M&L 49: Design business processes

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| **Learning Outcome** | **Assessment Criteria** | **Guidelines and range**  **The candidate provides evidence that they understand:** |
| 1. Understand techniques and tools that support the design of business processes | 1.1 Analyse the principles of business  change and business process reengineering | Business change and business process re-engineering initially requires a full understanding of current processes that may best be analysed through the use of SWOT or PESTEL analysis.  For example; Kotter’s 8 steps for successful change include.   * Involve and agree support from those within the process * Measure current process practices and situation * Understand what the goal is – what do you want to achieve. * Plan development in achievable and measurable stages – use SMART objectives * Communicate and involve, enable and facilitate openly and fully.   These general principles need analysis as experienced in consideration of the organisation’s own environment. |
| *In this criterion the learner is required to provide a brief overview of the difference between business change and business process re-engineering together with an analysis of the current process through referencing each from a range of recognised principles of business process change.* |
| 1.2 Evaluate the concept and application of  workflow patterns and usability testing | Workflow patterns demonstrate activity for representing processes of an enterprise, so that the current process may be analysed or improved.  Workflow patterns vary to enable capture of different business processes for analysis and from an understanding of why and what needs to be achieved the workflow patterns need to be identified, evaluated and tested as to which is best for the particular business process under investigation.  Workflow patterns may include the following and be described as;   * Independent * Sequential * Interdependent / networked   Or as   * Basic control * Advanced - branching and synchronized * Structured   References to TQM and or Six-Sigma may also be noted. |
| *In this criterion the learner is required to compare and evaluate THREE workflow patterns and test their usability for potential application in the workplace.* |
| 1.3 Evaluate a range of modelling tools | Tools and techniques for business process modelling enable clarity of understanding prior to proposed implementation of change. Simple tools need to be identified such as:   * Brainstorming * Fishbone / Ishikawa diagramming * Critical path analysis (CPA) * Gantt charting   More advanced techniques will include computer based mathematical modelling. Consideration will need to be given to costs and benefits of the proposed change regarding choice of modelling. |
| *In this criterion the learner is required to provide an evaluation of both the advantages and limitations of the benefits of both simple and complex modelling tools.* |
| 1.4 Analyse the factors to be taken into account when evaluating the effectiveness of business processes | An analysis of the factors affecting an organisations business process change and / or reengineering are to be identified from the above sections, analysed and evaluated in order to determine their effectiveness and the resulting improved efficiency of proposed implementation.  Understanding all features of a process needs to be gained before making improvements with  Kaizen step change analysis may be applied for continuous process improvements and TQM for more radical process change. |
| *In this criterion the learner is required to analyse the factors that impact on the efficiency and effectiveness of a business process for potential implementation.* |
| 2. Be able to develop business processes | 2.1 Evaluate the scope for business process  improvement and constraints | Identifying what may appear to the best option for implementation may subsequently prove difficult due to local factors that impact on, for example, costs, benefits and culture of the business / organisation. These factors need to be made explicit and evaluated in order to reduce the effects future failure to achieve the desired improvement. |
| *In this criterion the learner is required to provide evidence that from a scoping exercise the business process improvements and constraints have been rigorously evaluated.* |
| 2.2 Generate ideas that meet defined  business needs | Through using a variety of idea generating exercises such as: Brainstorming with colleagues, analysis of questionnaires from affected workers and discussion activities. A summary of ideas can then be restricted as to their appropriateness for potential implementation. |
| *In this criterion the learner is required to provide evidence of generating TWO or more ideas of acceptable methods for improving business process sustainability.* |
| 2.3 Test a proposed process through a  modelling exercise | Use of an appropriate process model that demonstrates graphical representation for specifying business processes. It should include the scope, elements and events that flow from start to completion using standard flow chart notation. The model should include:   * Task * Sub-process/es * Transactions (linked sub-processes)   Models can vary, for example, from the simple critical path analysis – (CPA) to the complex computer modelling / project planning and networking techniques |
| *In this criterion the learner is required to produce a process flow chart, or similar, together with a summary of the iterations taken to enable an agreed improvement.* |
| 2.4 Evaluate the feasibility and viability of a  proposed process against agreed  criteria | The agreed criteria for achieving the proposed business process change their feasibility and viability must be rigorously evaluated. The criteria will have been identified in a similar way as in 1.1 above. From the SMART objectives previously identified, differences can be measured for evaluating their feasibility and cost / resource viability. |
| *In this criterion the learner is required to demonstrate that they have developed a process / system for capturing information and data that leads to improved business process work practices.* |
| 2.5 Establish the degree of overlap between a proposed process and existing processes and systems | Business process change and or process re-engineering involves both new and current processes or systems being operated concurrently. Existing work practices, that are similar to those proposed, need to be identified and to what degree of overlap they occur to ensure minimum disturbance within the organisation. |
| *In this criterion the learner is required to demonstrate that they have established which tasks and/or sub-tasks overlap and to what degree of overlap they occur* |
| 2.6 Resolve tensions between existing and  proposed systems and processes | Change is the responsibility of management to facilitate and enable and through people involvement. Managers love it, employees fear it. Tensions between these two factions are likely and need to be addressed through consultation and discussion and involvement of all those affected. It is essential to be clear as to:   * What to achieve * Why and how will change be achieved * Who is affected * How are they affected   References should be made to a change model regarding interpersonal skills such as Dawn Stanley’s RISE change model, together with a decision making process for a personnel perspective of innovation and as that proposed by Sharon Drew-Morgan. |
| *In this criterion the learner is required to demonstrate that they have used tools and techniques to identify areas of tension of those affected by the business change process and to have explained how these tensions have been resolved amicably or otherwise.* |
| 2.7 Adhere to organisational policies and  procedures, legal and ethical  requirements when developing  business processes | Where people are affected by change it is necessary that relevant (to the organisation) policies and procedures are strictly adhered to. Non-compliance can lead to high costs, for example where necessary redundancy procedures have not been followed. Some organisational and governmental policies that need to be referenced in any changes to the proposed business process should include:   * Human Resources – e.g. Contracts of Employment, customer service and relations * Human Rights * Equal Opportunities * Health and Safety – equipment, facilities, storage, buildings etc. * Others as appropriate to the organisation |
| *In this criterion the learner is required to demonstrate that they have consulted relevant organizational and governmental policies and procedures and that the implementation of change is considerate in their compliance.* |
| 3. Be able to evaluate the effectiveness of business processes | 3.1 Analyse valid information using techniques that are appropriate to the process being evaluated | Analysis of problems or perceived problems can be identified through the use, for example of the Crosby 5-step or Ford’s 8-D models. These identify points of potential failure. One of two models for recording and monitoring failure should be referenced depending on the process together with an explanation as to the method chosen. FMEA (failure modes effect analysis) for general application and FRACAS (failure reporting and corrective action system) for engineering or manufacturing.  Detailed information can be analysed by ranking risk via :   * Occurrence – frequency * Severity * Detection feasibility   These are numerically ranked to enable prioritisation for reliable remedial action and to note activities that indicate improvements to the existing process.  Ongoing use of recording and monitoring techniques such as statistical control charting should be considered. |
| *In this criterion the learner is required to analyse data and information relating to the proposed improvement. Diagramming and charting techniques should be well described for easy communication to the change team.* |
| 3.2 Assess the cost and benefit of a business process to the organisation | A financial cost benefit analysis of the proposed business process will need to be undertaken. Cost implications and the resultant return on investment (ROI) together with the benefits the revised process brings may include:   * Manpower overall – projected for both during and after implementation * Training and development * Equipment – usage and amortisation costs * Human resource issues – conflict; staffing, recruitment / redundancy. * Monitoring and testing * Savings of time, space and material   Cost benefits and losses need to be appropriately recorded for each activity within the process together with effects on subsequent processes in the work-flow, during testing and after acceptance, for subsequent action. |
| *In this criterion the learner is required to demonstrate that the proposed business process meets the human and financial benefits initially identified using appropriate tools and techniques.* |
| 3.3 Justify recommendations for the rejection, adoption or enhancements to processes with evidence | Activities that have been undertaken in the above sections will need to be justified for inclusion in final decision making. The selected option must be based on hard evidence from utilising a range of tools and techniques that demonstrate their validity and that the agreed criteria for improvement, from Section 1 above, have been met.  Management will need a brief report in order to provided final approval of the change(s) from the senior management team for them to give final approval. |
| *In this criterion the learner is required to produce a* ***short report*** *to line/senior management justifying the rationale for the impact of business process design change. The report will include a brief of options considered and reasons for rejection or acceptance of a design together with hard evidence that supports decision making for business improvement and bottom line benefits.* |