Process hierarchy

Delivering strategy through processes

Strategy is used to set out how an organisation will go about achieving their vision and corporate objectives. With ever-changing customer and external stakeholders demands feeding into the development of objectives, it is commonplace for strategies to change and adapt. Add to this a changing external world and internally changing aspirations, and the result is significantly changing strategies and policies. An organisation achieving their strategy is dependent on the delivery of processes and an organisation's capability and set-up to operate them. All work is a process – a means of converting an input to an output by undertaking an activity, or series of activities. An ideal position for any organisation is deploying resource to activities that deliver their strategy.

The current situation

All organisations face a challenging future. Mergers, a tougher financial environment, regulation for some, changing customer demands, changing customer interactions and a movement toward more agile and integrated systems, are just some of the challenges facing the public and not-for-profit sector. While many organisations go to great lengths to establish a robust and purposeful strategy, few go on to make significant changes to their processes. The question that arises is "how do you expect to achieve very different things if you continue to do the same things day-to-day?"

Process hierarchy, process management & process improvement

While processes make up people's activity, process management refers to how we design, manage and improve processes in order to support strategy and deliver value to customers and stakeholders. Process improvement is extremely important, but is one sub-set of process management. Failure to recognise this is likely to lead to doing the same thing better, rather than challenging what the best thing to do is in order to achieve changing strategic ambitions. It is process management that enables an organisation to create new processes, eliminate superfluous processes and focus effort on the most important processes.

The process hierarchy model creates a shared and systematic understanding of high-level, key and critical processes. It enables your organisation to see and better manage processes. It can help ensure resources are deployed more effectively to deliver value in current services and meet future corporate aspirations. By understanding the processes that currently exist, those that need to exist and how they link together, organisations are able to take a systematic approach to improvement activity. Process hierarchy is the starting point of robust process management and improvement planning and can be used at varying degrees of detail to suit the needs of the organisation.

How we can help

We help organisations by applying this process hierarchy model and support follow-up activity. We work with the leadership team to develop a simple way to have full visibility and control of their processes. After confirming their strategic aspirations, we get the team to challenge and explore what high-level processes are required to both deliver their strategy and to deliver value to current customers and stakeholders. This high-level understanding of processes can lead to a better understanding of organisational design and structure, clearer ownership, highlighting of superfluous processes/activity, and development of more effective key performance measures. We often find organisations uncover processes they need but do not currently have and identify processes the have that add little (or no) strategic or operational value.

Each high-level process is then broken down into 3 to 8 key level processes and Lean tools, such as SIPOC analysis (Suppliers, Inputs, Process, Outputs and Customers), are used to capture key details. This information forms an unambiguous overview of the end-to-end process and is used to make a criteria-based decisions on which of these processes are critical to delivery of the strategy. More understanding will always be required to implement the right improvements, but this exercise ensures resources are allocated to the most critical processes. For some this means working on problems whilst for

others it will be creating or taking advantage of new opportunities.

We will then support the organisation to plan and deliver the follow-up activity. Most organisations will use key level processes to prioritise processes and improvement activity, such as service reviews. Others will also continue to break down processes to task level and create detailed process catalogues to support future process management.
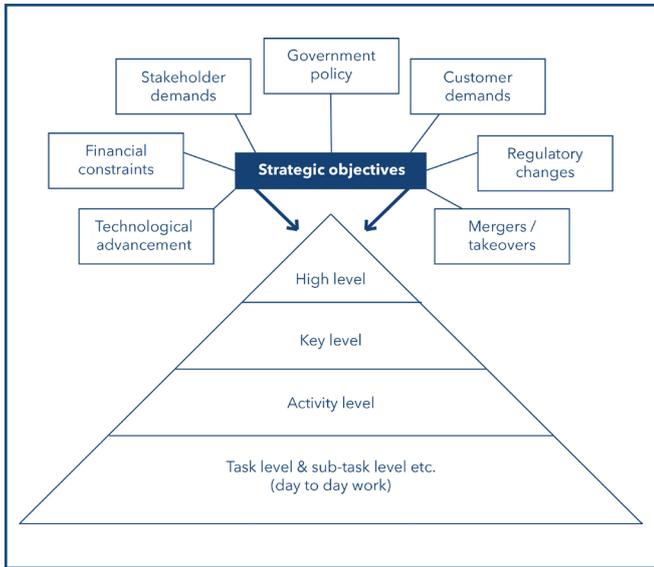
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