



High-Yield Methods

A world leader in Outside-In planning & process.

The Visual Workflow Guidebook V2.0

**Essentials of the first and still foremost
Outside-In Process approach**

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A BRIEF HISTORY OF VISUAL WORKFLOW

Visual Workflow (or “VW” as call it) became a formal process approach half out of invention—and half out of necessity. In the mid-1990s, High-Yield Methods (HYM) needed a process approach specifically designed to a.) Put customers first; and b.) Work effectively in both front and back office as well as service environments. Optimally serving our customer-focused clientele required a process method specifically designed for the O/S (office and service settings)..

At the time, we were using a heavily modified version of TOC (Theory-of-Constraints). We were getting by with it without client complaint, but we weren’t satisfying our own standards. So we started developing a new approach from scratch (with a bit of baseline TOC influence).

Then came the necessity element. A past client sponsor had joined a new company at a senior level. She took one look around and realized both front and back offices desperately needed process redesign plus serious automation, with the former a prerequisite for implementing the latter. But when she asked management for budget, the CEO very emphatically told her that the company had engaged two Six Sigma consultancies prior, and both had walked out saying, in essence, “Blow it up and start all over again.” He wasn’t up for round three.

Telling a “white lie”

She called us in and asked if we had any bright ideas. Together, we conspired (but with no larceny in our hearts) to tell a “white lie.” We suggested redesigning information flow instead of process, knowing workflow and communication flow sit right beneath information flow—and the vast majority of front and office and service company process problems occur



at the flow level. Plus, most individual process issues could be resolved by automation configured to the company's specific needs.

She sold it. And off we went. Sort of... But we had to walk our talk, and that meant actually devising a comprehensive process design approach that would completely uncouple individual process from the higher flow level so it could quickly scan flows for this necessarily complex (but not necessarily convoluted) organization.

Necessity is the mother of invention

Fortunately, TOC focuses on work flow, although not information or communication flow which carried much of the responsibility for the complexity. That gave us a good starting point. However, this company harbored more internal politics than almost any other organization we'd seen before or have since. But that led to one of the innovations that continues to make VW unique. We decided to perform all the flow analysis and redesign within a core cross-functional team—with small resource teams called in as our focus required. In addition to helping us redesign handoffs of work and information between functions, where most O/S (office and service settings) process issues appear, we bet that we could extract and enforce an oath from team members to always put customer interest first; then the company's; plus keep individual departmental issues off the table.

An entire redundant function

We won the bet...in spades. The peer pressure to put customer interests first and keep silo issues out-of-bounds grew very intense. One VP, who I'll forever respect for among the gutsiest moves you'll see, stood up as we were redesigning flows and acknowledged that her entire function was redundant. She resigned a week later, and we were sorry to lose her from the team.

We also discovered redundant work everywhere, much of it designed to preserve jobs within a function, not help customers or the company. Additionally, we uncovered a tremendous amount of custom IT work that suited the skill sets of the department, but not the company (or customers). The VP IT also resigned when management insisted he adapt to the new workflow—and follow the recommendation to buy a new legacy system rather than carrying an entire development staff to build one internally on a dated technology platform.



To be sure, this was an extreme case. But it served as an acid test for a new process approach that cleared every hurdle thrown at it. That's how Visual Workflow came into being.



VISUAL WORKFLOW MILESTONES

Year	Event
1996	Live beta test for redesigning flow level
1996	VW becomes first, formal, “Outside-In process approach (although O-I term would not be applied for a decade); also first process approach designed specifically for the O/S (front and back office and service settings)
1997	Expands to reengineering individual process
1998	Adopts ProCarta™ auto-mapping technology for individual process mapping
1999	VW demonstrates to client that scheduled \$1MM plus Siebel Systems purchase would add little no over current system; VP IT delighted; Siebel sponsor less so
1999	First use for identifying system architecture requirements
2000	VW workshops at national conferences
2001	Formal documentation
2002	First global VW design project for HB Fuller
2003	Honeywell uses after three years of Six Sigma unable to identify O/S issues
2003	First use for defining application software requirements
2004	First financial institution application
2006	First full alignment project (strategy to customers; process to strategy; technology to process) engagement at University of Minnesota
2008	VW expands to include change management component
2009	eBay uses to redesign customer experience
2010	VW partners with Avtex to offer Enterprise Collaboration, based on communication flow design enabled by new IP technology category that provides communication task management and e-mail alternative
2010	VW expands to include CAMMI Logic’s Company Alignment Maturity Model Instrument (CAMMI) to scope client change capabilities prior to process redesign



ABOUT OUTSIDE-IN PROCESS



THE OUTSIDE-IN PROCESS APPROACH

Outside-In process differs functionally from traditional process approaches - including Lean Six Sigma or Lean and Six Sigma individually - for three core reasons:

- *In O-I, customers drive process rather than merely conditioning or influencing process design*
- *O-I addresses three process dimensions, rather than one:*
 - *What work is done*
 - *Who (functionally) does it*
 - *How work is done (traditional process focus)*

In addition, Visual Workflow adds a fourth dimension:

- *Which technologies need to enable redesigned process.*
- *O-I process redesign can produce the transformative changes companies needed to attain customer-centricity; instead of just incremental change*

Customer-driven versus customer influenced

All companies today consider customers as a design factor. Some even reach out to incorporate direct or indirect customer input. Yet their outcomes remain centered on adapting the work they currently do and the products and services they currently sell¹ to customer preferences—rather than starting from the customer perspective and redesigning work and products/service as well. That’s an inside-out approach rather than Outside-In.

Four dimensional process

Traditional process approaches—which are all inside-out, despite newly added customer-sensitivity—devote 90% of their attention to *how* work is done. They pay scant attention to

¹ While we often conceive new products/services within the VW framework, we prefer to start rethinking what’s sold in Hyper-Planning, our Outside-In, customer-centric, planning process



the remaining three dimensions. This well suits production environments, where efficiency is key. But it's contrary to the needs of customer-driven O-I process, which works from the customer back in through the front and back offices or from customers back through the service structure.²

While the overwhelming majority of production process improvements involve the *how*, most O-I, customer-driven process changes start with the *what* and the *who*. In the O/S, process automation exercises quality control over significant portions of the *how*.

Outside-In is not your father's (or mother's) business process.

Transformative change versus incremental change

Minus rare exceptions such as Nordstrom's, Fed-X and Amazon.com, almost all companies start company-centric (inside-out). They organize themselves around traditional business functions, rather than best serving customers. And the walls separating these functions continue to grow, leaving them hard to span. In most cases, the bigger the company, the taller the walls, and the harder accomplishing cross-functional work.

Incremental change designed by traditional process doesn't climb to the top of these walls and consequently improves process within functions but rarely across them. Unfortunately, changing *what* work gets done and *who* does it to meet customer needs and expectations requires cross-functional work design, which traditional process struggle to deliver.

Outside-In process works very differently. O-I uses the customer as the starting point—rather than the work currently done by the people currently doing it. It reevaluates *what* work the company does and *who* does it to identify gaps between what would suit customers versus the present state. Of course, not everything changes. In well run organizations, a considerable percentage of “as-is” work remains or receives only minor tweaking. But O-I process redesign virtually always produces substantive change in *who* does *what* work, potentially leading to product/service mix changes. That's the only way companies can become customer-centric, rather than just “customer-aware.”

² Although not often asked, we won't take VW into manufacturing, except for certain MTO (make-to-order) situations, and then not onto the production line. LSS or Lean are better-suited for production work.



Improving customer experience streamlines the company

Senior management commonly expects that doing anything to increase value to customers will also increase costs. Not so—at least not with Visual Workflow in play. While elevating

Visual Workflow Value Proposition

- *Elevate customer experiences*
- *Improve work quality*
- *Streamline the organization*

customer experience, VW simultaneously improves work quality, which isn't surprising, but VW also streamlines organizations, which does surprise many execs expecting to be asked for more employees, not less.

How do these seemingly incongruous outcomes occur? Simply by doing what's right for customers, not what's "best" for internal functions often motivated to hold onto staff and turf as a first priority.

Direct impact on FTE requirements

Many process consultants claim up to 50% reductions in staffing after their work. What they don't tell you is they're referring to individual departments and special situations. But across the *entire* front/back office and service company continuum, VW typically reduces FTE requirements by an honest 20% or more, with the typical range running from 15% to 30%.

Yes, VW work redesign has reduced a combined sales/service force of 2,000 down to 1,400, with an increase in efficiency. But frankly, companies that overstaffed that much in the O/S are typically gone before we get to them.

VW streamlining tools

- *Elevate customer experiences*
- *Improve work quality*
- *Streamline the organization*

In less extreme situations, our clients often resist letting employees go—which we recommend to avoid attaching a stigma to newly designed work. Instead, these companies repurpose slack personnel to achieve *no-hire growth* or use them to cover attrition.

More reason why VW succeeds in the O/S where traditional methods falter

Why did Visual Workflow succeed where Six Sigma failed (and Lean would have) in the case we cited? And why does it continue to outperform other process approaches in the O/S?



Here's a list of reasons. You can combine the Six Sigma and Lean columns to approximate LSS for comparison purposes.

Visual Workflow	Six Sigma	Lean
Outside-in (customer-driven)	Inside-out (internally-driven but customer-sensitive)	Inside-out (internally-driven but customer-sensitive)
Produces transformational as well as incremental change	Produces incremental change	Produces incremental change
Considers what work is done by who (functionally), how it's done and enabling technology required	Focuses on how work is done	Focuses on how work is done with some consideration of the who.
Measures customer impact throughput and quality	Primarily measures throughput, quality and variances	Primarily measures throughput and quality
Uncouples cross-functional flows from individual process	Considers them together	Stays at flow level
"Workflow" combines work, data and communication flows	Focus on individual process, then works up to workflow	Mostly workflow
Flows are contingent on decisions and policies	Flows are fixed	Flows are fixed
Looks for defects at flow level first, then at individual process level	Looks for defects at individual process level, then in workflow	Looks at workflow only, not data and communication flow
Enterprise-wide flow scanning	No flow scanning	Point-by-point flow scanning
Develops new systems architecture requirements	Does not	Does not
Develops software configuration requirements	Does not	Does not
Management and staff design process cross-functionally	Design imposed one function at a time	Requires training to participate
Does not require training	Requires special training	Requires special training
Uses no process symbology or terminology	Extensive use of both	Extensive use of both



Context-sensitivity

Please don't read the preceding chart as overall criticism of either Six Sigma or Lean. Both are highly capable process approaches – within their manufacturing context. Recently, practitioners have attempted to broaden their applicability to front and back office and to service companies. However, Six Sigma usually winds up doing more harm than good in the O/S; Lean provides some benefits, but badly underperforms; and LSS falls halfway in between.

The first Outside-In process approach

At the point of development, we weren't trying to launch a new process category. But we inadvertently did. The term "Outside-In" wouldn't surface for almost a decade, but when it emerged, VW was already there. Today, Outside-In encompasses a number of discrete customer-centric process design methods, all of which share two common attributes—1.) Starting with customers and working in from there; and 2.) Not subordinating customer needs to current products/services, current work or current internal silos.

Visual Workflow represents a new way of understanding process. As the first Outside-in process methodology, it represents an emerging trend in helping organizations rethink themselves to align everything they do with successful customer outcomes."

—Steve Towers: process evangelist, author & speaker; founder, BP Group.

The first O/S (office, service settings) process approach

In addition to being the first Outside-In process approach (or perhaps by virtue of being the first), Visual Workflow is also the first approach designed exclusively for use in O/S settings. Here's why that's so important.



Office/Service vs. Manufacturing Process Design Contexts

O/S context	Manufacturing context
Low repetition	High repetition
Decision-based business process	Fixed business process
Adaptability critical	Consistency critical
Hundreds of key workflows	Dozens of key workflows
80 - 90% of defects up at workflow level	Majority of defects down at individual work process level
Majority of work activities interdependent	Many work activities independent
Invisible defects	Visible defects
Knowledge workers	Rote workers
Empowered staff	Compliant staff
Resist “external” input	Accept “external” input
Business process <u>is</u> the work	Business process guides the work
Fully joined workflow & information flow	Partially detached workflow & information flow
High-dependence on application software	Partial dependence on application software

This chart begs the question:

Why would you use a process approach designed for the wrong context?



VISUAL WORKFLOW & CUSTOMER-CENTRIC CULTURE

Many “customer experience” and “customer-centricity” advocates believe pro-customer employee culture drives customer experience more than any other factor. They go so far as to hold pep-rally type events to whip up employee enthusiasm for making customers smile. Indeed, showing a very positive attitude towards customers at points of customer contact does create an initial positive impression. And we’ve had more than a few clients that were wowing customers at point of contact. So why we’re the asking HYM for help?

Underestimating customers

Can you really wow customers with “a smile and a shoeshine?” Not for long. Because if the rest of the customer experience, the pieces driven by what happens away from points of contact, don’t go well, smiles quickly turn to frowns. People who imagine customers will settle for mediocre products and service delivery because everyone’s so nice to them are deceiving themselves. And with today’s customers becoming much more demanding and much less tolerant than in the past—and the web eliminating tremendous amounts of employee-customer contact—the effects of “being nice” don’t go far. Customers are too smart to buy “nice.”

Underestimating employees

Another fallacy behind the belief that pumping up employee enthusiasm for doing right by customers is *the* core of customer-centricity is believing that it’s necessary. In our many years experience, we’ve encountered few line level employees who did not want to do the right thing by customers. Managers and executives, yes. But staff, no. Staff doesn’t need motivation. They need work redesigned, policies changed and empowerment so they have the requisite tools and support for putting permanent smiles on customer faces. Not pep rallies.



Visual Workflow provides the tools

VW redesigns work from the customer perspective. That includes recommending policy changes that will help employees help customers—without creating undo risk for the company. And the combination unleashes the innate concern employees have for customers, creating excellent customer experience along with a permanently customer-oriented employee culture that comes from inside employees, rather than being imposed on them.

Of course, if management doesn't believe that putting customers first is good business, none of this matters.



VISUAL WORKFLOW'S TRACK RECORD

Over the years, VW has achieved outstanding results for clients of many sizes and sectors.

Sampling of Visual Workflow Clients
AmeriCU
Conwed
eBay
Emerson
Exmark
HB Fuller
Honeywell
Motors Management
Performark
St. Vincent Children's Research Hospital
Standard Register
Toro
United Way
University of Minnesota
Washington State Employees Credit Union
Yokogawa North America



Introducing Visual Workflow



VISUAL WORKFLOW IN ACTION

While Visual Workflow flexes to meet clients on client terms, engagements have a consistent pattern of activities.

Here's the sequence of steps HYM commonly takes, with optional activities so marked.

1. Customer-centric planning: Why would process designers like HYM get involved in business planning? Four reasons.

- a) O/S process *must* align with strategy—otherwise the process redesign outcome may be doing the wrong work the wrong way.
- b) In today's business environment, even industry-leading companies must focus on adding new value to customers. Actually, we could properly rephrase that to “especially industry-leading companies.”
- c) Evaluating products/services offered for customer fit as well as new product opportunities is an essential element of Outside-In
- d) HYM has extensive customer-centric planning experience.

Some of our clients have accomplished this step before we arrive, so we proceed onto Visual Workflow proper. Others want a gut check on their efforts, in which case we review their work. And some need to develop and articulate new strategies, in which case we use our Hyper-Planning approach that compresses customer-centric planning into a two-day, intensive work program (preceded by information gathering).

2. Maturity modeling: We strongly encourage clients to take the CAMMI maturity model assessment we administer. This instrument reveals organizational strengths and weaknesses relative to changing the “what” and the “who” to bring them into better alignment with customers. This advance knowledge will help both HYM and the team anticipate which areas may need bolstering before implementing significant change.



3. **Start-up:** We start VW engagements by learning the basics of the business and the organization, including onsite meetings with management to:
- a) Understand project objectives
 - b) Define project scope
 - c) Set expectations
 - d) Assess risks
 - e) Identify the project sponsor, cross-functional team candidates, and likely resource team members.

4. **Identify & analyze “as-is” flow level:** We initiate actual process design work by identifying and analyzing “as-is” workflow, communication flow and data flow as a unit. Together with core team members and appropriate resource members, we review one flow at a time, starting with customer-involved flows and working back inside the company from there. We pay special attention to the hand-offs of work and information, where most O/S process defects occur. These sessions reveal many process missteps that repetition over time has rendered invisible to the internal eye. A common occurrence in the first hour or two of the first session is someone asking: “How can we still be in business?”

The importance of effective facilitation

The facilitator plays a critical role in VW. The team must view this person as totally objective and without personal agenda. The facilitator also needs the skills to spot process issues that may not be immediately apparent and identify the technology opportunities

These sessions are very fast-paced, often funny (when everyone spots habitual work that should have been changed years ago) and often exhausting for participants. When we finish, we have rolls of “marker maps” that we take offsite with us for “pictograph”³ mapping. We also have a thorough understanding of current technology that’s process-related.

5. **“As-is” flow mapping:** While the input sessions are still fresh in mind, we convert marker maps to pictograph maps, which substitute literal, clip art images for process symbology.

³ Pictographs are literal images. We use clip art to represent people and systems involved in flows.



Our “pictograph” maps include images of paper forms, file folders, file cabinets, in-boxes, printers, fax machines, computers, computer servers, laptops, garbage cans (where lost data go), keyboards, red keyboards (for repeat data entry) and the like. We often say to clients, “Even your janitors can read these.” One client commented back, “No. You’re missing the point. Even our CEO can read these.”⁴ When completed, we forward map files to the team captain for distribution to team members to gather comments and corrections.

- 6. “To-be” flow design:** Step six is the most critical aspect of Visual Workflow. Once team members have reviewed the “as-is” maps, we reconvene the team and start the redesign process. Again, we take one flow at a time. We critique the “as-is;” identify how best to align process with strategy; identify new ways to add value to customers, including opportunities not yet considered; identify streamlining opportunities; and draw out the new flow as we go. The two most frequent questions asked during these sessions are: “Does this add value to customers?” and “Do we really need to do this?” And we often depart completely from the “as-is” to redesign work from scratch.

We frequently encounter recommendations to pull out the most critical flows and take them first, leaving the rest to do after implementing the most Value-creating changes. That works in manufacturing, where individual flows and work activities are relatively independent, process-wise. It doesn’t work in the O/S, where flows and work activities are highly interdependent. Any changes made may have unintended consequences downstream, and often do. That’s why we consider all interrelated flows as a single entity, and don’t prioritize changes until all recommendations are made.

While we’re designing “to-be” flows, we’re also focusing on both data integration needs and automation software requirements for enabling the “to-be.” Taking this step, which is unique to VW, gives us a running start on making sure enabling technology stays in alignment with process.

⁴ Actually, this CEO did read them—in particular a set of relationship maps of flows connecting customers to company to outsourcers. After comparing our “as-is” with the recommended “to-be,” he initiated a significant organizational restructuring.



- 7. “To-be” flow mapping:** Again, we convert marker maps to pictograph maps, followed by team review. The “to-be” maps are typically a third to a half shorter than the corresponding “as-is.” Individual “to-be” flows often replace multiple existing flows. Comparing “as-is” and “to-be” pictographs often profoundly affects senior managers, who “get” the pictographs and marvel over how much less work the “to-be” requires.
- 8. Management , team sponsor and cross-functional team leaders review recommended “to-be:”** While we’ve kept management in the loop all along through the team sponsor, we pause here to discuss implications of the recommended “to-be.” We carefully review projected returns, costs and organizational implications to obtain informed management buy-in. If changes need be made for practical or organizational reasons, we make them at this juncture.
- 9. Reengineer individual work process:** Because work process is dependent on workflow in O/S environments, we wait until we receive management approval of new flows before reengineering how individuals work. Here, for efficiency’s sake, we meet in small groups with line staff for each function. Following input sessions, we use mapping automation software to quickly generate reams of process maps that can be used to pinpoint application software requirements—and also for training.

In many instances clients have never previously mapped individual process. The extreme amount of time it takes to manually draw detailed, individual process maps using Visio® or similar applications discourages most companies from undertaking this task.
- 10. Setting metrics:** O/S process measurement presents unique challenges. Tracking units of work accomplished often encourages counter-productive employee behaviors—for example: asking a help desk to clear a minimum number of tickets per day; pushing call center reps to take as many calls as possible; requiring salespeople to make at least X-number of calls daily; asking A/R to “close” as many delinquent payment issues as possible as soon as possible; and asking an underwriter to process at least X-number of applications per day. Plus, capturing accurate outcomes data such as customers lost for service reasons, number of incorrect invoices issued, number of payments mis-credited or marketing effectiveness can be problematic.



However, over time, we've learned to deal with much of the "slushiness" associated with O/S process performance data. Here's how we set metrics:

- a) Define successful customer outcomes (SCOs)
- b) Identify flows that contribute significantly to SCOs (and therefore have predictive value)
- c) Measure these flow outcomes
- d) Determine activities within flows that affect throughput and/or quality
- e) Measure these activities (which may involve more than one person or function)
- f) Provide management with a "key indicators" dashboard
- g) Share numbers with employees
- h) Set stretch goals for both flows and key activities within flows

In some cases this approach measures individuals' work, in others it measures performance by multiple people or even multiple functions. This may appear unfair to high-performing individuals; however, the reality of O/S work is requiring more than one person or function to address process defects. Accordingly, individuals often bear accountability for addressing issues that aren't of their individual making. In the O/S, process improvement comes from improving how people and functions work together and what they produce. Hence, they often must be measured together.

11. Implementation and change management (post VW): By definition, redesigning O/S process implies organizational change. In some cases change is moderate and won't raise too many issues. At other times, recommended changes may eliminate or combine functions, redefine functional or individual boundaries, and require adapting to new technologies—all potentially disruptive situations. Companies with strong HR and training departments may feel they can both implement recommended process changes and manage change internally. And some can. But a word of caution – those charged with implementing recommendations should be temporarily freed of day-to-day responsibilities. This is not a "side task."

When HYM does stay on to support implementation, in most (but not all) cases we form a new core team including management and supervisors from functions most affected



plus the original project sponsor, whose role is to make sure internal impediments don't trip up implementation efforts.

An important part of our implementation/change management services is a framework we use for anticipating both the intended and unintended consequences of changing *what* work is done by *who*, *how* it's done and enabling technology. Knowing in advance what to expect is more than half the battle.

12. Systems architecture design (post VW): Most VW projects create new data integration requirements and even "system of record" changes for types of data. Particularly with smaller clients lacking a deep IT bench, we may work with IT or outside technology consultants to identify how best to change information flow, accomplish necessary data integration and assign primary data sources.

13. Application software configuration (post VW): The majority of VW O/S process redesigns lead to additions and changes to application software. When adding new office automation applications, clients may ask us to prepare our "Fields, Forms & Views" document that details software configuration, navigation requirements, sources of data, reporting needs, data field specifications plus any add-on functionality. We forward FFV documents and all mapping to vendors competing for the business. We receive many compliments from vendors for fully articulating the functionality their systems need to provide (and some vendors receive the documentation then drop out because they can't provide necessary functionality, which saves all parties unnecessary time and expense).

14. Software selection (post VW): Because of our knowledge of automation software and the associated vendors, some clients ask us to help identify systems to consider and manage the RFP development and vendor selection processes. As part of vendor presentations, we tightly script what vendors will demonstrate and to what depth. Vendors who win business by offering bells and whistle and talking up their company (as Siebel Systems was famous for) hate this approach. Vendors that win business on functionality and building client relationships love it.



Division of responsibility

Visual Workflow proper has 10 core steps for which clients typically engage us. Some clients feel confident of their own customer-centric planning, but HYM still needs to thoroughly understand customers and markets before starting process design. Also, some clients may opt to skip the maturity modeling step, but we recommend not as CAMMI doesn't represent a major budget factor and provides much valuable information.

Following completion of VW itself come four post-VW steps typically necessary to turn recommendations into action. Because falling down in this area happens readily, we strongly encourage clients to engage a trusted outside resource, whether HYM or another organization you're accustomed to working with, in training and organizational issues. Having outside objectivity and leadership from people not trying to balance implementation, training and change management issues with full-time jobs greatly helps convert VW recommendations into action.

VW Training

HYM offers both onsite and remote training for companies interested in self-implementing Visual Workflow. Please contact info@h-ym.com for further details.



SAMPLE VISUAL WORKFLOW MAPS



VW PICTOGRAPHS

The following pictograph maps depicting real work activities show VW's flow mapping approach. We encourage you to pick one and imagine substituting a variety of abstract shapes for the literal pictures. You'll appreciate the communication power gained by using literal symbols instead of process symbology. In fact, these maps communicate so well that we rarely have to provide a word of explanation about the flows.

Rating process steps

In between the "as-is" and "to-be" flow maps you'll see tables scoring steps within "as-is" flows. While we do not encourage "cherry-picking" individual steps for immediate redesign,⁵ our ratings of the effectiveness of each step heightens awareness that redesigning flows is a prerequisite for optimizing customer experience and satisfaction. FYI, we score steps according to the positive or negative effect they have downstream (or occasionally upstream), not just where they occur. And we assign the +3 to -3 ratings (0 is reserved for steps not adding or subtracting value) based on our estimates of impact. There is no mathematical formula.

Technology element

The sample maps shown all represent activity at points of customer contact, hence the presence of CRM technology. But VW does much of its work in the back office and in service industries where process enablement comes from a variety of application software and legacy systems. We may also recommend BPMS software for large organizations. However,

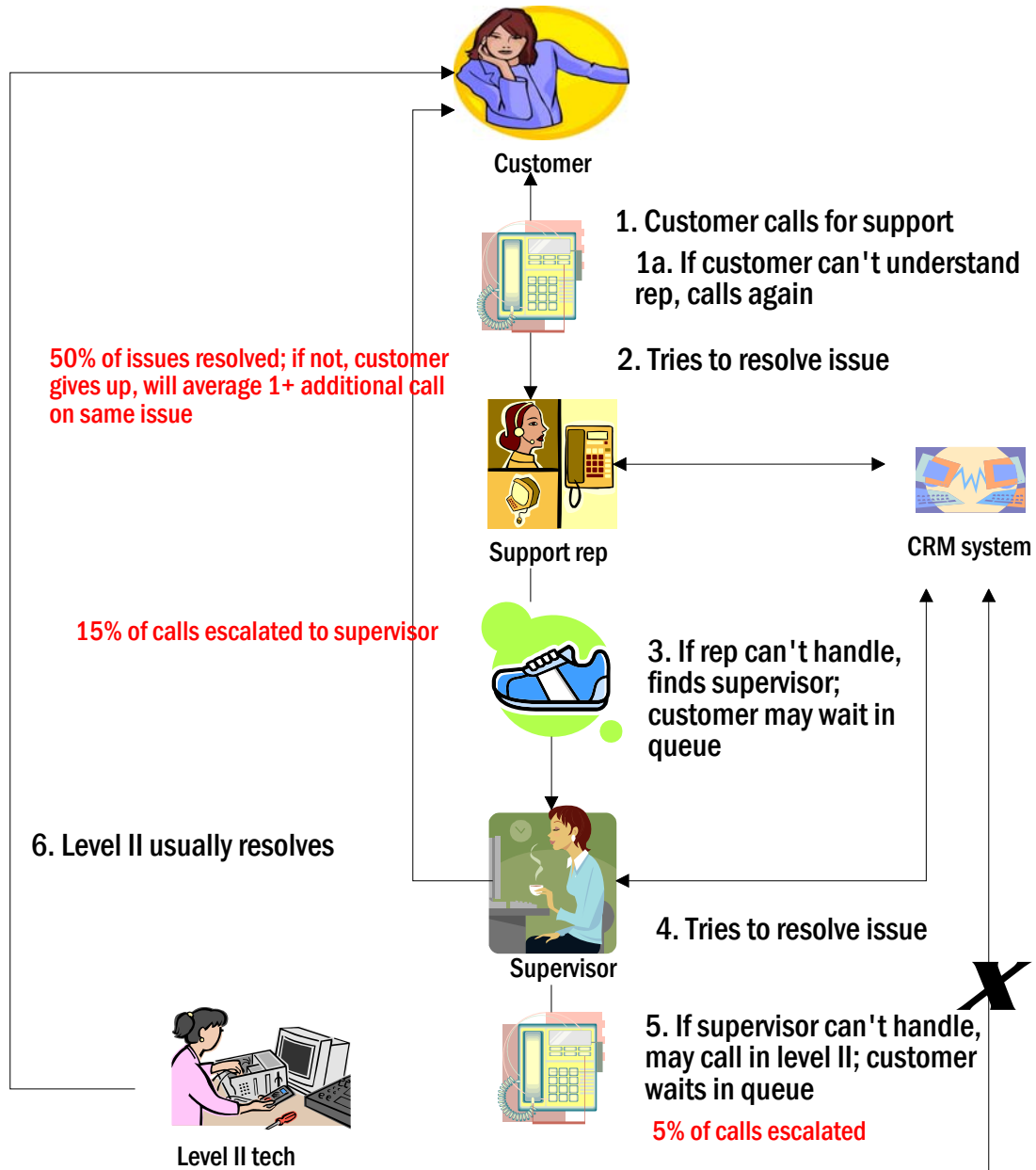
⁵ A recent client staff was so hell-bent on doing this we couldn't restrain them. After the engagement wrapped up we asked our sponsor how many of these "quick fixes" of "obvious" problems stuck. Less than 50%, proving once again that "haste makes waste."



data integration among application systems data and legacy systems has improved dramatically in recent years, as has process management functionality embedded in the application layer, which can leave BPMS a solution in search of a problem—and a very expensive and disruptive solution to install.



"As-is" pictograph—tech support

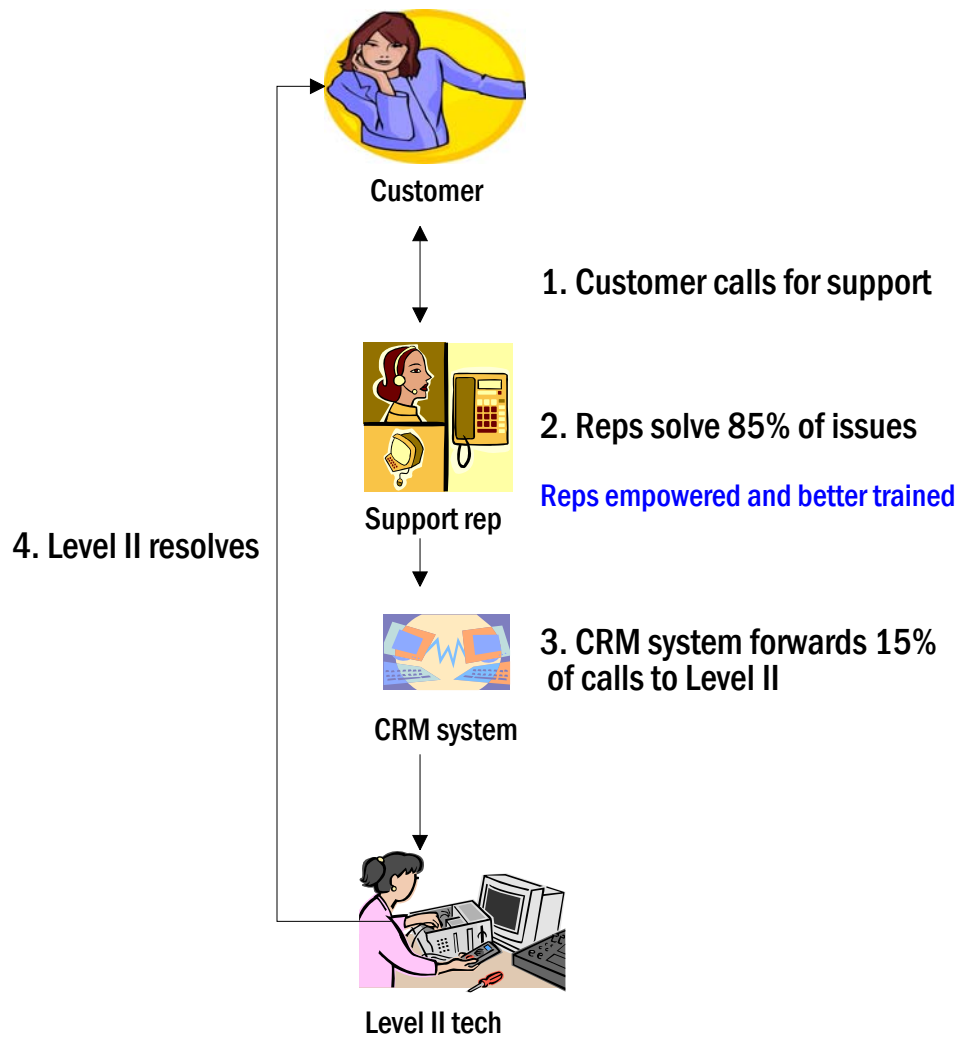




Step	Comments	Rating
#1 Customer calls		0
#1a Calls again if can't understand	Small number, but up to 21% abandon at some point during call, can't parse "can't understands" from "tech can't resolves"	-3
#2 Tries to resolve	Success rate 50%; line 1 reps not thoroughly trained, often read from manuals, often read solution for wrong problem	-3
#3 Turn over to supervisor	Only 15% of calls escalated; by inference, 35% of problems not resolved at all	-3
#4 Tries to resolve issue	Average wait time 2 minutes. Supervisors ask customers to repeat description already given to level 1; see their job more as triage to level 2 than tech support; better trained than level 1, but far from level 2	-3
#5 Escalate to level 2	Only 5% escalated; can't determine how many callers give up without solution versus have problem solved	-1
#6 Level 2 resolves	Average 3 minute wait; 90+% resolution	+2



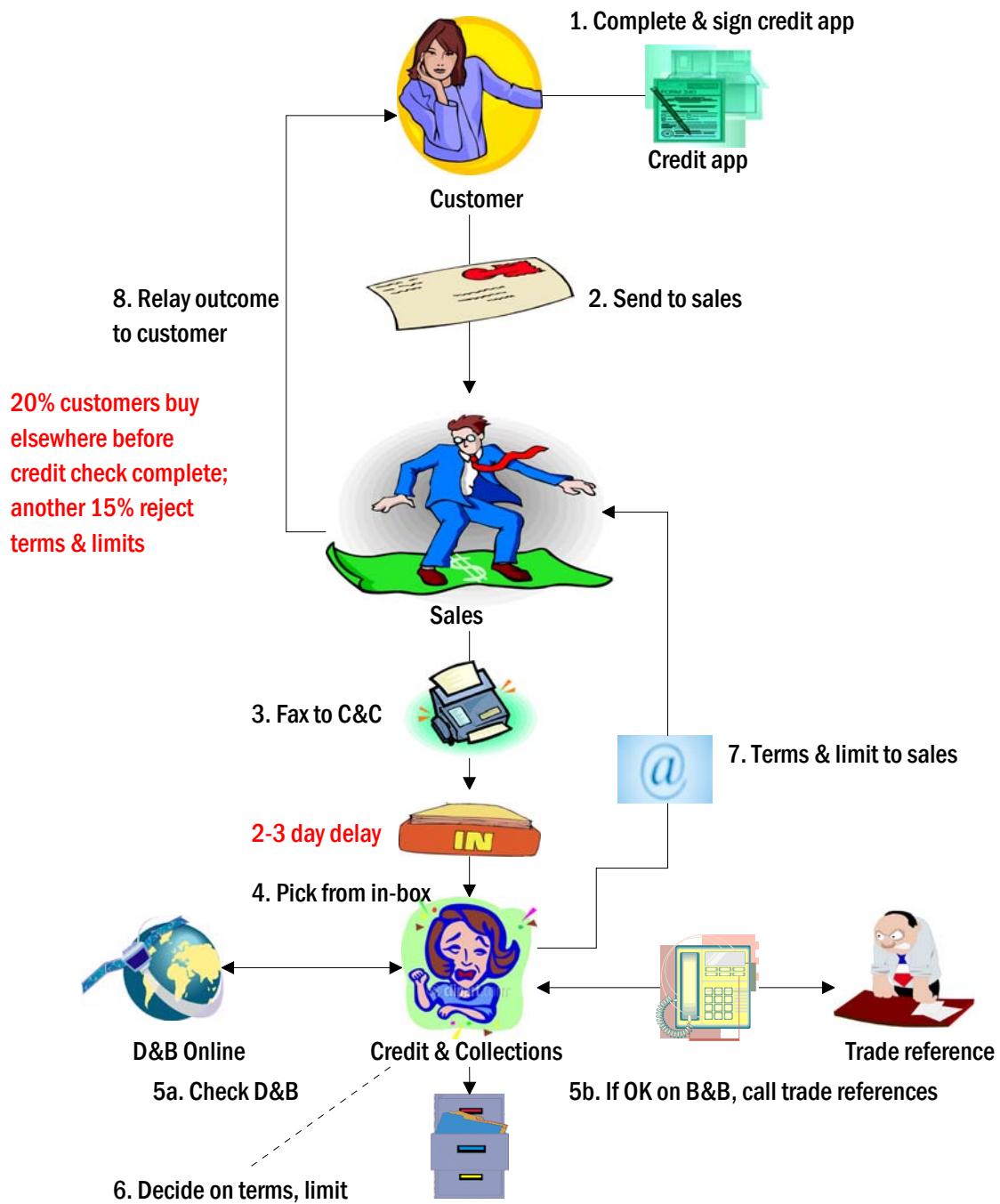
"To-be" pictograph—tech support



Streamlining either internal or outsourced tech support as shown substantially reduces labor cost while greatly improving customer experience.



“As-is” pictograph-credit approval

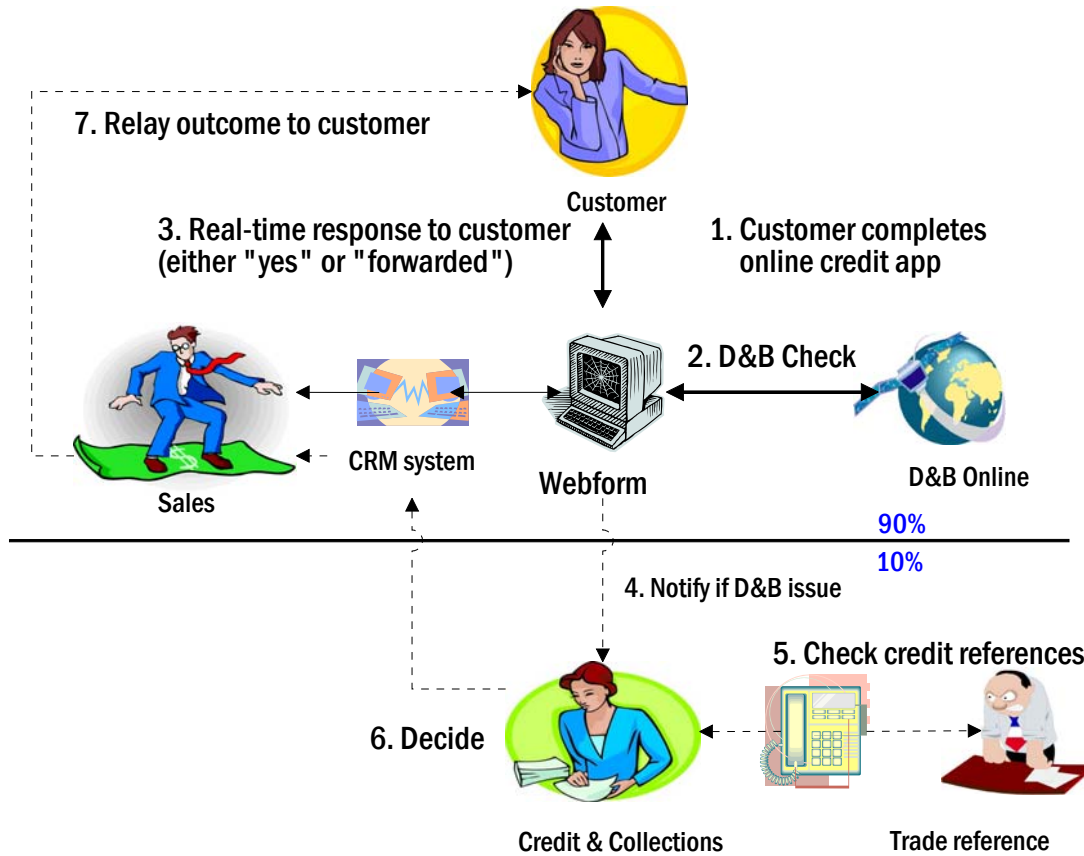




Step	Comments	Rating
#1 Complete credit app	Pen & paper, vs. online	-1
#2 Mail to sales	No value added going to sales; delays process	-2
#3 Fax to credit & collections	Consequence of #2	0
#4 Pick from in-box	2-3 day back-log	-3
#5a Check D&B	Manual; many credit problems unreported, especially small business	-1
#5b Call trade references	Largely waste of time because applicants only give out good references	-2
#6 Decide on term & limits		0
#7 Communicate to sales	No value added going to sales; delays process	-2
#8 Relay to customer	No value added going through sales; delays process	-2



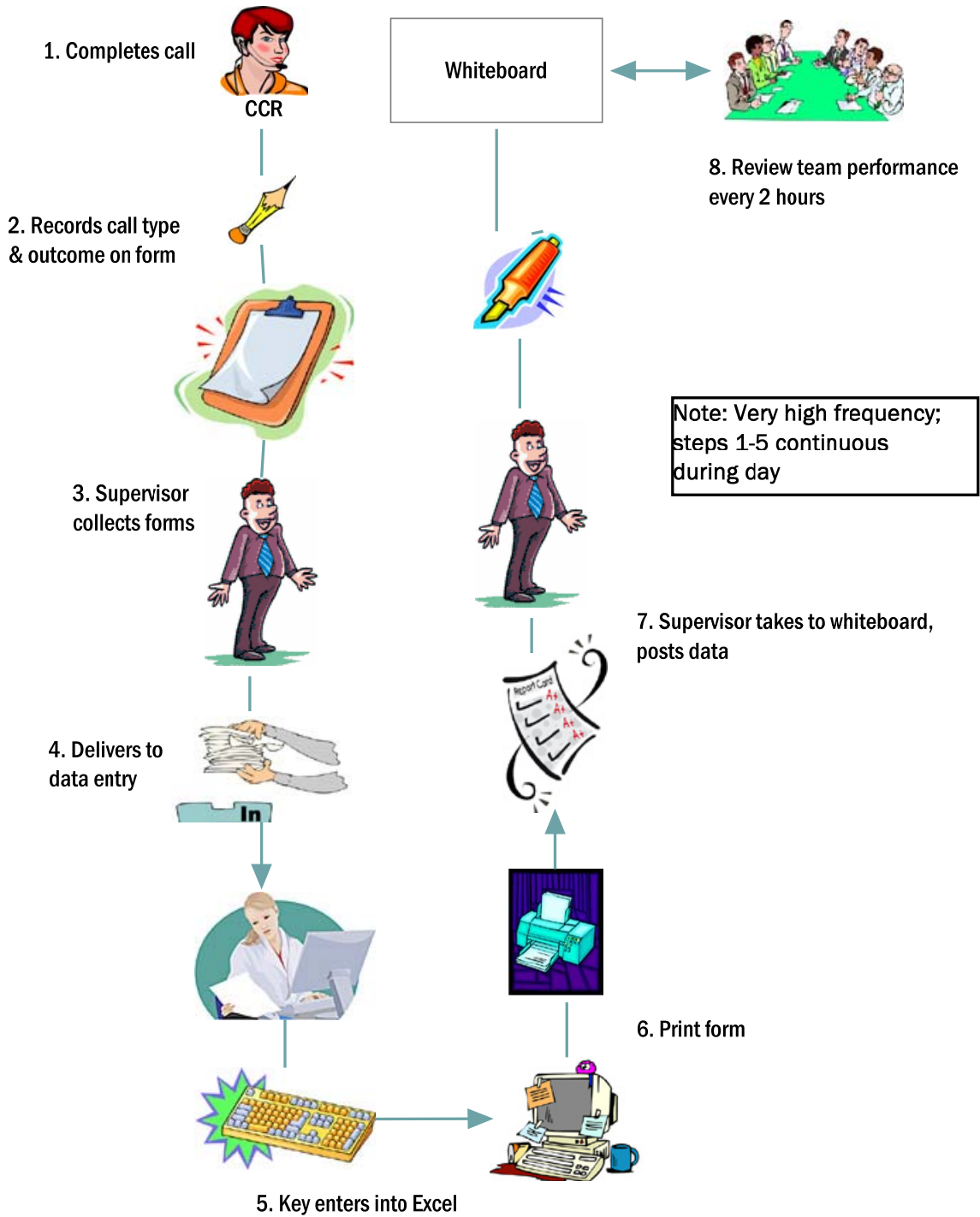
"To-be" pictograph—credit approval



Many companies add risk mitigation steps for “comfort,” although they have little or no affect. One good example is asking every applicant for trade references—and worse yet actually checking them. Credit applicants don’t routinely give out shaky references. Companies should reserve this step for applicants with bad credit reports or no data. Limiting trade reference checking saves a surprising number of labor hours while taking a burden off customers.



"As-is" pictograph-contact center team performance tracking

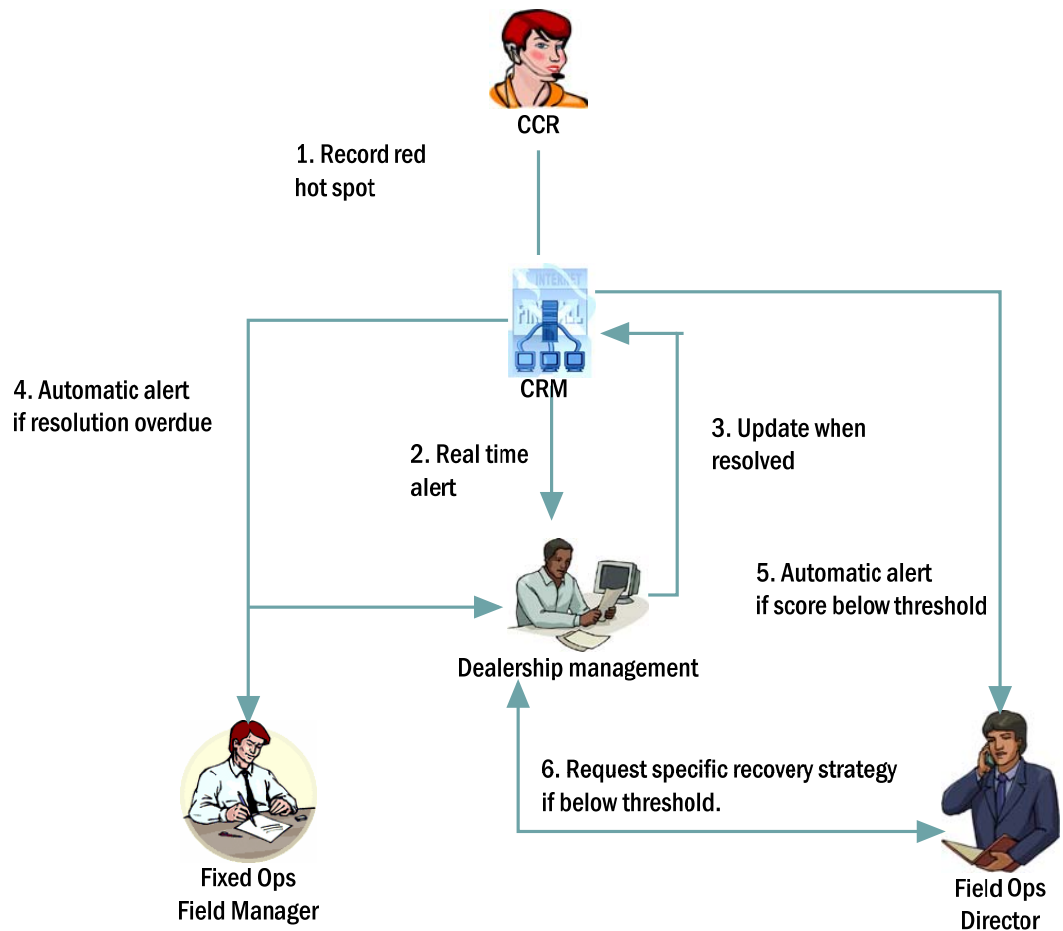




Step	Comments	Rating
#1 CCR completes customer call		0
#2 Records call info on paper	Bad enough, but will key entered later	-3
#3 Supervisor collects forms	Not only no value-added, but "big brother-like"	-2
#4 Delivers to data entry	No value-added	-2
#5 Key enter into Excel	Unnecessary; also creates "island of data"	-3
#6 Print Excel form	Could be eliminated	-2
#7 Post on white board	During which time supervisor can't supervise; dealing with data totality, not variances; unnecessary manual work	-3
#8 Review team performance	Everyone off phones; becomes a long coffee break; takes CCRs 5-10 meetings after meeting to resume calling	-3

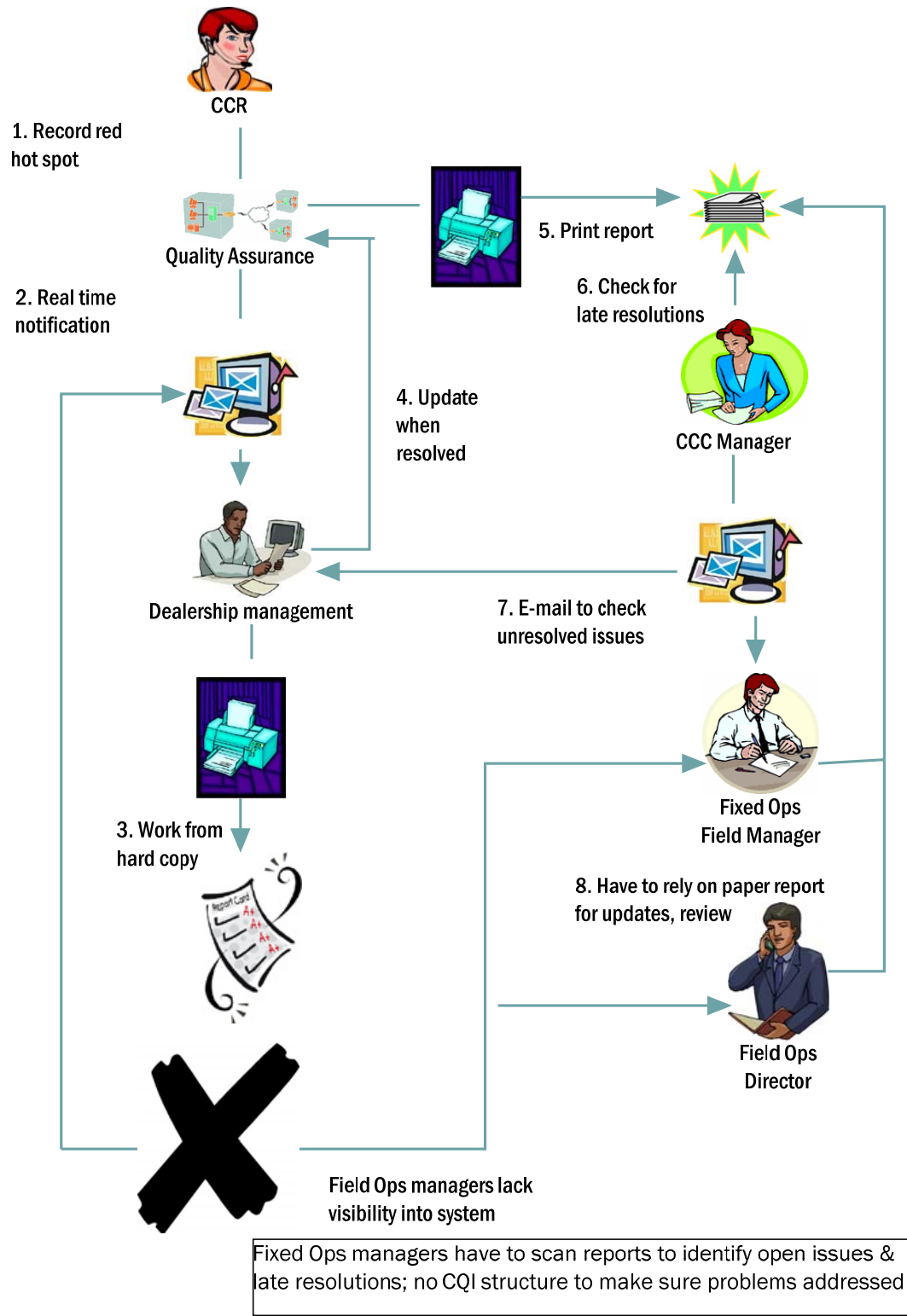


"To-be" pictograph-contact center team performance tracking



This workflow redesign will enable "exception management" instead of managers scanning all activities looking for problems. That's a very significant management time gain. Also, this flow eliminates the non-value adding role of the contact center.

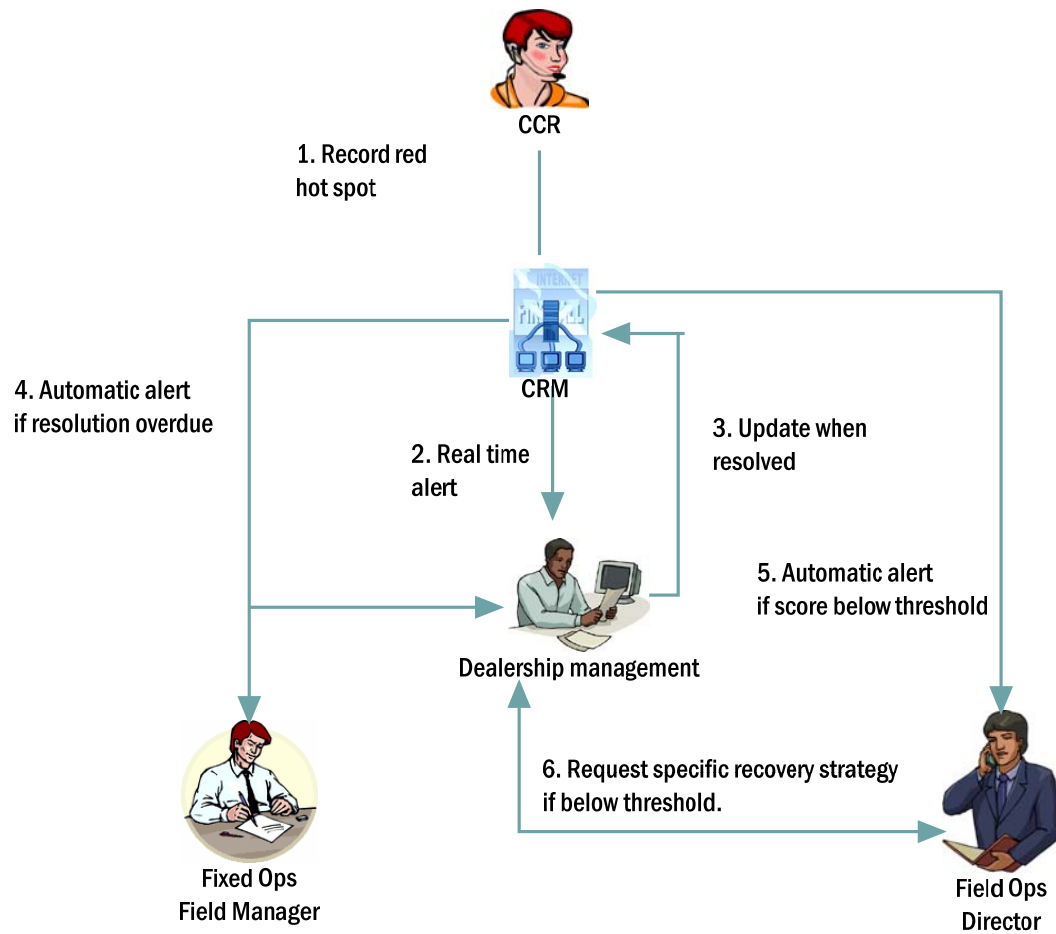
“As-is” pictograph-operations managing serious customer complaints





Step	Comments	Rating
#1 Record NPR score below 9	Need to be careful about NPR; creating many false positives; (below 9)	-1
#2 Real-time manager notification	Dealer notification fine, but no visibility at HQ	-2
#3 Print/work from hard copy	Notification form read-only except for update text box; can't take notes	-2
#4 Update when resolved	Requires excess data entry by manager; time waster	-2
#5 Print report for HQ	Down-line consequences very negative; totally unsorted;	-3
#6 Check report for resolutions	Have to go through entire report; have to put tracking notes on paper; consumes huge amounts of HQ management time	-3
#7 HQ e-mails to check unresolved issues	Messages lost in e-mail; no response tracking; have to manually monitor	-3
#8 Use paper reports for dealership revue	Inaccurate; huge waste of time; slows monitoring process to a crawl	-2

"To-be" pictograph-operations managing serious customer complaints



This workflow redesign will enable "exception management" instead of managers scanning all activities looking for problems. That's a very significant management time gain. Also, this flow eliminates the non-value adding role of the contact center.

INDIVIDUAL PROCESS MAPPING

Workflow changes cascade down to the individual work process level. When redesigning O/S process, reengineering individual process must wait until workflow is finalized. Then comes the boring part—not literally, but visually. In fact, we’re only going to show you one individual process map. Otherwise you’d glaze over. But drilling down to the individual process level is a necessity for:

- Companies implementing or reconfiguring complex application software.
- Defining policy-bound, complex work (think bank tellers and loan officers)
- Governing regulated work (think safety inspections)
- Companies striving for consistency across multiple locations

You would not believe the intensity of “discussion” individual process reengineering and mapping generates (in VW, we map while we engineer). Few companies realize how mushy and inconsistent business policies become over time. And how much employees, functions and especially remote locations freelance when applying policies.

Before initiating individual process mapping, understand the scope of the work. Although this is an anomaly, we’ve generated 75-plus pages of individual process maps documenting the various tasks just individual bank tellers perform. No problem for us, using automated mapping software. Two clicks after minimal text entry and point-and-click choices and *voila!* All drawn in less than two minutes. But manually mapping this volume of work using Visio® or similar applications? Weeks. And when you need to change an activity, branch or task, you have to manually redraw—

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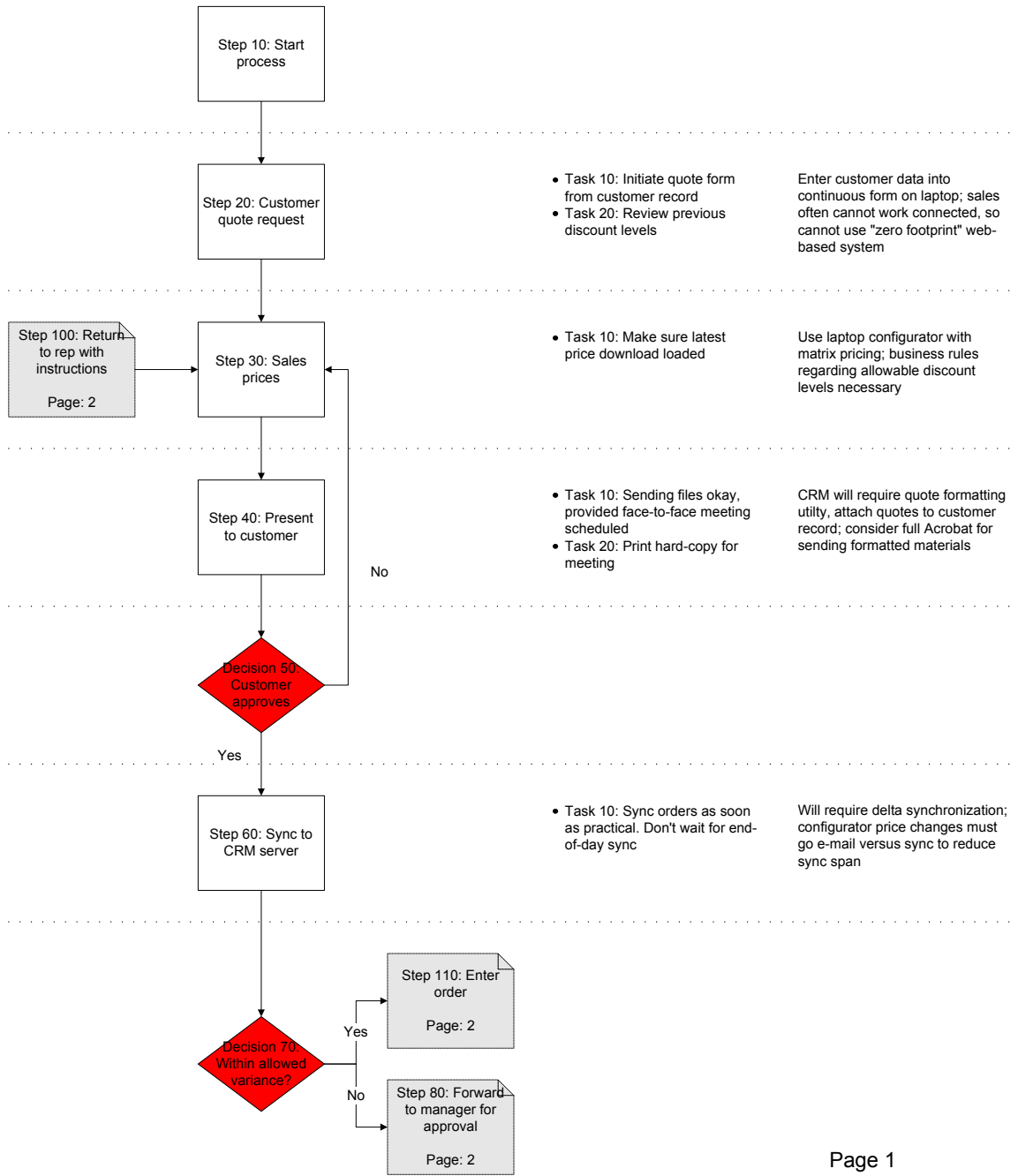
sometimes the entire map. These “manual labor” obstacles discourage most organizations from ever drilling down to this level—much to their detriment.

Before jumping into mapping individual process, acquire some type of mapping automation software.



To-Be Work Process Map—Order-Entry

Visual Workflow Sample - Process View		ProCarta v1.8.1
Process 10: "To Be" Order Entry		Feb 23, 2003 5:33pm
Process Flow	Task	Journal



And the maps just continue like this.



ADDENDUM



ABOUT HIGH-YIELD METHODS

High-Yield Methods is a St. Paul-based boutique consulting firm that applies cutting-edge business process improvement methods to help clients maximize the effectiveness of both front and back office and service work settings. Founded in 1994, HYM has worked with clients ranging from American Express, Honeywell and Microsoft to many mid-size and small businesses. What matters most in HYM client relationships is not company size, but commitment to change and willingness to devote sufficient resources to process redesign (although we have techniques for limiting resource time required).

HYM developed and practices the Visual Workflow approach to process design, the first formal Outside-In process methodology and the first approach designed exclusively for process improvement outside of production environments. VW has an excellent track record for succeeding in O/S environments where other process approaches have failed.

HYM founder and Principal Dick Lee has shared his process experiences in numerous web and journal columns as well as books on CRM. He is currently working on a new book focusing on Outside-In thinking and decision-making.