Business Process Management Seminar

REPORT

BPM-SEMINAR

MAKING THE “HOW” A QUALITY ADVANTAGE

NASA SUPPLY CHAIN CONFERENCE 2010

AT NASA GODDARD SPACE FLIGHT CENTER

OCTOBER 22, 2010
1 BACKGROUND

Claes Berlin, Quality Manager for RUAG Space Sweden held a presentation about “Sustainable Process for Mission Success” at last year’s Supply Chain Conference in NASA Goddard Space Flight Center and in spring 2010 at the NASA Quality Leadership Forum – QLF at Cape Canaveral in Florida.

Many of the topics that came up during these two previous conferences were appreciated and created interest among the participants. During this year conference Claes Berlin conducted the interactive seminar on “Making the HOW a quality advantage” for companies and organizations.

This is an under title to the main paradigm shift that Claes communicates in the global business and organization environment for the coming decades “From WHAT To HOW” – going with the focus and perspective from what we do – to how we do it.

2 PROGRAM

Seminar Agenda; the seminar employs a combination of presentations and participatory exercises, and includes:

- Developing the company culture with customer focus and empowerment in the organization
- Using ISO 9001 and AS/EN 9100 standards as tools for change
- Understanding the elements of process management
- Exercises in Business Process Management
- Case story presentation – “our BPM journey”
- Discussion and reflections on the value of a process-oriented approach and lessons learned

If you have any questions regarding the seminar performed, please contact Claes Berlin claes.berlin@telia.com or Jonathan Root at NASA Goddard Space Flight Center jonathan.root@nasa.gov

The seminar was conducted by Claes Berlin, see below the bio;

Claes Berlin serves as the Quality Manager for RUAG Space Sweden (previously SAAB Space) and has over 35 years of experience within the international space business. His extensive experience includes expertise in the areas of Quality Management, Process Management, Change Management, Supply Chain Management, and Leadership and Operational Excellence.

Claes is a certified lead assessor for ISO 9001 and 14001, AS/EN 9100, the Baldridge Quality Award, EFQM – the European Quality Award and the Swedish Quality Award. He began his career as a component engineer and previously served as a product assurance manager on space projects. Claes has a Master of Science degree in Electronic Engineering, graduating from Chalmers University of Technology in Gothenburg, Sweden in 1975.
3 PARTICIPANTS

Participants in the BPM-seminar;

Robert Anderson Regional Sales Manager MDL Manufacturing Industries, Inc.
Claes Berlin Quality Director RUAG Space
Olga Ceritellie Program Manager, NCAS Honeywell Technology Solutions, Inc.
Alfred Cook QMS Analyst / Auditor NASA Ames Research Center
Ann Miranda Cooter Mission Assurance Manager Harris Corp.
Kenneth Digiulian Mission Assurance Manager Northrop Grumman ES
Daniel DiMase Specialist Honeywell Technology Solutions, Inc.
Roger Evans President Evans Associates, LLC
Cassandra Hafford Logistics Management Specialist NAVSEA
Regena Haugh Quality Assurance Specialist NASA WFF
Jody Hileberg Space PMPCB Chair Northrop Grumman Space Mission Assurance
Kimberly Jenkins Management Analyst GSFC, SMA, CODE 302
Alex Lotocky Mission Success Mgr - ATC Lockheed Martin Space Systems
Param Nair Operations Research Analyst NASA GSFC
Howard Nestlerode Quality Engineer Evans Associates LLC
David Peterson Senior Consultant LMI
Jonathan Root Supply Chain Manager NASA GSFC
Oliver Schiewe Vice President Quality Management RUAG Space
Sase Singh Engineering Manager Honeybee Robotics
Louis Thomas Supply Chain Manager NASA/GSFC
Stephanie Watts Parts Technician MEI TECHNOLOGIES
Patrick Wojcik CDA Intercorp Moog
Ralph Gunderson
Nat Jambulingam Programs Mission Assurance NASA GSFC
Ric Alvarez Manager Northrup Gruman Electronic Systems
Leroy Brunner NASA GSFC
Kirk Ketterer Quality Program Manager NASA KSC
Gary Shipper The Aerospace Corporation
Jeannette Van Den Bosch NASA White Sands Test Facility NASA GSFC
Dave Campbell NASA GSFC
Mike Kelly NASA GSFC
Mansoor Ahmed Associate Director for Astrophysics Projects Division Astrophysics Projects Division-Code 440
Daniel Berry Director, Quality Management Resources Ball Aerospace & Technologies Corp
Brenda Brunello Lead Auditor Honeywell NASA Contract Assurance Services
Jayne Chickola Quality Systems Lockheed Martin Space Systems Company
Thomas Clifford Engineering Manager GSFC/Code 302
Rose DiGeronimo PEO Programs SECNAV ASN RDA Acq & Logistics
David Eckhardt Program Manager BAE SYSTEMS
Beth Emery Assurance Northrop Grumman Aerospace Systems
Bruce Eyrich Parts Engineer MEI TECH
Claes Berlin discusses the BPM roadmap with Olga Ceritelli, Jonathan Root and Oliver Schiewe in Jonathans office the day before.

Olga and Oliver prepare the BPM tool box for the seminar.
Jonathan and Olga agree – all prepared, we are ready for the BPM-seminar.

Supply Chain 2010,
the 4th Annual NASA Supply Chain Quality Assurance conference
- the theme of this year’s conference

Innovation and Mission Success
Claes in front of building 34 at Goddard Space Flight Center and room W105 the place for the BPM seminar.

Great table of food and drinks – thanks to ManTech and Honeywell.
Some photos from the morning lecture:
Some slides from the morning lecture;

Making the “How” a Quality Advantage

Program
- Developing the company culture with customer focus and empowerment in the organization
- Using ISO 9001 and AS/EN 9100 standards as a tools for change
- Understanding the elements of process management
- Group Work in BPM – Business Process Management
- Case story presentation – “our BPM journey”
- Discussion and reflections on the value of a process-oriented approach and lessons learned

QUALITY MANAGEMENT PRINCIPLES - QMP
THE 8 PRINCIPLES FROM ISO 9001:2008

1. Customer Focus
2. Leadership
3. Involvement of People
4. Process Approach
5. System Approach to Management
6. Continual Improvement
7. Factual Approach to Decision Making
8. Mutual Beneficial Supplier Relationships

Customer Focus

"Next process is your customer"
Functional Organization

But where is the **customer**?

Process view

Customer needs

**Support**

**Sale**  ➔  **Dev.**  ➔  **Prod.**  ➔  **Product & Service Delivery**
Definition of a Process

- Develop In-Objects to Out-Objects
- Create Added Value for the Customer
- Results and Productivity are Measured
- Deliver a Stable Result
- Is Cross-Functional

Different kinds of processes

Management processes
Provides directions to other processes (visions, strategies, goals etc)

Core processes (operative processes)
Accomplish the mission of the organization,
creating direct value to outside customers

Support processes
Support the core processes,
creating in-direct value to outside customers
Method of Business Process Management

**Identify**
- Define the Main-Process Map of the company
- Define Process Managers and Process Teams
- Formulate Goals and Objectives
- Information and Communication

**Establish**
- Training of the Process Teams
- Define the Process in detail
- Define models for Measurements
- Implement the Process in the Functional Line-organization

**Improve**
- Training of the Teams in Improvement and Problem Solving
- Identify areas for Improvements in the different Processes
- Define and Manage Improvement Projects
- Check the Results
- Regular Process Audits

Process of Change

- **Fixed Position of Today**
  - “Take Down”
  - “Creative Destruction”

- **Floating Transition**
  - “Built Up”

- **Flexible Position in Future**
  - “To create motivation for change”
  - “To create stability by integrating the change”
Change means
- a different way to think and act!

“The Performance Platform”

**Structural system**
- Operational Skill
- "HOW"
- "Branding"
- Internal / External

**Cultural system**
- Management System
- - Customer Focus
- - Leadership
- - Involvement of People
- - Process Approach
- - Systems Approach to Management
- - Continuous Improvement
- - Fairness Approach to Decision Making
- - Mutual Beneficial Supplier Relationships

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Material used and produced during the morning Exercises in Business Process Management in the 6 different groups with 6 different cases no 1, 3, 5, 6, 8 and 9 as below with 2, 4, 7 and 10 excluded.

6  WORKSHOP IN BPM

Please do the group work for the below commercial and public cases within both types of service and product organizations. McD is the real McD and for all others you create a fiction company yourself in your groups using your creativity and entrepreneur skill. The case is your group number.

1. McD
2. Hotel
3. Airline
4. Bank
5. Oil Company
6. Hospital (public)
7. Business School
8. Medical Device Manufacturer
9. Helicopter Engine Manufacturer
10. Aerospace Company (prime contractor)
To Do – Step 1!

Start the work and do the following 3 steps in your case;

1. Define the **Mission & Vision**!

   **Definitions:**
   - **Mission** – why are we here?
   - **Vision** – what do we want to be?
   - **Business Idea** – how do we do it?

2. Define the **Business Idea** and the **Business Goals**!

3. Define the **7 Success Factors** and from them identify **3 Critical Success Factors**!

To Do – Step 2!


   Use the attached format at page 9 of this handout and do it in steps of 1 – 2 – 3 – 4 – 5 – 6 as indicated!

5. Identify **5 measureable process measures** that give the effectiveness in the core processes!

6. Give **Your own reflections and comments** from the group on what you have done using the BPM-method!
ACTIVITIES DURING THE BPM EXERCISE
GROUP 1 – Mc DONALDS - RESULTS

MISSION:
MAXIMIZE SHAREHOLDER VALUE

VISION:
TO BE THE RECOGNIZED INDUSTRY LEADER IN THE QUICK-SERVICE RESTAURANT INDUSTRY

BUSINESS IDEA:
LEAN, PROFITABLE AND CUSTOMER-FOCUSED

SUCCESS FACTORS:
1. LEAN, WASTE-FREE, JIT, INTEGRATED SUPPLY CHAIN
2. WORLD-CLASS SUPPLIER RELATIONSHIPS
3. TRAINING IN CONSTANT EMPLOYEE PERFORMANCE
4. ECONOMIC VALUE ADDED/ROI/ETC
5. OPTIMAL WORKING CAPITAL
6. FRIENDLY SERVICE AND CONVENIENCE
7. TIME TO SERVE AND OPTIMAL LOCATION
8. RESPONSIVE TO CUSTOMER TRENDS
9. INNOVATIVE PRODUCTS, SERVICES, & FACILITIES (CPF)
GROUP 3 – AIRLINE - RESULTS

Mission - We provide quality service for all customers.

Vision - The best airline service using innovative ways to serve customers safely, affordably and on-time.

Business Idea - Non-stop regional flights to smaller airports.

Business Goals:
1. Be profitable
2. Green
3. Flexible
4. Efficient
5. Lean

Success Factors
1. Customer Service
2. Profitability
3. Industry
4. Good Leadership
5. Quality

6. Green Philosophy
7. Deliverables
**GROUP 5 – OIL COMPANY - RESULTS**

**Missions**
- Safely providing green/safe energy at the best value for now and the future.

**Vision**
- Be: Credible, reputable, employer of choice while exceeding customer expectations.

**Business Idea**
- Structured process-oriented company that listens to customer & employees.

**Goals**
- Customer satisfaction
- Employees trust & commitment
- 5% growth Y-O-Y
- Innovation leader in energy business

**Success Factors**
- Safety comes first - environment
- Customer satisfaction
- Employee satisfaction - low turnover
- Best value (for customer)
- Technology (patents, new products)
- Business growth
- Structured process oriented
GROUP 6 – HOSPITAL (PUBLIC) - RESULTS

MISSION:
TO ENHANCE THE WELL-BEING OF THE COMMUNITY THROUGH STATE-OF-THE-ART HEALTH CARE AND EDUCATION.

VISION:
TO PROVIDE THE HIGHEST CARE WITH THE LOWEST STRESS

BUSINESS IDEA:
OFFER A FULL-RANGE OF CARE

BUSINESS GOALS:
1) AFFORDABLE
2) QUALITY STAFF
3) TECHNOLOGY
4) INTEGRITY

SUCCESS FACTORS

1) GOOD STEWARD OF RESOURCES
2) STAY IN THE BLACK
3) DEMAND FOR SERVICES
4) GROWTH OPPORTUNITIES
5) MATCH RESOURCES WITH DEMAND/NED
6) REPUTATION
7) RETAIN TOP STAFF
GROUP 8 – MEDICAL DEVICE MANUFACTURER - RESULTS

Mission: Saving lives and improving quality of life.
Vision: Established and proven provider of medical devices.
Business Idea: Provide Medical devices through thorough interaction with doctors and patients, and innovative design with close attention to quality and continual innovation.

Success Factors:
* Relationship with Doctors and Patients
* Industry Leader
* Trusted
  - Reliable
  - Cutting Edge Manufacturing
  - Saving Lives
  - Integrity
**Mission**—Saving lives and improving quality of life.

**Vision**—Established and proven provider of medical devices.

**Business Idea**—Provide medical devices through thorough interaction with doctors and patients, and preventive design with close attention to patient needs.
GROUP 9 – HELICOPTER ENGINE MANUFACTURER - RESULTS

Mission: Build reliable engines that meet or exceed customers' requirements.

Vision: Be the most reputable and innovative provider in our target market.

Business Idea: Best team building to include employees, suppliers, and customers.

Business Goals:
- Dominant Market Share in Target Market
- Profitable
- High Reliability
- On-Time Delivery
- High Customer Satisfaction

7 Success Factors:
* Reliability
* Customer Satisfaction
* Performance
* Lifecycle Cost
* Safety
* Service
* On-time Delivery
* Ease of Use/Maintainability
SOME MORE ACTIVITIES DURING THE BPM EXERCISE
7 MAIN PROCESS MAP APPLICATIONS

At the University of Borås in Sweden (www.hb.se) Claes Berlin conducts yearly a course in “Integrated Management Systems in Practice - IMSP” within a master program for Quality Management for international students. Below you find the course outline, the students in the 2010 course and for information some examples of Main Process Maps done by the students as part of their examination program.

"Integrated Management Systems in Practice – IMSP"

Learning outcomes
This course gives an insight and knowledge to development and implementation of management systems from a holistic view with respect to the demands of the company, markets, customers, employees and rules in the society. It shows how quality, project and environmental management systems can be developed and implemented in order to provide improved products on demanding international markets. The student, after this course, should have knowledge to actively participate in projects with implementation of integrated management systems and participation in projects that invest and improve processes in a company.

Contents
The basis for this course is practical implementation of management systems with lectures and group work. Guest lectures will be presented in order to highlight through benchmarking how different companies work with their implementation and application of management systems. Standards like the international ISO-series in Quality, Environmental and Assessments are presented and discussed. A focus in this course will be practical implementation in both manufacturing and service sectors. An important issue in the course is to show the breadth of existing management systems and support tools as well as the great number of variations in implementation. The content in the course is about how management systems are initiated, used, maintained and improved for the benefit of the customers, the employees and the society.

Claes with the students in the IMSP master course in Borås 2010
**Mc DONALDS – MAIN PROCESS MAP**

- **Core Processes**
  - Prepare
  - Pack
  - Sell

- **Support Processes**
  - Research
  - Human Resources
  - Marketing
  - Recycling
  - Finance

**HOTEL – MAIN PROCESS MAP**

- **Core Processes**
  - Serve: with check-in procedure
  - Accommodate
  - Host events
  - Serve: (Room service etc)
  - Serve: with check-out procedure

**Products**
- 1
- 2

**Customers**
- Youth
- Adult
- Student
- Children
- Families
Overall the feedbacks from this BPM seminar at the NASA Supply Chain Conference 2010 were positive, some comments:

- awareness of new approach
- creative management, new ideas
- understanding of processes
- hands-on
- interactive
- mission vision, business idea and success factors MUST tie together
- learn how to create a proper process map
- brain storming is very important
- define and design a good business model
- know where you are & know how to get there
- 3-dimensional business model
- take down to!!
- listen, cooperate, team
- real world examples of change management success
- business example
- stories delivered in person
- the HOW
- stay true to making change for the best outputs
- continue to improve at the same time eliminate the waste
- lead by example vs. lead by demanding
- create processes directly to customer needs and product
- individual projects/products need to develop, related processes to do this
- keep the "big picture" in mind, watching the system is vital
- develop processes after identified product & customers need
- apply verbs to core processes
- customer needs may not always be measurable but can be subjective
- team work
- the 8 management principles
- dialogue is very important
- if the core & support processes work less management processes are needed
- we need to survey customers
- evaluate the relevance generated then evaluate efficiency of my department
- very timely info for me as my organization is going through a reorganization
- the RUAG Space story details, understanding of going from WHAT to HOW
- linking the RUAG Space story to a model – ISO
- stepping back from typical company’s detailed focus to customer perspective

The evaluation from the BPM-seminar in a scale from 1-5:
- content - 4,48
- lecture style - 4,74
- learning / knowledge gained - 4,30
- logistic / administration - 4,30
Keep it simple…

Everything should be made as simple as possible, but not simpler.

Albert Einstein

Many thanks for a nice seminar together and if you have any questions or comments please contact me by e-mail. // Claes

“Personally I’m always ready to learn, although I do not always like being taught”, Winston Churchill