

## Process Improvement - HELIX The Key to Streamlining Your Processes

By Bernie Keh and Michael Wood

*This Management Brief discusses the advantages of process improvement. It provides a practical process improvement methodology, HELIX, that companies and organizations of all sizes can follow to improve processes and mission-critical workflows. With customers' expectations spiraling upward, success demands that processes be constantly challenged and pushed to higher levels of performance.*

When obstacles develop in a company's path to growth and prosperity, it has two choices: get over those obstacles-fast-or risk becoming mired in its problems. For those able to negotiate the course, the rewards can be substantial.

Consider the following case studies:

In an effort to break through a growth barrier, a fabric distribution company wanted to rethink the way it purchased, inventoried and sold its product. After an intense one-year effort, the company implemented an entirely new set of work processes and systems. As a result, it reduced inventory variances from 10 percent to 1 percent a year, increased sales volume by 20 percent, reduced staffing in sales and credit by more than 50 percent, and cut order-to-shipping time from two days to under 24 hours.

The board of directors of a 140-bed psychiatric hospital believed the institution's future was endangered by its inability to comply with rapidly changing regulations and reporting requirements. The hospital spent six months reengineering the way it processed and cared for patients. The result was a streamlined environment that eliminated redundant work efforts, automated patient records, reduced paperwork and facilitated the production of regulatory and insurance reports.

A cable-TV provider received notice that its outsourcer was going out of business. It had only six weeks to migrate sales, billing and collection systems in-house or risk losing \$5 million in billing a month. Fortunately, the company had conducted a study of its key workflows a year earlier, and so was able to contract for and install a new set of systems within that time period, as well as train staff on them.

*Processes On Demand is a project management process solution that reduces costs and improves project management results. It provides access to process descriptions, scalable workflows, step by step guidance, tools, PM templates, and resources suggestions to help project managers and all those involved in the Project Management Process.*

All three of these companies faced threats to their long-term abilities to compete and grow, and all three used the same methodology to solve their problems. That methodology is called Helix, a nuts-and-bolts approach to quickly understanding how mission-critical delivery processes work and how they can be improved. The methodology facilitates an organization's ability to define the benefits of improvements in measurable terms, secure consensus and support among process operators and owners, define the criteria for determining success and build momentum for an efficient implementation.

Helix begins with the concept of the organization as a series of value-adding delivery systems rather than departments and divisions. These delivery systems are composed of workgroups drawn from various parts of the organization that share information to achieve a common objective, such as processing orders, purchasing supplies or managing payroll. Understanding how these delivery systems really work is critical to improving them.

Typical process-improvement projects work through traditional organizational charts, asking employees from shipping, purchasing and accounts payable for ideas independent of one another. Such efforts fail to identify customers and suppliers and never examine how people really work together to get things done. Helix, on the other hand, relies on delivery-system or workflow teams that represent a company's knowledge base about the processes it hopes to improve. In a distribution company, for example, the sales process would be analyzed by line workers from marketing, the sales/order desk, credit, warehouse/shipping, billing and collections. Once a shared understanding is achieved, the improvement process becomes significantly faster and easier.

At first glance, Helix has much in common with joint application design (JAD). But it delivers far more dynamic results in terms of building cross-functional rapport, organizational awareness and process improvements. Helix projects, which usually take between one and three months to complete, typically produce ROI results of 50 to 800 percent. In addition to providing long-term benefits, they often allow immediate, low-cost improvements to be identified.

Helix projects are generally facilitated by a representative of IS following the Helix Project Process, a browser based process improvement solution that provides project process narration, visual workflows, project step guidance, and other helpful content aligned to the original books, "The Helix Factor" and "The Helix Factor II", the Implementer's Edition. The Helix Project Process enables IS to verify and validate how the business works while simultaneously helping team members understand how technology can make the process more productive and efficient. In addition, because any workflow improvements will probably affect IS, participation in a Helix Project Process gives the department early information about inputs, processes, outputs and object transformations necessary for a successful requirements-definition and data-modeling effort.

Helix projects kick off with two work sessions designed to provide a framework for focused collaboration and accelerated learning. Participants see the big picture and understand many for the first time-how their efforts add value to the company. In these two sessions, participants develop a series of models that help them analyze existing workflows. They begin by looking at the current situation, focusing on problems and opportunities for improvement. The "bad" is defined in quantitative terms: what goes wrong, how often, at what cost and under what conditions. Next, the team sets a preliminary goal, which basically describes the improvements it hopes to implement. Here, the focus is on the "good," which is defined in terms of what should happen, how much it will cost, how much it will save and the benefits it will achieve. Through this effort, team members align their expectations about acceptable changes and improvements.

The next step is to provide a simplified "big picture" of the delivery system, identifying who participates in the workflow, the information they must share and the sequence in which workgroups communicate. Team members clearly state the goal of the workflow, as well as any assumptions about the circumstances necessary for its successful completion (i.e., the customer has credit; the product is in stock).

At this point, the team also identifies primary "objects"-such as orders, shipments, invoices or payments-so that changes to their status become readily discernible. Participants then break down the workflow into "phases" based on the primary object's transformation as it moves from the beginning to the end of the process.

For example, an order begins as an open order and becomes in turn an approved order, a shipped order, a billed order and finally a paid order. Team members evaluate actions based on what they add to the primary object's progress and examine changes to secondary objects, such as customers and inventory.

Once they have synthesized their ideas for improved workflow models, team members must check them against the original analysis to make sure all the problems have been addressed. They must also test the new models for possible breakdowns or failures and, if found, refine or rework them.

After the first two work sessions, the facilitator and a support analyst perform a series of diagnostic procedures on the models developed. They review each model for completeness and general business sense. For example, they check to see that existing problems are quantitatively defined in terms of cost, service levels, morale, etc. Subjective phrases ("too slow") are replaced with objective measures ("It takes eight hours to..."). They then refine the group's preliminary goals in a similar manner.

Generally, the purpose of the post-diagnostic procedures is to make sure that the proposed new workflows are as efficient and airtight as possible, and that they address the problems raised in the initial analysis. Finally, the team compiles a list of inputs, processes and outputs for use in the implementation. The list represents a net view of the requirements for change in the proposed workflows and should be useful in the requirements-definition phase of any subsequent development project.

The results of these diagnostic efforts form the basis for the final work session, in which participants perform a "walk through" of the new workflows, looking at goals, benefits, costs and a time table for implementation. They then package their findings into a proposal to management. This proposal describes measurable, objective performance benefits that can be realized by taking the recommended steps, along with time lines, effort levels and costs. Because returns on these projects are so high, they are virtually always approved.

What do participants take away from a successful Helix project? IS, as the project facilitator, gains a new reputation as a high-value change agent. The project team is recognized for its ability to identify opportunities for improvement and act on them. And the company benefits from better performance. Everyone wins.

## Summary

***"Even if you're on the right track, you'll get run over if you just stand there."***

**- Will Rogers**

In today's turbulent and unpredictable marketplace, customers' expectations are continually spiraling upward. Success undeniably demands that processes be constantly challenged and pushed to a higher level of performance. But tomorrow's challenges cannot be conquered with yesterday's best efforts. It is a little more than wishful thinking to expect better results when doing the same thing, over and over, with no change. Workplace excellence requires an intensive focus across the entire organization to first define the bar and then, to raise it. Setting up a workplace framework for project management processes will quickly define the bar as well as provide the vehicle to establish a continuous improvement culture.

### About the authors:

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