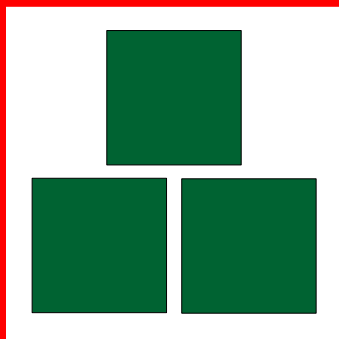


# ARCHITECTING PROCESSES FROM BEGINNING TO END



NIGEL A.L. BROOKS

THE BUSINESS LEADERSHIP DEVELOPMENT CORPORATION

Article reprint

## **ARCHITECTING PROCESSES FROM BEGINNING TO END**

*A process is a group of activities that takes in one or more kinds of input and creates output that is of value. Processes are the arteries of enterprises. A process model describes the inputs, outputs, procedures, standards, and expected results. Every enterprise has a set of processes through which it delivers its products and/or services to either internal or external customers, or both. The performance of the enterprise depends upon how well processes fit together effectively and efficiently - that means how well they are architected.*

An enterprise's infrastructure consists of a set of processes, functions, facilities, and equipment.

In order for the enterprise to create the most value, the infrastructure must be "well architected." "Well architected" means that there is no unnecessary duplication or redundancy of assets or effort, and that the activities fit together systematically.

*Architecting the infrastructure...*

Architecting the infrastructure begins by developing the "enterprise process model." This model describes the highest level activities within the enterprise that deliver value to either external or internal customers, or both. If an activity does not deliver value, then it is not part of the enterprise process model.

The "value chain" is the set of all activities that earn and add value to materials and supplies, resulting in finished products and/or services. A finished product and/or service from one enterprise, may be raw material or supplies, or a subassembly to another.

Management must ensure that not only do processes in the chain add value, but that they do so in an effective and efficient manner, thus increasing the value earned.

A process is the intersection of people and products and/or services. The people include external and internal suppliers who provide the inputs, the employees who execute the procedures, and internal and external customers to whom the resulting outputs are delivered. In effect, the employees apply their knowledge and skills to the procedures to the benefit of the customers. Management must ensure that the "tribal knowledge" in the heads of the employees of how the processes really work is adequately documented, or else they can be held hostage.

The more tightly coupled the processes are in the value chain, the more sustainable the enterprise will be, provided that changes in strategy can be accommodated.

As changes in strategy cause market entrances and exits, product and/or service introductions and withdrawals, and organizational changes over time, the infrastructure becomes unarchitected. If so, value leaks and performance degrades, and consequently the infrastructure has to be reengineered.

Changes in strategy may require an infrastructure upgrade or replacement, as is common when new systems are implemented.

Successful franchise business system operators are grand masters at designing architected infrastructures. The tightness of the infrastructure is a distinguishing factor from "mom and pop" enterprises, especially in the fast food industry.

In fast food franchises, the branding blends with the service delivery. There is a tight fit between the menu items offered and the equipment used to prepare them. There is no redundant equipment, and only items that can be prepared using the installed equipment can be offered for sale. Facilities design is standardized, not just for effectiveness and efficiency, but also to make the experience easier for employees, customers, and suppliers.

For example, in a hypothetical fast food establishment, fries are on the left and shakes are on the right. However, only chocolate and vanilla shakes are offered, because there is no equipment to prepare fruit.

*From macro to micro...*

An enterprise has tens, if not hundreds, if not thousands of processes. The "enterprise process model" represents the highest level "macro" processes.

The model starts with just three macro processes: planning and policy development, deployment, and performance measurement. The deployment process subdivides into research and development, and sales and production micro processes.

Macro processes cross functions and decompose into micro processes within functions. These terms are relative because a micro process at the enterprise level, is a macro process at the function level. Because functions decompose into subfunctions, there are "ladders" of macro and micro processes from the top of the enterprise down to the simplest activities on the "floor."

The terms "macro" and "micro" are common in engineering-related industries, such as information technology and manufacturing. For example, Microsoft Corporation began as a developer of software for microprocessors, when mainframe computers were considered to be macroprocessors. Microchip Technology, Inc. is a manufacturer of small electronic controllers used in cars and electronic devices.

For example, the sales macro process embraces everything that is required to deliver a product to a customer, including the supporting services. The sales macro process crosses three functions: marketing, sales, and service. However, each function has its own set of distinct micro processes. The micro processes within the sales function itself are just one set in the entire sales macro process because the marketing and service functions are also heavily involved.

For example, the marketing function deploys processes to create awareness of products and/or services, whereas the sales function deploys processes to close a transaction with a customer. Although micro processes to the enterprise, the macro processes within the marketing function include promotion, pricing, packaging, and placement, and are very important to generating business that can ultimately be closed by people in the sales function.

For example, the production macro process embraces everything that is required to transform raw materials into finished products. The inputs are raw materials and supplies; the outputs are either end-products, or subassemblies, which become inputs to further processes "downstream."

The production macro process crosses three functions: procurement, manufacturing, and distribution. Although micro processes to the enterprise, the macro processes within the manufacturing function include fabrication, assembly, and packaging. The fabrication macro process decomposes into cutting, molding, machining, and welding micro processes.

*Process mapping...*

Without an overall map, it is very easy for the processes to become fragmented and fit together haphazardly, especially when changes are made on an "ad-hoc" basis to accommodate short-term needs and "quick fixes."

To architect the infrastructure effectively and efficiently, the processes in the value chain should be mapped periodically to determine where there are opportunities to improve workflows, or to eliminate duplication and redundancy altogether.

"Reengineering" is the process of improving the effectiveness and efficiency of infrastructure, and transforming it from unarchitected to architected.

When architecting an infrastructure, processes should be designed so that their results are predictable and measurable, and are trainable and repeatable. Where possible, closed systems should be developed where feedback loops enable actual results to be compared to planned.

Architecting infrastructures is an enterpriship (entrepreneurship, leadership, and management) competency that is essential to earning value.

*For more information...*

For information about audiobooks, books, articles, ebooks, and eseminars offered by The Business Leadership Development Corporation visit [www.etailia.com](http://www.etailia.com)

For more information about the discipline of enterpriship visit [www.enterpriship.com](http://www.enterpriship.com)

To assess your individual competencies in thirty minutes or less, claim your opportunity for instant access when you go to [www.individualcompetencies.com](http://www.individualcompetencies.com)



*About Nigel A.L Brooks...*

Nigel A.L Brooks is a management consultant to entrepreneurs, business enterprise owners, executives, and managers, and the enterprises they serve. He specializes in developing the entrepreneurial, leadership, and managerial competencies that build sustainable advantage from vision to value. He is an author and a frequent speaker.

He obtained his professional experience as a partner at Andersen Consulting (now Accenture, Ltd.), as a vice president at Booz Allen Hamilton, Inc. (now Booz and Company), as a senior vice president at the American Express Company, as president of Javazona Cafes, Inc., and as president of The Business Leadership Development Corporation. He has been a contributing editor for the Bank Administration Institute magazine, and has served on boards of entrepreneurial networks. He was educated at the University of Exeter, Devon, United Kingdom.

His clients are in the financial services, food services, high-tech, manufacturing and distribution, pharmaceuticals, oil and gas, professional services, retail and wholesale, transportation, and government industries.

He has experience in North and Latin America, Europe and Asia-Pacific.

**[www.nigelalbrooks.com](http://www.nigelalbrooks.com)**

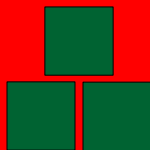
*About The Business Leadership Development Corporation (BLD)...*

The Business Leadership Development Corporation is a professional services firm that works with entrepreneurs, lifestyle business enterprise owners, executives, and managers, and the enterprises they serve.

BLD develops entrepreneurial, leadership, and managerial competencies that achieve performance excellence by *building sustainable advantage from vision to value*™ through:

- Strategic Management Consulting
- Executive Coaching and Mentoring
- Professional Training via The Center For Business Leadership Development (CBLD)
- Motivational Speaking

**[www.bldsolutions.com](http://www.bldsolutions.com)**



THE BUSINESS LEADERSHIP DEVELOPMENT CORPORATION

13835 NORTH TATUM BOULEVARD 9-102

PHOENIX, ARIZONA 85032 USA

[www.bldsolutions.com](http://www.bldsolutions.com)

(602) 291-4595