The BPM Cookbook

SUMMARY

INTRODUCTION

You can only improve what you can manage, you can only manage what you can assess and you can only assess what you truly know how to execute.

Without understanding the daily processes of a company, it is virtually impossible to implement changes and make improvements in an organized, manageable and predictable manner.

WHAT IS BPM?

BPM is an abbreviation for Business Process Management, a field that focuses on the improvement of business performance by managing and optimizing a company's business processes.

In order to achieve this goal, specialized software is used with the sole purpose of systemizing and facilitating individual complex internal and external organizational processes. BPM's aim is providing pertinent information about how processes are executed concerned with making the workflow more efficient, effective and adaptable in an ever changing environment.

The definition of BPM according to the **BPM CBOK (Common Body of Knowledge) Guide.**

"Business Process Management or BPM – Business Process Modeling is a disciplined approach to identify, draw (or design), execute, measure, monitor and control business processes, automated or otherwise, to achieve consistency and results aligned with strategic organizational objectives. It also involves technological help and other ways to add value, improvements, innovations and management of end-to-end processes, leading to improved organizational performance and business results. "(2009)

The difference between business functions and business processes

Even though business functions and business processes are similar concepts they often raise questions, as both are "things that a company does". Their differences are:

• Processes are **crossfunctional – or horizontal** – as they cut across several functional barriers within the organization, eg: business improvement, increased sales and hiring employees;

• Functions, which together describe the mission of the company, **are vertical** , eg: logistics, sales, accounting, etc.

THE MAIN BENEFITS OF BPM

Main benefits of BPM

- Transparency in all process stages.
- Greater administrative control.
- Increased process efficiency / productivity.
- Cost reduction.
- Process automation and evidences generation.
- Increased flexibility and adaptability to change.
- Increased customer satisfaction.

How does process quality increase customer satisfaction?

Customer satisfaction is not only the result of the product or service compliancy with the technical specifications. Factors like deadlines, punctuality in delivery, payment conditions, pre and post-sales support, flexibility, etc., have a lot of influence on customer happiness.

Who is responsible for the process quality in a company?

This is a story about four people named Everybody, Somebody, Anybody and Nobody. There was an important job to be done and Everybody was sure that Somebody would do it. Anybody could have done it, but Nobody did it. Somebody got angry about that, because it was Everybody's job. Everybody thought Anybody could do it, but Nobody realized that Everybody wouldn't do it. It ended up that Everybody blamed Somebody when Nobody did what Anybody could have.

You don't want your company ending up telling this same story, do you?

The **management process** is a fundamental tool to improve **process quality** and services provided. With process automation it is possible to promote openness, to define responsibilities among the people involved, to standardize communication, to monitor activities and to act proactively consequently improving the quality of services rendered.

THE MAIN BENEFITS OF BPM

Examples of benefits from using a BPM software

In the short term, BPM software helps organizations increase efficiency and decrease costs. This can mean more growth and revenue for companies, as well as increased speed, organization, and efficiency for government agencies. In the long run, BPM helps create competitive advantage by improving organizational agility. Below are some specific benefits of the implementation of software specially designed for business process improvement:

Communication enhancement
BPM decreases the number of e-mails sent between staff and departments. With interactive software available to all areas **everyone can see and share information being sure that it is not going to be lost in a mailbox.**
With BPM, improved handoffs increase the performance of processes and help to avoid a loss of information (a handoff occurs in a process when responsibility for the next activity is passed from one person to another).

Monitoring and visualization of processes
With process modeling it is much easier to follow the process and check for bottlenecks and improvement points. A clear diagram shows each and every step of the process thus optimization is continuous.

Cutting costs / Cost reduction
Duplicated actions are easily spotted and unnecessary tasks are dropped as a result of extreme organization and visualization. **Efficient and intelligent resources are allocated which make processes work better in turn spending less.** Large companies can save millions of dollars with the use of business process improvement software.

Control
All processes and steps are monitored thus ensuring they are followed correctly, always improved and executed in the best way possible.

People, Process and Technology

"Management initiatives are supported by technology, people and processes." **Davenport**

People need to understand the processes, both to perform them properly and to execute them, as to be able to improve them continuously. Likewise, they must choose the appropriate **technology** to support them.

In doing so, people turn information, data and experiences into knowledge that can be disseminated within the organization thus turning it into an asset that must be preserved.

Achieving a balance of these elements is no easy task. Large organizations capable of attaining this often develop adequate knowledge management through a continuous process of learning and refinement of systematic thinking, which means:

- People, processes and technology are **interdependent parts** of a whole.
- A change in one of the parts will result in an effect on the others.
- Individual actions need to be properly integrated and have a **common goal.**
- The sum of efforts is larger than its constituent parts.

THE 6 PRINCIPLES OF PROCESS DESIGN

1. Integrating customers

This is about all the interactions between customers and the company. They are called **"moments of truth"** in which the organization has direct contact with the customer, who starts trying/experimenting the company's services or products. It is essential to have a "magical" moment and the customer should feel his wants and needs are fully met.

BPM aims to enhance the entire value chain, and most importantly the customer experience. This is simply providing something they perceive as being of extreme value for which they would be willing to pay any price thus, generating income for the company. This concept is even more important when it comes to services, especially when you have constant contact with people, such as in cases like restaurants, hotels and hospitals.

2. Value-added activities

To understand this principle, there is just one question to answer: Would the client pay to have this activity accomplished?
We have to specify these activities because they are the ones which will be tested taken at the moments of truth, these are the ones which make the product or service become more valuable to the customer and they should be studied deeply to be enhanced.
Regarding the activities that do not add value, they should be eliminated when designing new processes.

3. Reducing Handoffs

These activities are sensitive, subjected to failures or errors, facing some risks of going wrong during their operations.

Ideally they should be reduced the most when making a new **process design.** To accomplish this, the use of technology can be a smart alternative, replacing activities that are subjected to human error by automating them wherever possible.

4. Patterning of processes

An organization has a large number of processes. If these processes can be standardized and reused by different functions inside the company, "speaking a common language", the operation as a whole will gain speed and agility from this.

5. Business Rules

There are some rules that should permeate through operations and processes, making execution and mainly, decision-making easier.
A straightforward example of a simple business rule is: *children under 4- feet tall are not allowed on this ride.* Here is how it facilitates the whole operation avoiding questions about age, documents etc. - We simply need the child to pass under measuring equipment without bowing/bending.

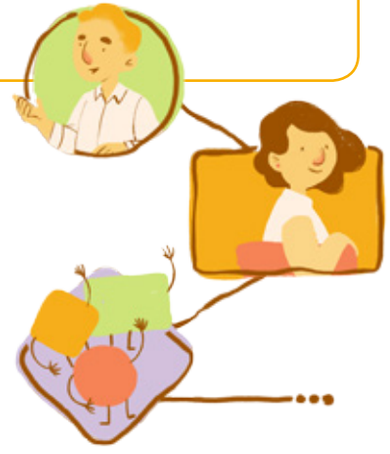
6. Compliance

Apply the most used patterns found in the market segment your company belongs to. Remember to check if there is a national standard which is derived from an international one and if it is the best one to use.

Definition of processes

A process is a sequence of tasks or activities when executed turn inputs into a result with added value.

A business process execution consumes material and/or human resources that come from internal or external suppliers that feed the process. The results are products or services which meet the needs of customers both internally and externally.



MAPPING AND ANALYSING THE PROCESSES

The process mapping techniques BPM have are aimed at determining the way the received inputs are treated and changed to accomplish this process with absolute effectiveness.

To apply the techniques of process mapping all of the details of the entirety of the processes must be analyzed so that afterwards a map is set showing the operational flow and the interrelationships between the different areas and processes.

Through this mapping and using these techniques it is possible to calculate:

- the total cost of the process
- the execution time
- the people responsible
- the staff allocated
- the time dedicated to each resource
- the implement of improvements or optimizations.

Stage 1

Establish teams that can present the process routine.

The people who participate in this phase are the ones who perform the tasks in the process on a daily basis. It is also recommended that personnel from the supply process and the customer process participate at this stage. Leadership in general should not participate.

Stage 2

Identify processes.

Definition: It is the gathering and documentation of the current process situation, commonly known as process mapping, represented in a flowchart or diagram. At this time, we also gather the following information:

- Problems and fragilities, as well as the opportunities for process improvement
- Organizational structure, the attributions of each area and main managers.
- Growth strategies in each sector.
- Central business processes.
- Accurate key performance indicators.
- Information systems used on the organization.
- Strategic priorities of processes implementation.

Stage 3

Diagram current processes.

Gather data about the policies that govern the processes, the executed tasks, time spent on each activity, number of people involved in each activity, who are the suppliers and consequential internal clients and what their interactions are.

Items to analyze when doing AS IS process mapping

- With all managers, document what the improvements are (connected to the problems) and the expected gains then express them in a quantitative (not

MAPPING AND ANALYSING THE PROCESSES

qualitative) manner. The important thing is to determine what is expected for the process in the future.

• Determine the goals of the process. Understand why the modeling is being done, what is expected at the end of the job.

• Define the Pattern of Notation and work it into the AS IS business process model.

• Define the tools of process modeling, if possible with a database.

• Assign clear and possible techniques for process mapping.

• In the case of external consultants the concepts, tools and methodology used must be aligned with the company's standards.

• Determine the project team and the responsibilities of each member.

• Elaborate the work plan specifying the steps, the personnel responsible and the schedule/timetable – always prioritizing the processes.

• Strategy and indicators related to the process goals, checking process alignment with business strategy.

• Guaranteeing the resources needed for the project – Infrastructure.

• Think about the communication (within the Change Management scope).

• Inform managers of the project, its requirements, involvements, etc.

• Talk with operations about the project, its requirements, involvements, etc. (Management Process Workshops).

AS IS process mapping techniques

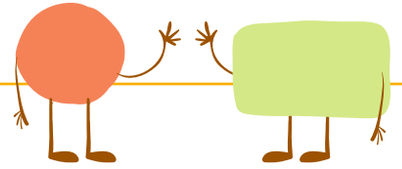
The AS IS business process model can be done in a few ways, depending on the scenario and context of the company. The most usual are:

- **Interview:** although it is the most common it is not advisable because it considers only the view of one person.

- **Observation:** the person who documents observes who executes the activities.

- **Survey:** it is sent to the interviewee who fills it out and returns it to be used in AS IS process mapping.

- **JAD sessions:** the representatives involved in the process gather and document the process. This is, by far, the most adequate because it is fast and delivers quality.



Granularity

the level of granularity of the process documentation depends on the purpose of the projects. Usually, it is requested of the people, who are giving their deposition in the process mapping meeting, to relay the process as if explaining it to a new employee. It is required that all of the information is gathered in one meeting. It is normal to describe each process activity in a level of detail that improves its understanding and makes it possible for a new apprentice to understand how this process is conducted on a detailed level.

MAPPING AND ANALYSING THE PROCESSES

Stage 4

Raising problems and weak points

In the same AS IS process mapping meeting, after reaching conclusions about the detailed flow, we must document the problems and improvement opportunities in a spreadsheet. The quantification of the problem is considered to be the most important and difficult information to obtain. Without that the problem loses its importance and even worse, it is not possible to do the ROI calculation related to the suggested improvements. The following are some elements that cause problems and can negatively affect processes.

- Excessive bureaucracy
- Lack or insufficiency of planning
- Activities that do not aggregate value
- Process execution deadlines
- Rework/ checking/review
- Risk
- Internal/external communication in process execution
- Process performance – Bottlenecks
- Skills to process executions
- External threats (laws, competition, legislation)
- Completion times
- Process costs
- The systems – obsolete or non-existent
- Controlling in non-official systems (Excel, Access, etc.)

During the implementation of the AS IS business process model there are some items related to its documentation which must be highlighted. For example: work with prioritizing methods, always follow the Value Chain, effectively involve people with process knowledge on the project and consider the perspective of the managers in relation to the goals achieved in each process handled. Besides, it is also important to know the projects deeply, so that AS IS process mapping is done based on activities that are determinant to the continuous improvement of the process.

MODELING OF PROCESSES TO-BE

Develop alternative solutions for process problems. This is one of the most important process mapping techniques and we must evaluate each alternative as a result of their impacts on:

- **Cost vs. benefit.**
- **Implantation period.**
- **Best improvement alternative.**

It is represented in a flowchart or diagram – also called modeling.

Precautions and preparations to the TO-BE process mapping:

- In cases when the documentations are based in an ERP system, make sure that specialists in each module participate in the TO BE business process definition.
- Check the strategy and indicators related to the AS IS process purpose.
- Make sure that the communication flows (within the Change Management scope).
- Inform the senior managers about the project, its requirements, involvements, etc.
- Talk with operations about the project, its requirements, involvements, etc. (Management Process Workshops).

What to consider when documenting TO-BE business process:

- Work with small process blocks – always prioritizing. Big projects tend to wear out with time and take time to bring results in turn generating discredit.
- Be careful not to map the process area – use the Value Chain as a guide.
- Inviting the people possess maximum knowledge about the AS IS process to the mapping meetings is the key to success.
- Create an enthusiastic vision for the future – something that is positive for everyone thus making them interested in achieving objectives.
- Do not think about the restrictions; think about how the process should work.
- Consider every "I wish that" – remember the expectations of senior management.
- Always define Key Performance Indicators (KPI).
- Always allocate a manager to the process being designed.
- Validate the improvements identified and proposed at the AS IS and TO BE process mapping meetings with senior management.
- Take notice if managements' expectations about the profits are being achieved.

MODELING OF PROCESSES TO-BE

- Calculate the ROI (return on investment) for each process treated. The best sources of doing so are the improvement actions approved (validated) by senior management. In that case, it is beneficial to analyze the problem that is being solved, its value or the value of its harm/ damage caused as well as the cost to develop and implement the solution.
- Create an implementation plan for the changes according to the possible dates for each approved (validated) improvement.

Some usual issues in TO BE process mapping:

- What we are doing, and what doesn't have value (consider both the client and the organization).
- What we are not doing, but has value.
- What we are doing very little of, but should do more of.
- What we are doing a lot of, but shouldn't be.
- Regarding activities, contemplating what can be:
  - Eliminated;
  - Replaced;
  - Added;
  - Improved;
- Unified (with other activities);
- Put together and done in just one area;
- Parallelized (according the execution)

Checklist to the improvements implementation:

- Follow every date and commitment. When implementing it make sure that the executed process complies with the documentation. Get the signature of the person responsible on a document confirming this.
- Try not to delegate or transfer the responsibility of following up and checking the improvement implementation.
- If the improvement to the AS IS process cannot be implemented on a set date justify this without losing the story.

Application to the TO-BE documentation process:

- Source of the blueprint in an implementation of an ERP system.
- Operation image, defined by the process design.
- Process study, related to costing, competencies, risks, controls, etc.
- Standardization, in case of different practices within the same process in the same organization – unified vision.
- Internal training for the new operation.
- Source of the process automation or of the developing of a computerized solution.

When you finish the AS IS and TO BE process mapping do not forget to publish the positive results from the improvements!

AUTOMATION

Identify the primary processes to implementation and automating. Define automating strategy:

- Which flows are going to be automatizated in the ERP (Enterprise Resource Planning)?
- Which flows need to use a support/control system?
- Acquire software and hardware.
- Assign controls to evidence generation.
- Disclose and train people.

Benefits or business process automation:

- **Optimization of production process:** shortening of the production cycle, equipment optimization, and action resources minimization.
- **Monitor** and control results in real time in a global aspect as well in a detailed way, helping the decision making process.
- **Traceability of the process** – concluded or in progress.
- The process automation **can integrate the entire database** from different areas of the organization (e.g.: accountability, human resources, supply, sales and regional representatives) in just one system of common information. This reduces the number of errors and increases the data process speed.
- Determine, configure and standardize business performance indicators.
- Get strong reports with documented indicators, extremely useful to the management, at any time.
- **Identify and remedy** inefficiency spots, wastes and misapplication of funds.
- Implementation of workflow to get rid of mistakes and process inconsistences.
- Significant increase of execution speed – an expressive time reduction.
- Reduce **time** between activities.
- **More consistency** in the application of business management rules.
- Traffic, build-ups, printing and paper costs reduced.
- Possibility to **use different systems**, from different platforms (integration), without the worker having to memorize which screens to use (they are automatically available).
- **Operation uniformity** – Quality even for SOX standards .

In order to implement a successful process automation strategy you have to carefully choose between processes that will be automated, processes that will be manual and processes that will be divided between automated and manual tasks.

Avoid automate too much!

There used to be a tendency to automate everything possible indiscriminately. This mistaken view ended up becoming an outdated process, both ineffective and inefficient. **Remember:** the process design's aim is to generate deliverables with quality whether or not they are automated.

AUTOMATION

The 5 stages of automating business processes with BPM

1. Create interface prototypes

This step is about the creation of screen layouts in a manner that is similar to what we intend to have when the automation is concluded. We have to be sure that the process will be performed exactly according to its description, by defining the interaction points, the process diagram, the data flow and standard layout.

2. Create Integrations

In this step, we integrate the data banks and systems used in the process according to what was defined in the process design. See: how to design a process.

3. Apply the business rules

Business rules allow for the diminution of repetitive activities in the process. **When we use BPM; when we automate business processes it is possible to configure the application of these rules facilitating the decision-making process to work adequately.**

4. Approval

The goal in this stage is to follow the process action to check if the results obtained are satisfactory, integrating the technology used, the tools, the interface and the user. Tests with users are highly utilized.

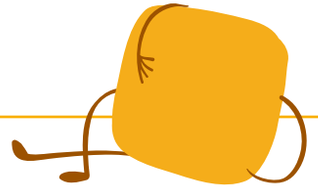
5. Production

After we get approval, the process enters the stage of assisted operation with direct follow up, helping the IT team to implement it, monitor it and resolve questions.
It is not impossible to automate business processes without the help of BPM tools. However, this will demand a high level of effort, especially from the staff who must be motivated and are constantly supervising the work performed by everyone.

Automated process in Small business

It is common for small businesses to perform processes in different ways or even to skip them according to an employee's will. A small school, for example, can have the teacher's chart organized differently in the teaching area, the administrative area can have the marketing done according to the employee in charge at the time and the teacher available can give a class in the manner they think is best. **All of this will affect the company's profitability, the costs, the client's satisfaction and the employees' productivity.**

Every organization, whether big or small, has clients, processes and people. Automation can make clients happier, processes run smoothly and people work more efficiently, even if there are three employees in the company. **When the processes are performed in a standardized and automatic manner they become easier to execute, with more effective results.**



BUSINESS ACTIVITY MONITORING – BAM

Using BPM to automate business processes makes it possible to have information about process results related to KPIs at hands in real time. It is much easier to analyze and understand especially through dashboards.

Arrange periodical meetings to follow indicators and suggest improvements.

- Create processes to register and treat changes to processes.
- Establish a process improvement committee.
- Keep control of versions of processes.
- Identify new processes for automation and repeat the previous step.

1. Process Performance Metrics

Capacity Indicators: The ratio between is the amount that can be produced and the time for this to occur. For example: Automaker X is capable of producing 200 cars per month.

Productivity Indicators: The ratio is between the output generated by a job and the resources used to do it. Example: A worker can install 20 m2 of flooring in an hour. Another, can install only 17 m2 of flooring in an hour, therefore he is less productive than the first.

Quality Indicators: The relationship between total output (total produced) and the output suitable and appropriate for use, i.e., without faults or deformities. Example: 980 pieces suitable for every 1,000 produced (98% compliance).

Profitability Indicators: The percentage relationship between profit and total sales. Example: a company that sold US$ 200,000.00 of goods and calculated a US$ 20,000.00 profit. In other words profitability is 10%.

Return on Investment (ROI) Indicators: The percentage relationship between the profit and the investment made in the company. Example: the same company from the previous example invested US$ 500,000.00, with a US$ 20,000.00 profit. The yield was 4%.

Competitiveness Indicators: A company's relationship with the competition. Market share can be used to determine this factor.

Value Indicator: The relationship between the perceived value when you get something (a product, for example) and the amount spent to obtain it.

Effectiveness Indicators: effectiveness is the relationship between the expected results and the obtained results: the best way to do that is= **achievement of the expected results**

Efficiency is the relationship between the results achieved and the resources used = manufacturing good or offering services in the best way possible using the least amount of resources.

We can say that efficiency is to be effective using a minimum of resources. Focusing on the process and resources applied in order to, for example, **reduce costs**. Effectiveness already focuses on the product and the obtained results therefore bring benefits through **higher profits**.

OPTIMIZING

The following are the main goal of process optimization:

- The reduction or elimination of time and resource wastage
- The reduction, elimination or avoidance of bottlenecks and mistakes
- The incurrence of unnecessary costs

Without process optimization we spend most of the time correcting errors instead of fixing them. Process optimization doesn't only help us correct errors; it also gives us permanent solutions to many problems.

Steps of optimization

Do a critical review of the processes to detect the root of the problems and improvement opportunities in processes. Sources of problems and opportunities:

- Work method.
- Equipment and machines.
- Starting material.
- Physical environment.
- Available tools.
- Pareto Diagram.
- Ishikawa Diagram or Cause and Effect Diagram.

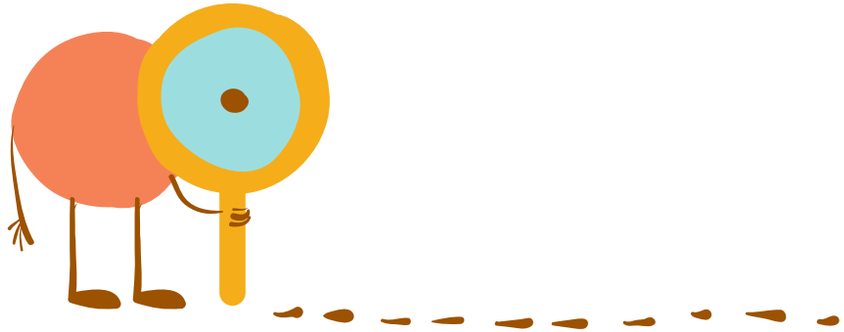
These are just some of many process mapping techniques available to achieve the stage 4.

Identify which processes need to be optimized

First, it is imperative to identify the existent need of the process optimization in your company. Think about a process in your company that is costing you more than it should or inducing client's dissatisfaction or further causing stress among employees. Now, ask questions about this process aiming to determine what the core of the process are in other words the unchangeable items.

- What is the final purpose of the process? What should the outcome be?
- Where does the process start and end?
- What activities are part of the process, passing through the stages?
- Which departments are involved?
- Who are the people involved?
- Which information travels between steps?

At this point we are asking what is the process and not how is it done?



OPTIMIZING

Rethink the process

At this time we are ready to map the process. We should be concerned about how the steps are executed, how the process will flow and what part of the process will be optimized. Ask yourself and your team these questions:

- Is there a better way to perform this process?
- How exactly is this process conducted?
- How much paper (for example) is used for this process?
- How long does the process take to be completely finished?
- How much time is lost in reworks and mistake correction?
- Where does the process stall?

It is important to have both a micro and macro vision. Each detail is important, from the way an email is written to the perception of what the client wants. Compare the answers of these questions to the ones in the first item and maybe you will find out that the tasks seemingly crucial are actually quite expendable

BUSINESS PROCESS REENGINEERING - BPR

Business Process Reengineering Methodology involves the radical redesigning of the core business processes with the main focus in mind to achieve dramatic improvements in productivity, time cycles and quality.

The change is extreme in the sense of starting with a blank sheet of paper and ending with a completely new process, always thinking about the value to offer the customer. The emphasis is always on the customer's needs. Layers of work, steps and employees can be cut if we realize they do not add any value to the customer..

Examples of BPR

An example of business process reengineering is of a fast food company. It can completely redesign the way of delivering products. The process in this kind of restaurant goes like any other, the customer makes the order, the order goes to the kitchen and the staff prepares the food.

By studying the process, we see that it would be more efficient if (some of) the food was prepared beforehand, at another location, and delivered daily to the restaurants. When the client orders then, everything is put together and delivered. **This is a complete change in the process resulting in more control, less accidents, higher employee satisfaction and a greater ability to focus on the customer's needs.**
In a company that offers products, such as cards (birthday, anniversary, Christmas, etc.), the restocking of their supply and changing of their design is crucial. For example, it takes roughly three months to get new items to the shelves. Through a market survey it is possible to see that it would be ideal if there were new cards every month.

To an untrained eye the production takes up most of those three months. When analyzing and mapping the process, we realize that the creation process was taking the longest. It is common that the concept is delivered to the creation staff and many employees do the same action (duplicated tasks), or an idea just sits on somebody's desk for days. With this information, we can redesign the entire process, setting cross functional staff in the concept/creation part of the process, with incredible results in speed, costs and efficacy.

An organization with a disconnected system can also be a possible situation, causing every staff member or even a client to go through many departments and people in order to resolve a problem or execute a task. Information is lost, data is constantly repeated and frustration runs around. This is solved by a complete change in the system used by implementing efficient software that integrates all of the information and activities of the company.

BUSINESS PROCESS REENGINEERING - BPR

Differences between BPR and BPM

Business Process Management Methodology	Business Process Reengineering Methodology
BPM focuses more on the automation of processes; therefore, the risk is much lower.	BPR is more risky and it aims to redesign the corporation from the bottom up.
BPM focuses on one process at a time, using what already exists.	BPR erases all the processes, starting fresh with all of them.
BPM is more about management and optimization.	BPR is about redesign on the radical side of the process.
With BPM, although it is important that is built into the company's culture, the change is gradual and therefore easier to follow.	With Business Process Reengineering Methodology, even the mission and vision of the company could be redesigned and reconsidered. This can be uncomfortable and difficult for the ones involved.
The change happens gradually, is cyclical and endless – to guarantee continuity.	The change happens fast and at one go – to avoid being stuck in the way things are.

With BPR, it is important to:

- Organize around outcomes, not tasks.
- Integrate information processing work into the real work that produces the information.
- Link parallel activities in the workflow instead of just integrating their results.
- Put the decision point where the work is performed, and build control into the process.
- Capture information once and at the source.
- Focus on results

When implementing business process reengineering:

- The focus changes from the management to the client
- The manager should empower your workers
- Do not keep scores, lead and teach
- If a process continuously does not work, invent a new one, that looks towards the future
- Always identify goals and purposes
- Keep the company's mission in mind

BUSINESS PROCESS REENGINEERING - BPR

There is also, as always, some steps to follow.

1. Prepare for reengineering. Planning and preparation are vital to any kind of change, especially in a radical one like what BPR brings.
2. Analyze and map the **AS-IS processes**.
3. Identify the unnecessary tasks and processes, cutting then.
4. Design from scratch and validate the **TO-BE processes**.
5. Implement the reengineering process, adapting your organization to them.

CONTINUOUS IMPROVEMENT

This is a method that requires continuity. We improve a process and continue to study it and analyze it, looking to improve it again. It is a cyclical process that cannot end.
The continuous improvement model is **more than a simple sequence of improvements** implemented in a process. Continuous improvement has a cultural aspect that is strong and we can even consider it a business philosophy. Because it has this cultural side, we must insert it in all of the company's levels, from top management to the factory floor.

We can see the emphasis that it gives by the fact that a **change has to bring benefits** to all organization. It is not enough to improve an isolated area of the company, or a segregated activity. Continuous improvement must include all processes and everyone who participate in them.

The American continuous process improvement model – PDCA cycle

This system has this name because of the four steps that composes it:

- **P** as in Plan
- **D** as in Do, execute
- **C** as in Check, analyze
- **A** as in Act in a way to prevent error

The PDCA methodology is widely used by corporations that want to improve the management level through the efficient control of processes and internal and external activities. It standardizes information and minimizes chances of errors in the decision making process.

It is crucial to say that, once is implemented, the PDCA cycle must become a constant inside the company, a virtuous circle aiming always the continuous process improvement.

The Japanese continuous process improvement model – Kaisen

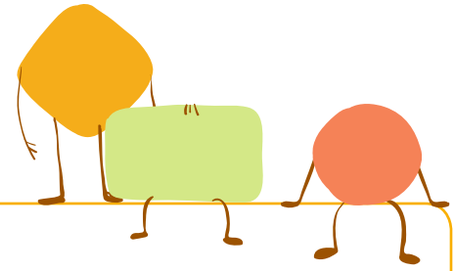
Kaizen is a Japanese term that literally means improvement. The concept implies a continuous effort involving all the functions in all levels of an organization. The expression is so common that it is applied in Japan in all aspects of life. It can be used in environment, road system, international relations, educational system, etc. At work it is usual that collaborators ask themselves and others how to improve the procedure, the product, the service, the equipment, etc.

CONTINUOUS IMPROVEMENT

Kaizen is applied in processes (production and business), in products and in services. Some of the commandments that rule Kaizen are:

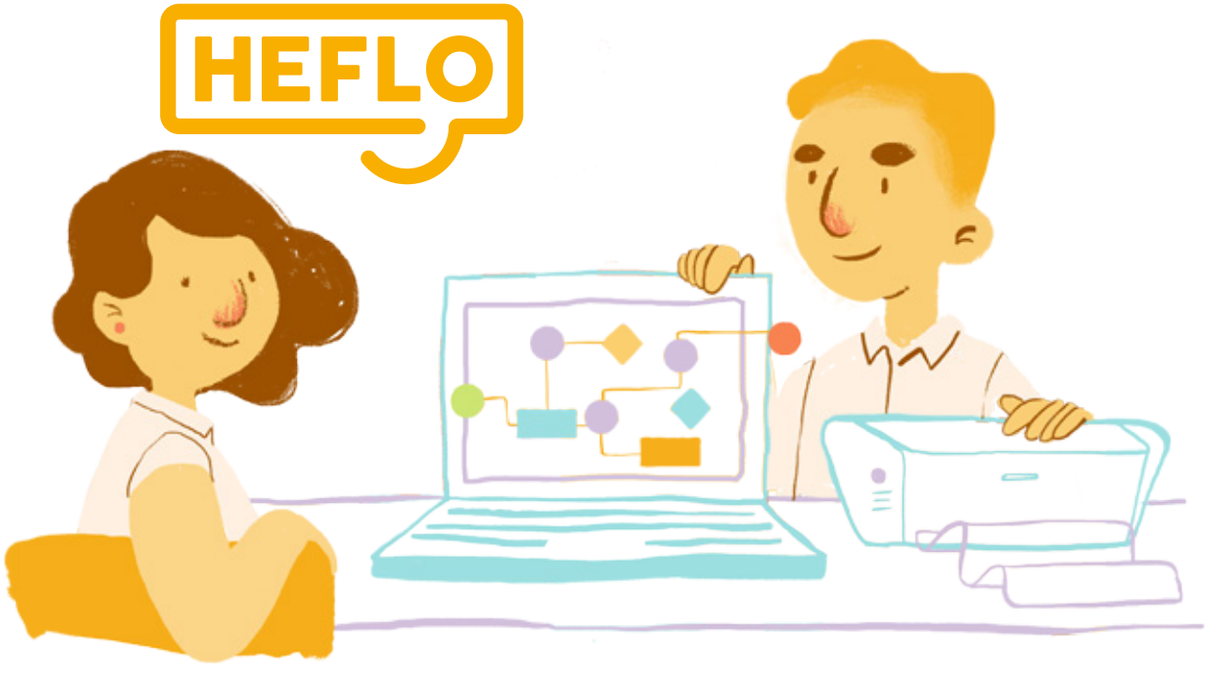
- Learn in practice.
- **All waste must be eliminated.**
- All the collaborators have to be committed in the continuous process improvement model.
- The productivity increase must be based in actions that do not ask for high financial investments.
- It must be applied in any place or company.
- The improvements obtained have to be disseminated, as a way to maintain a transparent communication.
- Actions must focus in **the areas that need the most**.
- Kaizen must be implemented in a manner that its purpose is only the process improvement.
- **The most important is to improve the people.**

As we saw, the crucial thing is to see the continuous process improvement model really as an ongoing process, aiming to improve more and more the processes, the people and the company as a whole.



Avantages of Saas software

- **No initial setup costs;** applications are ready to use upon user subscription.
- **Usage is scalable;** if you decide you need more storage or additional services.
- **Updates are automated;** whenever there is an update it is available online to existing customers, often free of charge.
- **Cross device compatibility and accessibility from any location;**
- **Applications can be customized;** with some software, customization is available meaning it can be altered to suit the needs and branding of a particular customer.●
- **No storage needed;**
- **Commodity;** this is maybe the biggest advantage of SAAS, you can purchase the service, install the software, get support and maintenance and access your information, do all of this from anywhere, at any time.



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