

Would you like to be great at ***getting things done consistently*** across all members of your team?

Would you like to feel 100% confident that your operations are ***optimized to the best of your ability***?

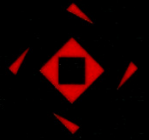
Would you sleep better at night if you knew precisely ***how things were getting done*** as opposed to simply knowing what's getting done?



The Invitation

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- **Processes & Procedures**
- **People-driven vs. Process-driven Organizations**
- **Example: Productivity & Operating Costs**
- **Key Concepts to Remember**

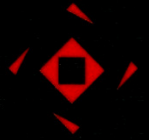
The Topics for Discussion

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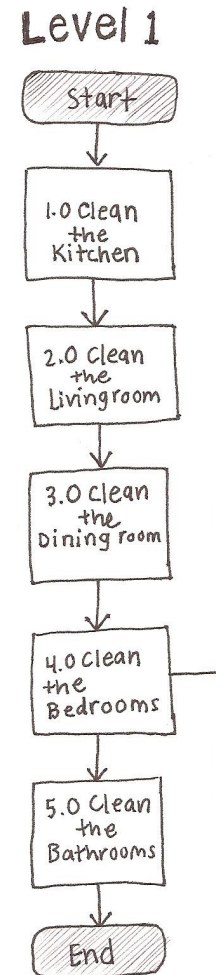
What is a Process?

RIGHTPROCESS



A Process takes one or more ***defined inputs and turns them into defined outputs***. It is a structured set of ***high-level activities that define what needs to be done*** to accomplish a specific objective. In addition to ***activities***, processes can also include ***decisions***.

Processes can be best represented in a ***process flowchart diagram***. Although there are some differences between a *flowchart* and a *workflow*, the terms are frequently used interchangeably.



Process & Procedures

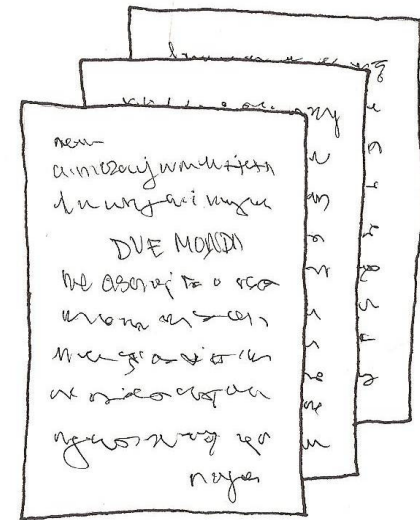
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What is a Procedure?



A Procedure is a series of ***detailed step-by-step instructions that specify how*** to achieve a particular activity.

Procedures are also commonly referred to as ***work instructions***. In those organizations that distinguish between procedures and work instructions, the latter usually includes more detail.

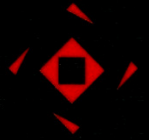


Process & Procedures

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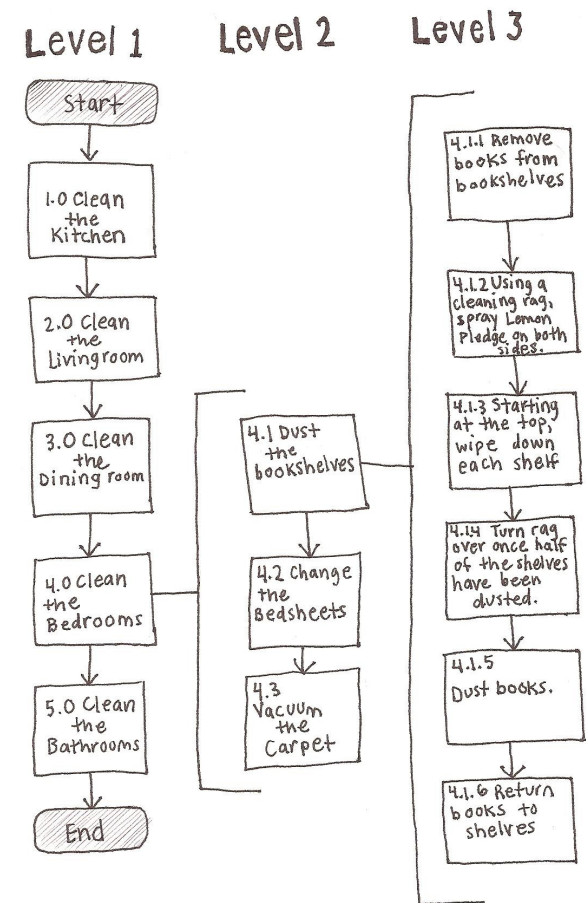
What is the Relationship between Processes & Procedures?

RIGHTPROCESS



There are different **levels** associated with a single process. A well-defined process includes the **right level of detail** that is **consistent** throughout the process flowchart.

Procedures could be considered the **lowest level of detail** associated with a process. But, while processes are best communicated through the use of **flowcharts**, procedures are best communicated in the form of **documents** that are written for maximum readability.

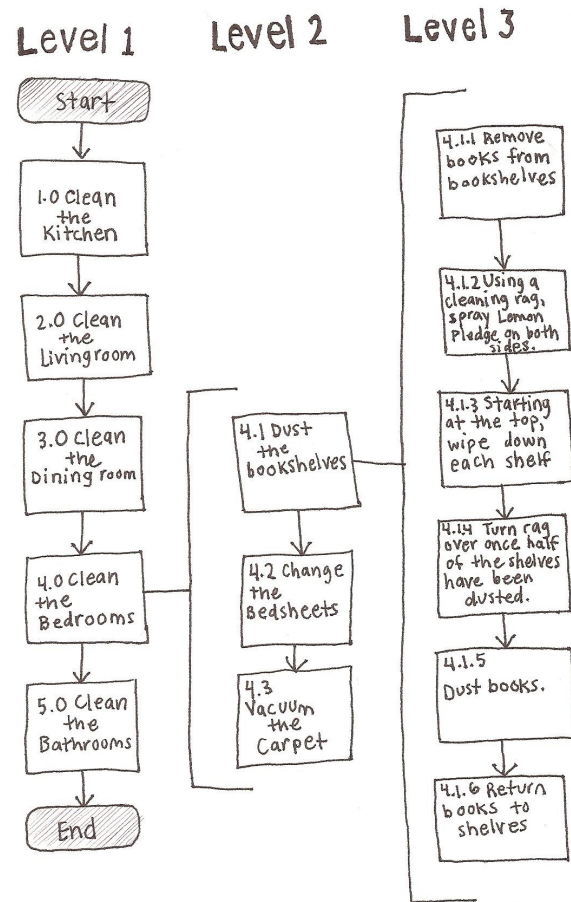


Process & Procedures

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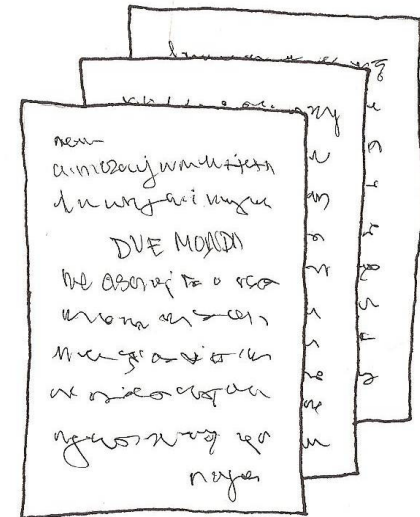
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What is the Relationship between Processes & Procedures?



Want to know how to determine how many levels should you have in a Process?

It's simple – When you get to the level that starts defining ***how an activity should be completed***, then stop. This is where your process ends and your procedures begin.



Process & Procedures

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What are the two types of organizations?



Managers and Directors either create an organization that is ***people-driven*** or they create an organization that is ***process-driven***.

Make no mistake; people play a vital role in *both* organizations.

The distinction being made, however, between a *people-driven* vs. a *process-driven* organization comes down to ***how instructions (procedures) are communicated.***

People Driven vs. Process Driven

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People-Driven Organizations



In a ***people-driven*** organization, if you want to know how something is done (or you want to tell someone how to do something), ***you ask a person (or tell a person)...*** *most of the time.*



People Driven vs. Process Driven

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Process-Driven Organizations



In a ***process-driven*** organization, if you want to know how something is done (or you want to tell someone how to do something) ***you read (or write) a procedure... most of the time.***



People Driven vs. Process Driven

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But why does it really matter? Why should management be inspired to build a process-driven organization instead of one that is people-driven?

The answer lies in the ***affect on productivity and ultimately on operating costs*** that each type of organization can have. While there are countless influencing factors to consider, four of the main factors include:

- **Translation**
- **Alternatives**
- **Details**
- **Transferability**

People Driven vs. Process Driven

Influencing Factors- Translation



In a ***people-driven*** organization, the details associated with how something is done, ***frequently get lost in the translation.*** In a ***process-driven*** organization, the details associated with how something is done, ***are rarely lost in translation.***



People Driven vs. Process Driven

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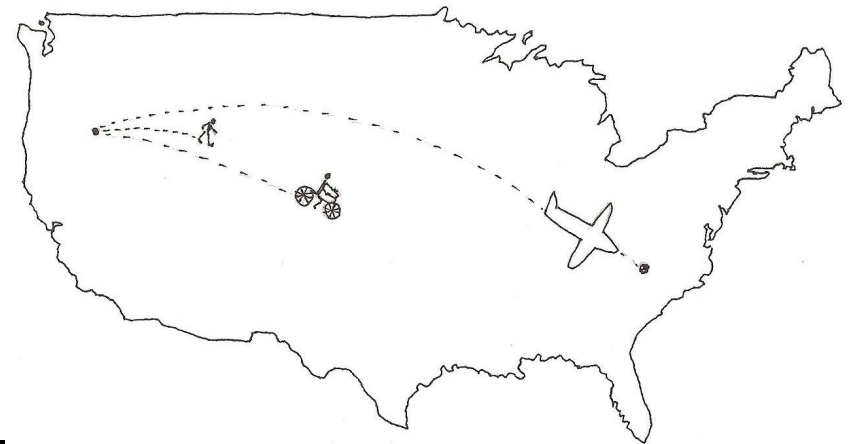
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Influencing Factors- Alternatives



In almost every scenario, if a standard operating procedure has not been defined, there are inevitably ***countless alternatives*** for how an employee can complete a given activity.

In a people-driven organization, alternatives are common. In a process-driven organization, based on the clearly defined how-to instructions (procedures), there are ***standards instead of alternatives***.



People Driven vs. Process Driven

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Influencing Factors- Details



When procedures are communicated via word-of-mouth, or summarized in an email, inevitably important **details** are frequently **overlooked** and **omitted**.

The effort involved in **writing** a procedure is such that more thought generally goes into it whereby the **associated details are identified and effectively vetted out**.



People Driven vs. Process Driven

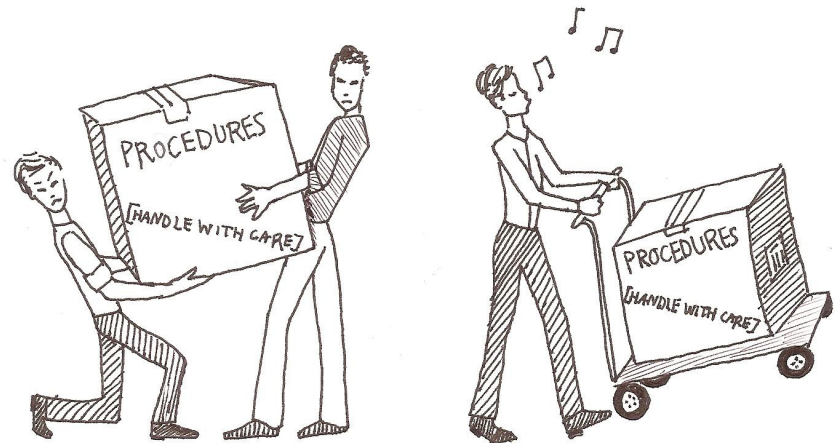
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Influencing Factors- Transferability



In a people-driven organization, the transferability of procedural knowledge is ***dependent upon one person sharing the information with another.***

In a process-driven organization, the ***transfer*** of procedural knowledge can be accomplished ***independently*** to the extent to which the procedures have been defined and documented.



People Driven vs. Process Driven

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Lost Productivity & Increased Operating Costs



Restaurant Management

- Two managers, each responsible for 5 Fast Food Restaurants and 20 or more employees
- Manager A has built a *people-driven* organization
- Manager B has built a *process-driven* organization
- There are three things that need to be communicated:
 - Instructions for tending to the garbage cans
 - Instructions for tending to the bathroom facilities
 - Instructions for clocking In/Out

Example: Putting it to the Test

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Lost Productivity & Increased Operating Costs



Manager A

Created a **people-driven** organization

When employees want to know how something is done – **they ask a person** most of the time

When Manager A wants people to communicate how something should be done – he holds **team meetings**, posts a **bulletin board announcement** or **sends an email...** most of the time



Manager B

Created a **process-driven** organization

When employees want to know how something is done – **they read a procedure...** most of the time

When Manager B wants to communicate how something should be done – he/she **documents a procedure...** most of the time

Example: Putting it to the Test

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Lost Productivity & Increased Operating Costs



Manager A

Created a *people-driven* organization
Resulting in **\$91.80** avoidable costs on a *daily* basis
\$33,507 on an *annual* basis

Translation

- 10 minutes x 6 irate customers = 1 hour of lost productivity which equals $\$7.25 \times 1 \text{ hr} = \mathbf{\$7.25}$ avoidable cost
- \$10 food vouchers x 6 irate customers = **\$60**

Alternatives

- 50 extra bags x .25/per bag = **\$12.50** per day or **\$375** per month

Details

- 8 trash cans x 20 minutes to wash each can = 2 hrs and 40 minutes of lost productivity which equals
- $\$7.25 \times 2.66 = \mathbf{\$19.30}$ avoidable cost

Transferability

- 7 minutes discussing each procedure x 20 procedures = 2 hrs and 20 minutes of lost productivity which equals $\$7.25 \times 2.33 = \mathbf{\$16.89}$ avoidable cost

Example: Putting it to the Test

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How do you go from *thinking* about Procedures to putting them into *action*!



When you're ready to change your fundamental management style whereby you make the conscious decision to develop a *process-driven* organization, keep the following key concepts in mind to help keep yourself (and your organization) on the right track!

- **PEG Factor**
- **Chunkify**
- **Go & Grow**
- **Processionary Caterpillar Syndrome**

Key Concepts

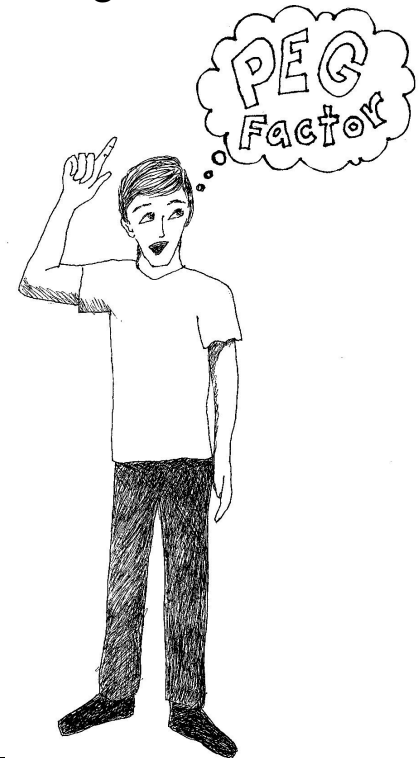
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To help gauge whether or not the amount of effort you or someone on your team is putting into something is appropriate – run it through the **PEG Factor** test whereby:

P = Perfection
E = Excellence
G = Good



Key Concepts

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Knowing where to start with certain projects or initiatives can be overwhelming. It's common for professionals to **want** to define and document their organizational procedures but many times it can quickly become a daunting task if a strategy for how to tackle the effort isn't established early on.

By **chunkifying** the effort – dividing the effort into manageable parts – it becomes easier to delegate responsibilities, prioritize efforts and manage results.



Key Concepts

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With standard operating procedures, it's important to get started even if it's not ultimately the best place to start! In other words – ***Go and Grow!*** Get started.

Once you do, you'll gain traction and momentum and before you know it, the procedures will be growing in number and the extent to which the organization matures and embraces them will be on the rise!



Go and Grow

Key Concepts

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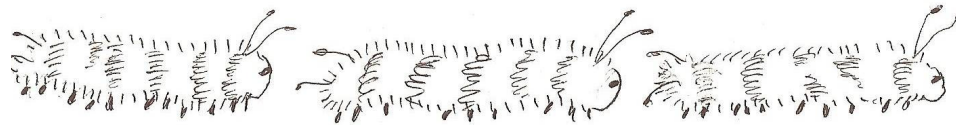
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Processionary Caterpillars



As a professional responsible for an organization – your focus should always be on ***achievement*** rather than simply ***activity***.

Developing a ***process-driven organization*** through the use of clearly defined, documented and optimized step-by-step procedures – is a means by which ***high levels of achievement can be realized on a consistent and predictable basis.***



Key Concepts

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