How can I manage my operations?

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In today's ever changing business world, decision makers are having to be flexible in their approaches to successfully manage their portfolio of products/services to meet their customers' and the markets' demands. At the same time in many industry sectors, management have to be aware of and actively manage their conformance to legislation and industry standards of working. So what they need is a clear picture of how their business operates and be able to identify bottlenecks and resolve them quickly.

In the manufacturing sector, the concept of Operations Management is nothing new and is an important part of making a success of Lean Manufacturing and other related quality initiatives. Operations management is concerned with the responsibility of ensuring that business operations are efficient and effective. It involves the management of resources, the distribution of goods and services to customers, and the management and analysis of queues. Operations management involves a lot of different disciplines to plan, schedule, and control of an organisation.

So how does this work in the services sector? Operations management for the service sector involves the authoritative maintenance, control and improvement of organisational activities that convert the resources of a service organisation into the activities required to deliver the business strategy. The measurement and evaluation of the operations is undertaken through a process of business appraisal. Efficiency and effectiveness of service delivery are monitored by the application of performance and quality management techniques. (Source: Operations Management in the Services Sector, Bloor Research, January 2010).

Operations management can be viewed as a composite collaborative application that acts as a hub to support front and back office staff by providing them with automated support for the tasks they need to perform in the order that they need to perform them, whilst at same time it provides operational management with both the capabilities to measure performance and also be able to react quickly to exceptions so they do not turn into crises. This collaborative environment is not only for internal staff to be able work together but also externals, including both suppliers and customers.

So what do management need to be able to manage their operations? Well the key is that they have to understand their processes—not only how management think they work but also how they work in actual practice. It is the latter that, for many organisations, is where the issues begin. There are a number of steps involved in gaining control of your processes.

Firstly do you know what your processes are and how you think they work? For many years this was a costly exercise that involved consultants asking questions and then drawing them out on paper or using a business process analysis tool. What is even quicker and more efficient is to use an automated business process discovery tool such as StereoLOGIC's Process Discovery tool that generates process diagrams to help understand what you do. How does Process Discovery work? The product extracts business processes from business applications in real time to create process models that can be used for visualisation and comparison purposes to validate and extend the models. (For more details see StereoLOGIC's answer to Automatic Business Process Design, Bloor Research, 19 April, 2011). Additionally, it measures the time of each business activity and end to end process. A large US healthcare company, due to the complexity of its operations, found the process of gathering manually the details of their procedures a time consuming task, so they employed StereoLOGIC's Discovery Analyst to accelerate the analysis, documentation and measurement of its business process. They gained up to 88% time saving for the process discovery. The exercise also accelerated the detection of problems as well up-to-date process documentation.

The second issue is do you have the necessary manuals to meet compliance legislation? Having been involved in writing quality manuals for more than one organisation in my time as a consultant, I can tell you that this is a laborious process. So anything that can be done to automate the process is very welcome. Process Discovery, once the process has been discovered, contains the capability to produce a procedure manual in Microsoft Word. John Coyne of Be Informed told me, "We employ dynamic case management where we use classification structures to execute processes that can change according to real time data input. We also imbed best practices into our operational interfaces. With StereoLOGIC, we are able to map these processes and the conditional changes that take place in real time. We can then map these to our curated library of documentation that allows specific documentation of processes to be produced on a 'use case' basis. This shortens the training cycle and provides specific documentation where it is needed in the exact context that it is needed. For instance, we can document the rules of execution of say a mortgage application and then

associate a specific set of operator rules to say an agent that deals with mortgages in a range of value where the rules for Jumbo loans will differ from those for regular mortgages."

The next issue that you may want to solve is to understand how long a particular step takes and whether it take different operators different lengths of time. Measure time taken by different employees to perform a step. Using StereoLOGIC's Discovery Analyst, all activities and actions on the system are monitored, recorded and stored for analysis and reporting. Every action is tied to time so you know exactly how long every activity takes. So, questions such as how many tasks were completed by a selected group of employees, who are the fastest and slowest employees and were any critical actives omitted, can be asked. Ronnie Matador, Senior Manager North American Call Centre Operations for Pitney Bowes, winners of the 2014 Process Excellence award for 'The Best Process Improvement Project under 90 days', said, "using StereoLOGIC's Discovery Analyst we managed to cut customer service response time by 56%, reduce errors in servicing customers from 20% to 0% and reduce operational costs by 30%."

This collection of statistics about the process as it is actually run also help you identify bottlenecks in your processes to accelerate processing.

Now, when you have the processes, know the time people spent for different operations and have up to date documentation, what you need is some way to control people so they follow these process practices. With a new release from StereoLOGIC Process Analytics, a solution is offered for this task. I asked Dr. Sofia Passova, President and CEO of StereoLOGIC to explain, "StereoLOGIC Process Analytics automatically monitors hundreds of employees performing business operations over any timespan, compares the discovered operations with the established baselines, and notifies
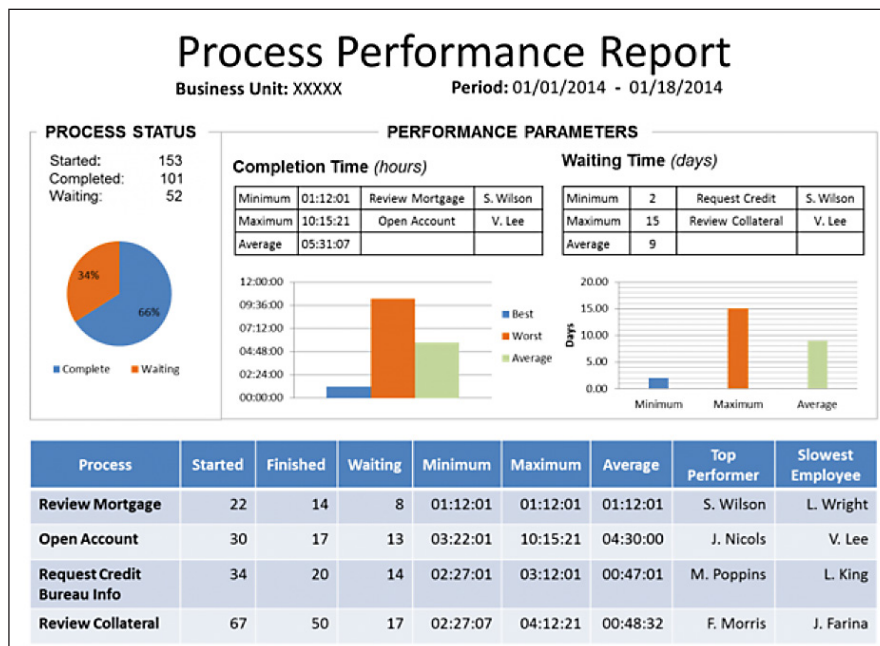

Figure 1: An example of an Employee Performance Report (*Source: StereoLOGIC*)

operational managers about unexpected deviations, performance issues and deadlocks. The product will provide business managers with automatically generated reports about the current state of business processes and employees operations. The manager will be able to see how many tasks have been started and finished, how quickly they are executed and where improvements are needed. In addition, the software will validate the completeness of selected business process and adherence of these processes to the organisation's security and compliance requirements." Passova went on to explain that, using Process Analytics, the manager would be able to answer such questions as:

» How many tasks were completed by a selected group of employees?

» What are performance measurements for multiple employees?

» Were any critical actives omitted?

» Who are fastest and slowest employees?

» What is the time between any specified activities?

You can do it now

StereoLOGIC have an automated service that enables organisations to produce complete documentation of their business processes in a short time. This service is for managers with an urgent need to document and measure their business processes but only have a limited time and budget to do it. StereoLOGIC tell me that their customers report over 80% time savings by using this approach. Passova explained that when talking to prospects they explain that "One StereoLOGIC specialist with a subscription license of the software can replace five consultants developing documentation using traditional methods".

Next steps

If this has got your interest then I would recommend that you take a look yourself.

Simon Holloway
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Process Management & Sensory Devices

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