



Characteristics Of A Good Business Process

The key aspects of a “Good” Process are as follows:

- **Process Ownership**

The Process is owned, with Process Ownership responsibilities being clearly defined.

- **Process Requirements**

The requirements of the process are defined, such as; addressing the needs of the Stakeholders, meeting Business desired states, identifying constraints (such as Policies, Customer Requirements etc.).

- **People Consideration**

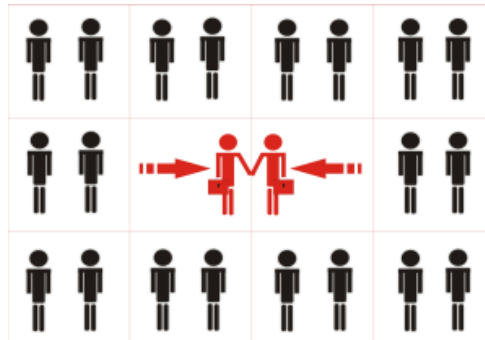
People know and understand how they contribute to meeting the process objectives. The competencies needed by people to perform the work are clearly identified.

People are multi-skilled, with clear accountability, authority and responsibility (Jobs are multi-dimensional, with several jobs being combined into one. Hand-offs are minimized (Involves as few people as possible)).

Teamworking is the order of the day. People are empowered to make decisions.

- **Process Flow**

Each step adds value to the previous step (Checks and controls are minimized). The process has clearly defined inputs (interfaces to other processes, supplier interfaces, data, materials) and has clearly defined outputs (the deliverables, interfaces to other processes, customer interfaces).



The process is also designed to be fail-safe and has quality built in. Technology supports the process.

- **Organizational Structures**

Follow the process.

- **Resources**

Such as Information, Tools, Materials and Documentation are aligned to the process flow, (available at the point of need, with steps in the process being performed in a natural order. Work is performed where it makes the most sense. Smart documentation reduces errors).

- **Process Interfaces**

Interfaces to other processes are clearly defined.

- **Process Management**

Measurement is used to manage, review and drive continuous improvement in Process, Product and Service. Changes are managed. Processes are designed to be flexible, to deal with central, regional and local variation.

How Do I Know My Processes Are Working Effectively?

All processes exist for a number of reasons. The first reason is primarily to deliver products and services to customers, whether they be internal or “real” customers.

Secondly, people need to know their accountability, authority and responsibilities for actions required to ensure the process works effectively.

Thirdly, people need to know **What** to do, **How** to do it, **When** to do it and **Where** to do it. In particular, those who are in control of the process (typically team leaders or managers) need to know how things are progressing. For this there is a need for measurement.

Processes are designed (or often emerge) to meet some objectives (sometimes stated, but more often assumed) and to know whether these objectives have been met, attributes of the process need to be measured. Typically these are associated with the following:

- **Cost/Value** (e.g. Materials, Manufacturing, etc)
- **Quality** (e.g. Pass/Defect rates)
- **Time** (e.g. Cycle times)
- **Quantity** (e.g. No processed)

By careful use of measures (where, when and how they are collected, analysed, reported and acted upon, process capability can be determined and used to control how effective the process is.

Other methods include the following:

- Internal and External Audits
- Self Assessments (e.g. EFQM)
- Customer & Supplier surveys

Principles And Steps Of Risk Management

The term Risk Management is not only applicable to economics. It is also applied to diverse disciplines such as psychology, social sciences, biology, systems analysis, operations research, decision theory, toxicology, engineering, and statistics, among others.

Risk Management is the process of gauging or assessing risk and developing strategies to manage it. Risk Management is the process of prioritising risk with the greatest loss and the greatest probability of occurrence. Risk that would have lower loss is handled later. Risk Management identifies a new type of risk, the kind wherein it has a 100% probability of occurring but continues to be ignored by the organisation due to lack of identification ability.

Another problem encountered in Risk Management is difficulty in allocating resources. Consequently, the ideal type of Risk Management is one that reduces the negative effects of risks.

Risk Management can cover almost anything, depending on the field of discipline. For bankers and financial officers, Risk Management may be the sophisticated use of techniques such as currency hedging and interest rate swaps. Hospital administrators think about quality assurance when they think about Risk Management. To safety professionals, Risk Management involves the reduction of accidents and injuries.

Before anyone can start Risk Management, a statement of risk must be made. Such statement must compose of a description of the loss and a description of the current conditions that may lead to a possible loss.

A sensible Risk Management is all about ensuring that workers and the public are properly protected. It enables innovation and learning. It provides overall benefit to society by balancing benefits and risk. A good Risk Management enables individuals within the organisation to understand that aside from the right of protection they too have to exercise responsibility.

Risk Management is not about generating lots of paperwork. It is not about reducing protection of people from risks that cause real harm and suffering. It is also not about scaring people by exaggerating trivial risks. It does not stop important recreational and learning activities for individuals where the risks are managed. Lastly, Risk Management does not aim to create a totally risk-free society.



Similar to all types of processes, Risk Management follows certain steps. The first step is to establish the context. Identifying the objectives or the basis upon which risks are being evaluated does this. The framework for the process and agenda for identification must be established. Lastly, analysis of the risk involved in the process must be developed. After the context has been identified, the next step is to identify potential risks. The chosen method of identifying risks would depend largely on culture, industry practice and compliance.

The next step is to create the plan, proposing applicable and effective controls for managing risks. The last two steps are implementation of the plan and review and evaluation of the plan. Chances are, the initial Risk Management plans would have imperfections. Review and evaluation allows for improvement of the plan.

What Is Business Continuity?

Business Continuity is the discipline that an organisation applies, in order to ensure continuity in the face of unforeseen or difficult circumstances. When applied to IT, this is often called Disaster Recovery.

The company, and more critically its Customers and Suppliers, can be affected by something going wrong that compromises the organisation's ability to deliver products and services to its' Customers and more fundamentally be able to survive should those difficult circumstances arise.

All organisations face business continuity risks.

80% of those with a tried and tested **Business Continuity Plan** are likely to survive a major business discontinuity; only 20% of those without a Business Continuity Plan are likely to survive. Over 90% of organisations that suffer a significant data loss are not in business two years later.

What is involved in Business Continuity?

Recognise that there are risks to the organisation and that these risks have been identified, the impact of them occurring has been understood and steps have been taken to address them, so that if they occur, the organisation is able to respond in a way that enables the business to survive.

The following can be considered to be the elements of any Business Continuity activity:

- Risk identification
- Risk Assessment
- Risk Ownership
- Mitigation (Prevention)
- Contingency Planning (Disaster Contingency Planning)
- Disaster Response Planning (Communication)
- Disaster Recovery Planning)

Harry Goldstein, East Coast Consulting Pty Ltd, P.O. Box 402, Belmont, NSW, 2280
Tel: 02 4945 2285 Fax: 02 4945 4228 Mobile: 0420 941 043
harry@yourvirtualboard.com.au www.yourvirtualboard.com.au

Don't waste time wishing for less competition - instead: Seek greater insight for your business!

Your Virtual Board
East Coast Consulting Pty Ltd