

How Can Business Process Quality Be Improved?

Two ways of improving process quality are to:

- Add more resources
- Change process structure

These alternatives impact process effectiveness and efficiency differently. Adding resources always adds cost. If there are efficiencies of scale, then adding resources will make the process more efficient. If there are no scale efficiencies, or if there are diseconomies of scale, then adding resources will reduce efficiency. However, adding resources may still make sense if those added resources make the process more effective.

Changing process structure can improve either efficiency or effectiveness or both. In some situations, changing the process structure reduces work, and hence reduces cost. In other situations, cost increases, but effectiveness increases sufficiently to justify the added costs. Ideally, the change to process structure improves both.

Of course, it is also possible to add resources and change process structure at the same time.

To better understand these alternatives, suppose the company having the process in Figure 10-5 finds that its inventory costs are larger than it expects. Investigation of the causes determines that inventory is being held for excessive amounts of time because orders are delayed due to the time required to check the customer's credit. To solve this problem, the company could speed up the process by adding more people resources to the Credit Analyst role shown in Figure 10-6. Or, the company might add resources by investing in an information system to augment or replace the humans who perform the credit-checking role.

Instead of adding resources, the company could address this problem by changing the structure of the process to check credit before checking inventory availability. Such a change is shown in Figure 10-7. Another option is for the company to both add resources to the credit-checking process and to change the sequence of inventory and credit checking.

Fox Lake Wedding Planning and Facility Maintenance Processes

To further illustrate the use of business process modeling, consider the Fox Lake scenario that opened this chapter. It ended with Laura, a business analyst, planning to meet with Anne and Mike to determine what might be done to address Fox Lake's problems. Because Fox Lake has no existing maintenance scheduling system, the team of people needed to model a new business process.

Assume that after they met Laura created the business process model shown in Figure 10-8 (page 352). Four roles are shown in vertical swim lanes: The Bride & Family, Wedding Planner, Facilities Application, and Facilities Maintenance. An unknown number of resources will be assigned to each of these roles; many customers will play the Bride & Family role, one or more people will take the Wedding Planner role, some person or computing resource will take the Facilities Application role, and one or more people will take the Facilities Maintenance role.

Examine the exchanges between the Bride & Family role and the Wedding Planner role. Bride & Family provide the requirements that the Wedding Planner uses to create a proposal. Then, Wedding Planner attempts to reserve the facilities. If all facilities are available, the proposal is transformed into a bid with costs. If not, the Bride & Family are asked to revise their requirements (smaller number of guests, different date, reception outside, etc.). If the Bride & Family accept the bid and sign the bid, then the facility reservations are confirmed and a deposit is collected. That collection activity is documented as a separate process.

This process model, like all models, is an abstraction. It does not include every detail, but it captures the essence of the process and the need to reserve Fox Lake facilities. It might seem odd to you to formalize the process of planning a wedding