



Criteria for Performance Excellence

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Process Management

One of the most fascinating Baldrige Criteria subjects for me to write about is process management. Just kidding. Process Management is like reading a boring nonfiction book compared to reading a best-selling novel about Leadership and Customer Service. It's just hard to get excited about a subject that takes so much work and discipline to be successful. Yet this area is the one that separates good organizations from great organizations.

In *Good to Great*, Jim Collins writes, "All companies have a culture, some companies have discipline, but few companies have a culture of discipline. When you have disciplined people, you don't need hierarchy. When you have disciplined thought, you don't need bureaucracy. When you have disciplined action, you don't need excessive controls. When you combine a culture of discipline with an ethic of entrepreneurship, you get the magical alchemy of great performance."

Great organizations identify, design, and improve their processes in the two main categories of value-creating and support processes. The Baldrige Criteria defines value-creating processes as those most important to "running your business" and maintaining or achieving a sustainable competitive advantage. Support processes are those considered most important for support of your organization's value creation processes, employees, and daily operations.

The availability of trained military personnel is critical to national security. A key value creation process for the military is training. The training process for the military is defined and standardized after years of development and improvement. The final product is consistent and highly qualified troops.

The Oakland Athletics baseball team has one of the lowest payrolls in the major leagues. Yet they consistently rank in the top half of the American League. They are consistently successful in identifying, drafting, and developing unknown and low-profile players at much lower salaries through a standardized method for player evaluation.

Support processes sustain and improve value-creating processes. For the examples above, a support process for the military might be the recruiting process and for the Oakland A's, it could be maintaining the scouting network employed to identify players. Support processes also include those neces-

sary to maintain continuity of the organization such as financial or emergency planning. Value creation and support processes work together in successful organizations.

The likelihood of process consistency improves as more employees understand a process and process requirements. Standardization drives consistency, which provides stability for improvement. This is the hard part. It's easy to talk about process management but documenting a process takes lots of effort. Process documentation could be in the form of a written procedure, a flow chart, a process map, etc. The important thing is that it be understood and communicated throughout the organization.

Managing processes successfully usually involves some type of structure in which processes are documented and managed. ISO 9000 certification establishes minimum requirements for identifying and improving key processes. The structure and resulting discipline involved in maintaining certification is one of the key benefits of ISO registration.

Effective process management also includes evaluation of the process using applicable measures or indicators. The cockpit display in an airplane provides critical information necessary for flight such as altitude and airspeed. Each process has similar measures that provide indication of performance. Identifying and tracking the critical measures is the necessary first step in process improvement. Virtually all successful organizations employ one or more quality improvement methodologies such as ISO 9001, Total Quality Management (TQM), LEAN, or Six Sigma.

Process management is not something that most people get passionate about. It's hard work and requires a lot of discipline. But for those organizations who work at it, effective process management pays big dividends.

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