Business Process Leadership: Foundations for Transformation

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Some business improvement projects are just too big to contemplate. You know it needs to be done, but where to start? Sometimes it's the shear scale of the task. Other times it's a lack of available resources. Perhaps you know what you need to accomplish but are not sure of the best approach.

These problems are typical in all industries but are currently especially significant in the health and human services sector. Stakeholders and funders speak of transformations in the way services are delivered. By definition, transformation implies significant changes in the way you do business. But what changes? Where do you begin?

In previous articles we explained the concept of systemic maturity – the more systemically "mature" an organization is, the more successful it will be in proactively changing. Conversely, in a less systemically mature organization, change is more likely to be reactive in nature. In other words, the ability of an organization to effectively transform itself is a collective learning process; learning how the business really operates and understanding the inter-dependencies of the business processes. A transformation project that is not backed by the necessary skills and business culture is unlikely to succeed. So, how can these skills and business culture be developed?

Business transformation is dependent on key drivers - a vision, an incremental plan, exponentially developing skills, all supported by a level of systemic maturity that facilitates and encourages proactive change.

"Systemic maturity" is the least tangible of these components and is possibly the single most important as it provides the framework within which change occurs. Systemic maturity is a measure of a business' ability to perform as an integrated whole as opposed to being a collection of loosely defined business processes. It can be compared to the automatic pilot and other related systems on a modern airliner that relieve the pilot of mundane duties and allow him or her to concentrate on monitoring the flight while allowing physical correction as and when necessary. Systemic maturity requires that managers and leaders have:

- A clear understanding of the business processes and of how these processes individually and collectively contribute to the ability of the business to meet its overall objectives
- Formal accountability and responsibility for the business processes, and of any workforce issues that result
- Mechanisms to monitor and evaluate the effectiveness of the business processes
- An institutionalized methodology to continually improve the business processes
- The leadership capacity and the skills to maximize the efficiency and effectiveness of the organization in achieving its outcomes

In order to fully understand the current business processes it may be useful to group them into the following categories:

- **Core Processes** - typically processes that, at the highest level, relate directly to the mission of the organization. In any business there are typically only three or four. In a healthcare provider these may be: Providing access to care; Diagnosis; Patient treatment planning and delivery; and Recovery support.
- **Operational Processes** are the operational components of the core processes. They may include: Scheduling; Registration; Check-in ; Laboratory; Etc
- **Support Processes** do not directly relate to the mission but enable the business to effectively operate: Billing; Medical record storage and retrieval; Data management and analysis; Procurement; Recruitment; Etc.

- **Governing Processes** provide the infrastructure by which the business operates. These include Quality Improvement and Oversight and Leadership activities. Many sub-processes are embedded in these two areas, including planning, training, performance monitoring, etc.
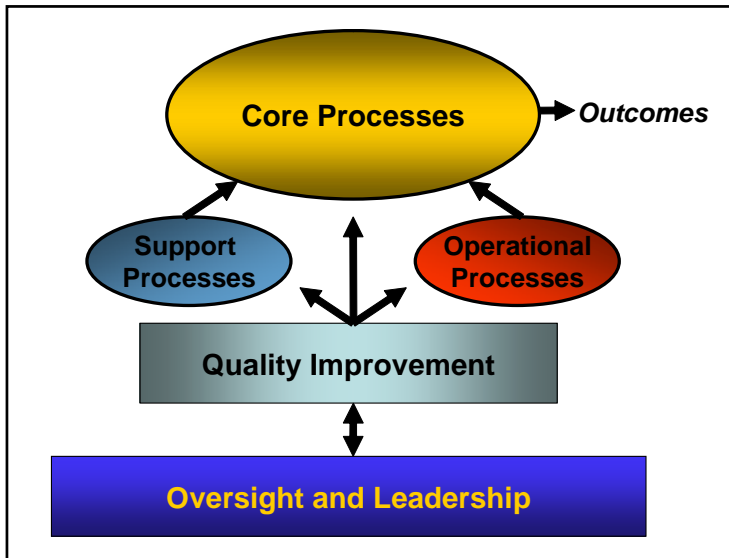
Once the process model is established, leadership must ensure that the ownership of the processes is clearly assigned. It is often surprising to realize that many processes are not really owned by any-body at all! As changes in practice are identified, leaders must be clear that the process owners must lead the efforts to redesign the specific processes. Other key stakeholders should be involved where they are directly impacted. While a business transformation may impact many (or even all) of the business processes, relatively few will be completely discarded and replaced, and those replacements must interface seamlessly with existing ones.

If a comprehensive understanding of current business processes is a necessary foundation of business transformation, continuous quality improvement and leadership in the organization become the catalysts. The management skills for implementing an effective transformation include the design and implementation activities, training and teaching staff, monitoring progress, providing feedback to staff and planning new steps and activities. The parallels to the familiar Plan – Do –Study– Act cycle are evident and in fact continuous quality improvement can and should become a model for management of the business. When process improvement is institutionalized as a part of the business culture, improvement activities are automatic. Each process owner understands that process improvement is a fundamental part of their job.

For example, imagine a Mental Health provider that plans a business transformation to replace their current focus on individual therapy and appointments with one based on a group and recovery based model. Such a transformation would impact many processes, such as scheduling, hours of operation, billing, staff training, etc. Without a clear understanding of those processes and the manner of their interactions, how can the change be managed and the impact assessed? Without formal ownership of the processes the responsibilities for change will be ambiguous and delays will occur. Monitoring of progress is needed to identify the inevitable resistance to change. Staff must share the values behind the transformation. They must believe in what they will be doing. They must operate in a culture where the incentives to succeed are high and where they receive regular and structured feedback about their progress. These are where the leadership skills become most important.

Conceptually at least, once the business foundation has been established, the real task of transformation can begin – creating quantum shifts in the way the organization is doing business. This requires a new vision of core processes; new services and programs need to be developed that replace old models. As new processes are put in place, improvement projects must be prioritized and planned. Through all this, the most effective leaders will be those that reward their high performing staff, that are clear about their vision and that focus on a small number of high leverage areas for change. Examples of these kinds of high leverage changes might include reducing time to first appointment, increasing retention in treatment, increasing levels of employment among consumers served, etc. Achieving each of these measures will require changes in a number of business areas.

True business transformation is a huge undertaking and should never be minimized. The process is also not necessarily a linear one. However, systemic maturity and leadership skills are two essential ingredients of successful transformation.