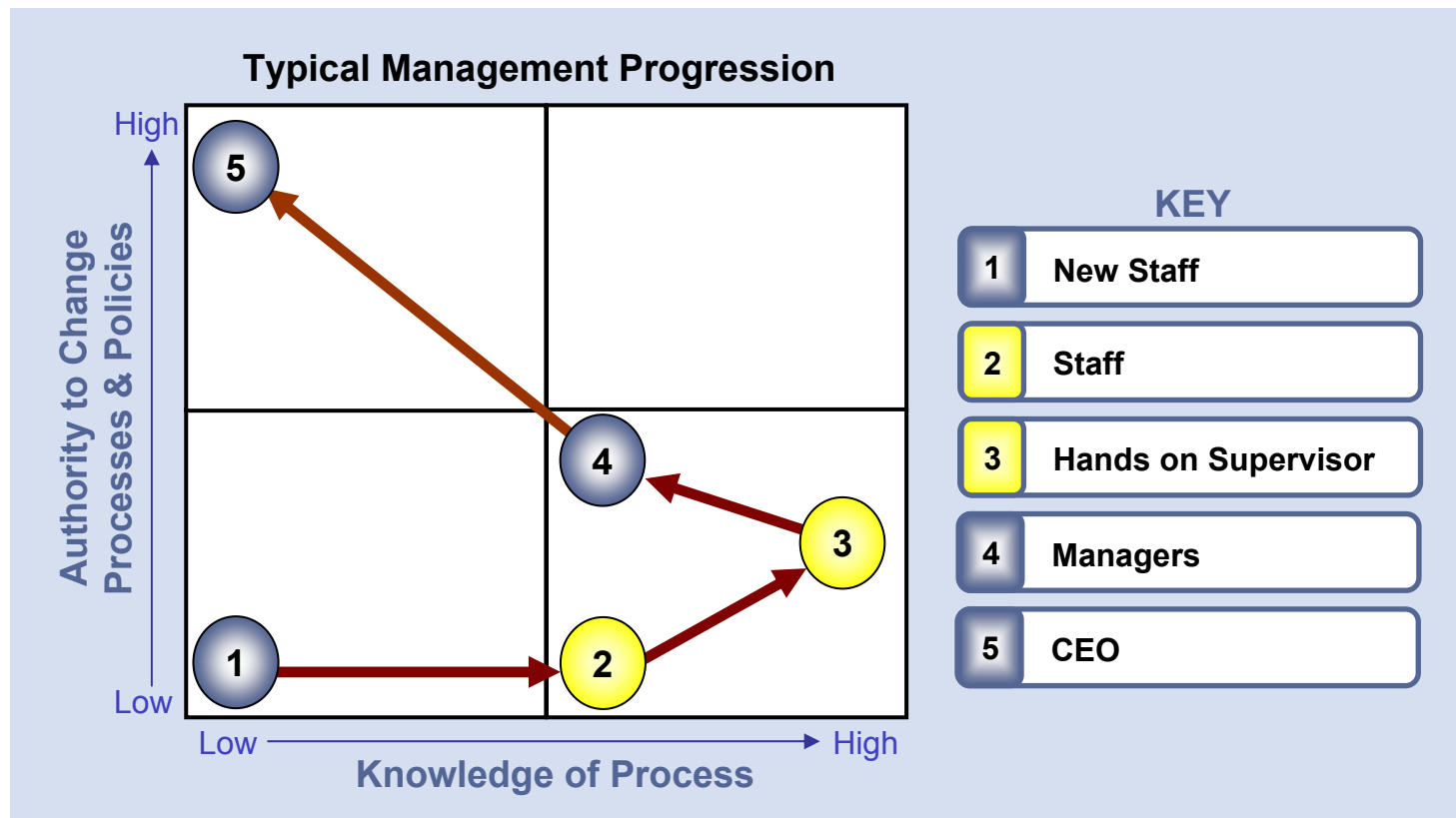
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None of the documentation available is likely to tell you where processes fail and therefore how much time is required just to fix up problems.

## ...so we need to engage with the people who really do the work

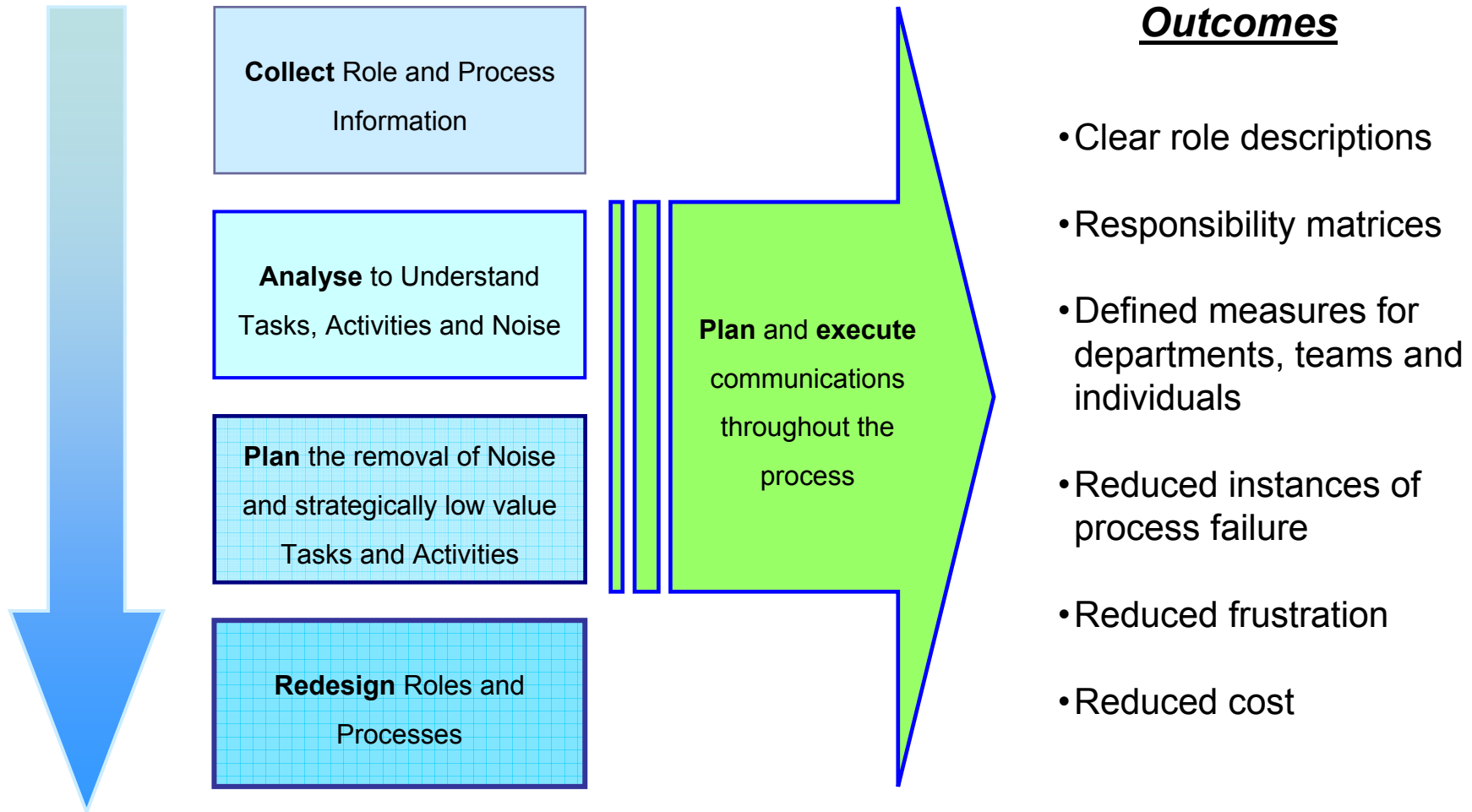
Typically organisations find that with increased authority to change comes less knowledge of the detailed process

The people who do the job are best placed to tell us about it...

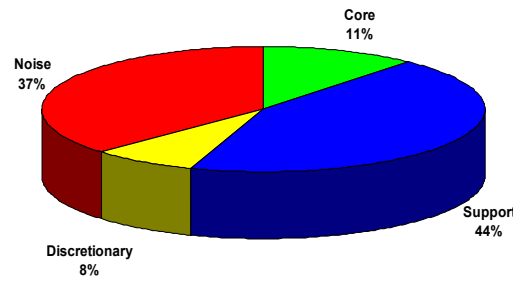
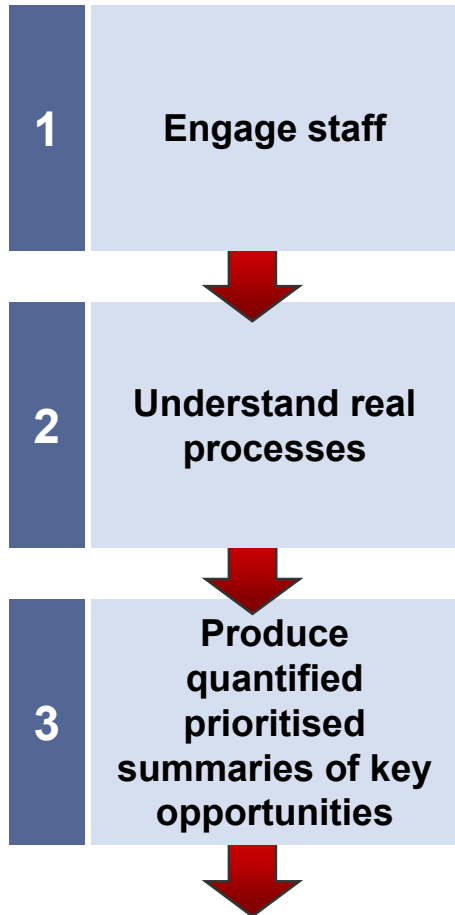


# The Bevington Group has a way of engaging staff to define roles and improve processes – using the same base data

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# It all starts with understanding what is happening today...



XeP3 Tasks and Activities MF2	
Status: <span style="float: right;">AU1 - Admin Support</span> Completed by: <input type="checkbox"/> Team Member Check: <input type="checkbox"/> Date: Wednesday, 8 December 2004	
Quantified Tasks	Quantified Services
Process 40 leave applications per month	
Process Recreational Leave weekly	
Process 5 special leave applications per month	
Process 6 Annual leave applications per month	
Process 25 sick leave applications per month (with med cert without med cert)	
Process 4 other types of leave applications per month	
General Administration	
Main and Sub-Activities	
A) Receive 40 leave applications per month	2.12 If insufficient leave (1-2 days), contact facility
1 Receive Applications	2.13 If not authorised, highlight form for letter
1.1 Sort to leave types	2.14 Generate letter if more than 3 days
1.2 Sort to priority (pay periods)	2.15 Generate proforma
1.3 Distribute and allocate work	2.16 If leave events are booked, phone manager to request if amendment required
1.4 If 1-2 days before pay, pull out pay critical forms (TCover) e.g. LWOP, Rec Leave	2.17 Enter requirements
1.5 Put into trays	2.18 May send letter to request
B) Process Recreational Leave weekly	2.19 Print
2 Processing Rec Leave	2.20 If not enough leave available, generate letter to advise of options
2.1 Receive application for rec leave	2.21 If old leave forms used, return form with letter
2.2 Enter ABC no name	2.22 Enter leave details (form)
2.3 Check ABC matches name on System and other issues	2.23 Check if bonus indicated
2.4 Check leave balance, future events and other issues	2.24 Note claim of bonus/penalties
2.5 If cannot locate, contact facility	2.25 If pay make sure for current year
2.6 If pay ASD, note and pay out in 1st leave event	2.26 If needed, indicate payout via timesheet
2.7 If cannot read signature, contact Facility	2.27 If not noted no bonus to be paid
2.8 Manually calculate hrs available	2.28 Handle queries from Call Centre re Rec Leave processed
2.9 If ABC not supplied, locate by name and ensure correct employee	2.29 If penalties and bonus ticked, look at history
2.10 Check if employee has taken LWOP - note not to count as service	2.30 If always paid bonus, give bonus
2.11 Check autoapproval	2.31 Check if pay in advance requested

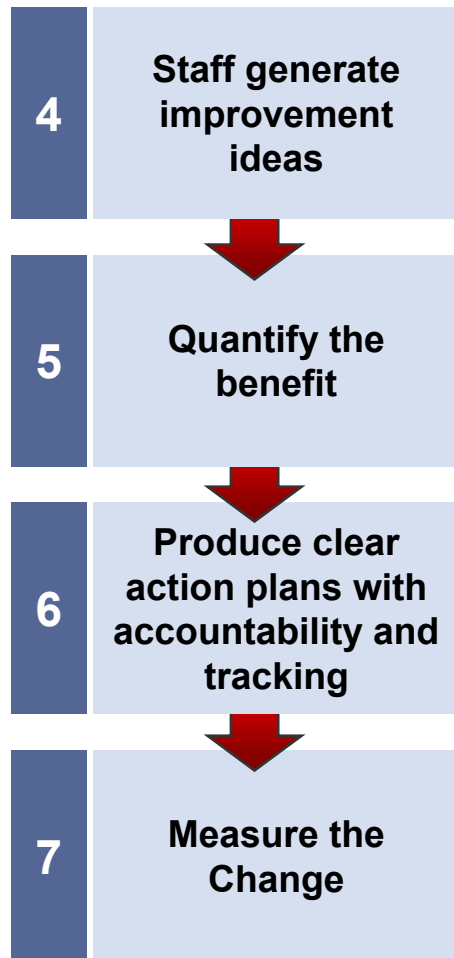
4.6	Receive call via 1800 call centre number and review customer info via system pop up (if available)	S	7.5	3.1
4.7	If not available, search SAP for customer	N	5.0	2.1
4.8	Check email account for EDI advice and review request	S	6.5	2.7
4.9	If received by fax request (imaged via email), distribute assigned accounts to whom they belong to	S	3.0	1.2
4.10	If not for own area, move fax email to diff folder for supervisor to allocate	N	3.0	1.2
4.11	If not on Distribution List, check if Trad or non-Trad account information (if non-Trad ignore)	N	3.5	1.5
4.12	Go into system, view customer order entries	S	6.0	2.4
4.13	Phone customer if unclear / missing information	N	7.0	2.9
5.1	Enter order	S	5.5	3.2
5.2	Validate pricing	D	3.0	1.7
5.3	If pricing looks ok / customer questions, check account (eg. ACC, scheduled pricing)	N	5.0	2.9
5.4	Save order	S	1.0	0.6
5.5	If customer on credit, contact customer for past dues and advise credit	C	3.5	2.0
5.6	Enter request delivery date	S	1.0	0.6
5.7	If delivery date is less than 3 days and is required, raise enquiry	N	1.0	0.6
5.8	Send request to customer to check availability	N	2.75	1.1
5.9	If available, rack schedule	N	1.75	1.0
5.10	If not available, contact customer to negotiate delivery date	N	3.0	1.7

	C	S	D	N	CSDN
% Hours:	2.7%	35.2%	7.6%	54.4%	100.0%
Total Hours:	27.2	352.5	76.5	543.8	1,000.0
pa Cost:	15.1	187.2	46.6	268.3	517.2

Top 6 Activity Drivers for this Process		
2	Product not available or in stock by require date	7.4%
12	Customer not happy with product and wants to return	7.1%
1	Missing/unclear information from customer eg. locati	4.0%
9	Manual look-up of product number or calculation due	2.4%
7	Customer on credit hold and required follow up	1.7%
4	Customer has unreasonable delivery request (ie. not	1.4%

**Supporting technology provides a fast, visual and structured understanding of opportunities**

# ...which allows for a thorough view on how to lift performance through process change



**Management Report**

Supply Chain Demo

**Implementation Monitor**

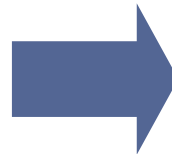
Idea #	Description	Total Hours	Hours Saved	Hours Added	Planned Completion	Current Est. Completion	Acco
5	Proactively seek on-sell during interaction with customer	20.51			4/04/2004	30/04/2004	Miller, Brad
6	Order forms to be completed and sent electronically to suppliers	42.38	7.74		4/04/2004	29/05/2004	Miller, Brad
3	Develop Supplier Agreements with performance measures to improve service	35.96	14.39		2/02/2004	2/06/2004	Miller, Brad

19/05/2006 © Bevington Process Management Tools Page: 2

**Supporting technology quickly provides an integrated implementation plan and benefits tracking tool for managers, plus clear and simple-to-use “to-do” lists for staff**

# The same data then allows us to define roles and responsibilities with great clarity

Task	Activity	CSDW	Hours	Review Classification	Hours Saved	Notes
1. XRP3 SMART Task Restructuring						
2. All 1st Level Analysis						
3. Budget to Actual Results Analysis (Months)	Receive SAP Reports		0.5	MAINTAIN	0.0%	
4. Analyse Reports	1. Receive ECR Report from FA	D	0.1			
5. Investigate Significant Variances	1. Line by Line look for variations to budget	D	2.7	REDUCE	50.0%	1.4 Data Analyst will help reduce queries back from management
6. Make Adjustments with Journals	1. Make assessment if variance is acceptable	D	0.5	REDUCE	50.0%	0.5
7. Approve Results for Issue	1. Receive updated reports from FA	D	0.5	REDUCE	50.0%	0.2 More analyst will reduce the amount time spent checking and approving



“SMART”	MEANING	COMMENT
<b>STOP</b>	Stop this task (Do not do it anywhere any more)	Stop means <i>eliminate from the operation completely</i>
<b>MAINTAIN</b>	Keep this task in this team	Doesn't have to mean status quo - you may still improve the task
<b>ADD</b>	Do more of this task (New effort – not currently being done elsewhere)	Effectively a core injection
<b>REDUCE</b>	Do less of this task (lower volume/lower frequency)	Reduce is usually in response to a change in environment or need for a task – <b>This is not an efficiency saving due to noise reduction</b>
<b>TRANSFER</b>	Do this task in another team (benefit in cost to perform or focus)	Redirection may deliver a saving either by more appropriate resource doing the work or via 'consolidation' where we can get economies of scale

Start with a precise knowledge of what is done today (see Appendices)

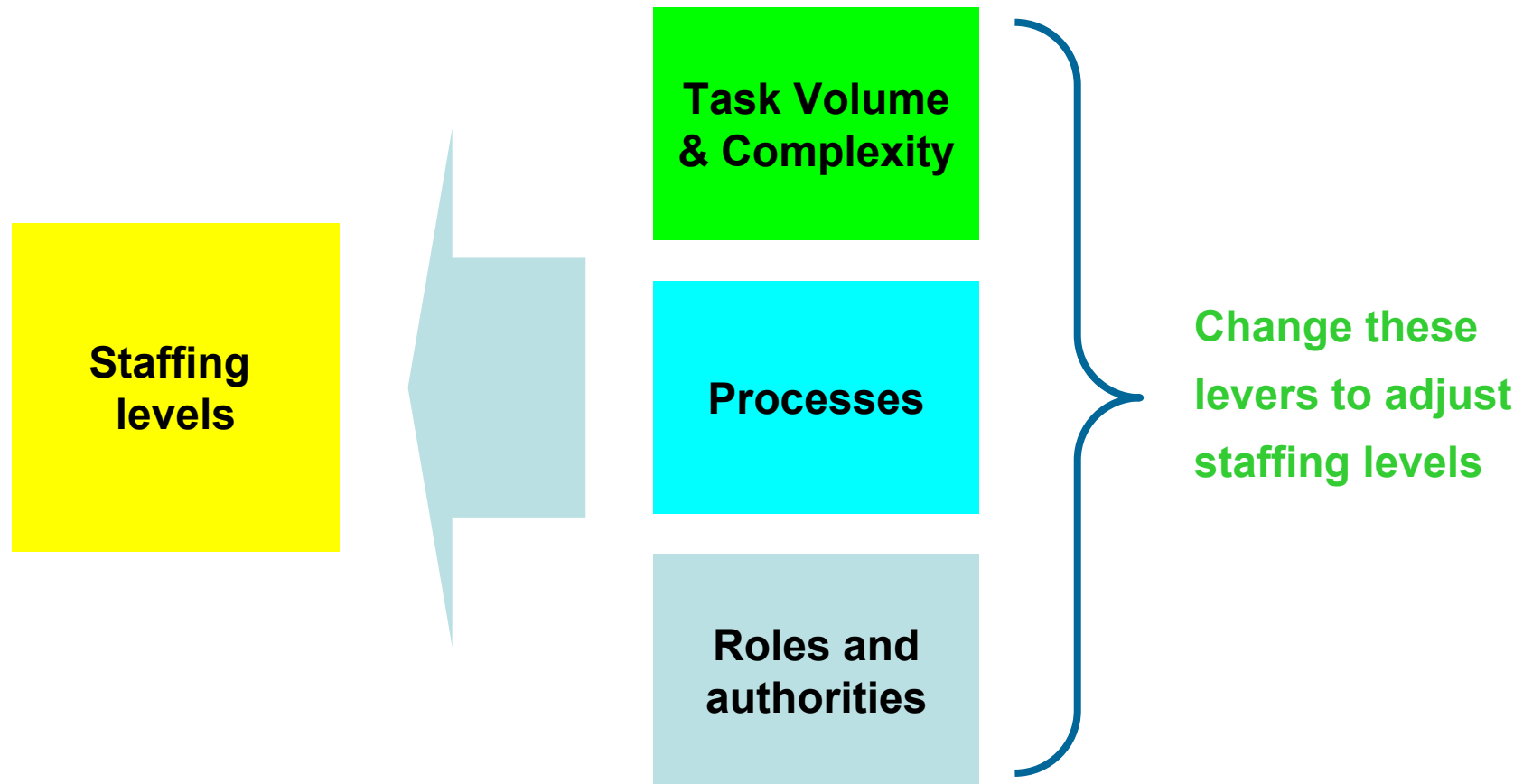
Ensure that the tasks are appropriately allocated to roles (See Appendices)



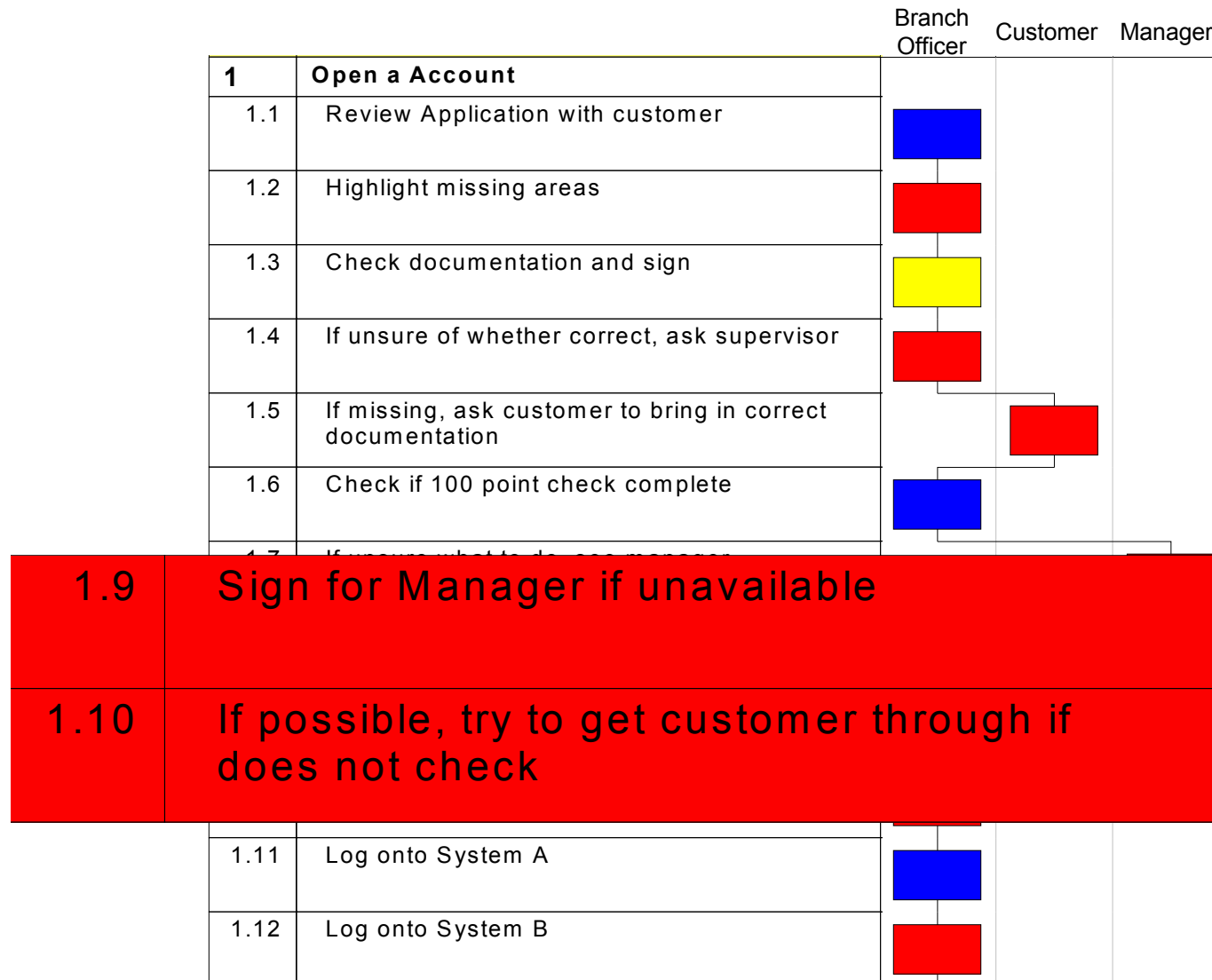
**Develop Job Descriptions with Appropriate Measures**

# Team resourcing levels can be modelled using the data collected during the study

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# The process models are also valuable for risk assessment and subsequent mitigation



# Finally, procedures can be developed from the newly refined process charts

Step No	Step	Cat	Hours	Annual Cost per Step (3000s)	1 Mailroom	9 Client	10 Adviser	14 Claims - Individual Risk	15 Claims - Coordination	30 Medical Authority	31 Forensic Accountant	32 Investigator	35 CMO
14.14	If not go back to appropriate co-ordinator to request that they obtain this ie original policy document and application	N	0.9	0.4				■					
14.15	Once all documents are in the file assessment will be done on green paper	S	3.09	1.5			■						
<b>15</b>	<b>Data Enter and Authorise Payments</b>												
15.1	Run desk bank report at 10:00am - daily	S	3.6	1.3				■					
15.2	Copy to 4 other co-ordinators	N	0.99	0.4				■					
15.3	Highlight claimants due for payments by Alpha split	N	0.76	0.3				■					
15.4	Retrieve files from consultants	N	6.74	2.4				■					
15.5	Open file and search for payment sheet	N	1.92	0.7				■					
15.6	If payment sheet authorised by consultant cross check with deskbank report	S	2.97	1.1				■					
15.7	Complete payment worksheet on file	N	1.3	0.5				■					
15.8	"Y" and initial deskbank report	N	1.5	0.5				■					
15.9	Await till all coordinators have "Y" deskbank report	N	5.24	1.9				■					
15.10	One by one "Y" deskbank on Access and alter any payment amounts and dates if required	N	3.95	1.4				■					
15.11	Last coordinator to "Y" Access runs the report and print	N	1.59	0.6				■					
15.12	Each coordinator initial final report	N	1.39	0.5				■					
15.13	Each coordinator takes across all deskbank files with original deskbank report for authorisation from consultant	N	2.14	0.8				■					
15.14	All files where payment has been authorised for that particular day are collected along with deskbank payment reports - 2 consultants	N	0.1	0.0				■					
15.15	Working on a week to week roster check each file for:	N	0.0	0.0				■					



All duplicate administration procedures were eliminated

Step No	Step	Cat	Hours	Annual Cost per Step (3000s)	1 Mailroom	9 Client	10 Adviser	14 Claims - Individual Risk	15 Claims - Coordination	30 Medical Authority	31 Forensic Accountant	32 Investigator	35 CMO
5.4	If all is O.K. the proceed with claim under the new instructions	S	7.0	3.4				■					
5.5	If no changes are made then proceed as you were	S	1.1	0.5				■					
5.6	Enter decision into AWD for workflow	S	1.01	0.5				■					
5.7	Develop and maintain financial assessment tools to assist the assessors	C	8.07	4.0				■					
5.8	Provide regular training / coaching and competency assessment of financial assessment of claims	C	12.1	6.0				■					
<b>6</b>	<b>Request &amp; Assess Medical Reports</b>												
6.1	We need to ensure that we have an up-to-date authority permitting us of this information	S	1.22	0.6				■					
6.2	Receive request for medical report		0.0	0.0									
6.3	Provide medical report		0.0	0.0									
6.4	Continuation of claim will be determined on the information given	S	3.09	1.5				■					
6.5	If there is an element of non-disclosure we need to do a memo to Underwriting and personally deliver file to them	S	13.16	6.5				■					
6.6	Request and assess independent medical examination	S	6.94	3.4				■					
6.7	During general assessment of claim there may be conflicting or general information that suggests that we should organise an IME	D	13.69	6.7				■					
6.8	Need to determine the type of disability being claimed for and the state that the client lives in	D	2.51	1.2				■					
6.9	Look through medical register and employ Dr to perform examination	S	2.84	1.3				■					
6.10	Call Dr's rooms and organise date and time for appointment give clients details to Dr	S	2.19	1.1				■					
6.11	Confirm appointment		0.0	0.0									
6.12	Receive the letter and action		0.0	0.0									

## The proposed structures and processes must adhere to 6 principles

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- Unambiguous role descriptions
- Appropriately sized roles
- Clearly defined authorities
- Optimal reporting structures (stratum levels)
- Shared language to help avoid miscommunication
- Effective process flows

## Sometimes restructuring must proceed reengineering – this is the Leapfrog

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- ❑ In a theoretically perfect world the detailed structure, role and process alignment would be established before restructuring
- ❑ However, **real world** imperatives mean that **restructuring must often proceed reengineering** and full role definition
- ❑ We apply 5 key principles to maximising Leapfrog benefits
  1. Use the methodology to re-engage with staff, it is an excellent listening tool
  2. Internally market the fact that staff ideas are being used to transform the operation and reduce frustrations
  3. Build enthusiasm by measuring, reporting and celebrating the successes
  4. Move quickly to from analysis to implementation to demonstrate management are serious about the change
  5. Involve as many staff as reasonable in implementation – where possible give them a role.

## In conclusion...

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Understanding role and process detail substantially increases the probability of achieving Restructuring benefits

- ▶ Identify value and non-value adding tasks
- ▶ Ensure that the “right” part of the organisation “owns” the tasks in question
- ▶ Set the team resourcing to the right level given anticipated workloads

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To understand the detail it is important to engage the staff

- ▶ Staff understand what is really being done (as opposed to what should be done)
- ▶ Staff buy-in is critical to a successful implementation

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Methods and technology can help in rapidly building and managing a detailed picture

- ▶ XeP3 is a set of methods and software tools to help analyse role and process information, in detail and at speed

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# Appendices

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# The Bevington Group has a way of engaging staff to define roles and improve processes – using the same base data

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<b>Task Restructuring</b>	<b>Process Re-engineering</b>
<p data-bbox="277 624 1021 724"><b>Focused on Role definition, task allocation and measurement</b></p> <p data-bbox="277 799 533 842">Designed to</p> <ul data-bbox="376 916 1066 1251" style="list-style-type: none"><li>▪ Define roles</li><li>▪ Align tasks with strategy</li><li>▪ Remove marginal tasks</li><li>▪ Redirect tasks to appropriate personnel</li><li>▪ Develop performance measure</li></ul>	<p data-bbox="1153 624 1935 667"><b>Focused on process improvement</b></p> <p data-bbox="1153 799 1408 842">Designed to</p> <ul data-bbox="1252 916 1928 1251" style="list-style-type: none"><li>▪ Free up people hours</li><li>▪ Reduce errors</li><li>▪ Improve quality</li><li>▪ Improve key operating metrics</li><li>▪ Engage staff in the improvement program</li></ul>

# Task Restructuring is used with Process Reengineering in support of Org Restructures

“SMART”	MEANING	COMMENT
<b>S</b> TOP	Stop this task (Do not do it anywhere any more)	Stop means <i>eliminate from the operation completely</i>
<b>M</b> AINTAIN	Keep this task in this team	Doesn't have to mean status quo - you may still improve the task
<b>A</b> DD	Do more of this task (New effort – not currently being done elsewhere)	Effectively a core injection
<b>R</b> EDUCE	Do less of this task (lower volume/lower frequency)	Reduce is usually in response to a change in environment or need for a task – <b>This is not an efficiency saving due to noise reduction</b>
<b>T</b> RANSFER	Do this task in another team (benefit in cost to perform or focus)	Redirection may deliver a saving either by more appropriate resource doing the work or via 'consolidation' where we can get economies of scale