



Why is there so much pain in process?

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Most executives realize that people, process, and technology are the backbones of their businesses. When it comes to investment, however, the story changes to one of technology first, next people, and then maybe process. As a culture we're enamored by technology and repulsed by process.

Each time movements are made to standardize the way things are accomplished people revolt. French workers threw shoes into machines — the origin of the word sabotage. Autoworkers went on strike against the assembly line and work standards, and now many knowledge workers are opting out either by their own decision or because their jobs are being reengineered out as workflow systems to regulate the delivery of information within their corporations.

I make my livelihood consulting to corporations on process effectiveness and efficiency, product innovation and marketing. It's my process consulting practice that's a tough sell. Neither workers nor management really want to discuss process work. Implicitly, each knows that standardization of process, done correctly will improve corporate profitability and have a greater return on investment than any technology investment.

So what's to be done? Your business now is under even more pressure than before, not only from local but international competitors. Do you invest in more and higher technology, outsource, or downsize? Let's consider a few points:

- The majority of corporations that downsize are likely to do it again without any appreciable benefits except in the short term. Most of those benefits go to the executive team in the form of performance bonuses rather than employees or shareholders. Many companies that have downsized have become less competitive and more vulnerable;
- Outsourcing is another strategy that often backfires. Similar to downsizing, it has helped a future competitor gain both a foothold in your market as well as build up competence using your investment dollars. General Motors and other U.S. based automotive corporations have learned this lesson too late as their Asian partners have now become the dominant players; and
- Technology investment has long been the mainstay of industry performance improvement. The industries that have grown from new technology and information technology are no different.

It's well known that many IT projects haven't paid back their investments. In some cases, if you had taken the money to invest in the technology program and put it into a bank you would have come out ahead.

Other technology investments are not without flaws either. When AMF took over Harley-Davidson they invested in a wonderful piece of technology: an AS/RS. While the concept of an AS/RS is not a bad one, the question is are you putting together the supporting processes to make this concept work properly?

At this point, you might think that I would be against technology investment. Not so. When done with proper thought these strategies can be quite useful and beneficial, helping breathe new life into old companies.

Let's consider that process is nothing more than a form of canned knowledge and wisdom. Before we had information technology we had apprenticeship programs and colleges that incorporated people into the world of useful processes. These institutions transferred knowledge, skill and sometimes the wisdom or experience to know when to apply such.

During the scientific management revolution we developed specialists that were busy discovering and documenting "best practices" and packaging them to corporations. The only trouble with this approach was we tended to view this in a mechanical versus human model. We forgot people are not machines and the results can be disastrous.

I'm not against workflow systems, but you don't want your IT shops designing and implementing workflow systems based upon IT workflow models. Who in your company has a better ROI in producing content or product engineering —manufacturing or IT? I would be very surprised if your IT shop is even half as effective and efficient as your engineering/manufacturing organizations.

I often work with IT organizations and find the majority of these departments are weak on process and even weaker on implementing a process. This is partly because IT is still in its early teenage years in terms of becoming a discipline.

What is needed to successfully implement either a technology investment or a process improvement project is the realization that a whole bunch of actions need to be undertaken. If you invest in new technology, you'll most likely have to invest in reengineering the processes that the new technology impacts. If you invest in process improvement, while not mandatory, quite often investing in new technology will open up new possibilities.

People need to be involved. Not just the leadership, or the implementers, or the guy at the bottom of the corporate stack, but everyone. Your team will need to redefine roles, document best practices, and everyone needs training on how this will impact their roles and responsibilities.

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