



Trying to learn geography without a map?

Flow diagrams provide the visuals needed to strengthen work processes.

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As I reflect back on my work in 2005, one point jumps out at me – the majority of my efforts were focused on helping companies streamline and structure their workflow processes.

It's fascinating to me that such a basic component of business – the path that work takes from one person, department or function to another – is the source of so much conflict, angst, lost profits and sleepless nights.

After all, no one purposely designs disconnected processes, gaps in responsibility, or systems without accountability. So why are workflow challenges so prevalent?

The answer is simple. Time and change.

Someone with seniority and experience leaves the company. Someone shifts to a different department. Someone gets careless. Someone has a “better way.”

And often, the cause is someone simply not understanding what steps are required and why they are necessary.

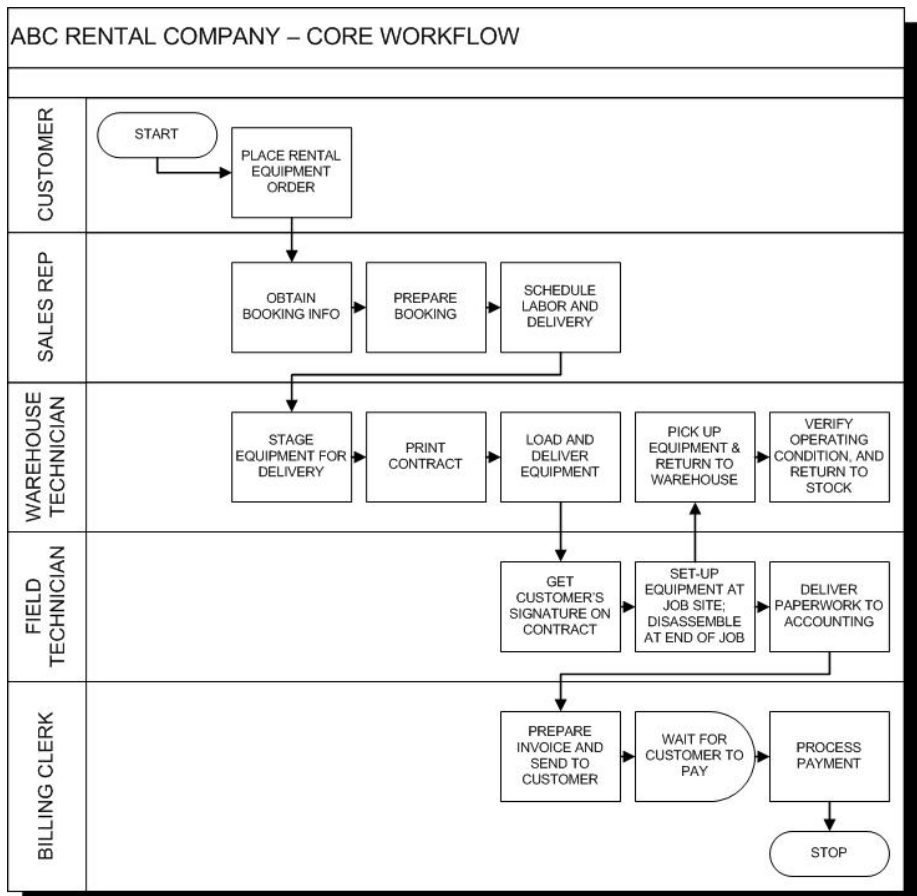
Organizational changes lead to problems, too. Acquisitions or mergers create conflict in how things are done. Sudden growth – or unexpected loss of business – can lead to “quick fixes” that aren't clearly thought out.

The impact of time and change

Over time, the ebb and flow of “business as usual” erodes the processes that are designed to ensure that work is timely, accurate, efficient and effective – leaving you

with an organization in which everyone knows his/her job, but few know how their efforts combine with those of others to produce a specific result.

And typically, nobody looks to see if everyone's efforts are assembled and coordinated into a whole process that makes sense and smoothly facilitates the work.



A flow diagram is a powerful visual that streamlines work activities.

Some of what you just read may be triggering an “ah-ha” moment in your mind ... something at *your* company is broken, too – the way you manufacture products, serve customers, process invoices or some other such effort.

It's not broken so drastically that it doesn't get done ... but it's broken in a way that impacts productivity and profitability. So what can you do?

Go with the flow

A simple but effective tool called the flow diagram (or “process map”) is a key for repairing all kinds of broken or inefficient systems. In a task called process mapping, we use the flow diagram to show how work moves through a company – from person to person, department to department, to produce a specific result.

Each step of the process – and every person, too – is mapped in the diagram, showing where and when materials or information are “handed off” among individuals or groups. Hand-offs are typically where breakdowns occur.

The mapping usually starts with a series of discussions between employees and a facilitator, who asks questions, seeks information and guides the dialog to ensure that all relevant details are covered.

The facilitator then creates the flow diagram for all involved employees to review. The question is asked: “Is this how it really works?”

When people review the diagram, they often discover unclear responsibilities, missing information and unshared expectations ... all of which contribute to problems. That

It's also the first time employees see what others do in other departments. That understanding helps establish relationships (“So *that's* why you need that report from me every Tuesday afternoon, and why you get stressed out when I don't get it to you until Wednesday morning...”), support, tolerance and respect.

Pictures tell the story

Keep in mind that most people learn visually – in other words, it's easier for them to understand pictures than it is reading a list of procedure statements or *listening* to someone explaining the possible paths work can take.

I often tell clients, “Trying to understand a process without a diagram is like trying to learn geography without a map.”

So what happens after employees view the flow diagram? The facilitator leads another session where gaps in the process are identified and closed, steps are agreed upon and responsibilities are clarified. The diagram is changed to reflect the new reality, and is made available to all employees.

The entire effort – from interviews to viewing the flow diagram to creating a new reality that is streamlined and coordinated – is extremely valuable in building teamwork and efficiency.

A case study

I was hired by a commercial mortgage lender to evaluate its property inspections process. The business unit was part of a Fortune 500 financial services company and had recently reorganized into three departments – loan originations, loan servicing and portfolio management.

After the restructuring, there was no clear plan for defining new responsibilities, and each group continued to work as it had before – creating redundancies and turf battles. My client wanted input into improving the inspections process, as inspections were critical to maintaining the quality of the assets backing the loans and also provided early warning of possible future default.

I started by interviewing representatives from all three departments who participated in the inspections process – the administrative assistants who arranged travel logistics, the inspectors who inspected properties, the inspectors and managers who reviewed the inspection reports and others.

With that information, we created a flow diagram of the steps they followed and then reviewed the process using the flow diagram and samples of their paperwork.

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review is often the first time people see how what they do fits into the bigger picture, and how their actions – good and bad – affect others in terms of delays, quality of work, customer service, etc.

What we found is that each of the groups inspected properties independently, with no schedule or coordination of effort. Some major properties were infrequently inspected; some smaller properties received visits within months of one another. Each group had different standards and even used different forms. Some of the inspectors had never been trained, and some never completed reports on their visits.

The flow diagram was an eye-opener for everyone. For the first time, the various departments had a comprehensive view of the inspections effort that allowed them to see the entire process, as well as all of the individual loose ends and disconnects.

Seeing a picture of their workflow also helped shift their focus – from finger-pointing and assigning blame – to the very process that tied them together. And it engaged everyone in working together to find ways to make inspections easier and more effective.

During our discussions, we highlighted the various ways people worked to get the same result, and we identified the best process based on all their strengths. We also reiterated the importance of inspections in managing the portfolio of mortgages.

The end result was a well thought-out, defined standard process – based on their best-known practices – to ensure that all properties were prioritized and inspected per a defined schedule. From that, the client created inspection forms to ensure comprehensive inspections; defined and documented standards for what constituted deferred maintenance; and trained all parties involved in the process.

Because of this effort, the inspection process was streamlined, less expensive, more valuable and collaborative rather than confrontational. Considering the goal of the inspections was to protect billions of dollars in investments, doesn't this seem like a worthwhile process?

My client thought so. Based on the success of this project, the company sponsored a subsequent effort to evaluate all of the commercial mortgage loans business processes – 20 of them in all – using the same methodology.

Can you benefit from a process checkup?

Probably so.

Unfortunately, most companies, departments or functions have critical workflow processes that have been eroded by time and change. Process mapping – and the associated flow diagram – can help you save money, improve quality and service, and turn turf battles into collaboration and cooperation.

More Information? If you'd like to learn more about process mapping and flow diagrams, and how they can help your business be more productive and profitable, please send an E-mail to tim@plaidgroup.com, visit our web site at www.plaidgroup.com, or call us at 713-627-3569. The Plaid Group publishes a free bimonthly e-mail newsletter filled with insights and ideas you can use to enhance your company's operational performance, spur growth and increase bottom-line profits. To subscribe, change your e-mail address or unsubscribe, please visit www.plaidgroup.com/newsletters_subscribe.asp.

Author's Note: **Tim Smith** is a Principal with The Plaid Group. The Plaid Group helps companies simplify and stabilize their business operations to improve financial performance and gain a competitive edge.