

Using Process Models to Cultivate Innovation

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Abstract

We live in a fast moving world, and organisations that can effectively innovate are likely to survive and thrive. Yet knowing when to innovate can be challenging. Organizations typically conduct strategic monitoring and planning, which plays a very important role. However, in this article we explore the role of monitoring within processes, and explore how it can be a catalyst to consider innovation and change.

It is often said that we live in a fast moving world. It seems that the external business environment is forever changing and our organizations are presented with an increasing range of opportunities and threats from a whole variety of different angles. There is new technology, social trends, economic, political and legal changes—and so much more. These environmental changes often impact upon organizational processes. For example, a new social trend might change customers' expectations on how a service should be delivered. In insurance broking offices twenty years ago, it was common to deal with customer face-to-face and by the phone and to issue handwritten 'cover-notes' proving a policyholder has cover. In a relatively short space of time these practices were replaced with computer generated documentation, websites and more recently apps. I suspect there are also insurers responding to queries via online chat bots and other technology too! The innovation continues, and those that do not keep up with customers' expectations' will likely lose market share to those that do.

It is easy to assume that change must always be initiated from outside of the processes themselves, typically being carried out by more senior managers in an organization. However, a well-designed process can be implemented in a way that it monitors at least some parts of the external environment that it works within. A process can give us a warning sign that the environment is changing and therefore the process, service, proposition might need to change.

Additionally, if we empower those involved with the process, we can create a catalyst for innovation. implications for our work. So how does a diagram differ from a model?

Considering the Environment

This wider perspective starts at the point at which the process is designed, and continues when the process is being managed. When we are designing and modeling the process it is usual to focus on what the process needs to do and achieve, yet it is also crucial to consider how the process can be measured to ensure that it is both efficient and effective. Often organizations focus on measuring process efficiency, without considering whether the process is continuing to truly meet the needs of the customer. Yet if we take a wider view, and focus on building the relevant monitoring steps into the model, we will create a process that captures relevant feedback.

This might sound abstract, so let's take an example. Imagine we are running an insurance call-center. When designing the call center's processes and procedures, one thing we might decide to track regularly is the different types of enquiries that come in. Let's imagine that you find that there is a sudden and sustained spike in policyholders ringing to ask for copies of their policy documentation. If this looks like a trend that is continuing (rather than a 'blip') we might do some further research to understand why customers are asking for their documentation. In fact, if we had designed the process well, those who are at the front-line would have noticed early and would have escalated concerns about the number of queries that are coming in.

It is then possible to carry out analysis to assess why the number of queries has increased. Perhaps conversations with customers and staff lead us to discover that a national news article has pointed out a concern that some insurers have been selling inferior cover, leading to policyholders seeking reassurance that their policy meets their needs. Understanding this can lead to an innovative discussion with those involved. A smart insurance company may choose to send an e-mail to their policyholders providing an FAQ on the types of covers that are included, to put all of their policyholders' minds at rest. It might also seek to develop a new online visual 'cover summary' so that customers can easily see and compare their cover. Other innovative ideas might also be suggested too.

In this situation, a sudden and sustained change in demand has highlighted a potential change in customer needs or expectation. By building monitoring capabilities into a process, we are able to recognize the change and respond accordingly. This works in tandem with more formal strategic and environmental scanning techniques, and helps ensure that we do not miss seemingly 'smaller' trends which are actually very important to the customer. It can help initiate innovation and help keep our processes fit-for-purpose. Encouraging and empowering those on the front line, who are closest to the customer, to raise ideas is equally important. This is a relatively small example, and if we get the monitoring right we will be able to spot bigger changes and trends too.

In conclusion, if we consider monitoring efficiency and effectiveness when we design processes, we will be better placed to spot when the external environment changes, and will be better placed to make any necessary changes.

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