

## ***BPM 3 – Using the XeP3 Tool’s Embedded Measurement Mechanisms to Assess and Drive Consistent Business Process Performance***

### **NEW DEMANDS FOR MEASUREMENT**

There is widespread awareness of the pressure to perform in the business environment and the need for enhanced, reliable and consistent measures. There are the new governance needs as a result of Enron and HIH and there is the ever-present demand for increased performance from shareholders in public companies, and stakeholders in the public sector. What this translates into is an increasing pressure for better and more appropriate measures on performance and output and, critically, that needed tasks are being performed consistently. At the same time stakeholders are becoming more and more aware that change does not necessarily lead to improvements. Indeed much of the change undertaken has demonstrably disturbed processes in other parts of organizations that led to loss of performance.

So is the nature of this continual change necessarily analogous to throwing a pebble into a pond – where everyone, including the customer, is subject to the ripple effect disturbance? Is there another way? Is there a way to measure existing business processes so that change can be planned and executed in such a way as to damp down any existing ripples and improve customer service consistently while improving processes? The **XeP3** Tool provides this way.

### **EXTENDING THE RANGE OF PROCESS MEASURES TO DRIVE PERFORMANCE**

The powerful balanced score card has been in existence for some eight to ten years and continues to be adopted by organizations. It is used routinely to measure high level organizational performance and it is easily adopted for measurement of strategic processes and their outcomes. It is particularly effective in measuring outcomes – financial (e.g. cost/unit), service (e.g. delivered in full), etc.

These KPIs have been extensively used for comparison to allow areas of best practice to be determined and areas for improvement targeted. So why then, if it is so easy to use KPIs to identify areas where improvement is needed, is best practice not everywhere? Well, the reason is that KPIs only measure output. KPIs can demonstrate that improvements can be made but cannot identify how to do achieve it. Change requires measures for input or the activities that need to be performed. The gap therefore is that measures are needed to drive the required change and thus measure that the needed new activities, which will eliminate noise and drive performance, are being performed consistently.

These measures are leading indicators, or BCIs, (Behavioural Change Indicators). They can only be established from having a thorough understanding of how specific elements of processes need to be done and/or changed – so that the measures can be set up specifically for the task.

## WHAT NEEDS TO BE DONE TO PROVIDE APPROPRIATE MEASURES

The present generation of process mapping and measurement tools were designed to provide a *representation* of a process – not a *measure*. Inevitably, when the objective is representation, the outcome will only be representative of what a process *could* do.

These commonly used process mapping tools do not pinpoint failure (needed to allow needed changes to be defined), show accountability (needed to know who needs to change) or quantify resource usage (needed to set priorities). As a consequence the needed changes are not obvious and so the measures which show that the change is occurring are very hard to define

These weaknesses have led to the interest in the technique of process recording which provides an understanding of business processes at the level needed to define the needed BCI measurement framework. The key difference lies in the nature of the data. Process recording engages those people who have the needed knowledge and expertise to document what really happens – the people who do the work. Process recording then is the way these key staff can document what they do, in the way they do it and in a standard format. The **XeP3** tool was designed from the ground up to meet these needs and has been proven in over 300 applications.

In general terms then this process recording approach is not new. It has been a mainstay of Quality Circles for years. What is new is that **XeP3** extends the approach to cover whole organizations and end to end supply chains, which include suppliers and customers. Its strengths are:

1. A statement of reality – including all the activities needed to compensate for process failure (the Noise activities) – thus overcoming traditional communication barriers
2. Prepared and accepted by those who need to change – the staff doing the work – to eliminate resistance from NIH (Not Invented Here)
3. Indistinguishable from good procedural documentation – allowing integration of procedures and documentation with each change initiative.
4. Inbuilt resource allocation measures – for preparing business cases
5. Easy and quick to develop for the largest organization – under 4 weeks for 23,000 people.
6. Establishes an across an organization communication standard – for multi organization process redevelopment.

## ADDED BENEFITS FROM THE XeP3 TOOL

The way that the **XeP3** tool can be used to dramatically improve and speed up your business improvement is described in the other documents in this series.