

Linked Processes and Corporate Alignment

What does *Experience-at-Work* mean? It means proven methods and techniques applied by seasoned executives resulting in measurable financial improvement. *Work* means that Thomas Group consultants are working implementers. Other consultants prepare plans and leave them to the client to implement. Thomas Group becomes enmeshed in the client's business and go to work side-by-side with the management and employees until objectives are accomplished.

To be successful in today's marketplace, an organization's day-to-day operations must be viewed as a collection of *linked processes*. When key processes function optimally, the organization's functional departments become aligned to corporate objectives, and overall performance improves dramatically.

- Customers receive more effective, faster, and more efficient responses to their needs.
- Employees achieve a much higher degree of involvement, accountability, and work satisfaction.
- Different (but linked) departments of the organization interact more smoothly, with much greater speed and with more understanding and effectiveness.
- The financial performance of the organization improves significantly.

In short, everyone benefits.

There is no magic in the concept of improving linked processes; however, the experience of most organizations is that translating the conceptual ideas of process improvement into significant, permanent, cultural, day-to-day improvements and improved financial results is very difficult to accomplish.

Why?

First, in most organizations, *key processes* are not understood, linked, measured, managed, or systematically focused on for improvement.

Second, the traditional design of most organizations—functional departments and management hierarchies—obscures a

process focus and inhibits *cross-functional* process improvements.

Third, very different kinds of metrics are needed to translate process improvement opportunities into improved—and permanent—*operational changes*.

Fourth, most key processes are rooted in the organization's distant past, yet they survive largely unchanged in the organization's contemporary culture—even though changing customer needs, technology, and competition have subsequently forced *dramatic changes* everywhere else in the organization.

Finally, the crux of any successful process improvement effort is *motivating and inspiring staff* across the organization to change long-ingrained and *natural* work practices. Most organizations find that this is the most difficult, yet ultimately the most satisfying challenge to meet.

For example, a few years ago, a leading Tier-One supplier was placed on probation by one of its largest customers because of quality issues and slow responsiveness to a rapidly changing market. Their business process contained a huge diversity in technologies and staffing levels were straining an already slim profit margin. Rather than taking the well-worn path of new software and more people, they focused on better linkage of enterprise-wide processes—from design development to fulfillment.

In the first seven months, design cycle time was reduced by 67%, and within 24 months manufacturing cycle time was reduced by 50%, inventory was reduced by 65%, operating profit improved by 50% and their largest customer held them up as the new benchmark for all its suppliers.

The key to realizing greater efficiency and freeing up cash in already successful organizations is found in Thomas Group's process approach, guided by senior level consultants who gain the confidence and trust of the client's management and staff. Our methodology, known as Process Value Management, helps good companies become great. 