

**Creating Profit**  
**Using**  
**Business Process Management**  
*A guide for Companies*

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Rev NC

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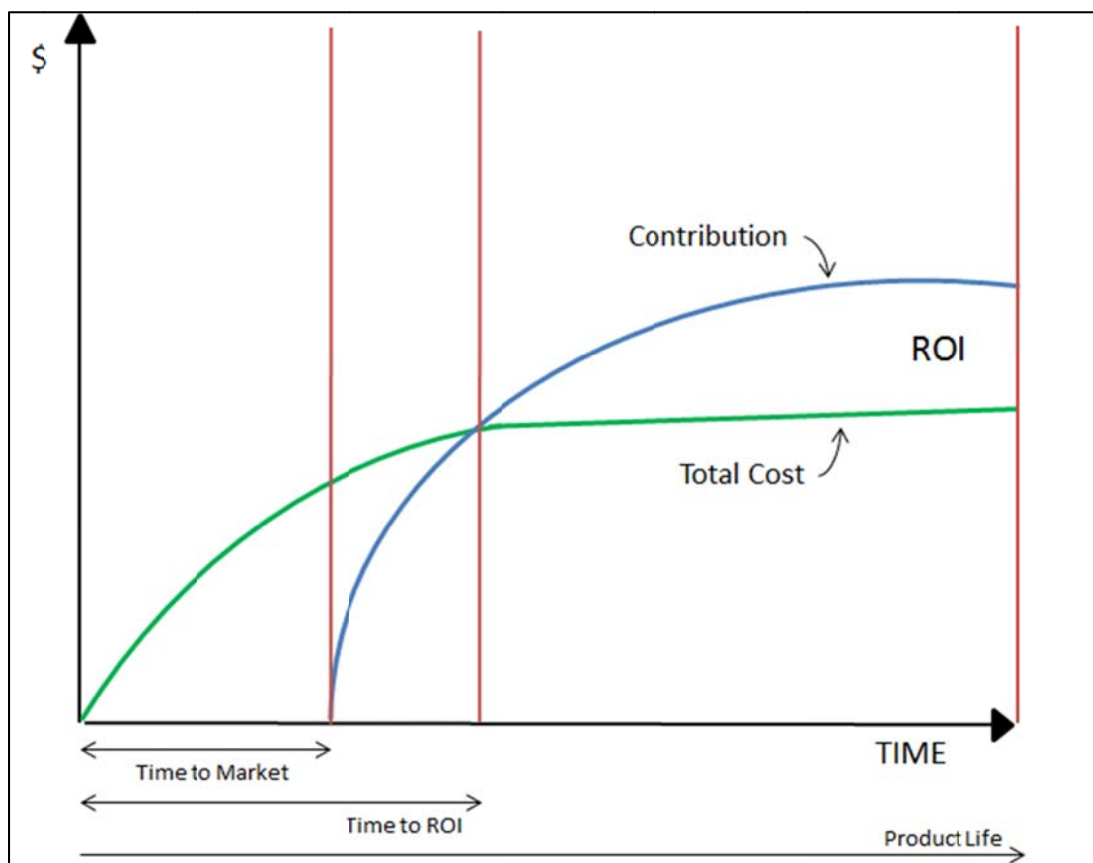
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## 1.0 INTRODUCTION

The market place we work in is diverse and is continuously changing. Companies are in business to make profit and in today's economy increasing market share is extremely difficult with the knowledge available to customers and consumers. Companies are aggressive and are attacking the market place attempting to gain additional market share than currently held.

There are several pressing business drivers that must be analyzed and reviewed in order to navigate the difficult transitions that will arise. These factors are discussed in this document and a top level approach is outlined to enable your enterprise to respond to these drivers.

Before we begin it is important to understand that when an enterprise makes an investment it is expected that that investment will receive a fair return on investment (ROI). The investments should pay off in terms of the business performance results they are charted to deliver. Obtaining the ROI is a core principle that managers struggle to achieve each and every day. Figure 1-1 ROI Chart depicts this challenge.



**Figure 1-1 ROI Chart**

It is becoming harder and harder to achieve the ROI expected for several reasons. The most difficult reason is managing the complexity with the ability to deliver the capability – both the

ability to perform and to scale. Developing business architectures that identify stakeholders, processes and organizations, and also link them the products or services of the organization are now the focus for success. Many organizations are attempting to align all of these elements with on another, however, its proving difficult and more challenging to allocate the necessary resources across the functional business units. The new-age business drivers include the following:

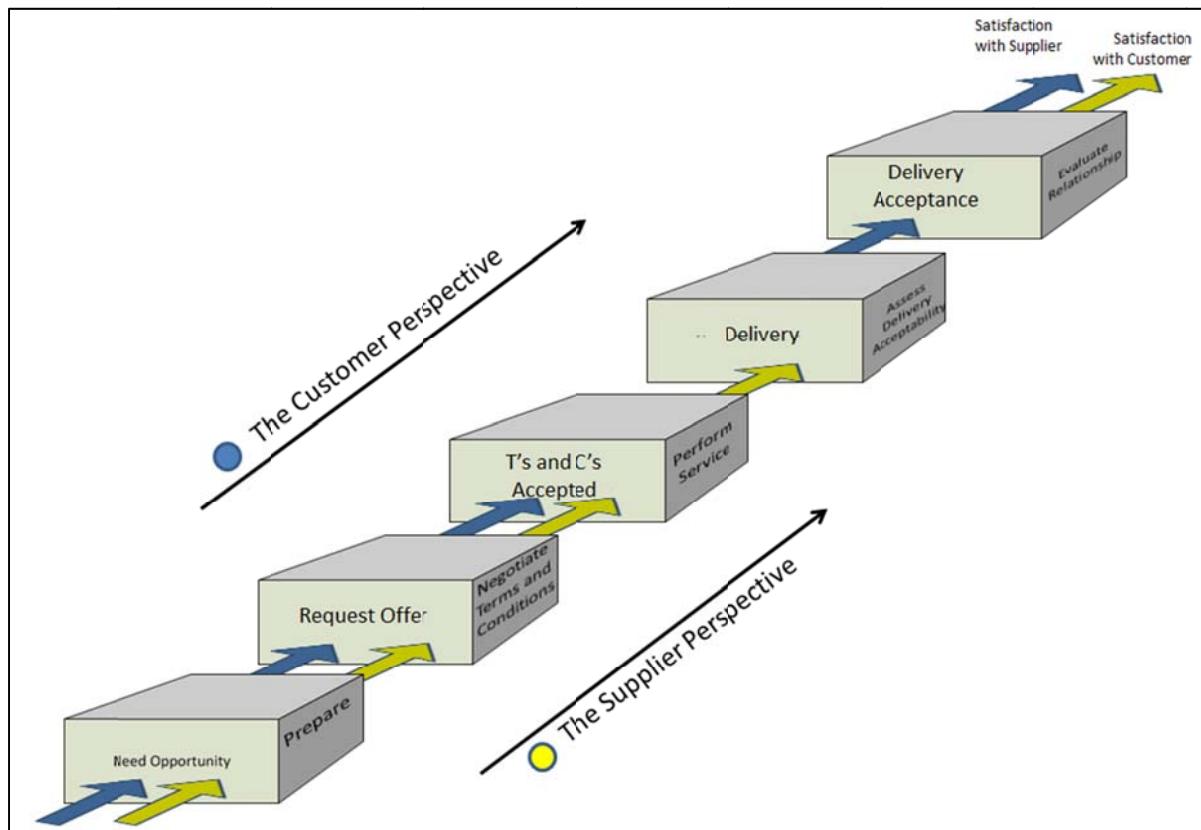
- Hyper-Competition
- Shrinking Business Cycles
- Growing Organizational Complexity and Reach
- Rising External Stakeholder Power
- Easily Accessable Business Technology (E-Business)

To assist in this process, managing expectations and understanding that change isn't an option – you will change whether it is welcomed or not. Understanding this principle is essential to creating or re-engineering an enterprises business process.

## **2.0 BUSINESS PROCESS DEVELOPMENT**

### **2.1 CUSTOMER RELATIONS**

One important element that must be managed and understood by an organization that desires to survive in this economy is to establish a long term relationship with its customers and consumers as well as other stakeholders. The center of these relationships is trust with means the confidence of whatever commitment is made; it will be met according to the expressed, implied, or inferred conditions associated with it. This key principle is not hard to define, it has proven hard to do when pressures abound. This principle is detailed in Figure 2-1 Model for Managing Customer Relations



**Figure 2-1 Model for Managing Customer Relations**

### 3.0 COMPANY CULTURE

An organizations culture is the basic way of doing business and approaching things that can give great advantage because it's so hard to steal or replicate it quickly and smoothly. Making a culture change must be tied to major process program transformation that seeks out those who aren't aware of the need to change and educates them. It looks for those who aren't capable of performing new jobs and trains them. It ferrets out those who aren't willing to give up traditional methods and changes their personal incentives.

$$\text{Change} = \text{education} + \text{Culture}$$

### 4.0 PROCESS MANAGEMENT FRAMEWORK

The process management framework has been built on ten (10) business change management principles:

1. Business change must be performance driven.
2. Business change must be stakeholder based.
3. Business change decisions must be traceable to the stakeholder criteria.
4. The business must be segmented along business process line to synchronize change.

5. Business processes must be managed holistically.
6. Process renewal initiatives must inspire share insight.
7. Process renewal initiatives must be conducted from the outside in.
8. Process renewal initiatives must be conducted in an iterative, time-boxed approach.
9. Business change is all about people.
10. Business change is a journey, not a destination.

#### **4.1 FRAMEWORK DESCRIPTION**

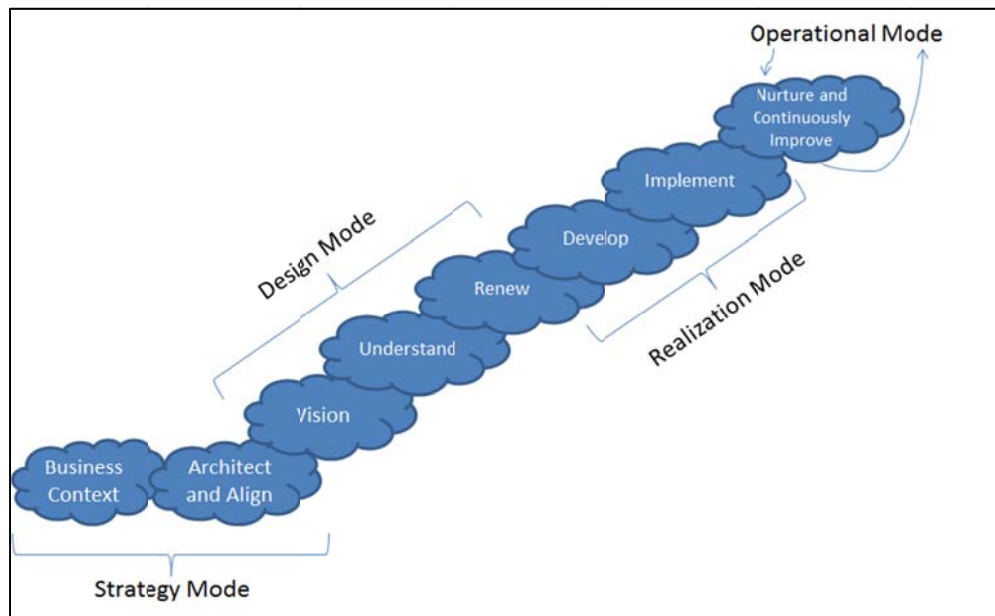
The business management framework is intended to be a flexible and reusable guideline that works with other professional approaches. They don't occur at points in the framework, but they continuously evolve during all phases and steps that are conducted.

The framework encompasses eight major types of activities directed at improved business performance. These logical groupings are referred to as phases of the framework. Understand that each phase accomplishes a specific purpose and is achieved as several modes are accomplished. Modes change and take on different perspectives as seen in Figure 4-1 Process Management Framework's Modes and Phases.

The initial mode is focused on strategy and comprises the Business Context phase and the Architect and Align phase. The steps of the Business Context phase provide an understanding of the business environment and the enterprise's strategic intent. During this phase, the organization defines the requirements of the business's stakeholders for business performance success. In the Architecture and Align phase, an organization identifies its process and aligns the priority one to its other enterprise assets, such as people and technologies. In this Strategy mode, a portion of the enterprise or the whole thing will be examined to set the appropriate direction required for a set of processes and projects.

Subsequently, process management moves into a Design mode for process-in-focus. This mode contains the Vision, Understand, and Renew phases. The Design mode is oriented around the definition of what must be built.

In the Vision phase, an organization defines the scope and success criteria for a project. It also plans the approach for the project and produces a business case for change. It develops a communication strategy for the affected stakeholders and starts to execute it.



**Figure 4-1 Process Management Framework's Modes and Phases**

In the Understand phase, an organization gathers information about an existing process and finds opportunities to improve the process. This phase provides the basis for communicating the rationale for changes to stakeholders with vested interests.

During the Renew phase, an organization produces its new approach for conducting the process in focus. It delivers validated models and test cases for later use. It produces a release-oriented transformation strategy for development and implementation.

Next, the mode switches to realizing the design. The Realization mode contains Develop and Implement phases. During the Develop phase, an organization produces all its process guides and enablers and other capabilities. It prepares facilities and technologies for implementation.

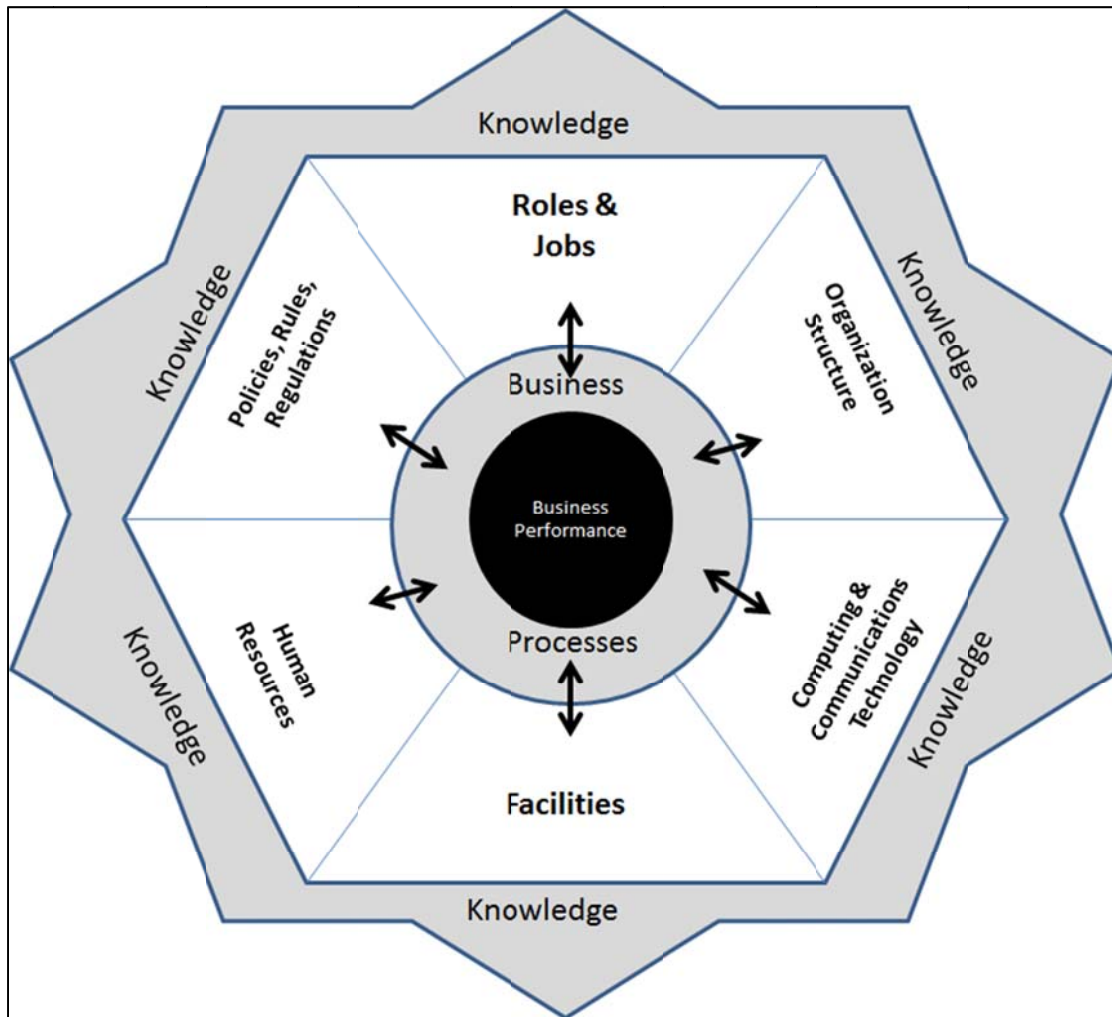
The Implement phase gets everyone ready for the rollout of process and other aligned changes, subsequent to a full business test or pilot.

Everything isn't necessarily delivered at once during Realization mode. An organization is more likely to release versions of any particular solution and to roll them out over time.

The last mode, Operational mode, is the actual running of business processes day to day. Its only phase, Nurture and Continuously Improve, isn't trivial. Its major contribution from a process management perspective is the ongoing assessment and improvement of the processes in place. Results and observations from the Nurture and Continuously Improve phase are significant contributors to the next round of strategy formulation.



At the heart of the Process Management Framework is the Process Management Hexagon (see Figure 4-2 Process Management Hexagon); which is the basis for how work is conducted in the framework. It emphasizes that a business is made up of processes that deliver performance and value at the center. The hexagon also depicts the necessary interrelationships of process with policies/rules, jobs, organization, technology, facilities, and people. It also shows that, without knowledge, non of these would be supportable.



**Figure 4-2 Process Management Hexagon**

## 5.0 CONCLUSION

Understanding the organizations vision and goals as well as the culture currently in place is essential to developing the process management framework. Experience and knowledge of the organizations daily operations cannot be substituted and is required to ensure processes are developed to accurately meet the organizations goals and objectives. Finally it cannot be stressed

enough that the organizations stakeholders (executive management) must have a clear vision and charter for the process team to develop processes that will be useful in the organization.

Using the principle and elements outlined in this document and the short-term additional investment, any organization that is considering document company processes or refining the currently defiend processes will achieve an increase in company profitability.

## **6.0 ABOUT OMEGA SOLUTIONS**

Omega Solutions was founded with the intent to support and help organizations profit from developing company processes. Omega Solutions has worked with many companies that are ISO and AS9100 certified. Developing tailorable processes for each organization is key to success. Omega Solutions believes that a company will succeed and advance in the market place only as far as the company processes that are documented will carry it. Without clear consise processes and company will never reach its full potential.

For assistance in developing a process management framework and to assist in developing you company processes contact Omega Solutions today.