ENABLING A PROCESS-ORIENTED SUPPLY CHAIN

iGrafx helps a major consumer products manufacturer attain higher process maturity

The Challenge

The company has quickly grown into one of the world's top communication equipment manufacturers. But with this success has come tremendous challenges - not only to sustain this growth, but also to maintain profitably and superior customer service. As a result, more complex decisions need to be made in less time, and more visibility is required into the way people, process and technology interact to better facilitate these decisions.

As early as two years ago, process documentation was rarely accessible or in user-friendly condition and what existed was stored in various different platforms and isolated within different parts of the organization, causing confusion and in some cases even duplication.

"Various departments were silo driven, with no view across the entire product lifecycle. It was challenging trying to improve processes because different departments owned various parts of the countless different processes used within the organization," the Senior Manager, Process Improvement and Architecture, explains. "Conducting improvement efforts were also challenging since ownership differed by global regions and each region had their own way of executing a similar process."

Six Sigma process improvement efforts were attempted, but success was often less than ideal due to an isolated project management approach. "The approach didn't provide an enterprise view or true understanding of how all processes worked end-to-end and across all functions," the Senior Manager says. "Creating and focusing on individual processes without a proper backbone architecture framework and end-to-end process strategy creates efficiency noise, is counterproductive, and most of all, can be highly costly."

As a result, the company made the decision to use an enterprise perspective to create a holistic process ecosystem understanding and attain higher process maturity. This led to the implementation of a complete Process Management and Improvement platform provided by iGrafx.

The Approach

A new team was brought on board to break down process silos, build a culture of continuous process improvement, and conduct formal improvement projects to meet strategic cycle time and customer targets across the various product lifecycles.

Based on previous successes, the Senior Manager introduced a Process Oriented Architecture concept to the organization. Using this approach, processes are not considered individually but as elements of an enterprise ecosystem.

The old approach of designing and documenting processes in various formats and managing them in a document management system was insufficient in supporting the new process architecture. "iGrafx, however, allows us to properly execute our process improvements on a global scale rather than individual efforts that sometimes conflict with each other," says the Senior Manager.

The iGrafx Advantage

An iGrafx-based process model was then created where the current state of every department was hierarchically modeled and decomposed. All processes that touched an order as it moved from receipt through delivery were mapped in detail, creating a comprehensive view. Every product type, functional group, and geographic region was included. By doing so, the Process Improvement and Architecture team was able to measure the performance of the complete order process and identify disconnects that could be fixed to improve process performance. Since they finally had an accurate description of their work, it was feasible to design relevant measurements and key performance indicators (KPIs) across the entire Supply Chain.

"iGrafx has been instrumental in our efforts to clearly see all of our processes and uncover duplication, overlap, and waste. The ability to see the quantity of processes in place is helpful, but the real benefit is being able to clearly see all of the overlays and connections between the processes," says the Senior Manager. "We are now able to identify and streamline interactions between processes and support systems. The relationships between processes and strategic goals, service level agreements and key performance indicators (KPIs) are also integrated."

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iGrafx not only helps to identify where deficiencies exist, but with a process model and associated metrics in place, the organization can ensure that proposed changes do not have negative downstream effects. Educated process decisions are now based on realtime models, performance data and business impact.

Building a Culture of Continuous Improvement

The most important factor driving success was creating a culture of continuous process improvement across all departments. The following key influences stimulated adoption of both the program and the tools:

- *Convenience and the right user experience*: A tool that gave a customized, seamless user experience was needed to ensure consistency amongst business operators. Processes and documents are now no longer managed in different locations and iGrafx ensures that process diagrams consistently follow the look and feel standards established by the company. "Our team creates professional grade representations which easily and efficiently track the connection points between departments and their processes. Cataloging and linking is very efficient with iGrafx and this is invaluable in our solution design process. For example, it's simple now to find every point in our business in which SAP is used, and even which module or data field," says the Senior Manager.

- *Collaboration*: Ongoing improvement efforts are process-based with checklists to remind those modeling processes to capture obvious improvement opportunities and pain points. This creates a continuous improvement mindset and a self-sustaining improvement model. iGrafx supports collaboration and approval procedures to ensure that changes are only made according to established company standards and with the appropriate business approval.

- *The right business focus*: "In the past, KPIs were often missing or simply not shared. Now they are managed in the repository

with the process models they measure to enhance their clarity and visibility, while keeping the flow diagrams simple," says the Senior Manager.

The Benefits

This year, as a result of these project efforts, the average order cycle time for all product types and regions improved by 60%. But the company considers the improved transparency and goal alignment to be the biggest win.

"In the past, we had several downstream or post production metrics but no leading indicators to highlight where process issues or disconnects were occurring to help us identify the root cause of delays or waste. Now, as a result of our mapping and improvement efforts, there are KPIs attached to every notable point in the order processes to track critical indicators and quickly assess the root causes of non-optimal process performance," the Senior Manager explains. "The business owners can choose from a variety of reporting and analysis options to support them in making better decisions."

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