

PROCESS BASED MANAGEMENT

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Introduction

Process-based management is a management technique that aligns the vision, mission and core value systems of a business when formulating corporate strategy.

It helps define the policies that govern the operations of the company, in question; whilst ensuring that the company is not just functioning on a platform of efficiency alone, but one of effectiveness, too.

As process-based management commences from the strategic sphere, the direction of the projects undertaken remain unfaltering, unlike in the event of goals formulated at a tactical level, where some projects tend to veer off course. Working towards a common goal helps achieve harmony across different work groups and departments.

However, it must be re-iterated that strategic support alone is inadequate to make the philosophy of process based management, a success; and that the middle management and employees too, need to recognize their part in the process and take ownership of it for optimal results.

The Six Stages in Process-Based Management

1 Defining the process

Process needs to be clearly identified and documented if it to yield any clarity.

Departmental documentation, customer-based agreements, purchasing manuals and process flow charts would all help in documenting the aforementioned process.

The input that is required for the process to be operational, the expected output of the process and the people or departments responsible for each constituent part of the process should be identified so that ownership and accountability are not compromised.

2 Establishing measures to evaluate the process

Process performance needs to be measured, if the efficacy, quality and timelines are to be monitored and improved upon.

Ideally, the metrics selected should be quantifiable, so that clarity is retained throughout. However, this may not always be possible, but comparative data and relevant benchmarks can always be obtained for relevant analysis.

3 Analyzing process performance

A variety of tools are available to analyze process performance with ease.

Graphical representations, bar charts, pie charts, variance analysis, gap analysis and cause-and-effect analysis being some of the most popular.

4 Analyzing process stability and setting new objectives if required

Under this phase of process-based management, compliance audits would help in analyzing process stability.

If it is found to be wanting, new goals need to be set and these should be aligned to the company's strategic direction.

5 Planning improvements

Process improvements should be planned in concurrence with the vision of the organization, its

mission statement and its culture.

Sufficient resources should be allocated and an effective team should be in place if the proposed changes are to be successful.

6 Implementation of improvements

This is where each of the planned improvements come to life from its former paper-based draft. Training can be conducted if and when required and the support of staff should be garnered wherever possible.

Thereafter, regular monitoring and continuous improvements need to be facilitated if the organization is to be one of world class standing.

Identifying a process-based organization

A process-based organization would have a few inherent characteristics that make it instantly recognizable.

For instance, such a company would view the business as a collection of processes, have strategic plans that drive the processes with commitment from the top management downwards, and such processes would be aligned to the goals and key business outcomes of the organization.

Standardization of processes, high dependence on data accuracy and the continuous quest for sustainable improvements are further hallmarks of a process-based organization.

Advantages of process-based management

The benefits of adopting process-based management are many.

Improvements in present processes increase in value-adding activities, reduction of costs and alignment to the strategic vision of the organization are its most sought after benefits.

It also facilitates modern cost allocation techniques such as activity based costing. Process-based management helps the system conform to certain national and international standards and to the requirements of reputed regulatory bodies.

Conclusion

Process-based management is an invaluable tool in customer satisfaction and retention, as it identifies key processes that have stakeholder interests and satisfaction at heart.

As many, a savvy manager at the higher echelons have come to realize the vision of a company is less likely to change over time, as opposed to goals and procedures used to achieve this vision.

Therefore process-based management necessitates managers to evaluate existing processes and take steps to adjust the structure and function of the organization in question, so that maximum efficiency can be thus derived.

Variable factors such as changes in customer expectations, fluctuations in the general economy and the necessity of developing better product lines will result in more innovative workforce who takes ownership of tasks and initiates better performance in their related field of expertise.

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