

CORE PROCESSES IDENTIFICATION AND PRIORITIZATION

This ONE-PAGE MAGIC discusses what should be done BEFORE an organization starts reviewing and redesigning its business processes. It illustrates how organizations can determine the list of CORE business processes they need to focus on (and prioritize) in their BPR efforts, using Impact Matrix Analysis, which links directly to an organization's vision, mission, critical success factors, and organizational goal setting.



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IDENTIFYING CORE GOAL/CSFS

The following Sample List of Core Process Identification is associated with an **Example Measurable Organizational Goals** defined for a company consisting of an org structure that comprises TWO company locations (market presence) and TWO product line offerings within the field of software engineering. The core business processes describe what is and needs to be done to deliver on the organizational goals /(CSFs)



Each process that is necessary for a Goal/CSF to be achieved must be identified, and together, all the processes listed must be sufficient for all the goals to be achieved.

CORE PROCESS IDENTIFICATION

The following table comprises a list of CSF/KPI/Core Processes that have been identified by the organization's Senior Management Team (executive management and senior directors) as necessary for all the previously identified Organizational Goals/CSF's to be achieved

GOAL/CSF NO. 1 TOTAL INVOICE REVENUE (TIR)		To achieve a TIR of 20 Million Dollars, with a profit margin equal to or greater than 30%.	
PROCESS NO.	PROCESS	PRIORITY H/M/L	SPONSOR (PROCESS OWNER)
CORE PROCESSES IMPACTING ON THIS GOAL/CSF			
A Sales Processes			
A1	Pre-Sales	M	Sales Director
A2	Account Management	H	
A3	Bidding	H	
A4	Channel Operations	H	
A5	Direct Sales Operations	H	
B Marketing Processes			
B1	Product Management	H	Marketing and Business Development Director
B2	Collateral Preparation	L	
B3	Event Management	M	
B4	PR	M	
B5	Business Development	H	
C Technology Processes			
C1	Software Development Lifecycle (SDLC) Quality Metrics (product development & quality control - QA & QE)	H	Technology Director
C2	Technical Documentation, in line with the SDLC	M	
D Operations Processes			
D1	Implementation	H	Operations Director
D2	Project Management	H	
D3	Product Support and Customer Support	H	
E Finance Processes			
E1	Finance and Accounting (Invoicing and Follow-up)	H	Finance Director
E2	Procurement and Logistics (including shipment and inventory)	H	
F Human Resources Processes			
F1	Leadership Development	H	Support Services Director
F2	Training Programs and Plans	H	

GOAL/CSF NO. 2 PROJECT LIFECYCLE		To shorten the project lifecycle, where 90% of projects are closed within 12 weeks.	
PROCESS NO.	PROCESS	PRIORITY H/M/L	SPONSOR (PROCESS OWNER)
CORE PROCESSES IMPACTING ON THIS GOAL/CSF			
A Sales Processes			
A1	Pre-Sales	M	Sales Director
A2	Account Management	H	
A3	Bidding	H	
C Technology Processes			
C1	Software Development Lifecycle (SDLC) Quality Metrics (product development & quality control - QA and QE)	H	Technology Director
D Operations Processes			
D1	Implementation	H	Operations Director
D2	Project Management	H	
D4	Project Coordination	M	
D3	Product Support and Customer Support	H	
E Finance Processes			
E1	Finance and Accounting (Invoicing and Follow-up)	H	Finance Director
E2	Procurement and Logistics (including shipment and inventory)	H	
F Human Resources Processes			
F1	Leadership Development	H	Support Services Director
F2	Training Programs and Plans	H	

- 1) Priority Key: H = High; M = Medium; L = Low
- 2) Each core process should have a sponsor (process owner), who in this case would be a member of the same management team that agreed the Goals/CSF's. The sponsor should:
 - Ensure that appropriate resources are available to map, investigate, and improve the process
 - Assist in selecting business process reengineering team-leaders and members
 - Remove barriers to the teams' progress
 - Report on process implementation and progress to the senior management team

GOAL/CSF NO. 3 CUSTOMER SATISFACTION		To achieve a Customer Satisfaction Level, where 90% of Globitel's customers are satisfied.	
PROCESS NO.	PROCESS	PRIORITY H/M/L	SPONSOR (PROCESS OWNER)
CORE PROCESSES IMPACTING ON THIS GOAL/CSF			
A Sales Process			
A1	Pre-Sales	M	Sales Director
A2	Account Management (customer relationship)	H	
B Marketing Processes			
B1	Product Management Product metrics (product specifications & product's perceived value)	H	Marketing and Business Development Director

GOAL/CSF NO. 4 EMPLOYEE SATISFACTION		To achieve an employee Satisfaction Level, where 90% of Globitel's employees are satisfied.	
PROCESS NO.	PROCESS	PRIORITY H/M/L	SPONSOR (PROCESS OWNER)
CORE PROCESSES IMPACTING ON THIS GOAL/CSF			
B Marketing Processes			
B3	Branding Internal and external company image	L	Marketing and Business Development Director
B4	PR Corporate Social Responsibility (CSR)	M	
E Finance Processes			
E1	Finance and Accounting (payrolls, invoices, etc.)	H	Finance Director

IMPACT MATRIX ANALYSIS

- After identifying the core processes that are required to achieve the organizational Goals/CSF's, prioritization of processes is needed to enable effort to be focused on the most important areas impacting organizational performance. We will do that using the Impact Matrix Analysis method as shown below:
- After identifying the core business processes, the organization's Senior Management Team (SMT) should **decide on the priority processes that are needed to enable effort to be focused on the most important areas for improving organizational performance.**
- This can be done using impact matrix analysis—where the number of Goals/CSFs impacted by each core process is determined, together with the current performance status of that core process and its priority level, ranked on a scale from 1 to 10.

NO.	CORE PROCESS	GOAL/ CSF No.					NO. OF CSF/GOAL IMPACTS	STATUS ¹	PRIORITY H, M, L	RANK ²
		1	2	3	4	5				
A1	Pre-Sales	*	*	*	*	4	C	M	5	
A2	Account Management	*	*	*	*	4	C	H	4	
A3	Bidding	*	*	*	*	2	C	H	8	
A4	Channel operations	*	*	*	*	1	E	H	9	
A5	Direct Sales Operations	*	*	*	*	1	C	H	9	
B1	Product Management	*	*	*	*	2	C	H	7	
B2	Collateral preparation	*	*	*	*	1	C	L	2	
B3	Event preparation	*	*	*	*	1	B	L	1	
B4	Public Relations (PR)	*	*	*	*	2	B	M	5	
B5	Business Development	*	*	*	*	1	E	H	9	
B6	Branding	*	*	*	*	1	A	L	3	
C1	Software Development Lifecycle (SDLC)	*	*	*	*	3	D	H	10	
C2	Technical Documentation	*	*	*	*	2	B	M	7	
D1	Implementation	*	*	*	*	3	D	H	10	
D2	Project Management	*	*	*	*	4	D	H	10	
D3	Product Support and Customer Support	*	*	*	*	3	D	H	10	
D4	Project Coordination	*	*	*	*	1	D	M	7	
E1	Finance and Accounting	*	*	*	*	5	E	H	10	
E2	Procurement and Logistics	*	*	*	*	4	E	H	10	
F1	Leadership Development	*	*	*	*	4	E	H	5	
F2	Training Programs and Plans	*	*	*	*	4	E	H	8	
F3	Position Promotions and Appraisals	*	*	*	*	1	D	M	3	
F4	Penalties	*	*	*	*	1	E	L	1	
F5	Working Environment Improvement	*	*	*	*	1	B	L	2	
G1	Administration Policies	*	*	*	*	1	E	L	2	

¹ Status Key: A = Excellent; B = Good; C = Fair; D = Poor; E = Employee
² Ranking Score: from 1 - 10, where 10 = Highest Score and 1 = Lowest Score

- The outcome is a set of the **"most critical processes"**, with the highest ranking scores that should receive priority attention for analysis & improvement or business process re-engineering (re-design)

NOTE: It is important to note that those organizations that are running quality certification programs—such as ISO or CMMI Certification—in tandem with process improvement initiatives, should take into account those processes deemed critical for that Quality Certification and assign priority and ranking accordingly.

- When the processes have been analysed in this way, it should be possible to develop metrics (KPIs) for measuring the performance of the processes, sub-processes, activities and tasks.
- These must be meaningful in terms of the process steps, participants, frequencies, inputs, outputs, systems, channels, customers (recipients) and suppliers (providers) of the process.