Improved Operational Efficiency through Process Excellence

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Senior Management Consultant

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Introduction
Keith Fournier  
MA, MBA, PMP, APMC, CMS, GISP  
Senior Management Consultant  

• 20 years of transformational management experience in Information Technology (IT), and Geographic Information Systems (GIS)  
• Proven technology leader and team builder directing implementations of multi-million dollar investments in enterprise applications and technology infrastructure  
• Experience in private and public sectors as a Chief Information Officer (CIO), IT Executive and Senior Consultant for Fortune 100 and 500 companies and state governments
About Verint

Customer Engagement Optimization

Fraud, Risk and Compliance

Security Intelligence

MORE THAN 80% of Fortune 100 companies count on Verint solutions

10,000+ Customers in over 150 Countries

4,300+ Verint professionals worldwide, plus a network of global partners

600+ Global patents and patent applications

Top 20% Member of the Global Software 500

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Why Major Oak?

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Business Process Excellence</th>
<th>Change Management</th>
<th>Project / Program Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Customer Experience Strategy</td>
<td>- Process Reengineering and Optimization</td>
<td>- Organizational Readiness Assessment</td>
<td>- Project Management</td>
</tr>
<tr>
<td>- Customer Engagement Optimization</td>
<td>- Performance Management</td>
<td>- Stakeholder and Communication Analysis</td>
<td>- Program Management</td>
</tr>
<tr>
<td>- Voice of the Customer</td>
<td>- Process Assessment</td>
<td>- Change Management Strategy</td>
<td>- PMO Standards and Setup</td>
</tr>
<tr>
<td>- Goal Alignment</td>
<td>- Center of Excellence</td>
<td>- Change Management Execution</td>
<td>- Project Management Training</td>
</tr>
<tr>
<td>- Journey Mapping</td>
<td>- Six Sigma and LEAN</td>
<td>- Talent Management</td>
<td></td>
</tr>
<tr>
<td>- Strategy Development</td>
<td>- Continuous Improvement</td>
<td>- Organizational Development</td>
<td></td>
</tr>
</tbody>
</table>
Agenda

✓ Introduction
  Process Excellence
  Project Highlights
  Case Study
  Quick Wins
  Best Practices
  Questions
Process Excellence
System Replacement Pre-Implementation Process

1. Strategy/Vision
2. Current and Future State BPM
3. Capability and Core Requirements
4. Guiding Principles/Goal Alignment
5. Document Expected Future Benefit
6. Procurement Process
Operational Issues

<table>
<thead>
<tr>
<th>People</th>
<th>Process</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lack of sharing best practices</td>
<td>• Too many handoffs / touches</td>
<td>• Outdated technology</td>
</tr>
<tr>
<td>• Minimal and/or inconsistent process adherence</td>
<td>• Improper / incorrect quality procedures</td>
<td>• Paper-centric processes</td>
</tr>
<tr>
<td>• Lack of cross-training between team members</td>
<td>• Rework / NVA time</td>
<td>• Utilizing programs outside the core system</td>
</tr>
<tr>
<td>• Inexperienced / underutilized managers</td>
<td>• Lack of Customer education</td>
<td>• Limited reporting options</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• System automation gaps</td>
</tr>
</tbody>
</table>
Performance Management Approach

**Discovery**
- Area Development
- Data Collection
- Define Activities
- Interviews

**Design**
- Activity Detail and Elements
- KPI/Metrics Assessment
- Side-by-Side Observations
- Management Operating System

**Implement**
- Productivity
- Training
- Improvement Projects
- Opportunity Analysis

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Process Excellence

Collaborating with your team, facilitating brainstorming sessions and performing the detailed analysis needed to get to the root cause of your business problems and to identify the innovative changes drives future success.

- Ensure the organization is operating efficiently as possible
- Maximize throughput and decrease the time to complete tasks
- Builds upon and improves existing processes and technology
- Identifies and immediately implements practical solutions
Process Excellence Methodology

Management Processes

Current State
• Discovery
• Interviews
• Observations
• Define Activities
• Current State Process Mapping

Future State
• Observation and Data Analysis
• Opportunity Identification
• Future State Process Mapping

Improvements
• Recommendations
• Final Report

Project Management
Identifying Operational Problems with Business Process Modeling (BPM)

- Discovery
- Interviews, Observations and DILOs
- Defining Activities
- Current State Process Mapping
- Data Analysis
- Opportunity Identification
- Capability Requirements
- Future State Visioning
Process Mapping First Steps

A current state map focuses on what **ACTUALLY** happens in a process. Process mapping starts with an understanding of the process details by asking the following questions:

<table>
<thead>
<tr>
<th>Current State Process Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What transactions are part of the process?</td>
</tr>
<tr>
<td>2. What are the specific tasks?</td>
</tr>
<tr>
<td>3. Who performs each task?</td>
</tr>
<tr>
<td>4. Who is the customer(s)?</td>
</tr>
<tr>
<td>5. Are there other stakeholders?</td>
</tr>
<tr>
<td>6. What are the decision points?</td>
</tr>
<tr>
<td>7. What systems are used?</td>
</tr>
</tbody>
</table>
Data Collection

Tools to capture process information and gain an understanding of the current state include:

- **Existing documentation**: always leverage any process documentation that already exists

- **Interviews**: one-on-one interviews with individuals who are managing, as well as performing the process

- **Observations / Walkthroughs**: watching a process or individual in action – can be transaction specific

- **Workshops**: targeted working sessions with a group of people involved in performing the process

- **DILOs** (“Day In The Life Of”): shadowing individuals for a full day to experience first hand how they handle the process

Tip: Use a mixture of these techniques
Process Mapping Workshop

- **Goal:** To attain a clear, agreed upon depiction of the current state process
- **Duration:** Depends on the complexity of the process, but typically schedule a half day if under 8 attendees and full day if 8 or more attendees
- **Attendees:** Include anyone that touches the process in the workshop
  - Inputters to the process
    - Process stakeholders – at least one person per stakeholder group
    - Individuals managing and performing the detailed process
    - Receivers of the output of the process (internal customers)
- **Facilitator:** The primary role of the facilitator is to engage the attendees to ensure everyone is involved. The facilitator should be a skilled facilitator with process mapping experience
  - It’s best when the facilitator is not connected to the process being mapped – so they remain unbiased by the discussion

*In our experience, there is always healthy discussion about what really happens in the current state*
Science and Art of Process Mapping

Future State Map

Current and Future State Characteristics

Root Cause Analysis
Key Workshop & Post Workshop Activities

Workshop Activities

- Have participants describe the process steps
- Ask the group for clarifications or comments
- Highlight areas of discussion
- Ask about the volumes / significance

Wrap up and Post Workshop Activities

- Thank everyone
- Roll up your draft map (brown “butcher” paper)
- Capture key takeaways or parking lot items
- Start drafting your current state process map
- Follow up on any open items or questions

Tip: Write on Post-its or brown paper:
- BU differences
- Process exceptions
- Manual steps
- Re-work
- Where errors occur
- Materiality

The true goal of the workshop is to identify all of the process steps – you’ll have time for validation and quantification later.
A process map without swim lanes is like a bike without pedals

The benefits of swim lanes are:
- You know who is responsible for each step in the process
- You can see how many people actually touch the process
- You can see back and forths between the same people
- You can see the hand-off points and where things could fall through the cracks

Tip: Setup a swimlane for every process participant
Key Process Map Elements

Roles

Customer Service Team

Activities

Call client and schedule kick off meeting (within 24 hours)

Timeframes

Tip: Don’t cross connector lines that link process steps

Tip: Include multiple views of timeline / cycle time

Key Notes

Permanent

For Product ABC, there are dedicated implementation and Customer Service teams.

Temporary

Insert correct acronym here
Issues and Opportunities

Once the current state has been mapped, it’s time to validate, analyze and add supporting detail to the map. Examples of current state analysis include:

- Validate the map with the core functional team
- Identify manual tasks that can be automated
- Identify any task that can be eliminated (non-value added)
- Quantification of activities, tasks and transactions
  - Cycle times
  - Volumes
  - Defects
  - Handoffs
  - Wait times
  - Costs
  - Timeframes
  - Process loops / rework

Tip: Review the draft map with core team to validate you got it right.
# Process Analysis: Activity Analysis

<table>
<thead>
<tr>
<th>Activities</th>
<th>Time (hrs)</th>
<th>Check</th>
<th>Transport</th>
<th>Operation</th>
<th>Wait</th>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email request in inbox</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare quote request</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Send to manager for review</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review quote for errors</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Take paper back to originator</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare paperwork for client</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Follow up client</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submit order</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Await confirmation of order</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>File confirmation</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| No. of tasks                             | 10         | 1     | 2         | 3         | 3    | 1       |
| Cycle time (hrs)                          | 16.5       | 1     | 1.5       | 4.5       | 9    | 0.5     |

67% of time spent on NVA activities

| %                                         | 100%       | 6%    | 9%        | 27%       | 55%  | 3%      |
Process Analysis: Resource variation

Variance due to: System navigation & processing techniques
Sample Completed Process Map
Process Map – Detail
Process Map Annotation

Improvement Projects

Key Volumes

Key Volumes
1,754 off-cycle checks issued Jan-May 2011

Issues / Opportunities

Issue / Opportunity
Opportunity for improved client communication and expectation setting

Best Practices

Best Practice
Client questionnaire

Advanced Technique: Color code activity boxes to highlight activity sub-characteristics (manual, fax, regulatory, etc.)
Process Map - Detail

Pre-Sales Impact Projects

- **Issue / Opportunity**
  - Opportunity for improved client communication and expectation setting

- **Improvement Project**
  - Customer "quick start" guide

- **Improvement Project**
  - Include PMS extract in contract

- **Improvement Project**
  - Implementation success criteria in contract

- **Improvement Project**
  - Redesigned client management process for onboarding and insp'n
Current State Process Mapping / Assessment

- Key findings from process stakeholder interviews, observations and report analysis
- Process map outlines and codifies process steps across stakeholder responsibility
- Key measurement data regarding process steps and bottom line impacts
- Targeted gap analysis based on industry best practices
- Identified barriers / issues and opportunities for process improvement and standardization
Capability Requirements must be determined before mapping your Future State Processes

Before mapping future state processes, it is important to understand the future direction of the business and obtain consensus from the Management Team regarding their expectations and business capabilities required to support the business in the future.

Key Questions:

- What capabilities do they have today?
- What capabilities do they need for the future state?
- What process, people and technologies are needed?
- What are the customer expectations at each key point of interaction with the business?
Determine expectations at each customer interaction point and the capabilities required to meet them.

Customer Contact / Key Interaction Points

1. Process A
2. Process B
3. Process C
4. Process D
5. ...
6. ...
n. Process ‘n’

Customer Expectations

Operational Capability Requirements

Organization’s Expectations
Future state mapping transforms from what actually happens to what should happen

A future state map focuses on what SHOULDN'T happen in a process by asking the following questions:

<table>
<thead>
<tr>
<th>Future State Process Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Who should perform each task?</td>
</tr>
<tr>
<td>2. What should be the specific tasks?</td>
</tr>
<tr>
<td>3. What should be the decision points?</td>
</tr>
<tr>
<td>4. Who is the customer(s)?</td>
</tr>
<tr>
<td>5. Who are the stakeholders?</td>
</tr>
<tr>
<td>6. How should we resolve the issues with the current process?</td>
</tr>
</tbody>
</table>
Future State Methodology

Start your ‘ideal’ state process map with one or all of the following techniques:

- Use your current state process maps and analysis to identify non-value add steps
- Re-sequence / amend the existing activities to streamline the process
  - Consolidate activities to one role where possible to minimize hand-offs
- Brainstorm fresh ideas from scratch (sticky notes!)
Process Optimization

Remove “Non-value Add” steps
Efforts Generate Future State Process Maps

**Current State**

**Future State**

**Key Differences:**
- Removed non value-add (NVA) activities
- Automated steps
- Consolidated activities
- Work moved to the appropriate role
Project Highlights
Situation

- State was preparing to replace its legacy architecture with a new system
- Needed to document the current processes so project owners and analysts can clearly understand the processes to effectively judge the efficiencies
- Needed to gain an understanding of the baseline set of features needed to support the business and serve as a comparison between a custom developed in house application vs. a COTS product

Solution

- Documented current state processes and identified 42 opportunities across Business Services, 24 of which were quick wins
- Created future state maps and identified 36 core requirements for a replacement system
- Developed a system replacement recommendation strategy, TCO estimate and created a roadmap for moving forward

Result

- We have completed the majority of the items that required no system changes and reduced cycle time and over-time dramatically.”

- Jason Grinstead
  SOS CIO

“Iowa Secretary of State
North Dakota Workforce Safety & Insurance

“As a result of our combined efforts, we are confidently moving toward our goals to implement a new enterprise system.”
- Clare Carlson
  Deputy Director

Situation

- A rapidly growing economy with significant increase in the number of companies and employees, thereby increasing the number of policies and claims needing to be processed.
- Lack of documentation for current state processes and clearly articulated future state objectives.
- Needed to perform and objective evaluation of various options to replace their core business system.

Solution

- Perform a Business Process Modeling (BPM) engagement and System Replacement Analysis to define current and future state processes and provide a recommendation for a new core system

Result

- Created current state maps to document processes and future state maps to enable a vision for near term and long term system upgrades
- Identified 100 opportunities for improvement and categorized in terms of timing and impact
- Formed a cross functional continuous improvement team
- Identified a system replacement option and completed a TCO analysis
North Dakota SOS
Case Study
ND Secretary of State

Situation

- SOS had made limited upgrades to its computer system during the many years since initial deployment
- Lack of well documented current state processes or a vision for the future state
- Had a significant backlog of applications and filings due to the outdated system and paper centric processes
- System was becoming difficult to support and was unable to provide the flexibility and functionality desired by their staff and clients

Solution

- Created 8 current and future state process maps and facilitate future state visioning sessions
- Develop and implement an action plan to reduce backlog
- Provided technical system comparison and options analysis through peer and market research

Result

- Created 8 current and future state process maps
- Identified 60 improvement projects in terms of impact and timeline
- Identified 67 core requirements and delivered a 5 year Total Cost of Ownership (TCO) estimate with implementation roadmap
## Our Approach

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Analyze current state end-to-end business process</td>
<td>Develop a desired state vision and define processes</td>
<td>Define core system requirements and future replacement strategy</td>
</tr>
</tbody>
</table>
| **Activities** | • Project initiation  
• Discovery  
• Stakeholder interviews and analysis  
• Define activities  
• Current state mapping sessions  
• Opportunity identification | • Identify and define capability requirements  
• Desired state brainstorming and visioning sessions  
• Gap analysis  
• Identify improvement projects | • Goal alignment and guiding principles  
• Identification of core requirements  
• Future system strategy  
• Vendor evaluation  
• System replacement roadmap | • Create the final RFP documentation and identify vendors  
• Review responses and questions to RFP  
• Review proposals, conduct site visits, negotiate pricing and finalize contract |
| **Deliverables** | 1. Opportunity List  
2. Current State Process Maps  
3. Current State Report | 1. Improvement Project List  
2. Desired State Process Maps  
3. Future State Report | 1. List of Core Requirements  
2. System Strategy Report | 1. Final RFP  
2. Vendor Response Period Report  
3. Final Report |
| **Weeks of Effort** | 5-8 | 5-8 | 3-8 (overlaps with Phase 2) | 12-16 (overlaps with Phase 3) |
Project Startup

Initiation Activities

- Review SOW, Confirm Deliverables and Timeline
- Establish Communication Plan
- Identifying Departments
- Confirm Project Processes
- Identify Project Staff
- Schedule Interview
- Review Existing Research
- Perform Project Kick Off Meeting
- Educate Team
Current State Process Mapping

Review current transactional data, perform and summarize interviews, conduct current state sessions and develop maps, and identify issues/opportunities
Future State Process Maps

Capture future state capability requirements, conduct future state visioning sessions, develop future state process maps, and summarize with Key Themes.
System Replacement Strategy

Develop core system requirements, perform peer and vendor research, conduct goal alignment activity, create guiding principles, generate estimated project budget/TCO, and provide project roadmap.
System Procurement Support

Establish requirements, create RFP package, facilitate vendor questions, initial vendor submission analysis, vendors financial analysis, sandbox sessions and reference review, and BAFO
Quick Wins
Quick Wins

North Dakota SOS Office

Business registration turnaround improvements made

October 09, 2015 4:45 pm • By Nick Smith

“… reduced the backlog of business registrations from four weeks for completion to one week.”

“…process business registrations has recently dropped to its lowest level since 2010.”

“…lowered the turnaround time for business registrations to the one-week range, the lowest it’s been since 2010-11.”

Jaeger said, “[Major Oak Consulting] worked over the summer months on a modeling study for the department’s long-delayed technology project that will create an online filing system for business registrations. As a result of that work, Jaeger said the department was given pointers to improve office efficiency.”

<table>
<thead>
<tr>
<th>Department</th>
<th># of backlogged documents (as of 6/1)</th>
<th># of backlogged documents (as of 8/24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Information</td>
<td>18,932</td>
<td>4,349</td>
</tr>
<tr>
<td>Business Registration</td>
<td>1,987</td>
<td>450</td>
</tr>
</tbody>
</table>
Quick Wins

Iowa SOS Office

Identified 24 “Quick Wins” being non-system improvement projects and presented to entire leadership team at the commencement of the engagement. Secretary Pate immediately looked at his staff as asked, “When will these improvements be completed?”

His team immediately started working on implementing the identified improvement and moved toward the future state, eliminated non-value add processes, and improved workflow efficiencies.

<table>
<thead>
<tr>
<th>Activities</th>
<th>May 2015</th>
<th>May 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Filings</td>
<td>10 business days</td>
<td>1 business day</td>
</tr>
<tr>
<td>Corp Verify</td>
<td>16 business days</td>
<td>1 business day</td>
</tr>
<tr>
<td>Misc. Filings Verify</td>
<td>14 business days</td>
<td>1 business day</td>
</tr>
<tr>
<td>Reinstatement Verify</td>
<td>18 business days</td>
<td>2 business days</td>
</tr>
<tr>
<td>Reinstatements</td>
<td>30 business days</td>
<td>16 business days</td>
</tr>
<tr>
<td>Cash Register Corp</td>
<td>14 business days</td>
<td>Current (less than 1 day)</td>
</tr>
<tr>
<td>Cash Register Misc. Filings</td>
<td>15 business days</td>
<td>Current (less than 1 day)</td>
</tr>
<tr>
<td>Tax Clearance Letters IWD</td>
<td>10 business days</td>
<td>Current (less than 3 days)</td>
</tr>
<tr>
<td>Tax Clearance Letters Revenue</td>
<td>7 business days</td>
<td>Current (less than 3 days)</td>
</tr>
<tr>
<td>Total Walk-Ins per week</td>
<td>135</td>
<td>171</td>
</tr>
<tr>
<td>Total OT hours</td>
<td>287</td>
<td>None</td>
</tr>
</tbody>
</table>
Process Mapping Best Practices

1. The people doing the work are **the best source** of realistic data
   - They are the ‘factual’ authorities on that work – treat them with respect
   - To get the ‘real story’, remove “bosses” from room during process mapping

2. Generalities are the enemy of good process maps - push for specifics

3. Gather data with multiple approaches - explanation and demonstration

4. Quantify as much as possible – quantification = relevance

5. Validate the process map – multiple times if necessary

6. Swim lanes make the map much more relevant

7. Capture process exceptions, but don’t map them

8. Real test is if the process map is vouched for by those doing the work

9. Break the process down into sub-processes wherever possible

10. The timeline tells a whole story in itself

11. Use flags, notes, colors and other visuals in your process maps
Questions
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Thank You