
Process Governance: The Electrician Performs the Electrical Work

Employees are the kinetic element of every enterprise—that irreplaceable energy responsible for transforming ideas into valued creations. The extent to which employees are organized and directed is perhaps the most significant determinant of success for any enterprise. *Processes* are how work is organized; *process governance* is how employees are assigned to perform processes.

The primary goal of process governance is to put the right people (as determined by their skills, knowledge, abilities, and interests) in roles where they generate the greatest possible value. The words comprising this definition were chosen with the utmost care. Positions are the remnants of the modern organizational chart. Their usage implies that work is divided into discrete, manageable chunks that workers consistently execute for an indefinite period. But work requirements are not static. Customers want higher-quality products at reduced

prices, governments approve new regulations that force the adoption of new operational practices, and competitors earnestly probe for ways to steal market share. To be successful over any period of time, an enterprise must be adaptive to the realities of the moment. This requires a flexible and nimble workforce—adjusting employees' responsibilities to capture advantages as the market moves.

Since the dawn of time, debate has ranged as to the optimal method of organizing people to provide sufficient food, shelter, clothing, and security. Perhaps no arena more influenced this debate than that of warfare. As burgeoning civilizations grew and consumed resources, conflict was inevitable. Cities and states armed their citizens—some for protection and others with more nefarious intentions.

As the Roman Empire rose to prominence, a critical determinant of its battleground success was the ordering of its soldiers into operational units—with a cascading structure of leadership. The highest grouping of soldiers was the *legion*. Legions consisted of roughly 5,400 soldiers, which were further divided into *cohorts*. Every legion was comprised of 10 cohorts—with one cohort made up of 800 soldiers and the remaining nine cohorts made up of 480 soldiers each. Cohorts were further subdivided into *centuries* of roughly 80 soldiers. The last division was the *unit*, a group of eight soldiers. Throughout the army's organization, leaders were appointed to oversee each level based on their social standing and military acumen.

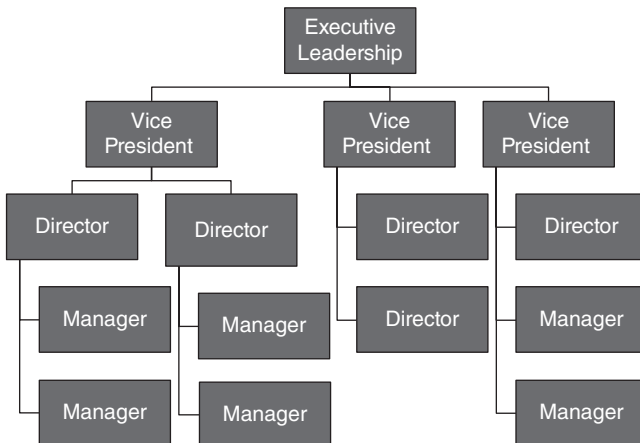
To the dismay of Carthage, the Parthians, and Pyrrhus of Epicus, the Roman organizational structure delivered a superior field-level discipline and flexibility—and vastly increased the army's ability to coordinate attacks and deploy defensive measures. Through this structure, the senior leadership deployed the battleground strategy by pushing orders to the field leaders. As the orders arrived in the field, the troops were commanded to achieve specific tactical goals. The army leaders and their subordinates created a rank-and-file

order—a model still entrenched in military organizations today. The leader-subordinate relationship is especially important on the battlefield. As leaders fell in the heat of battle, subordinates ascended to fill their shoes—providing on-the-spot replacement and effectively eliminating the chaos normally following the demise of a commander.

The prevailing organizational structure (shown in Figure 6.1) in all types of enterprises is largely based on the military model. Vice presidents and directors are assigned responsibilities for functional or business lines instead of soldiers, but otherwise the structures function remarkably similarly. Executives set the corporate direction and hand control off to middle management for execution. Although the titles may differ, the general structure is the same—a hierarchical pyramid with increasing responsibility and power as one climbs upward.

In Chapter 5, we explored several deficiencies of the contemporary organizational structure, including its outright omission of the customer and its failure to depict how work flows through the organization. To summarize, its real use is to communicate the top-down

FIGURE 6.1 Hierarchical organizational structure.



reporting structure from boss to subordinate. But this view does speak to one aspect of modern enterprises—the static and inflexible nature of their human management structures.

Consider the concept of positions in a contemporary enterprise. Once a position is approved and a resource hired, that position is rarely (if ever) reevaluated for adjustment or elimination. In the event of turnover, astute managers immediately generate a requisition to replace the departing employee. They know that eliminating a role translates into a reduced budget and a corresponding reduction in their clout. Because of this belief, managers will fight to maintain their head count in bad times and plead for new roles in good times. Over time, the impact on the enterprise is excessive head count and a workforce misaligned with business needs.

The optimal organizational structure is flexible, responsive to evolving business needs. And further, it reduces ambiguity by clearly defining the roles and responsibilities of performers. This brings us back to the role of process. In a process-focused enterprise, operations are defined by the process system, and the aim of process governance is to align people with the process system.

The concept of process management is foundational to managing a process system. As defined previously, *Process management* is the identification of ownership for every significant process in an enterprise. The individual acting as a process owner is responsible for both the ongoing performance and the innovation of a specific process. What this means is that an individual is accountable for all facets of a process. The process owners oversee the workers who execute the process steps to create outputs. And when a process requires transformation, the process owner participates in the activities to make the desired adjustments. Outside the immediate process team, external resources and other stakeholders may be engaged depending on the extent of the improvements. At the heart of it all, though, is that the primary responsibility for the outputs produced

by a process and the ongoing adjustments to that process resides with the process owner. To put it in more granular terms, process owners are charged with designing and developing the process, overseeing execution of the process, and innovating the process from efficiency and strategic standpoints. Luckily, they are empowered by an enterprise built on process.

In most organizations, senior leaders drive any significant change in operational and strategic directions, including how resources are budgeted and the go-to-market strategy. But many leaders are ill equipped to play this role. They are too far removed from the actual work and lack ground-level knowledge of the operational functioning of the enterprise. As a result, leadership directives move about as spotlights across the enterprise—bouncing across departments, markets, and customers often at a frenzied pace as the leadership team responds to perceived threats and opportunities. When bathed in the spotlight, managers diligently attempt to satisfy leadership requests or at least give the appearance of compliance with some of the bizarre directions that drip down from above. Still elsewhere, critically important pieces of the enterprise are ignored and neglected. Where leadership's eyes fall, activity occurs—even when it is horribly misdirected and falls on the wrong areas.

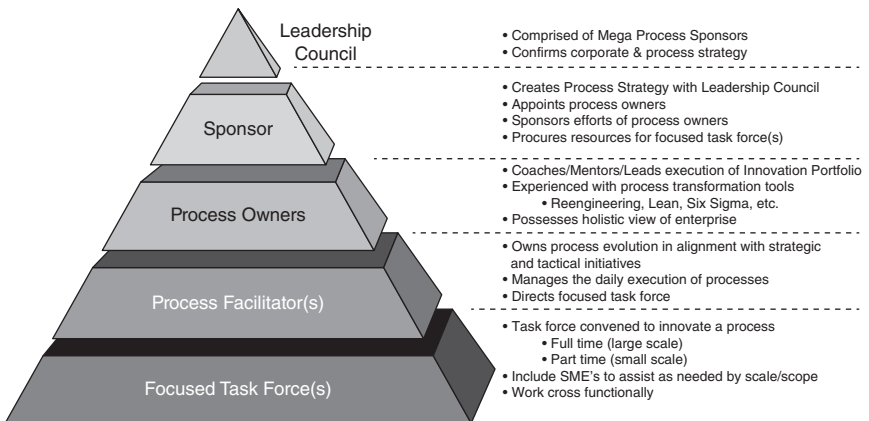
In contrast, an enterprise based on process management receives its direction from the ground up—specifically from the customer. Each of the process owners is an individual point of light—fully versed in the capabilities of their process and equipped to make improvements. Information flows freely from customer feedback points to process owners and strategic teams, where opportunities surface and are debated at the senior leadership level. The resulting initiatives are customer based, consistent with the enterprise's capabilities, and clearly articulated. After the senior leaders prioritize the initiatives and allocate resources, the process owners are integral to completion of the initiatives. Although arguably the most important

position in a process-focused enterprise, process owners are but one level of leadership in a process-governance structure.

The process-governance structure (Figure 6.2) consists of five primary roles in addition to the workers who perform the day-to-day activities to keep an enterprise running. The primary differentiator between process and traditional functional organizations is the use of processes as the organizational structure to organize employees—and not titles, functions, or departments. Processes play a role in most functionally organized enterprises, but mostly as the basis for quality improvements and not as an organizational framework.

The layers of the process-governance structure represent five distinct roles or functions that together provide ownership and management of processes. These five layers are the *leadership council* (also called the *process council* or *executive council*), *process sponsors*, *process owners*, *process facilitators*, and the *initiative team* (also called a *design team* or *project team*). Each of these roles plays an important part in creating a nimble and innovative organization.

FIGURE 6.2 Process-governance structure.



To a large extent, the roles map to the process system, giving life to what is otherwise just a collection of boxes and arrows.

LEADERSHIP COUNCIL (PROCESS COUNCIL)

Similar to any other enterprise, the senior leadership team of a process-focused enterprise plans a market strategy and steers the organization on a course. Indeed, the leadership council plays this role—but in a manner somewhat different from traditional leadership models. The difference is that members earn a seat on the leadership council based on their oversight and management of a megaprocess or they occupy a significant process-based role. In other words, they own and are responsible for a part of the value-creation engine. With very limited exceptions, executive roles without specific and direct responsibility to ground-level work do not exist in a process-focused enterprise. For the leadership council to constructively debate the merits of market opportunities, the collective group must share a detailed understanding of the greater process system in the enterprise and its capabilities. To foster this awareness, leadership council members must possess a ground-level knowledge of the processes in their area—including all the challenges, limitations, and ongoing initiatives affecting their owned area.

Why is it important to connect senior leaders to processes? Well, first off, it allows for informed discussions, as mentioned earlier. Even more important, though, is that it addresses what a former colleague of mine labeled the *ivory tower syndrome*. Inside many corporations, an illness is spreading—and it is ridiculously contagious. It appears in the senior ranks, those leaders who ascended the corporate ladder and hold a position of power and prestige. Having attained such a position, these individuals float in a leadership

suspension. When they craft strategies, they do so by hiring consultants or by isolating themselves in a conference room. This seclusion, this hermetic environment in which such leaders exist, is the breeding ground of the next stupid idea. In contrast, when the livelihood of these same leaders is at stake, when they are accountable for a part of the production machinery and its success or failure determines whether they stay employed or get jettisoned to the unemployment ranks, their behavior, especially their level of engagement, changes immediately. In effect, this process-ownership model eliminates the leadership level in corporate America that makes decisions without “getting into the weeds.”

Leadership Council Definition

As just articulated, the leadership council leads a process-focused enterprise. Its membership consists of megaprocess sponsors (described in detail later) and a select few senior executives. On occasion, process facilitators (described in detail later) are included as members of the leadership council. Because of their exposure to processes across the enterprise, they offer a unique perspective and an unbiased opinion outside the direct line of process ownership.

Responsibilities

The responsibilities of the leadership council are on par with those scripted to the traditional executive committee. Although variations exist, the responsibilities of the process council include

- Diligently following the customer, market trends, and competitive forces of the industry.
- Fully understanding the organization and its capabilities.
- Managing the competitive position and presentation of the products/services to customers.
- Partnering to build the innovation plan (i.e., the innovation portfolio).

- Serving as the decision-making body to approve or reject ideas/opportunities for evaluation and inclusion in the innovation plan.
- Confirming scope and design of improvement initiatives.
- Setting prioritization determinants to order the execution of improvement initiatives.
- Adjusting the innovation plan to be responsive to marketplace challenges and opportunities in a specific and methodical manner.
- Procuring resources (capital and workers) to execute improvement initiatives.
- Managing the process-governance model by assigning or removing individuals from process-management roles and through the training and coaching of current and future process owners.
- Ensuring that the overall process system is being managed and improved effectively and efficiently.
- Arbitrating issue resolution between process sponsors.

The leadership council, unlike the other roles in the governance structure, is part time. Most leadership councils meet on a monthly or biweekly cadence depending on the degree of change confronting the enterprise. Members of the leadership council spend the lion's share of their time engaged as process sponsors.

PROCESS SPONSOR

The individuals with arguably the greatest ability to enact major change in a process-focused enterprise are the process sponsors. Collectively, these individuals hold the reins to the value-creation engine—guiding the enterprise to a destination while simultaneously ensuring that there is fuel in the tank. They direct and oversee the

performance and ongoing improvement of a megaprocess. As managers of a meaningful part of the process system, they are directly connected to the daily activities that drive sales and customer loyalty. In fact, how well they build and manage key processes is a prime determinant of the enterprise's competitive performance.

Process Sponsor Definition

As stated previously, a process sponsor oversees one or more megaprocesses. The role of process sponsor can be sliced into two major areas of responsibilities. First, process sponsors represent their megaprocess on the leadership council and participate fully in the development and performance of the innovation plan. Second, they guide, assist, and coach individual process owners under the umbrella of their megaprocesses. The development of the process-owner level is critical to the flexibility and efficiency of a process- focused enterprise.

The process sponsor's role is similar to that of a business sponsor in most contemporary enterprises. The process sponsor develops and manages direct reports—just as managers in a traditional organization do. However, a process-focused enterprise places a far greater emphasis on process sponsors' knowledge of and engagement with their processes. Fully representing an area on the leadership council requires a thorough understanding of the details of the underlying processes in their area—as well as the activities and limitations of the performers who execute those processes. This knowledge is integral to evaluating and planning improvement initiatives.

Responsibilities

A process sponsor's primary responsibilities include the following:

- Fulfilling his or her responsibilities as a member of the leadership council

- Representing a megaprocess on the leadership council
- Being able to identify the primary impacts that a proposed initiative will have on the processes under his or her leadership
- Educating others on the processes that constitute his or her megaprocess, especially in regard to the interaction between megaprocesses
- Identifying, selecting, and removing process owners in the megaprocess as needed
- Coaching and developing process owners
- Obtaining resources—both capital and workers—to support process owners in their everyday and transformational activities
- Managing issues and cross-process initiatives inside his or her megaprocess
- Working with process owners to identify and achieve efficiency goals

All these responsibilities are geared to allowing an enterprise to capitalize on today's opportunities and to plot a course for the future. Process sponsors set the tone for doing the right things, at the right time, in the right way for their process owners and business partners. Their support for and management of the innovation plan are of preeminent importance in ensuring that the enterprise is strategically and operationally adaptive. The process sponsor brings life to improvement initiatives by allocating the resources to execute initiatives and by coordinating and collaborating with other process sponsors. The connection that process sponsors have with the value-creation process and their responsibility for understanding and reacting to the market put them on the ground floor of transformation.

Identifying Process Owners

The ongoing operations of an innovative enterprise require a healthy pool of candidates with the potential to serve as process owners. As part of the leadership council, process sponsors need to maintain a diverse pool of candidates with the appropriate backgrounds to step into the role of process owner. The aim of diversity in this pool is to support knowledge sharing and collaboration across megaprocesses. Individuals with unique backgrounds and experience approach problems from different vantage points. This helps them to examine the prevailing conventions with a critical eye and eliminates the preponderance of heritage processes in an enterprise. From this pool, process sponsors select the most qualified candidates to be the owners of major processes. Candidates not immediately selected to be process owners may serve as assistants to the process owners (as in *subprocess owners*), or they may be released to participate on initiative teams to further expand their résumé. The key here is an ongoing maintenance of a pool of individuals who possess the capacity and flexibility to fill any number of roles. The importance of the active management of this resource pool is amplified during periods of revolutionary change when new ventures are launched and a process owner needs to hit the ground running.

Procuring Resources

When initiatives receive the blessing of the leadership council, the process sponsor whose area is affected by an initiative is responsible for acquiring the resources to staff the initiative team. To illustrate, if an initiative requires a cross-functional initiative team, the process sponsor works with other affected process sponsors to choose an initiative owner and to source other needed resources. In enterprises that have not adopted the practice of budgeting via improvement initiatives, the process sponsor serves as the budget owner with access to the capital and armed with the political clout to see initiatives through to completion.

Coaching Process Owners

As mentioned earlier, arguably one of the most important contributions of a process sponsor is the mentoring of process owners. Collaboration is of primary importance in a process-focused enterprise. It minimizes the duplication of improvement efforts so prevalent in corporate America and allows process owners and others to leverage the experience of others. The focus of process owners is, as it should be, on the grisly details of their processes. Making collaboration work requires a partnership between process sponsors who focus on the big picture and process owners who are afforded the time to collaborate on improvement activities. With the launch of improvement initiatives, process sponsors monitor progress via an ongoing dialogue with process owners. In this way, process owners benefit from the knowledge and expertise of their process sponsors and ensure that their endeavors are consistent with the grander designs of the leadership council.

Qualifications

In comparison with a functionally based organization, the process sponsor in a process-based enterprise operates on a level similar to a vice president. He or she is a seasoned business professional with numerous innovation initiatives under his or her belt. Although not always possessing the depth of knowledge and experience in all the latest transformation techniques such as Lean, a process sponsor is open minded, humble, and willing to listen and learn. The best process sponsors are enthusiastic, methodical, confident, and stable. They are not looking for quick fixes but rather the *right* fixes. They are patient, understanding, and focused. Although self-confident, they are not overbearing or arrogant. They are fact driven—and logical to a fault. This role is for well-spoken, supportive leaders because a major responsibility is to provide clarity of leadership's intent. For an organization to excel, process sponsors must exhibit the leadership to get involved, become aware, celebrate success, and

remedy failure. They must be collaborative leaders, strong communicators, and willing to share knowledge with colleagues and business partners. They are unselfish and results oriented—willing to jettison resources and their personal clout for the greater good. For enterprises that adopt the practices detailed in this book, continual change is inherent. Having a confident captain at the wheel is a necessity.

Executive leaders, usually the leadership council, choose process sponsors. Most process sponsors ideally trace their roots to the ground floor of the enterprise. Throughout their careers, they were in positions to obtain organizational knowledge and build solid business relationships. Their background often includes tenure as process owners or process facilitators before being named process sponsors. Regardless of their path, they have worked in and have an understanding of multiple megaprocesses. A universal perspective is a prerequisite for becoming a process sponsor.

PROCESS OWNER

Process owners are the backbone of a process-focused enterprise. As the owners of processes, they directly manage the value-creation engine. The responsibilities of process owners span both execution and innovation—and, most important, they operate at the level where real change occurs. Unlike traditional organizations, which rarely identify individuals with responsibility for continually improving process performance, a process-focused enterprise places this responsibility squarely on the shoulders of process owners. Their responsibility transcends simply improving the efficiency of a process; the process owner is also responsible for making process adjustments in alignment with the strategic and tactical initiatives identified by the leadership council and communicated via the innovation plan.

Process Owner Definition

A *process owner* is, quite simply, the manager of a specific process. Process ownership may be defined at the major process or the minor process level depending on the scope and the skill sets and knowledge required of the owner. A process owner is responsible for all aspects of a process, including designing the process, obtaining resources (including workers), setting goals, training, and continual improvement.

Even in the smallest companies, there is a benefit to assigning the role of process owner. There may be only a handful of process owners in the most straightforward single-product companies, but the benefit comes from the continual focus on managing and improving the manner in which work is performed. Simply placing the onus for improvement on an individual creates positive momentum and sets an individual up to own ideas on how to improve the process. Further, the named process owner becomes a point of contact for new ideas as well as a knowledgeable resource with whom to discuss improvements.

Responsibilities

The responsibilities of a process owner include the following:

- Owning and acting as the spokesperson for a major process or subprocess
- Developing and capturing customer and worker feedback to build a road map for process improvement
- Understanding the process from the perspectives of customers, workers, and other stakeholders, including awareness of all inputs, outputs, and process steps
- Managing overall process execution
- Monitoring the process's performance via metrics and other performance indicators

- Proactively identifying improvement opportunities
- Being responsible for strategic and operational initiatives that affect the processes under his or her care
- Coordinating and cooperating with other process owners on execution and innovation
- Educating workers and partners thoroughly on all facets of the process he or she owns, including inputs, outputs, processes and subprocesses, competitor processes, metrics, and workers
- Identifying (frequently with the assistance of a process sponsor), selecting, and coaching process and subprocess owners and, when circumstances dictate, removing individuals from their positions
- Training and developing workers on process knowledge and skills
- On large-scale initiatives, partnering with process facilitators and initiative teams to drive improvement in the process and in alignment with other enterprise initiatives

Although process execution, design, and alignment are the primary responsibilities of process owners, process owners are also responsible for ensuring that these activities do not occur in a vacuum. Insular leadership is dangerous to a continually evolving enterprise and is a key reason why functional organizations react so poorly. Aligning and optimizing their processes with interconnecting and interdependent processes is a key responsibility of process owners. When change agents fail to take the big picture into consideration, an enterprise runs the risk of optimizing a piece of the system at the expense of the whole system. The risk of localized improvements is further mitigated through the involvement of process facilitators (discussed in the next section) to lead cross-process initiatives and by setting metrics to measure the full end-to-end performance of the process.

Depending on the scope of the change, process owners may complete smaller, bounded initiatives on their own or with the support of a process facilitator. For large-scale transformation efforts, going at it alone is unrealistic because of the time commitments of the process owner and the need for objectivity (i.e., a process owner's vantage point may be distorted by his or her ownership). Most large-scale transformational efforts are cross-functional in scope—spanning multiple departments, business units, and perhaps geographies. In order to generate the most beneficial results, a cross-functional initiative team of knowledgeable and capable individuals may be commissioned to analyze, design, develop, and implement major transformations. When the initiative-team approach is employed, process owners still play a key role in the initiative—but as customers of the initiative team and as subject-matter experts when their knowledge is required.

Qualifications

Process owners operate at a level largely on par with a departmental or business-line owner in a traditional organization. But there are significant differences in their qualifications and their training prior to being selected to serve as a process owner. A functional leader may be promoted to a position without the training and experience required for the role. This quirk of the corporate world inspired the adage, “It’s not what you know, but whom you know.” In contrast, the path to becoming a process owner requires an individual to earn the role through demonstration of the appropriate skills and knowledge over a period of time. Generally, individuals progress through varied process ownership roles with a gradual escalation in size, scope, importance, and difficulty of the owned process. Promotions take time. Individuals must earn their stripes in the trenches—earning increased responsibility by demonstrating aptitude in getting results.

The path to becoming a process owner weaves around curves and offers a multitude of branches from which to choose. An individual might begin their path as a member of an initiative team—working on a strategic initiative to launch a new business line. Through this experience, the individual gains a ground-level understanding of processes and how they connect and build on each other to create utility. On the project’s completion, this individual may well be a candidate to work on the initiative’s subject processes as a subprocess owner. And the progression continues. After time in the process-based role, this same individual may transition to roles on tangential processes or subprocesses or may even bounce back to work on another initiative team to further grow his or her knowledge and skills. Over time, the individual gains not only process-management and process-improvement skills but also an awareness of the overall process system and the interconnectivity of points throughout the enterprise.

As mentioned previously, process sponsors appoint process owners—and there are often a number of vacant positions. This is because turnover in the process-owner ranks is not only expected but also encouraged within reason. By rotating process owners in and out of positions, process sponsors ensure that the underlying processes periodically receive the benefit of a fresh pair of eyes. As a result, the enterprise enjoys continual reevaluation of major processes and a cross-pollination of ideas while also benefiting from deeper cross-functional linkages. This is not to say that the role of process owner should be a revolving door. Optimally, process owners remain in their role for a minimum of two years—although the duration differs based on the size and scope of the specific process. After this first assignment as a process owner, an individual may slide across the organization to become a process owner in a related process or perhaps become a process facilitator to further hone his or her transformation acumen. When a process owner becomes

sedentary in a role and begins to resist innovation, it is time for him or her to move to a new assignment. Naysayers are not good process owners. The intention of the role is to eliminate and not create organizational silos. Turnover helps to reduce “groupthink” and creates opportunities for the next generation of leaders. It propagates institutional knowledge, increases organizational fluidity, and reduces the number of employees who leave the company by providing challenging roles.

Process owners are the stars of a process-focused enterprise and are critical to its performance. They possess a passion for perfection and willingly dig deep and work late to get answers. They are risk takers—always seeking the next great thing. As seasoned performers, they possess strong business acumen, but they are far from rigid in their beliefs or actions. They are out-of-the-box thinkers who are not scared of change—but delighted by its prospects. They are leaders and collaborators who have the ability to switch roles when the situation requires it. They are enthusiastic lifelong learners and willing to reconsider their perspective. They are engaged, methodical, structured, and motivated.

PROCESS FACILITATOR

Process owners are responsible for keeping their processes humming and ensuring that the proverbial lights stay on. Additionally, they hold the reins for completing small-scale initiatives—mostly those confined to the boundaries of their processes and focused on reducing cost, improving quality, or enhancing scalability. Whereas a process owner may well benefit from coaching, he or she is generally able to tackle localized efforts without significant assistance.

On occasion, though, the winds of change escalate to hurricane levels—pushing leadership teams to react fast and big. Small,

measured steps are inadequate to staying alive. Under such conditions, process owners are insufficiently armed and resourced to perform their real job while simultaneously spearheading major transformation efforts. A special forces unit is required—a team led by a battle-tested expert. Such an individual in a process-focused enterprise is a *process facilitator*.

Process Facilitator Definition

A process facilitator is the catalyst behind the execution of game-changing (or even simply survival) initiatives. Process facilitators are the battle-scarred veterans who have seemingly seen it all. Their domain is change—and most often on a big scale. They come armed with the background to complete big transformational efforts such as the launch of a new business unit, the overhaul of an existing business unit, or a foray into a new market. They may not be content experts, but they have the institutional know-how to steer major endeavors. Their roles are numerous—leader, coach, process expert, teacher, mentor, subject-matter expert, black belt, Lean expert, and Reengineering practitioner, among many others. They are well versed in the phases of solution creation—masters at analyzing, designing, developing, and implementing solutions. They are worldly and able to add value in any environment. To put it succinctly, they are the right person to tackle the biggest challenges. They are the lubricant of innovation.

A process facilitator's degree of involvement with an initiative expands with its scope and complexity. As mentioned earlier, for small-scale improvement efforts, a process facilitator may coach a process owner on how to approach the initiative, or he or she might offer an outsider's perspective on how to improve a process. For the most part, though, process facilitators keep their hands clean when it comes to smaller initiatives.

Where process facilitators typically engage is on the stickier programs—those larger, more daunting initiatives that require more

than just a part-time coach. These improvement programs span multiple functional areas and involve a handful of process owners and subject-matter experts. As the size, complexity, stakeholders, and risk increase, the expertise provided by a process facilitator becomes increasingly important.

For such initiatives, the process facilitator may be engaged to coach the team through the activities required to analyze, design, pilot, adjust, and launch the solution. On occasion, a process facilitator may lead a major initiative, but this occurs only in extreme cases—mostly when an enterprise is in survival mode. The true intent of this role is to serve as the glue between major initiatives, ensuring that the teams collaborate to build holistic solutions that address all the intricacies of the enterprise. Having process facilitators lead major initiatives gradually weakens the institutional breadth of their knowledge and reduces their effectiveness in designing cross-functional solutions. Ideally, they work on several big initiatives at once—sharing their experience and awareness of the changes occurring across the organization to ensure connectivity, reduce duplication, and allow for the prompt identification of synergies. In this way, the role of process facilitator provides an objective and informed perspective for an enterprise's innovation capabilities and ongoing improvement activities.

From this facet of a process facilitator's role follows perhaps its greatest contribution to a growing enterprise. Leaders may well understand the opportunities available to an enterprise—including both those of a strategic or tactical slant. However, their knowledge of their enterprise's capabilities at the ground level is frequently limited. The result is a knowledge gap—and occasionally a huge chasm—between strategic intent and everyday execution. And this gap takes the form of unclear strategic directives.

The unclear strategic directive is the most pervasive and troublesome challenge for the eventual owner of any improvement

initiative. Leaders expect results but commonly provide little or no direction as to how to achieve them. The gap between *direction* and *results* is vast today—leading to lackluster strategic performance across corporate America. Most contemporary enterprises lack an individual or team that is able work across processes, departments, and organizations to move the enterprise beyond loosely worded ideas to actual results. A bridge is imperative to connect great ideas with great execution.

Into this void steps the process facilitator, an individual with the knowledge and the vantage point to take leadership intentions and translate them into an actionable plan. Process facilitators are uniquely positioned in the enterprise to understand its operational capabilities but sufficiently distanced from the daily rigors as to not be persuaded by politics, current mishaps, or other short-time issues. Not only do they understand the operational component of change, but they also see firsthand the daily impact of external forces threatening the enterprise. The advantages of having a process facilitator immediately become apparent when an enterprise embarks on a large-scale strategic initiative. To respond appropriately to an opportunity, someone needs to design the end solution, including assessing how it affects all the component parts of the enterprise. The design's benefits, as well as all the development and ongoing costs, need to be folded into a business case. And from this business case will come the final determination as to whether the project should move forward or be discarded. In most contemporary enterprises, there is no one to shepherd the development of large-scale initiatives and ensure that the business case truly represents a thorough design, all the downstream impacts, and the corresponding costs. Process facilitators working in tandem with process owners are a powerful combination to tackle this assignment and give a degree of confirmation that enterprise resources and energy are focused on worthwhile endeavors.

Responsibilities

The responsibilities of a process facilitator include the following:

- Attaining and maintaining expertise-in-transformation tools and methodologies—especially tools aligned with the upcoming needs of the enterprise
- Understanding the greater organization from the perspective of customers, workers, and other stakeholders, including awareness of all inputs, outputs, and major processes
- Acting objectively in the interests of the enterprise and facilitating discussions, debates, and decisions on large-scale improvement efforts using a fact-based approach
- Coaching process owners through the delivery of limited-scope efficiency efforts
- Supporting large cross-functional transformational efforts by actively coaching or leading teams through the execution of strategic or operational initiatives

Qualifications

To be successful with their responsibilities, process facilitators need a holistic view of the organization's operations as well as a deep understanding of how strategic and tactical initiatives are executed. Understanding the interactions between processes and possessing a thorough understanding of process-transformation tools allows them to design and implement solutions that improve the process system.

Process facilitators thrive in chaos, can pull order from disorder, have a can-do attitude, are focused and passionate, and are ready to roll up their sleeves and get dirty. They are leaders, drivers, coaches, motivators, and persuaders. They work smarter and harder—earning the respect of both process owners at the ground level and senior leadership at the upper levels. They readily admit mistakes and then quickly transform into problem-solving mode. They praise the successes of their

business partners and take the blame for the failures. In short, they are prepared and motivated to drive initiatives toward success regardless of the challenges they face or the acclaim they receive.

The background of process facilitators varies but almost always includes experience in a consulting role. Although they may not be a recognized expert in process transformation, they are highly experienced and have completed projects using one or more of the major transformational tools such as Six Sigma, Lean, Total Quality Management, and Reengineering, as well as value-chain analysis, organizational design, and change management. They are often worldly in their work experiences—having completed tours of duty across organizations, industries, and geographic boundaries.

Although their background may mirror that of Six Sigma black belts at companies such as Motorola, General Electric, and Bank of America, they are more broadly based in their experiences and rarely focus on only a single initiative at a time. And although most black belts focus primarily on the Six Sigma toolset, a process facilitator uses an immensely larger toolbox. Process facilitators are aware of the intricacies of different tools and their appropriate usage.

There is no rigid career path for process facilitators. Often their personalities lend to bouncing about organizations. Although they may enjoy the work and lodge permanently in a process facilitator role, they might transition into process-owner or process-sponsor roles, especially when the new position is tasked with audacious goals. These are individuals who want to be on the front lines in the heat of the battle. As a result, they are often associated with initiative teams.

INITIATIVE TEAM

Initiative teams are the special forces of the business world. When projects and initiatives cross departments/business units, are complex,

require specialized knowledge/skill sets, or demand immediate results, an initiative team is frequently the answer.

Initiative Team Definition

An initiative team is the heavy-lifting group in a process-focused organization. This team goes by a host of names, including *transformation team*, *project team*, *design team*, *special-project team*, and *task force*. For the most part, all these titles are accurate and appropriately reflect the potential roles this group fills. However, adding *short-term* to the title may be a touch inappropriate. An initiative team's work is to develop a solution that generates the greatest value given the circumstances. Only on rare occasions should the goal be to provide a short-term fix because such fixes rarely translate into long-term advantages.

Initiative teams are appropriate for initiatives that are cross-functional, require a high degree of coordination and collaboration, are entrepreneurial or a new venture, or are highly complicated. In short, an initiative-team approach is appropriate when an initiative has such a scope or complexity that a single process owner or small group of process owners do not have the time, knowledge, skill sets, objectivity, or authority to drive it home.

Be prudent in the use of initiative teams. Avoid the common mistake of launching initiative teams under the premise that some activity is better than none. Any action without a real destination is just another form of waste. Initiative teams should never be formed if the work does not warrant it. Many initiatives can be addressed with only a handful of engaged individuals—usually a handful of process owners and a process facilitator. These efforts do not constitute an initiative team because the complexity and cross-functional requirements are minimal.

There is an exception: initiative teams can be effective mechanisms to complete initiatives when politics (both internal and external)

so muddy the water that even the smallest iota of progress is bought with an inordinate amount of sweat and tears. And this is not an uncommon event in corporate America's offices. Leaders ardently protect their sliver of the organization and aggressively assert their perspectives—often sowing confusion and thwarting progress. The results are costly from both financial and strategic perspectives. Because initiative teams do not report directly to any single leader but rather to the full leadership council, the impact of political turf wars is greatly lessened. The intent is for initiative teams to operate independently—to act objectively and do the right thing for the enterprise rather than comply with the direction of any single leader.

Once an initiative team is commissioned, the process sponsor, with the support of the leadership council, is responsible for staffing the team. Ideally, a sponsor matches content and aim of the initiative with individuals equipped to be successful. Still, additional considerations may factor into the selection of team members. For example, with a cross-functional scope, it is important to include team members on either the core team or the expanded team with ground-level awareness of the specific content area of the initiative's scope. Diversity is another consideration because research shows that teams with diverse backgrounds, perspectives, and opinions produce superior results—as well as mitigate the risk of “groupthink.” Research also suggests that team members with prior experience working together often jump-start the effort, allowing it to get up and running much faster than teams that must first establish familiarity and trust.

An initiative team may be commissioned full time for a major initiative or part time for a smaller initiative with minimal complexity. Look to staff the core team with five to seven members for average projects. When the size of the team expands beyond seven, communication, coordination, and decision making become increasingly challenging—any gains in team productivity from having more hands is offset by the increased difficulty of organizing, coordinating, educating, and aligning the team.

When building an initiative team, consider the scope and complexity of the initiative. Identify the requisite knowledge, skill sets, and experience that would be beneficial. Leaders commonly handpick team members from every conceivable stakeholder group (regardless of their relevance to the initiative's scope) or, even worse, never really organize resources around the initiative. Equally likely, team members are selected based primarily on their current availability. Be judicious. Get the right resources and not the available resources.

A final consideration when staffing initiatives is whether to use external professionals. External professionals are more than just consultants. They may be full- or part-time team members from outside the company, including resources from academia (who may join the team during sabbaticals or during summer vacation), industry experts, or representatives from business partners. Introducing a few external professionals into the mix is a good practice. Not only might they provide skill sets and knowledge not available internally, but they also bring a perspective that is untainted by the enterprise's internal norms and practices.

Even after including external professionals, many initiative teams still lack specific knowledge or understanding of the subject matter. For this reason, initiative teams may (and in most cases should) also include an extended team of subject-matter experts who engage on a part-time basis. The role of these individuals is to provide specific knowledge or insight on components of the work product. In most cases, they do not need to be full-time team members but rather float in and out as their input is needed. Their participation may encompass only a single design session. However, as a solution's design takes form, the initiative's scope might shift, requiring a part-time resource to engage on a full-time team basis. Flexibility is the key to ensuring that the right mix of resources is available to deliver the solution. It falls under the responsibilities of the leadership council to develop a resource pool that is scalable and adaptable to the continual innovation needs of the enterprise.

Responsibilities

When initiatives or projects require a specialized team, a focused initiative team is organized and set loose to bring it home. On commissioning the team, the responsibility for innovation is transferred from a process owner (or multiple process owners) to the initiative team. From this time until the initiative is complete, the initiative team acts as the de facto process owner, with the exception of the daily execution of the subject process. This means that the initiative team is tasked with the role of representing the process(es) in innovation discussions and collaboration events with other initiative teams or process owners.

When the initiative team convenes for the first time, the sponsor is responsible for sharing the rough scope of the initiative and all the available details. At this point, the team takes over and is responsible for analyzing the current situation, developing a solution, testing and adjusting the design, piloting the design, expanding the pilot into the launch of the solution, and finally transferring control of the fully developed solution back to the process owners. The transference back to the process owners includes all aspects of the solution that, in their entirety, allow for the ongoing support and execution of the process(es).

Qualifications

Process sponsors select initiative-team members with the goal of aligning their capabilities with the initiative's needs. One of the most immediate challenges is to select team members who are knowledgeable about key processes or functions included in the initiative but who are also open minded and willing to put aside any sense of ownership of the existing state. To achieve this arrangement—particularly for organizations that have only partially implemented a process-focused organization methodology—process sponsors should avoid selecting process owners and major stakeholders from the processes

and functions that fall within the initiative's scope. However, it is imperative to include individuals with a solid worker-level view of the processes undergoing analysis. My recommendation is to select team members who have worked on processes that are tangential or closely connected to the processes under investigation. A prospective team member's prior role may have been with a process that provided an input or received an output from the subject process. In this way, the team possesses knowledge of the process but retains the objectivity required to break down barriers and develop innovative solutions from a blank slate. Another approach that is often used in tandem or in place of this approach is to include the process owners and subprocess owners on the extended team—bringing them into the loop when their subject-matter knowledge is helpful.

Considerations for selecting team members include not only their abilities and knowledge but also such factors as diversity, individual relationships, and personal characteristics. The most successful initiative team includes members with personal attributes such as the following:

- Fact based
- Out-of-the-box thinkers
- Dedicated to continual achievement
- Challengers of the status quo
- Overworked and overstaffed because of their knowledge, experiences, and capabilities
- Good listeners
- Synthesizers of differing opinions and approaches
- Connectors/networkers

Because of the nature of the work, an initiative team assignment is transitory. The rationale for launching an initiative may crumble as current events force the enterprise to move in alternative directions.

Every initiative is always at risk of being delayed or even eliminated. Individuals assigned to initiative teams sign up with an acceptance of this risk. Therefore, the role of an initiative-team member is rarely a long-term commitment. Individual team members may play a short-term role, staffed on initiative teams based on their ability to fulfill a need and released on completion to pursue other opportunities.

The evolving nature of the work requires a pool of people with talents befitting the enterprise's cumulative innovation needs. Although life in this resource pool comes with challenges, it also offers benefits that rarely exist in a more traditional position. The most prominent benefit for the individual is the ability to act as an internal consultant—working on varied projects and honing valuable skills. But the enterprise benefits as well. Individuals working on major initiatives form relationships with individuals from other corners of the enterprise. At the same time, initiative-team members gain an education on how distinct processes fit together. The relationships developed and the acquired knowledge are undoubtedly the best training an individual can obtain to position himself or herself for a myriad of roles. For this reason, initiative teams inadvertently function as a training ground for future leaders. Simply by looking at the qualifications to be a process owner, it is easy to see why members of initiative teams routinely find themselves asked to transition into process leadership roles.

As a process-focused enterprise matures, a good number of the individuals in the pool of resources for initiative teams continue to remain in the pool because of their personalities and their love of project work. For these individuals, continued learning and evolution of their skill sets are paramount to their happiness. They just are not cut out for line work. Still others float through initiative teams because no position is currently available that aligns with their backgrounds. Some organizations even elect to hire new resources into rotational initiative teams as a way to assimilate them into the enterprise.

Ideally, an enterprise opts for a healthy mix of full-time members of initiative team and a set of individuals rotating through for the learning experience or until they find another role. As with any other organization, initiative teams can get stale without a continued stream of new talent. When the pool is managed well, it becomes an engine of collaboration and a trove of institutional knowledge. The size and depth of the pool's collective individual talents are directly correlated with an enterprise's innovation capacity.

HUMAN RESOURCES MANAGEMENT AND THE PROCESS-GOVERNANCE MODEL

In comparison with the traditional functionally based organization, a process-based structure requires a slightly different approach to human resources management. The traditional organization has a rigid hierarchy that allows for a clear delineation of supervision. In a process-focused enterprise, where individuals are assigned to processes, individuals now report up through the process-governance structure.

The prevailing structures and methods practiced in most contemporary human resources departments are continuously questioned as to their effectiveness. Often the judgments are harsh. Critics point to a number of routine practices that are believed to demoralize employees and increase turnover. Job placement is frequently cited to be more about whom a candidate knows than what he or she knows. Compensation and reward systems lack connectivity to employee performance and value creation and, even worse, sharply penalize employees for taking risks. Performance-appraisal biases are widespread, and workers spend more energy pleasing their bosses than creating value. Training programs are panned because their content is generic and not relevant to employee roles. Individuals are routinely

promoted into supervisory roles without prior management training or experience. Overall, the average employee is disengaged, frustrated, and often looking for positions elsewhere. To many, anything would be a step up from their current situation.

With a process-governance structure, a tremendous opportunity exists to correct existing deficiencies and reengineer human resources practices for even greater effectiveness in the future. The management pyramid with clear lines of supervision is replaced with a process-based structure. But the structure is constantly adjusted based on business priorities. Individuals move in and out of roles based on business needs. Management structures are fluid and flexible. Without the hierarchical structure, the clear path up the corporate ladder no longer exists. In its place is a structure in flux, where roles exist for several months and then potentially disappear in step with market shifts. And while the fluidity of the model complicates traditional managerial oversight, it opens up a new realm of opportunities to staff, train, and motivate employees.

MANAGEMENT

Although a loose structure of management exists in a process-based organization through the process-governance structure (e.g., process sponsors, process owners, and other associates assigned to processes), the organization's continual strategic reinvention and resulting movement of employees often result in only temporary reporting relationships. A new style of management is required. The key theme of management in a process-based structure is that feedback and coaching to employees need to come from not only an immediate supervisor but also others in contact with the employee. To this end, the value of 360-degree feedback is multiplied in a process-based environment simply because of the fluidity of the organizational structure.

The primary guidance for all employees in a process-based organization is the innovation plan. This plan prioritizes the initiatives to direct the enterprise. Because the initiatives are based on process output attributes, it is easy to communicate innovation goals to teams for execution. The importance of teams in a process-focused enterprise necessitates training on team building. A critical component of building highly performing teams is straightforward and open communication—providing feedback and coaching promptly and empirically. This is one of the primary avenues by which individuals receive feedback in a process-focused environment.

After working in a process based environment, I discovered one of the greatest opportunities for individuals to grow in their roles and assignments is through cross-process role sharing. An enterprise consists of a considerable number of process owners. Although they work in different areas, there are significant commonalities in their role, and they benefit from shared learning experiences. For example, understanding and improving process execution are important to every process owner. And the human side of work, although always unique, includes the same basics of motivating, coaching, and working with individuals. To share experiences across processes, individuals at a level (e.g., process owners and subprocess owners) ideally meet on a regular basis to share their successes, failures, and as well as the opportunities confronting them. When needed, individuals can request the counsel of their colleagues—using the group’s collective experiences to brainstorm alternative courses of action. This type of assembly is of tremendous benefit to individuals in their quest for personal and corporate growth. Although possible and beneficial in a traditional organization, this type of assembly provides even greater benefit in a process-focused enterprise because it forges a connection between individuals in roles—allowing for knowledge sharing and collective improvement.

CAREER PATHS

The performance and viability of the traditional career path are largely predicated on the quality of managers today. If managers take an active interest in developing the employees in their reporting structure and groom them for roles both internal and external to their business units, the hierarchical structure can work quite well at growing a workforce. However, anyone who has spent time in the business world identifies the fallacy of this logic right off the bat. Very few managers take it on themselves to groom their employees for other roles. This is not because they are not an altruistic bunch, but rather the demands of running a business direct their attention elsewhere—to the burning platforms. With the exception of when the development of an employee dovetails with a dire corporate need, an individual's growth is largely driven by his or her motivation.

Most individuals at a corporation begin their career on the lower rungs of the corporate ladder. The mantra is that they need to learn the ropes to ascend further. The pace and duration of an employee's climb are supposedly tied to their accumulated knowledge and experiences. However, in reality, this is seldom the truth. A sizable number of employees find themselves plugged into a functional pigeonhole—exposed to a narrow slice of the enterprise—often defined by a functional boundary. The individual's career path and available opportunities are largely influenced by the perceptions and biases of a single immediate supervisor. An outgrowth of this system is a collection of work rules that are fairly standard across enterprises, including

- A rigid hierarchy exists, with employees set in roles with limited authority but held accountable and rewarded based on enterprise results.

- Risk taking is dangerous. A failure can doom a career, whereas success can be quickly minimized or claimed by others.
- Complacency is the norm because organizational forces discourage bold or significant action.
- Individuals are ill prepared to cope with change and have limited opportunities to expand their skill sets in process techniques or other improvement methodologies.
- Work networks and relationships are developed based largely on a worker's motivation and not a part of enterprise practices to encourage cross-functional knowledge sharing.
- Career prospects are compartmentalized to functional areas, and many individuals with lofty aspirations are forced to look externally for personal growth opportunities.

A process-focused enterprise is radically different in its approach to managing, developing, and using human resources. In the absence of a corporate hierarchy, individuals are faced with a somewhat ambiguous career path. Roles are drastically different—no longer identified by department and position title but now linked to processes. And roles come and go based on business needs. In a process-based environment, employees are described by the roles they play (e.g., initiative-team member, process owner, process sponsor, line worker, or customer-service representative) and the capabilities they possess (e.g., statistical process control or new-product development). Matching resources to enterprise needs requires a thorough understanding of resource capabilities and initiative requirements. When both are known, making a match is fairly simple. From an employee's perspective, this system requires a greater degree of self-management. Similar to choosing college classes to meet graduation requirements, employees are given the opportunity to manage their careers by seeking opportunities and

acquiring skills that prepare them for future opportunities. To illustrate, let us consider two examples of individuals managing their careers in a process-focused enterprise.

June is an entry-level analyst. Her career began in a role supporting the accounts-payable process. Two years into that role, she was provided with an opportunity to become a subprocess owner—specifically focused on the mailroom processes. June worked hard, leveraged a Lean expert to broaden her skill base, and was successful at cutting costs in the mailroom by 20 percent. Based on her success, she was asked to become a member of an initiative team focused on expanding the company's shared service model. June enjoyed the work and further expanded her capabilities. But her desire was to return to accounts payable as a process owner. A year later, the process-owner role became available, June applied for the position, and—based on her history of success with the process and her experience with innovation methodologies—she was hired.

Corwin is an experienced business manager. He was originally hired to oversee the launch of a new business line. Corwin had decent process skills, but after six months in the role, he came to the realization that he would benefit from further process training. Shortly thereafter, Corwin was assigned to an initiative team executing a reengineering effort on an underperforming business function. For the next year, he was heads down—learning about process transformation and rebuilding the function in line with market opportunities. At the end of this tour of duty, Corwin found that he enjoyed the fast-paced environment of initiative teams. He began training to become a process facilitator—a role he ascended to after three years. Eight satisfying years later, he opted to return to the front lines and accepted a position as a process owner. Ironically, it was the same process he had opted out of when he joined the company—although since that time the business line, had matured, and planning was well underway to expand into international markets.

June and Corwin illustrate two potential career paths in process-focused organizations. Not only did their roles vary as they progressed along their career paths, but they were eligible to move into roles across the full organization. The career paths illustrated in both examples allowed the employees to gain process-improvement skills and be exposed to multiple areas of the enterprise. This model benefited not only the employees but also the enterprise because it got to reap the rewards of the employees' development.

A human resources goal in a process-focused enterprise is for roles to be flexible enough to meet business needs but also to be relatively consistent across levels. For example, a process owner shares similar responsibilities to a process owner lodged elsewhere. Of course, the content of their respective processes may be radically different. The benefit of role consistency is that it yields workforce flexibility and minimizes the time it takes for a process owner to get acclimated in a new role. And just as in any other structure, some individuals—especially those with a depth of experience in one functional area—may have no desire to leave their current role—and it may be equally beneficial to the enterprise. However, such functional experts are likely to be solicited for participation on initiative teams to deepen their organizational awareness and allow the enterprise to capitalize on their expertise.

One constant risk for all enterprises is that individuals who are long in a position may become blind to improvement opportunities. This risk is significantly reduced in a process-focused enterprise because of the fluid nature of career paths, and it can be further mitigated by the periodic rotation of skilled individuals to initiative teams. Pulling employees away from their regular work in essence provides them with a sabbatical and gives them an opportunity to enrich their knowledge and abilities—ideally to benefit their regular role. Once employees get used to this model and the flexibility it provides, job satisfaction and employee morale increase because of

the prevalence of personal development opportunities through new roles and through continual learning and skill-set enhancement.

COMPENSATION

The flexible nature of the workforce in a process-focused enterprise complicates the existence of a traditional compensation policy. In today's corporate world, employees largely negotiate their compensation when they accept a position. Any increases thereafter are based on corporate or individual performance—largely driven by the perception of an immediate supervisor. With continually evolving roles and a reduction of supervisory oversight, supervisors are even less able to accurately align an individual's rewards with his or her efforts.

A process-focused enterprise accommodates the use of a human resources management program that more closely aligns an employee's performance with his or her compensation. One of the major aims of a process-based model is to organize employees around value-creation activities and thereby significantly reduce wasted investments in cost, energy, and resources. To the benefit of the employee as well as the enterprise, recognizing value creation at a process level allows for the capture of a significant amount of empirical data that is useful for understanding the performance of a team or an individual. Such data is invaluable in creating an objective and straightforward compensation program.

In most positions, the lion's share of a compensation package is the base salary. In contemporary large enterprises, salary bands are often created to simplify and introduce fairness into the compensation structure. Every position is graded into a band based on its responsibilities. Once the range is set, hiring managers can negotiate a position's salary with applicants within this predetermined range.

This model translates well into process terms. For example, process owners might be placed into one of three bands. The bands may be segmented depending on the scope, risk, complexity, or skill sets necessary to oversee the underlying process. Process owners in the first category oversee processes with multiple subprocess owners, have substantial risk and complexity to the process, and are core to the enterprise's success. Process owners in the second category might manage processes with a good amount of risk and, although important, are not comparable with the process-ownership roles in the first category in terms of importance to the overall enterprise. The final level of process ownership includes process owners with processes that require ongoing management but are not of significant risk or complexity to merit more than a junior process owner. Subprocess owners might also fall into this third group depending on their responsibilities.

Human resources professionals are critical to setting up the bands and their corresponding base salaries and monitoring the bands on an ongoing basis to determine when salary or role adjustments are appropriate. In addition, human resources professionals monitor the overall labor market and make recommendations when universal adjustments such as cost-of-living increases should be incorporated.

If the base salary is the compensation an individual receives for performing an enterprise-required role, *variable compensation* is the pay an individual receives for doing more than is expected and doing it better. Variable compensation is the manner by which high performers are differentiated from the remainder of the workforce. The key to an effective and fair variable compensation program is accurate information on the performance of an individual relative to his or her peers and the tasks the individual was assigned. Fortunately, process-based goals enable greater measurability and tracking than any similar performance-monitoring mechanism.

In a process-based environment, the variable compensation component can be tied to process or initiative performance, allowing an individual's efforts to be tied to an outcome. To have integrity, process and initiative goals need to be clearly stated on the process action to be completed—and not necessarily the outcome. For example, a process outcome is to adjust a process to produce a new offering, or it may be to identify ways to reduce the cost of the process. Sample process outcomes based on their intent include the following:

- *Process (where the goal is strategic)*. Actual adjustment of the process or an increase in sales or market share.
- *Process (where the aim is to improve efficiency)*. Cost, quality, throughput improvements.
- *Process (where the intent is to expand existing capabilities to compete better in the future)*. Development of process scalability, flexibility, and adaptability or simply the creation of a new process.

When the process goals are accomplished, the involved individuals receive a predetermined reward as a bonus. In the same way, when initiative teams fulfill their objectives, they may receive a bonus for the incremental value added by their efforts. When identifying the bonus for a process outcome, the risk, scope, and complexity of the process should be incorporated into the calculation.

In many instances, the benefit of a process improvement or initiative may not be realized immediately—for example, the intent of a process outcome may be to expand the adaptability of a process to support more customized outputs. In such instances, a compensation specialist may need to be engaged to ensure that the bonus awarded on successful completion of the process adjustment is appropriate.

LEARNING AND DEVELOPMENT

With any process-management undertaking, one of the most pressing needs is to get the full workforce educated on basic process terminology and improvement toolkits. Unfortunately, process-improvement capabilities are vastly undeveloped in most companies. When the economic road is bumpy, training is a frequent victim of cost-cutting initiatives. This deficiency has an impact on the design and management of enterprise processes. Major processes in many companies were never designed for the functions they perform. They are heritage processes—lacking a formalized or methodical design. Education is paramount to eliminating negligence in designing and managing processes. The aim of process training is to create a widespread base level of process know-how. Initial process training includes

- Process terminology, including the basics of the process-focused organization.
- Introductory process skill sets, including flowcharting, process analysis, informational interviewing, and process design, testing, piloting, adjusting, and launching.
- Financial modeling to build business cases.
- Basic change-management training.
- Deployment and implementation training.

As individuals become comfortable with the basics, more advanced curricula provide skill enrichment for experienced process owners, process facilitators, initiative-team members, and others. An advanced process curriculum focuses on skill sets, including

- Customer analytics and connections.
- Process design and transformation.

- Improvement methodologies, including Lean, Six Sigma, Agile, and others.
- Organizational design.
- Change management.

Ideally enterprises design their learning curricula using employee roles as the basis for training invitations. This ensures that the content is geared to individuals needing the knowledge for their current or future role. Additionally, many enterprises offer training programs that cover the specifics of the enterprise's organization. This training might include the enterprise process blueprint, the process-governance organization, and the innovation plan in a process-focused enterprise.

All that aside, learning and development do not need to be limited to the classroom setting. The process-focused enterprise intrinsically provides a number of options for skill and knowledge enrichment, including on-the-job training, cross-process role sharing, coaching and mentoring relationships, and the process organization itself (e.g., serving as a subprocess owner or on an initiative team).

ANTICIPATED BENEFITS OF A PROCESS-GOVERNANCE STRUCTURE

The creation and implementation of a process-governance structure often give rise to a number of immediate benefits because roles are clarified and the enterprise's innovative capacities receive their just treatment. The anticipated benefits of a process-governance structure include the following:

- *It provides clarity of ownership.* An immediate benefit of a process-ownership model is the clear identification of the owner of a specific process. As employees uncover

information or generate ideas regarding that process, they now know who to ferry this information to in order to get it addressed.

- *It fosters collaboration.* The process-governance structure, by its delineation of ownership alone, facilitates collaboration and knowledge sharing across roles. Additionally, the aim of the process-governance structure is to place the right employees with the right skill sets where they will generate the greatest value. This aim in and of itself encourages employees to move from role to role, expanding their institutional knowledge across the enterprise and aiding informed decision making at all levels of the enterprise.
- *It promotes an engaged and motivated workforce.* The structure drives responsibility, empowerment, and accountability down to the ground level and mobilizes the troops to a unified enterprise wide improvement agenda.

Although numerous benefits result from the increased clarity and understanding of roles, one of the major downstream impacts of a process-based approach is the ability to implement an objective performance-management system—arguable one that is most akin to a true meritocracy, where individuals are appropriately rewarded based on their individual contributions to the enterprise’s fortunes.

For a moment, think about the traditional organizational setting, where an employee works in a functional department such as finance. When the boss moves on, a replacement is sought from the available qualified resources. There are instances when the exact right individual is promoted into the role, but more often than not a better candidate exists. Why is this? My thought—because of a scarcity of empirical data to really evaluate individual performance, promotions (and rewards) are largely based on subjective factors. In effect, today’s corporate advancement is effectively a popularity contest.

In contrast, a process-focused enterprise has the data to evaluate individuals based on their readiness for a role, as determined by their prior roles and performance. The entire process system and promotional process are predicated on individuals moving to expanded roles, performing in those roles, and then being promoted to roles of increased responsibility. In this way, leaders are not placed in roles for which they are not adequately prepared. No organizational structure and performance-management system arms individuals to ascend to new roles and challenges as well as a process-based organizational structure.

The process system and process-governance model are the organizational structures of a process-focused enterprise and are imperative to its smooth functioning. If competitors never sought to nab market share, if customer preferences were stagnant, if raw materials prices never moved, these structures would be sufficient to keep a company moving forward—tabulating sales and paying employees and shareholders. But change is a constant in this world. Those neglecting to heed the signs or respond to new realities often find themselves driven out of business. Every enterprise needs a road map for innovation—a plan to meet the opportunities of a changing world. This road map in a process-focused enterprise is called the *innovation plan*.