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WorkflowDYNAMICS
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Document Flow ROI

The Challenge

Today, the use of the word "solution" in the office is commonplace. The dictionary tells us it is "the method or process of solving a problem." What is the "method or process" to use? The answer lies in another term used with growing frequency — "document workflow" or “document workflow analysis” (Hoskins, 2004).

Document workflow analysis helps organizations solve such common workflow-related problems such as process inefficiencies, high production costs, inefficient management of output devices and poor records management. Good document workflow analysis assists organizations in identifying the most cost effective and efficient means of producing, handling and retaining documents.

Leadership within an organization has the responsibility to create an opportunity for new models which support continuous learning and as Deming (1986) has noted, “help people do a better job with less effort.” Organizations must educate their staff on the value of document workflow analysis before subscribing to a technical solution, and make it part of how they operate on a day-to-day basis.

Beginning the Journey

Many organizations lack any awareness even at the most basic level of their document workflow processes; they do not know the full scope of their total document production, handling and retention. This is particularly true in mid- to large-size businesses, where document workflow is not always monitored.

For example, a common practice among departments and individuals is to sometimes purchase their own equipment. A new color laser printer that sells for under $600 can easily be charged on a credit card and, if proper controls are not in place, new printers can show up all over the place and no one has visibility or control. Another example is the production of multiple forms created within the "silo" of a department but containing common customer information.

While many organizations may not know the full scope of their document workflow and infrastructure, they are interested in gaining control of the associated costs. Most businesses control expenses such as travel and entertainment costs, plant and material costs, and the costs of human capital, but one cost they have trouble controlling is document production, handling and retention.

One route to consider is quality management. Quality is a journey and each organization must find its own path. For those who have been traveling this path, it is clear that a change in perspective is central. Creative re-invention of how documents are produced, managed and retained is part of the commitment to quality. To begin, one must understand the current blueprint of the document workflow processes, and how the existing structure and procedures are impacting the core business from a cost and workflow perspective.

To establish a clear path for organizations to use in their quest to achieve excellence, Continuous Quality Improvement (CQI), is an approach that actively involves staff at all levels of an organization in understanding problems and the processes of work that

underlie them. This includes collecting and analyzing data on those processes, generating and testing hypotheses about the causes of problems, and designing, testing, implementing, and evaluating solutions. This approach goes beyond ensuring that minimum standards are met to focus on how an organization can continually do better at meeting and exceeding the needs and expectations of its customers. CQI focuses on systems-level change, rather than finding fault or placing blame on individuals. Systematic improvements in service quality result from identifying and implementing the processes that support the delivery of the highest quality of service by all individuals throughout an organization.

The most immediate question may be: "What, exactly, is involved in conducting document workflow analyses?" While the answers may vary somewhat, a concise explanation is: *It is about understanding the organization, how they do business and their costs of doing business as it relates to document workflow processes.*

To pilot this concept within an organization, a systematic problem solving approach to improving efficiency, within a quality framework should be chosen. For purposes of this discussion, we will refer to Workflow Dynamics, Inc.'s exclusive **IDEAS...the program for change**® methodology.

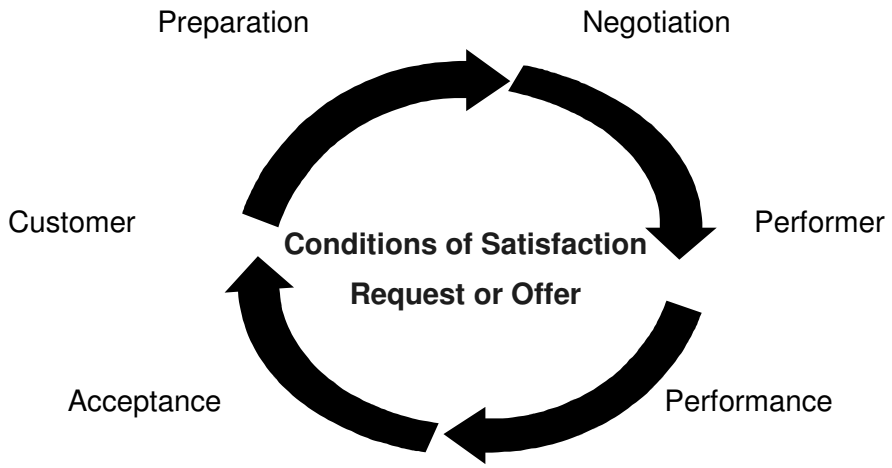
The Procedure

A document workflow analysis advisory team should be formed to discuss the focus and phases of the study, and provide feedback on achieving organizational participation and buy-in.

In the study, the existing workflow processes should be mapped in order to have a clear, agreed upon picture of the current state.

The **IDEAS** process utilizes four key techniques as the foundation for a solid methodology: *participatory design*, the *Human Interaction Model*, also known as the Atom of Work and Conversation for Action (Harris & Taylor, 1997), *workflow mapping*, also referred to as Coordination Mapping and Action Workflow (Harris & Taylor, 1997), which are methods recommended by the Center for Quality of Management, along with a series of *assessments* of workflow, workplace and workforce. Combined these techniques provide a rigorous, customer-focused framework for the analysis and design of work processes, and are rooted in the idea of design as a social process, rather than a technical process.

Participatory design aims to address organizational issues and create a shared understanding and knowledge among the individuals who do the work: the process participants. Process participants are typically the people that interact in the process and are most familiar with how the work actually is done, how documents are produced and how they are managed. There often is a gap between management's understanding of the process and the way the process really happens. Participatory design explicitly creates opportunities for process participants to come together for collaboration and negotiated decision-making as it relates to the current and future state of the process.



The *Human Interaction Model* illustrates the interactions between a customer and a performer. Customer means the person who makes a request or receives an offer...nothing more. The performer (or supplier or provider) is the person who makes an offer or to whom a request is made. Customers or performers may be inside or outside of the organization. The request or offer needs to articulate the conditions of satisfaction, which often include requirements and deliverables. If the conditions of satisfaction are not clear and, subsequently, expectations are not managed, the wrong work is often performed and the customer will not be satisfied.

In *workflow mapping*, each interaction is visually represented by a workflow loop (see above). Each coordinating interaction between a customer and a performer moves through four phases – (1) preparation which leads to the making of a request or offer, (2) negotiation and agreement about the request or offer (or failure to do so), (3) performance of the work requested or offered and determination that the work is complete; and (4) assessment of the work and a declaration of satisfaction or dissatisfaction. The

interdependencies among interactions are represented by links drawn between the interaction loops, with the triggers indicated by where the link is connected to the loop.

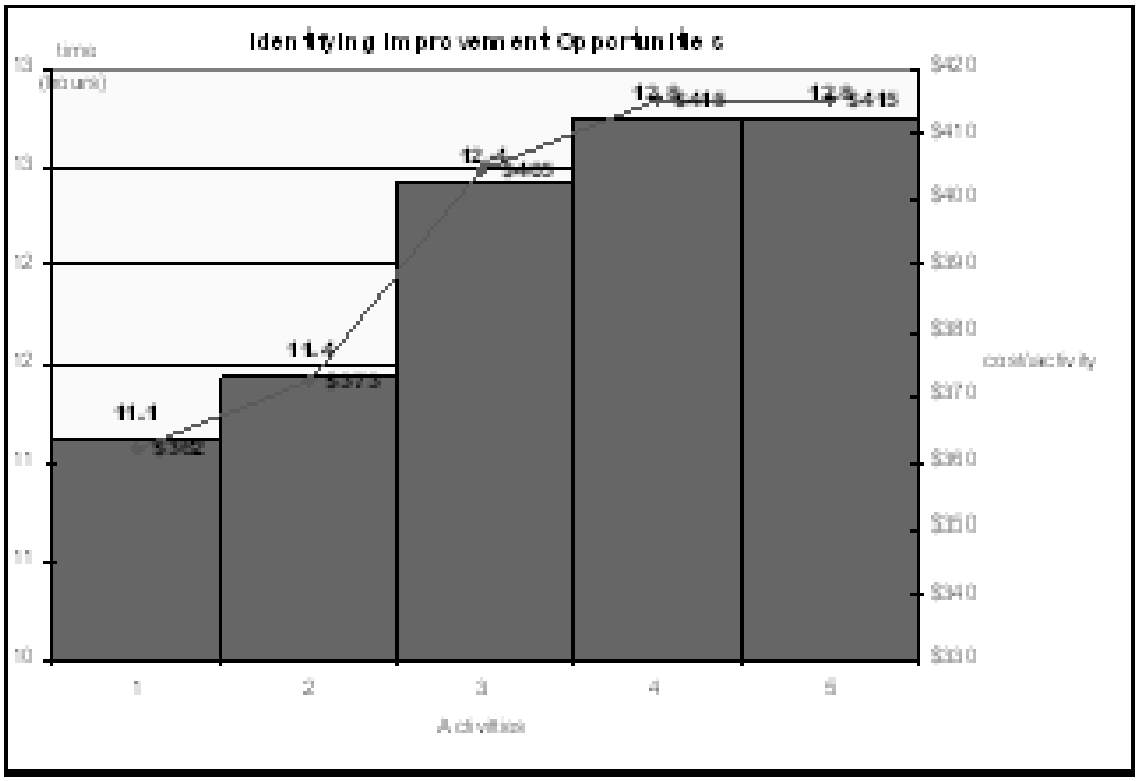
As the interactions are mapped for a current process, what works well and not so well is identified and categorized in recognized patterns of strengths and weaknesses. In addition, required documents to be produced should be noted for each interaction. This way you will not only improve the document workflow but the human workflow process as well.

Workflow *assessments* are used to calculate the value and/or cost of the document workflow process so that an organization knows the total expense resulting from their document production, handling and retention. **IQ Mining**™ creates a workflow inventory of daily activities, to quickly analyze your Interaction Quotient by determining whether the work is value added, non-value added or waste, how much does it cost, how long does it take, internal failure costs and external failure costs. Once the workflow data is gathered, you can quickly analyze and predict ROI by determining:

- Whether the work is value added, non-value added or waste
- How much does it cost
- How long does it take
- Where does the work need to be performed
- When does it need to be done
- Is the right person doing the work

- Are the right documents being produced
- Can it be done differently
- Do you need to do the work or produce the documents at all
- Internal failure costs
- External failure costs

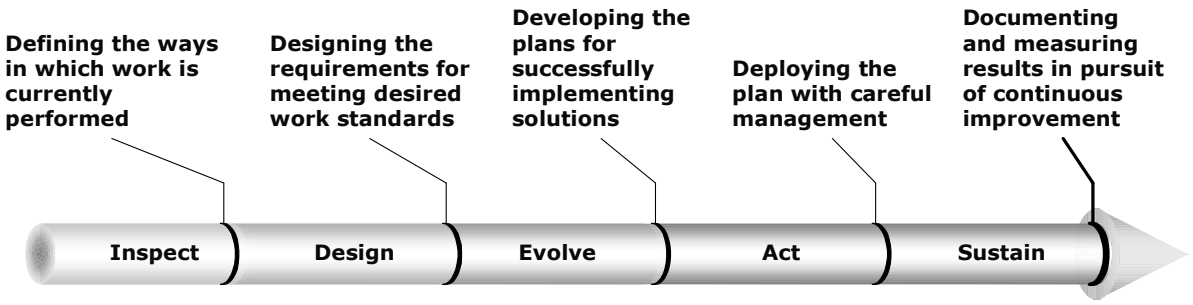
Below is an illustration of an IQ Mining analysis:



This tool can be used to continually measure the effectiveness of a workflow process long term and ensure continuous quality improvement.

Now to the process or methodology used – or getting to the solution – **IDEAS**. Imagine combining these four objectives: (1) a systematic and organized method for gaining insight into the business , (2) integrating several analyses into one, (3) a framework to design a new way of working, put changes into action and manage change, and (4) the ability to continually view, tweak, nudge, and prod business processes, in order to optimize efficiencies, sustain improvement, and continue to grow.

IDEAS is a five step discipline – **I**nspect, **D**esign, **E**volve, **A**ct and **S**ustain – which provides a systematic problem solving approach to improving efficiency, within a quality framework, through the examination of workflow, workplace and workforce.



Inspect: *Defining the ways in which work is currently performed.* From information gained through surveys, interviews, group sessions and Voice of the Customer, the opportunities for improvement are found. A shared need for change is instilled within the

company through data, demonstration and diagnosis. The desired outcome becomes clear, legitimate, and widely understood and shared.

Design: *Designing the requirements for meeting desired work standards.* Gaps between current and desired performance are identified along with root causes. The opportunities to solve problems are prioritized and quantified. This step involves the generation, selection and design of improvements to fix the problems and prevent them from recurring.

Evolve: *Developing the plans for successfully implementing solutions.* A strong commitment from key constituents is needed to invest in the change, make it work, and get the management attention needed. The communication plan to gain support for change and overcome resistance to it is put in place, along with plans to implement.

Act: *Deploying the plan with careful management.* Once change is started, it endures. Information and learnings are shared throughout the organization as implementation progresses. Early wins are encouraged and celebrated. Systems are put in place to ensure that the process improvements, once implemented, will take hold, rather than revert to old practices.

Sustain: *Documenting and measuring results in pursuit of continuous improvement.* Progress is monitored, benchmarks are set, and indicators and measures are in place to make certain that the improvements take hold.

The methods and processes described above combine to satisfy the CQI focus on systems-level change, rather than finding fault or placing blame on individuals, and instill a culture of quality.

The Study

The appropriate process participants for the study are invited to participate. These participants should be representative of all stakeholders in the document workflow process. For instance, "process owners" — those individuals who understand the processes that are being analyzed and departmental managers are important contributors and become some of the process participants.

The process participants may identify up to three document workflow processes for analysis. Process participants should identify critical success factors for the study as well as possible barriers or constraints that might impede progress. This allows them to measure success at the end of the study.

During the **Inspect** phase of the study, small groups of people and individuals designated as having knowledge about the processes under review – the process participants – meet to begin mapping out the workflow processes selected using the techniques previously described. Each process is validated in a second meeting of the same group to ensure accuracy in the mapping. Workflow “as-is” blueprints are created and categorized to indicate areas of strength and weakness in each of the workflow processes.

Recommendations for critical process improvement opportunities are summarized, along with a list of "low hanging fruit". At this stage the document workflow analysis, with particular emphasis on the costs and value begins to take shape. Emphasizing the level of detail that is involved in analyzing document workflow, a typical line of questioning that may be asked regarding certain types of documents includes: What are you doing with these documents? Where are you sending them? Who creates them? Who touches them? Where do they originate? Where do they end up? How are they accessed later? Are you keeping them onsite? Or, are you filing them in some warehouse where it takes two days to find them when you need them? Are they documents you never need? Or, are they something you are accessing on a daily basis? How many people touch these documents? Do you route them? Who are you distributing them to? How many times is the same bit of information being entered onto each document?

The actual costs and value associated with the existing workflow processes can then be calculated utilizing **IQ Mining**.

Process participants are then challenged to define new conditions of satisfaction, or how should the customer experience and levels of service be defined. Once these new conditions of satisfaction are agreed to, the new workflow **Design** begins to materialize.

Opportunities to use technology to improve document workflow processes will become evident, since documents are pretty much at the heart of every process. Process participants will be able to identify a number of costs, such as the cost of the regular, internal distribution of a certain type of document, e.g. mailroom distribution costs, so

that return on investment in new technology can be calculated. It's not uncommon to realize savings of 30 to 40 percent, or an end result of about $350 a year per person in year one, with continuing cost savings opportunity after that.

New roles, accountabilities and business rules quickly take shape. Concurrently, the "low hanging fruit" opportunities are implemented to maintain momentum and show progress.

Next, during the **Evolve** phase, plans are made to implement the agreed upon solution. These plans include not only the implementation plan but how to communicate the new document workflow process to all stakeholders. Implementation may also include plans for making purchases of software or technology to enable the solution, or outsourcing production, output and retention altogether.

Changing old workflow processes is not easy. As you begin to **Act** on the plans, some participants balk at the changes. However, since you have participation in the process from the beginning it is much easier to steer everyone back on course. In addition, all stakeholders begin to see the effect on their day-to-day work. During this phase, it is important to celebrate successes along the way to maintain enthusiasm and momentum as this is typically the longest phase of the 5-step process.

Finally to **Sustain** results, the workflow design is audited, and implementation and communication plans are reviewed. As a result, new job descriptions may be developed for new roles identified during the Design phase, and implementation plans are adjusted and reinstituted.

With the commitment, tools and right personnel, an investment in document workflow analysis can pay great dividends.

Summary

Some of the document-related processes may currently involve manual tasks that could be handled through technology. A lot of organizations are realizing today, more than ever before, the opportunity to use technology to enable document flow and workflow processes. This is true because documents are pretty much at the heart of every process.

Document workflow analysis can help determine areas where technology can replace a manual task. In addition, you will be able to identify a number of costs not associated with the use of current equipment, such as internal costs of a certain type of document. For example, a report or invoice being sent out once a week via FedEx from one location to another at the rate of $25 can easily demonstrate the savings of using e-mail to accomplish the same task. That's a process, or workflow, that exists today that can be done electronically. There is a hard cost to that process that, on a go-forward basis, is zero, since you've eliminated the FedEx.

Another often overlooked internal cost is the cost to enter the same data repeatedly. Using software and technology, information is more easily managed, redundancy is reduced or eliminated, and documents are better managed.

While these examples could apply in virtually any business or industry, there are many document workflow applications that are particularly appropriate for your organization for multiple workflow processes. With that in mind, once your document workflow team

completes its document workflow analysis, many other opportunities for improvement will become clear.

For instance, some customer contact management applications can easily cross over to manage employee data and contacts for certain H.R. processes.

System Impact

Using this method provides the organization with a tool to realize gains in cost control and quality by achieving customer focus and increasing participation among the workforce. Hidden benefits include trust-building, accountability and ownership of the process. In addition, this method enables the discovery of (1) multiple, vague or conflicting goals, (2) commonalities that point to root cause, (3) the discovery of who the customer really is and, (4) identification of unclear conditions of satisfaction.

A document workflow analysis provides a model for continuing the study of workflow processes and identifying areas of improvement to improve efficiencies, control costs and recognize organizational effectiveness – in other words, "help people do a better job with less effort."

Plans can be put in place to train staff to continue these efforts using the methods and tools contained in **IDEAS**.

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