

## PROCESS IMPROVEMENT IN 4 EASY STEPS

By Marty Slabey, President – QBO Corporation

Abstract –

*Businesses in the 21<sup>st</sup> century are seeking to become the best that they can be. Often good organizations are losing customers and profits from fierce competition. Top management is looking for improvements so customers can remain loyal, market share can be expanded, and profits can increase. The call for help can be heard from every industry.*

Businesses today have been mandated to reduce waste in order to become more efficient. This has to be done because in a global economy, efficiency means a higher likelihood of reduced costs and improved profits. While this sounds good, what is an organization going to do to make the necessary improvements in order to be in a solid business position?

Any organization is made up of activities that hopefully provide value to their customers in the form of either products or services. After the organization has been in business, customers come and go and hopefully more come than go. Top management knows they have competitors that want to take as much of the market by expanding their customer base at the expense of the organization. This is a fact of life, in a free enterprise system, and what a blessing to be part of such a system.

Top management sees a stagnant customer base, business objectives not being met, sluggish sales, increased costs, and employees that are getting uneasy. This is quite a list of issues that can become paralyzing, unless looked at as opportunities for business improvement. So what can the organization do to begin addressing these issues in the spirit of improvement?

The organization needs to agree, from top management down to the workers, that any business is not perfect, that occasionally what is being produced or is being serviced will have mistakes, and that the unexpected does happen. In other words, variation exists. Organizations that manage and reduce variation will increase the likelihood that their organization will continue and expand.

This sure seems like a lot of cliché talk, doesn't it? Well, it is, if no additional actions are taken. Nonetheless, this is reality and organizations everywhere are experiencing this situation. How can the organization understand their current business processes, and the interrelationships and linkages between

**QBO Corporation**  
*Bringing People, Product, and Process Together...*

**4003 Ravensfield Drive**  
**Canton, MI. 48188**  
**Phone: 734.495.1390**  
**Fax: 734.495.1370**  
**Email: [QBOCORP@AOL.COM](mailto:QBOCORP@AOL.COM)**

these processes? And, based on that understanding, what can the organization do to improve their business processes?

The answers to these questions are quite easy, and powerful, and when understood, business improvements can be defined and implemented, thereby reducing variation, also known as waste. That sounds good but how?

Thanks for asking! Many of us have been raised during the age of TV and are visual learners. The organization needs to "get a picture of understanding" of the current organization, identify process inefficiencies, identify future process improvements and implement those improvements. Let's take a look at the 4 steps:

First, choose a cross-functional team and develop a process model of the current business processes and linkages. This begins with simple process identifiers (action upon and object) such as Design Product, Sell Service, Maintain Equipment, Review Contracts, etc. Define all process inputs, outputs, controls and mechanisms.

Second, link these processes together so, when done, these processes become a model of the current business system. These linkages can take the form of output to input, output to control, or output to input feedback loop to an earlier process.

Third, look for system redundancy, in the form of duplicate outputs, controls, and inputs. These redundancies are, in all cases, system waste that, when eliminated, improve efficiency.

Fourth, to eliminate the redundancies identified in step 4, define process change requirements needed to implement the efficiency improvements. This will become the future business model. Revise the processes and all appropriate process metrics so the effectiveness of the efficiency improvements can be measured to determine if the changes were effective.

The key to making these 4 steps work is to have the organization, at all levels, involved in these improvements. This will ensure buy-in, once these improvements are identified, implemented, and verified for effectiveness. The result is a better, more competitive business. Now that was not difficult, was it?

**QBO Corporation**  
***Bringing People, Product, and Process Together...***

**4003 Ravensfield Drive**  
**Canton, MI. 48188**  
**Phone: 734.495.1390**  
**Fax: 734.495.1370**  
**Email: [QBOCORP@AOL.COM](mailto:QBOCORP@AOL.COM)**