

Design and Prototype a New Process

Goal: Review the company's activities, operating model and any information relating to current process performance to develop a good understanding of the selected process. Then synthesize the understanding into a new process.

Key activities:

- Brainstorm design alternatives
- Assess feasibility, risk and benefit of design alternatives and select the preferred process design
- Prototype the new process design
- Develop a migration plan
- Implement new organizational structures and systems.

Process Design Methodology:

Define the new process in an iterative fashion, with greater detail at each successive level;

Process Level	Inputs Outputs Interfaces Flow Measures
Sub-process Level	Objective Performance metrics Who performs? IT enablers Information needs/activities Value-added Activities in the process (narrative)
Activity Level	Information needed Decision point Who does it? Value added (optional)

Requirements for assessing feasibility, risk and benefits of new process:

- Designers must be well versed in the high-level vision for the process including performance objectives and attributes, and opportunities and constraints presented by likely enablers (both human and technological).
- Good understanding of broad performance parameters of the current process.

Value of prototyping the new process:

- Offers a way to simulate and test the operation of new process.
- Provides a learning activity for designers, implementers and users.

Risks

A potential risk is ignoring of current structures completely to achieve “post-structural” status.

Most organizational structures are based either on function or product, with little or no process orientation. Functionally organized firms have difficulty in meeting customer needs seamlessly across different functions because no one owns the issue of **cycle-time** and **cycle-cost** to fulfil customer requests.

Product oriented structures experience difficulty in finding total business done with individual customers, or cross-selling different products to same customer.

However, “we are creatures of structures”.

We need a compromise. A more process-based rather than post-structural organization offers a powerful compromise between the need to maintain **structure** and desire to adopt a **flexible approach to the way work is done**.

The design of process-based organization must recognize the importance of functional skills to a process orientation. Therefore, a compromised, more process-based organisation will ensure the retention and continuous development of specific functional skills such as accounting and finance and marketing.

Issues relating to an organization with process responsibility as a key dimension are:

- diffusion of responsibility;
- unclear reporting relationships; and
- excessive time spent in coordination

References:

1. Thomas H. Davenport, *Process Innovation, Reengineering Work Through Information Technology*, Harward Business School Press, 1993