

# Processes - "the bigger they are, the harder they fall" (transcript)

Contributor: [Andrew Spanyi](#)

Posted: on 04/03/2014

[http://www.processexcellencenetwork.com/business-process-management-bpm/articles/processes-the-bigger-they-are-the-harder-they-fall/?utm\\_source=23052.001&utm\\_medium=email&utm\\_campaign=PEX+Newsletter+3+April&utm\\_term=Newsletter&utm\\_content=3April&utm\\_c=SSIQ0982685&disc=](http://www.processexcellencenetwork.com/business-process-management-bpm/articles/processes-the-bigger-they-are-the-harder-they-fall/?utm_source=23052.001&utm_medium=email&utm_campaign=PEX+Newsletter+3+April&utm_term=Newsletter&utm_content=3April&utm_c=SSIQ0982685&disc=)



**Rate this Interview: (5.0 Stars | 62 Votes)**

Tags: [process improvement](#) | [end to end process](#) | [Andrew Spanyi](#) | [enterprise process](#) | [big process](#) | [Process Management](#)

Conventional wisdom says that "the bigger they are the harder they fall". And while this was usually something our mothers have told us when we were getting picked on at school it also seems to be true of process projects. The bigger the process you're trying to improve the more likely you'll fail, with some studies claiming up to 70% of large process initiatives fail. So why is this?

In this interview, Andrew Spanyi, author and consultant in process improvement, talks about the potential pitfalls of doing process improvement on a large scale and what you can do to avoid them.

*Editor's note: this is a transcript of a recent podcast. It has been edited for readability. Listen to the original interview [here](#).*

**PEX Network:** You once wrote that most companies are quite good at improving performance through small, focused improvement projects. Yet they struggle with the bigger processes which, some may argue, where the bigger gains really are to be had. So besides the obvious answer that it's just more complex to improve a bigger process such as order fulfilment, why is it that companies struggle to make sustainable improvements to these larger enterprise processes?

**Andrew Spanyi:** First of all, I think that companies struggle with many types of large projects, not just large process improvement projects.

For example, companies struggle with large IT projects such as ERP implementations where it has been reported that about 65% of such projects are either late or over budget. And this also

holds true for large construction projects or so-called mega projects often costing over a billion dollars where the failure rate is similarly around 65%.

So it's no surprise that we have that kind of performance when it comes to large, complex, cross-functional process improvement or process re-engineering projects.

I think there are several reasons. First, I think many leaders view the business in a functional or departmental context and with a traditional bias. So companies often deploy methods such as Six Sigma and Lean Six Sigma according to a functional or departmental paradigm and they focus on incremental improvements within departmental boundaries.

While that's all right and sometimes even needed, it makes it difficult for executives to acquire the skillset needed to lead process change and overcome implementation obstacles with larger projects.

Next, when larger, cross-functional projects are launched, the projects are structured in such a way that there's a hand-off from the team that does the upfront analysis and design to another team that is tasked with the implementation of the design. When this happens it can be quite problematic.

The third and final point I'll mention is that the leadership team often does not have a shared view of the organization as a system of inter-connected business processes. So it becomes difficult to pick the right end to end process that's most likely to produce the biggest benefits.

And even though business is perhaps the most demanding of team sports, senior management groups are rarely teams and they typically don't have a process playbook. They also don't practice or role-play as a senior management team on how the organization performs for customers with key processes like order delivery or order fulfilment, responding to customer enquiries or complaints and developing new products and services.

The fact is that senior management often doesn't fully understand the flow of activities across departmental boundaries. If they did we might see more success with large, cross-functional process improvement projects.

**PEX Network: I wonder if we could delve a little bit more into this role of senior leadership. How do you get leadership to cut through all the competing priorities and really focus in on what is actually important?**

**Andrew Spanyi:** I think that lack of committed leadership is typically one of the biggest barriers. It's really hard to overcome.

But executives and senior managers who want to get better at leading process improvement projects can benefit by taking action in at least three areas. First, I think it's important that they measure what matters to customers.

Then, it's important to develop a shared understanding of a process-based view of performance.

Third, they would benefit by conducting end to end process reviews.

Measuring what matters to customers requires that executives look at the business from the customer's point of view or the outside in. They need to measure the things that are important to customers: on time delivery, complete error-free performance, first-time right responses to enquiries and complaints, and so on.

Then, in order to develop a shared understanding of the process view of performance at the organizational level, I think it's really important for leaders or senior executives to be personally involved in developing a set of one-page schematics of the critical few processes that create value for the company and its customers.

This is in contrast to what happens in many instances. Usually a small group of process professionals put together these schematics and try to sell them to the leadership team. Instead, I think it's important that the executive team be involved in the creation of these pictures because that creates involvement and ownership and a better understanding of how activities flow across departmental boundaries.

Finally, conducting end to end process reviews at the senior management team level, especially for a customer touching the business processes, can be a powerful way to shift leadership attention from a traditional paradigm to a customer focused, process based paradigm.

**PEX Network: Getting back to some of the other points that you were making about some of the stumbling blocks to improving bigger processes, what would you recommend to companies that find themselves encountering some of these obstacles?**

**Andrew Spanyi:** There's actually quite a lot that can be recommended. I would focus on three or four things that companies may wish to consider if they want to get better at executing process improvements and avoiding some of the obstacles.

The first thing that's important is creating strategic alignment. By this I mean gaining clarity on which of our end to end business processes need to be improved and by how much for us to achieve our strategic objectives?

This involves defining the six to 12 enterprise level processes and then estimating the size of the gap between current and desired performance and then reaching agreement on the two or three most critical areas to take action.

The second thing that's really important is creating a governance framework. The right form of governance – meaning the right structures, metrics, roles and responsibilities to improve and manage the performance of the firm's end to end business processes. It's pretty important to success and when there's a lack of attention to process based governance it will be challenging to overcome implementation obstacles.

The third area that executives need to develop is improved skills for leading process change, with a special focus on creating a compelling case for change and paying attention to the right pacing.

Creating the compelling case for change is the foundational first step in arranging organizational performance improvement. A compelling case for change is generally built on either an imminent threat or a perceived major opportunity.

The best test of a compelling case for change is whether people step forward as willing followers and whether they are motivated to act with urgency.

Executives and middle managers need to understand the point of change and to agree with it. That's why the case for change needs to tell a compelling story that speaks to both the head and heart.

The right pacing is also essential. Leaders need to be vigilant of the pitfall where project teams dive into too much detail too soon in the early stages of an improvement project in terms of the time and effort needed for modelling and measurement.

Similarly, it's important for leaders to look for ways to maintain momentum by way of early wins. These early wins are typically related to outdated policies or eliminating obvious non-value-added activities or hand-offs.

Generally these early wins can be implemented in a month or less and they are essential to maintaining momentum.

There are other stumbling blocks, of course, but I think alignment, governance and leading change can make a big difference.

**PEX Network: It really sounds like this is a new approach to management in general. As a process professional, how can you get your senior leadership on board with this?**

**Andrew Spanyi:** I think it really starts when at least one senior manager who is well respected by his or her peers begins to subscribe to a set of basic beliefs.

A few examples of these basic beliefs might be that the performance of shareholders is best served when the company performs to fully satisfy the needs of its customers. Another basic belief might be the belief that it's critical to measure what matters to customers and look at performance from the outside in. A third might be that process improvement must first be led before it can be executed and managed.

It really starts with one senior leader who subscribes to these beliefs and then sponsors a mid-sized process improvement project that's executed with success and demonstrates to the organization how rapidly and effectively results can be obtained for both customers and the company.

It's also really important for the CEO to get on board really quickly. While enterprise-wide process improvement rarely starts with the CEO, unless the CEO gets on board quickly these improvements typically don't have a long shelf life.

Then, of course, we get into the issues that we've already discussed about the importance of process based governance.

**PEX Network: My final question is a more general one. You've been in the business process improvement game for a while now - what are the big changes that you've seen during that time and what are the things equally that you've seen just keep coming up again and again?**

**Andrew Spanyi:** The biggest changes I've seen in the last three decades in my experience with process improvement and management are related to the codification of improvement methods such as Six Sigma and Lean Six Sigma and the evolution of technology enabled business process management.

Frankly, I find it disappointing that there has not been more integration among the various improvement methods with a greater awareness of using the right tool for the right job.

Instead of integration we have seen increasing fragmentation. Instead of the ability to executive process improvement projects more rapidly we have seen that it takes longer to execute process improvement projects.

In terms of things that just keep coming up again and again, one item that seems to come up all the time is that companies continue to launch more projects than they can ever hope to successfully execute. Another recurring item is shifting priorities. A third is the continuation of a short-term focus, arguably driven by the stock markets for public companies.

These items seem to continually re-occur.

Finally, companies continue to struggle with one thing that's really important: they continue to struggle with anchoring new behaviors in the organization's culture, such that continually improving and managing business processes becomes the way we do things around here. Once that is overcome I think we'll see much more success.