# Process Redesign Methodology

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#### A Process for **Process Redesign**

#### **Mobilization** Identify business processes Appoint process owners and establish Resources Leader governance structure **Determine** process measures Determine process prioritization Select design team members

Get organized

#### **Diagnosis**

- Bound and scope the process
- Understand customer needs

Insight

- Understand the current process
- Identify weaknesses in the existing design
- Set targets for new design

**Get oriented** 

#### Redesign

- Create design concept
- Develop endstate design
- Develop implementation roadmap
- **Build initial** laboratory prototype
- Test, learn, improve, and iterate

- **Transition**
- **Implement** initial field version (pilot)
- Realize initial benefits
- Develop supporting infrastructure
- Rollout

Design

- Institutionalize
- **Implement** succeeding releases

**Get crazy** 

Get real

#### Where Redesign Goes Wrong

#### **Insufficient mobilization**

ineffective process identification or inadequate resources

#### **Ineffective study of existing processes**

too detailed and/or too narrow

#### **Vagueness in objectives**

failure to specify goals

#### **Timidity in redesign**

narrow scope, small goals, self-censorship

#### **Skipping the laboratory**

reengineers are real engineers

#### **Taking too long**

time is our enemy

# The Three Challenges of Process Redesign

#### **Innovation**

inventing something new

#### **Complexity**

building a new system

#### Change

reinventing the business

### The Three Keys to Success

#### **Creativity**

in design

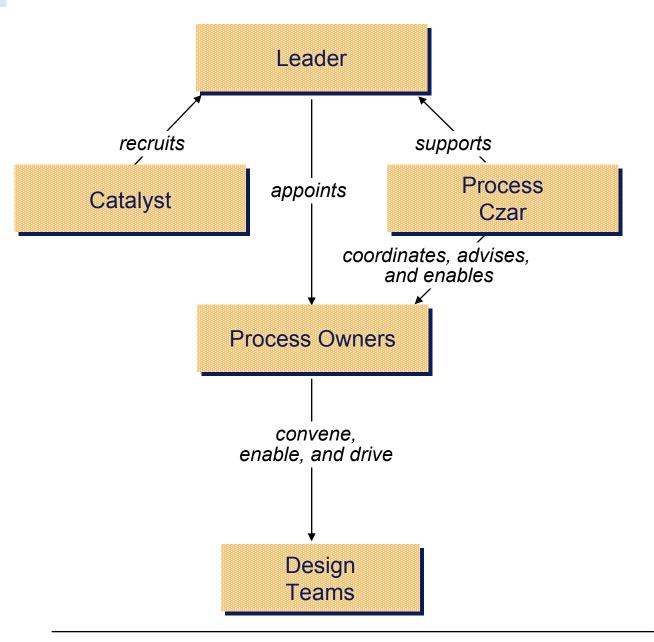
#### **Coordination**

in implementation

#### **Change management**

throughout

#### A Governance Structure for Process Design



#### The Process Owner

# A senior individual with accountability and authority for the end-to-end performance of a process

a never-ending responsibility aka process manager, process leader

#### **Duties**

sponsor, motivator, evangelist, salesperson, resource obtainer, enabler, goal setter

monitor, advisor, groupthink avoider

liaison, buffer, roadblock remover, heat taker, advocate

convenor, coach, champion, conscience, challenger, cheerleader, critic, customer

controller and compliance officer

#### The Process Owner

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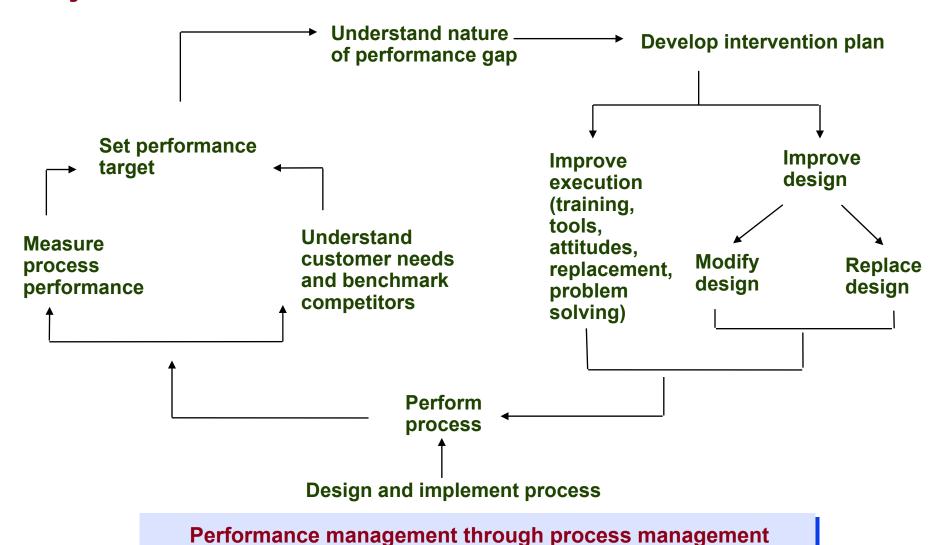
#### Requisites

highly placed, well respected, well connected: clout ambitious, confident, high energy, effective innovative and process-oriented, often a maverick really gets it the right person in the right position

#### The conundrum

the need for clout vs. the need for focus

### The Process Lifecycle



# The Process Design Team: Demographics

#### **Insiders**

knowledge of business and customers intuition and experience credibility and opinion leadership (Trojan Horse) moderate seniority

#### **Outsiders**

reengineering technique imagination, creativity, naiveté objectivity, risk-taking, and leavening ability to maintain distance

#### **Composition**

diagonal slice
multiple functions and constituencies represented
concentric rings: core team and extended team
occasional involvement of specialized disciplines and SMEs
participation of customers and suppliers in extended team

# The Process Design Team: Demographics

...continued

#### **Team captain**

manager of a key stakeholder function facilitator, politician, diplomat, quartermaster primum inter pares

#### **Rules of engagement**

primary assignment (preferably 100%): the problems of logistics, contamination, schizophrenia, emergencies, and hypocrisy

long-term commitment (18-24 months)

abandoning organizational loyalties

cohabitation: the communication vs. distance curve

#### **Challenges**

finding the resources: coping with a full plate managing a cross-cultural ensemble team-building (may be deliberate)

dealing with conflict: a Hegelian style

relationship with the owner: customer, coach, cover

life after design: for insiders, outsiders, and process

owners

The Process
Design Team:
Psychographics
and the Wizard
of Oz

Enthusiasm, optimism, and ambition

Persistence, energy, tenacity, self-esteem, stamina, thick skin, follow-through, resilience, commitment, courage

Process thinking: systems, big picture, holistic, critical, quick learner

Design capability: open mind, creativity, evaluation of tradeoffs, performance analysis, trouble-shooting, problemsolving, resourcefulness

# The Process Design Team: Psychographics and the Wizard of Oz

... continued

Discontent with status quo (mavericks and renegades), hunger for change

Questioning, skepticism, open mind, unafraid

Comfort with rule breaking, ambiguity, change, and risk

**Broad business perspective** 

Inter-personal, teamwork, listening, persuasion, and communication skills

Temperament, cognition, style, skills, background

The hallmarks of the ideal candidate

### Challenges in Recruiting the Team

#### **Finding them**

5%-20% are candidates the major disqualifier

#### **Getting them to join**

lowering disincentives
addressing career concerns
the value of financial incentives
personal recruiting by the leader
if this doesn't excite them, we don't want them

#### Getting the organization to let them go

the need for executive intervention

#### **Getting them to go back**

"I was born to do this"

### The Product of a Process Diagnosis

Why: basic literacy

What: building blocks of the new

Performance: design data and requirements

Who: change management

Intuition: aids in

redesign

#### Intuition Why underlying objective and mission assumptions customers and and rules suppliers warning signs/ symptoms inputs and outputs causes of performance unmet customer inadequacies needs applicable circumstances What Who process map organizations value-adding steps involved purposes job definitions **Problems** overall flow information systems and Performance swim-lane diagram utilized volumes and skills and frequencies knowledge • timing (work and required elapsed) costs (total, distribution. allocation) quality measures

# If You Don't Do It Wrong, You'll Do It Right

#### Don't take a long time

this is only the preamble

#### Don't get bogged down in NVA detail

focus on the big picture: what and why, not how

#### Don't get lost in complexity

focus on the base case first, deal with exceptions later

#### **Don't produce lengthy outputs**

ten pages, not hundreds

#### Don't get hung up on tools

a second-order issue

#### Don't do it in a conference room

"staple yourself to an order"

#### **Don't be passive**

hunt for what you need

#### Don't take anything for granted

probe and question: why?

#### **Don't strive for perfection**

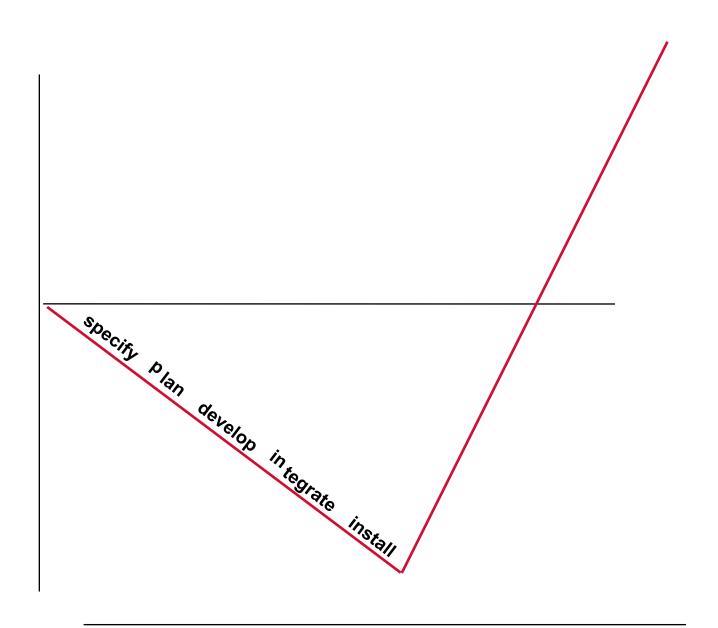
Voltaire was right

Know the goal and avoid common errors

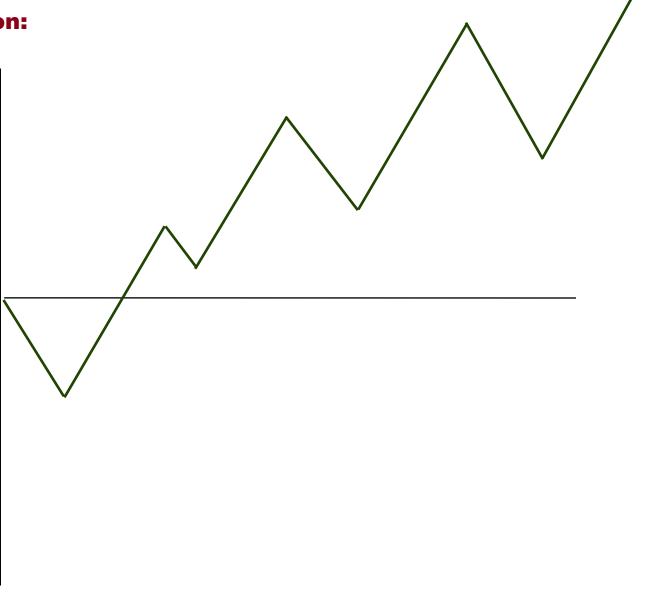
Traditional Implementation Process: From Concept to Benefits

Input: process design concept Construct detailed specification (full process design) **Decompose into projects (implementation plan) Project Project Project Project** performance performance performance performance Integration Installation **Output:** benefits What's wrong with this picture? On what assumptions is it based?

# The Road to Damnation: The Big Bang



The Path to Salvation: Little Bangs



#### Release-Based Implementation

### **Breakthrough concept: the new idea** easily expressed

### End-state vision: how the new process will eventually look

a refinement of the concept

# Release: a holistic subset of the end-state, capable of being implemented and delivering value quickly (typically 6-9 months)

not a component or an intermediate work product may be limited in functionality or magnitude or both aka chunk, wave, version

### Release-Based Implementation: Part II

# Laboratory: a prototype version of a release, developed for testing, validation, and improvement

a safe environment for making mistakes early (alpha)

Pilot: initial field implementation of a release for more learning in reality (beta)

Rollout: full deployment of the release getting the benefits

Roadmap: identification of the sequence of releases by means of which the end-state is achieved

(aka architecture)

The analogy to alpha, beta, and golden disk

#### **Process owner** The Big Picture (own it) Release 1 team Release 2 team (build it) (build it) **Process** Redesign core team team (program (M7)office) (think it up and plan it) (coordinate and make sure it happens)

Release 4 team

(build it)

Characteristics: dynamic, fluid, messy, meeting-intensive, non-bureaucratic Churchill on democracy; what is the alternative?

Release 3 team

(build it)