# Infrastructure and Process:
Producing Results Instead of Protecting Turf

By Todd Lapidus

A heated discussion in the executive suite often turns around infrastructure and results: "Why do we still have these recurring failures when we've spent so many resources on solutions?" These discussions can be painful, and they are replayed over time in different variations. They are more likely to build frustration and resentment than produce new or better results. We know that process management can break this cycle—yet usually it doesn't.

Process is the link between investment in infrastructure and the business results your operations team is paid to achieve.

Performance Pyramid
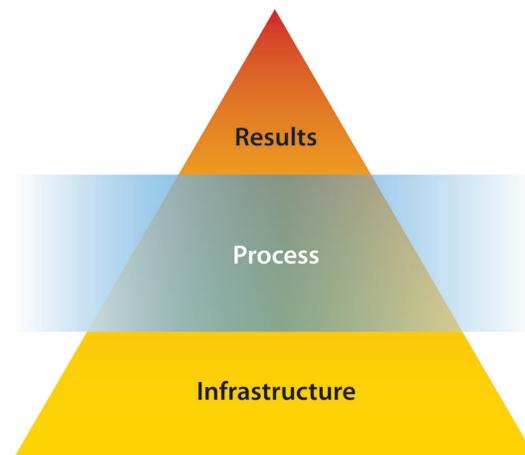
From a management perspective, an organization's processes are strategic assets that must be understood and managed. Tightening up processes can help an organization attain important operational goals. The potential benefits of business process management are listed in the footnote at the end of this paper.[1] They are well documented in business literature and will come as no surprise to you.

The purpose of this paper is to answer one question: If the role of process management is so well understood, so ingrained in traditional management education, why is it so poorly executed?

Emotionally Charged Territory

Organizations that have trouble improving process management tend to have a strong hierarchical structure. For an existing hierarchy, the shift from relying on organizational lines of authority to an emphasis on process to produce results is emotionally charged territory. A change to process-driven management will affect how people work, how they are managed and how their efforts are evaluated. It changes the power and influence of individuals and units.

Fundamentals

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Even managers who haven't been educated in process intuitively recognize that a shift to process management will rock their world. As a result, it is common to find that managers would rather talk about process improvement than implement the required changes.

When an organization shifts to process orientation without updating its structure to support the effort, failure is common and can be expected. The primary reason most process improvement efforts fail is that the underlying conflict between structure and process hasn't been addressed.

Process is not conceptually difficult to understand, and process failures are comparatively easy to analyze. With good analysis and a little team thinking, the task of finding ways to improve processes is not hugely complicated for most service-driven businesses.

Structure, however, presents an entirely different challenge.

The Problem of Structure

The friction between leading with process and structuring an organization by departments is difficult to alleviate. A process owes most of its effectiveness to the way it is delineated: where it begins and ends, who the performers in the process are, and for whom value is created.

Look, for instance, at the most ineffective customer service departments you have experienced. Where does their process begin and end? Usually it is with receiving and responding to complaints —reading e-mails and responding with boilerplate answers. Is any value being created? Will defects be eliminated? Is the process timely? Are those who can address the problem on a daily basis located at the heart of the response? Are glitches that occur between departments directly addressed? The answer is no, because the way the complaint-handling process is defined insulates responsible parties from any direct interaction, making significant improvement unlikely.

The most effective processes tend to be bounded in ways that align with how value is created in the business. This means that in many instances an improved process will cut across and through various departments that do not traditionally report to each other.

Think of checking into a hotel. Many departments are involved, including bell staff, front desk, reservations, housekeeping, and engineering. Three of these departments (bell staff, front desk, and housekeeping) usually report to a single division manager. But engineering reports to the chief engineer, while reservations works through sales and marketing. Where do most of the recurring defects and difficult relationship problems traditionally appear?

When we look at the structure of a typical hotel, the answer is not hard to predict. Problems routinely crop up between engineering and housekeeping and between front desk and reservations. Such problems cannot be solved in any lasting way without addressing the conflict between the hotel's organizational structure on the one hand, and the way value is created for the guests, on the other. So the same problems occur again and again. This principle holds true in every industry in which we have worked. Structure tends to shape behavior—and structure tends to win.

Fundamentals

You may have the best intentions to improve processes, but much of your effort will be wasted unless you align your organizational structure with how value is actually and continually created. You have to find a way to make your structure work with process instead of against it. If you don't, managers will dig in to protect their turf. Your process improvement effort will turn into a bureaucratic puppet show instead of a revitalization of your infrastructure investments.

C³ has more than 20 years of experience in process improvement. If you would like to talk about improving your processes or closing the gap between your brand promise and your customer experience, give us a call.

[1.] Potential benefits of business process management:

Greater predictability of results

Greater accountability for actions

Greater awareness among key line and staff members about the management of processes

Clear analysis and quick action to correct deficiencies before they put business results at risk (a forward-looking execution orientation)

Clearly articulated expectations for each step within the defined processes

Heightened individual and team accountability

Elimination of waste

Fundamentals

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**Customer Contact
Corporation**

109 Palmyra Place
Chapel Hill, NC 27514 USA
tlapidus@c3corp.com
919.403.6144