CHALLENGE THE WAY
YOU THINK
ABOUT WORK

The Perigon® Method of Process Mapping for Sustainable Improvement.

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Business Enterprise Mapping, LLC.
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Business Enterprise Mapping (BEM) has been mapping organizations of all types for over 20 years.

*Our mission* is to challenge the way you think about work by partnering with employees to clearly understand the workflows delivering value to your customer; break down barriers that get in the way of successful outcomes; find, organize, and analyze improvement opportunities; and design effective and efficient workflows to meet organizational goals.

Because the way we challenge work is uniquely effective, the purpose of this eBook is to introduce you to our process and, in particular, what makes it so valuable.

This eBook of our powerful Perigon® method is an introduction designed for leaders desiring to:

- Break down barriers created by organization silos.
- Untangle complex workflows.
- Get control of the organization.
- Implement broad and comprehensive improvement.
- Simplify before automating.
- Meet compliance standards more effectively.
- Engage employees.
- Discover a better improvement methodology and toolkit.
- Build a sustainable foundation of best practices.

"Don James believed business mapping tools could be improved and he became determined to find a better way."
The Perigon Method has a long and successful history for defining and improving the way organizations design and execute work. The Perigon Method began over 20 years ago as a better way to document business processes when, in 1989, Business Enterprise Mapping founder Don James was hired to set up a European Union production facility. Don's company was required by its main customer to become ISO 9001 certified before delivering any production units. This was an overwhelming project with short timelines, limited resources, and long hours. At the time of Don's assignment, the accepted method for defining quality management systems was the Standard Operating Procedure (SOP).

To save time, Don quickly adopted the flowchart, which allowed him to understand the important aspects of business processes before writing SOPs. The flowcharts helped greatly, they were incorporated as appendices, and the company achieved its goals. Despite achieving success, Don believed the tools could be substantially improved and he became determined to find a better way to define and improve work.

After evaluating the documentation methods in use in 1993, their return on investment and the effort required to produce them, Don started Business Enterprise Mapping (BEM). He knew that BEM’s clients could achieve superior results faster in their journey to identify, define, improve, deploy, and sustain organization workflow.

From that realization came the beginnings of The Perigon Method.

BEM’s Perigon Method is a unique and powerful business mapping method that challenges the way work is done, engages employees to analyze and improve their own work, and delivers substantial and sustainable organization benefit.
BEM’s Program Directors have implemented Perigon solutions in over 300 different enterprises covering 60 industries across six continents.

BEM has successfully partnered with clients to:

- Obtain over 50 registrations to international standards.
- Map 3,000 business systems.
- Deploy 25,000 client processes.
- Address 750,000 improvement opportunities.
- Deliver sustainable ROI of 5:1 to 20:1.

We are committed to continually seeking better ways to uncover organization opportunities. Building business maps that challenge the way you think about work, we help you transform your organization by making work simpler, faster and more valuable.
At BEM, we have learned that most organizational problems lay hidden in broken business processes and the gaps created by disconnected organization boundaries, functions, and jobs.

In traditional organization structures, leaders formulate and implement business plans by allocating resources and directing managers along department lines, and through jobs designed around task responsibilities. These jobs are typically bound by vertical and hierarchical reporting relationships with increasingly narrower scope and responsibility.

**WORKFLOW MANAGEMENT IS THE MISSING ELEMENT**

Workflow derives from the more natural horizontal relationships that exist between jobs, functions, and departments. Employees describe scenarios of work flowing horizontally across organizational boundaries from department-to-department, function-to-function and job-to-job. They access knowledge to perform tasks; tasks combine to create processes; processes link to become business systems; and business systems connect to form the overall enterprise.

**OPPORTUNITIES ARE FOUND IN BUSINESS PROCESSES**

We have collected data from thousands of client opportunities detailing their problems, frustrations, and opportunities. These opportunities span a wide variety of industries, company sizes, and organization models and we categorize them into five groups:

2. Organization Boundaries.
3. Tools & Equipment.
4. People.
5. Environment.

What we know is that on average 72% of all improvement opportunities are directly related to business broken processes and organization silos.
3. CHALLENGE THE WAY YOU THINK ABOUT WORK

These problems are consistent, repeatable and include a few primary causes:

- Process not defined.
- Process not followed.
- Process not aligned.
- Process not owned.
- Process not measured.

While most leaders recognize the importance of business processes in the organization, they often cannot specifically identify their own organization’s business processes.

HERE IS WHAT WE TYPICALLY SEE:

- Less than 20% of leaders can correctly name all of the business processes within their area of responsibility.
- Less than 10% of leaders can name the immediate customers of their business processes.
- Less than 5% of organizations measure any type of business process performance.

THE JOURNEY BEGINS BY THINKING DIFFERENTLY ABOUT THE WORK

Organizations invest substantial sums in assets, including facilities, people, knowledge, equipment and information technology, to fund the infrastructure needs necessary to compete. These same organizations often fail, however, to invest in the business processes that utilize these assets to create customer value.

When organizations underinvest in business processes, they substantially underperform relative to their full potential. Actively managing workflows provides improved outcomes that directly impact competitiveness. When focus is shifted to a workflow-based organizational view, problems and opportunities previously hidden become readily apparent.
Senior leadership too often overlooks the vital role business processes play in successful execution. A commitment to building strong business processes delivers a gift that keeps on giving, with benefits that include:

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AND MORE...

"When organizations underinvest in business processes, they substantially underperform relative to their full potential."
A business process is an organized series of tasks, events and decisions that receives a product or service (the input) from a supplier, adds value to that product or service through a transformation (the process), and then delivers a different product or service of more value (the output) to a customer.

To exist, a business process must have a value proposition that satisfies its customer. The value proposition clearly defines the customer of the process, the customer’s painful problem, the solution that solves this problem, and the net benefit of that solution to the customer. The more painful the unsolved customer problem, the more important the process is to its customer. And the more important the process is to its customer, the more valuable the process is to the organization.
4. WHAT IS A BUSINESS PROCESS EXACTLY?

A BUSINESS PROCESS IS DEFINED BY A FEW ESSENTIAL ELEMENTS

A process is defined by a standard relationship comprised of a Supplier, Input, Process, Output, and Customer, which are used to define the process backbone.

1. A SUPPLIER provides an input to be transformed by the process for its customer.

2. INPUTS are raw materials — physical or intellectual — consumed by the process to create its output.

3. A PROCESS transforms inputs through a series of connected tasks to deliver a changed output of greater value to its customer.

4. OUTPUTS are the result of the process transformation — a product or service — fulfilling a value proposition.

5. THE CUSTOMER is the person, process or organization — internal or external — that receives the product or service delivered by the process.

THE GOAL OF EVERY BUSINESS PROCESS IS TO SERVE ITS LOYAL CUSTOMER ETHICALLY USING MINIMUM RESOURCES.

A BUSINESS PROCESS INCLUDES SEVERAL ADDITIONAL CHARACTERISTICS

In addition to the basic elements discussed on the previous page, business processes also contain other key characteristics that can be easily overlooked but are essential, including:

THE PROCESS OWNER is the employee who accepts responsibility for, understands and is accountable for how the process performs. A process that is owned and designed by those who do the work will deliver better outcomes.
4. WHAT IS A BUSINESS PROCESS EXACTLY?

**Knowledge** is the information used by the process to perform the transformation. Examples include work instructions, intellectual property, and company data.

**Resources** are processes that utilize resources to perform the transformation that delivers the value proposition. These resources include facilities, equipment, people, information technology, and budget.

**Measurement** determines both effectiveness (the extent to which the process solves the customer’s problem) and efficiency (the extent to which the process uses minimum resources to do so).

**Feedback** is generated from outputs (the customer back to the process), inputs (the process back to the supplier) and the transformation (from within the series of task, events, and decisions).

**Three Things to Know About Any Business Process**

1. **Every process is perfectly designed to get the results it gets.**
   Whether a process was specifically designed to serve a valuable purpose or grew out of people doing work to get something out the door, it delivers the results - good, bad, and ugly - that it is designed to deliver.

2. **If you are unhappy with your current performance, it is your responsibility to improve the business processes that deliver that performance.**
   Anything less will only produce frustration. There is an explainable reason for disappointing results and the solution can ALWAYS be found somewhere in an underperforming business process.

3. **The goal for every business process should be to serve a loyal customer ethically using minimum resources.**
   In this way, the process is deployed according to behaviorally acceptable governance, the value proposition of the process effectively serves the customer, and the process is not wasting valuable resources.
5. The Perigon Method

The Perigon Method is a proprietary business mapping methodology developed by BEM that combines structured, facilitated workshops with easily understood visual diagrams and playbooks to engage employees to simplify work that delivers rapid, substantial, and sustainable improvement.

The Structured Workshop Methodology

The Perigon Method is built upon a tightly structured and phased approach that systematically develops and delivers business maps capturing the knowledge, analysis, metrics, and responsibilities within the organization. Perigon is executed through targeted workshops lasting from one hour to one day, creating specific deliverables that contribute to business system and process playbook development. Not only do workshops engage employees to simplify their work, they also increase employees' skills and knowledge, making them more valuable to the organization. The Perigon Method consists of five Phases.

**Phase Zero**

*Enterprise Roadmap* delivers Business System Diagrams that define the overall scope of the work including goals, process and system identification, major opportunities, rollout options, and a recommended implementation plan.

**Phase One**

*Process Development* creates current state process maps, captures process improvement opportunities, develops the Customer Value Assessment and Process Profile, identifies Quick Wins and delivers a 90-day Rapid Improvement Plan.

**Phase Two**

*System Deployment* adds knowledge and analysis detail, including information, responsibilities, metrics, value analysis and deployment readiness that allows process owners to simplify work, bring their processes into a releasable state, identify improvement potential, and deliver an overall System Deployment Plan for substantial and sustainable improvement.
5. **The Perigon Method**

**Phase Three**

*System Innovation* provides a future state system design focused on delivering substantial system-wide efficiency and effectiveness improvement through process assessment, capability assessment, constraint analysis and process redesign.

**Phase Four**

*Enterprise Alignment* provides the alignment of processes, systems, and strategy, where the enterprise identifies and prioritizes opportunities, establishes the enterprise scorecard, and develops and implements strategic improvement.

**Robust Tools & Playbooks**

Through Perigon's Business Mapping tools, BEM finds the hidden opportunities and solves the difficult problems by uniquely defining, diagnosing, simplifying, and aligning work for large and sustainable organization improvement. Using Microsoft Visio, we add our proprietary templates, stencils, symbols, icons, worksheets and best practices to lead clients through a more insightful and effective discovery than can be found through other methods.

**Employee Engagement**

We believe employees are your most valuable resource and those who do the work should be involved in defining and improving their work. We deploy this principle by designing engagement directly into our on-site workshops. We teach process teams the knowledge they need, immediately use that knowledge to conduct deliverables-based workshops, and then follow through on targeted opportunities.

**Seasoned Program Directors**

Our Program Directors are seasoned facilitators who deliver consistent and reliable on-site results regardless of industry, organization, or function. Our group has likely seen the problem before, built the process and improvement strategy that addressed the need, and successfully partnered with our clients to implement the solution.

“Through Perigon’s Business Mapping tools, BEM finds the hidden opportunities and solves the difficult problems by uniquely defining, diagnosing, simplifying, and aligning work for large and sustainable organization improvement.”
The Perigon Method delivers substantial and sustainable performance improvement over the traditional organizational structure. By actively defining, analyzing, simplifying, and maintaining workflow, Perigon attacks the weaknesses of the traditional system to systematically improve both efficiency and effectiveness. Here’s how the two structures compare:

**THE PERIGON ADVANTAGE**

Our Program Directors are seasoned facilitators who deliver consistent and reliable on-site results regardless of industry, organization, or function. Our group has likely seen the problem before, built the process and improvement strategy that addressed the need, and successfully partnered with our clients to implement the solution.

**STRUCTURE**

By structuring around the work, the organization is better able to execute, match responsibilities directly to workflow, and hold people accountable to meaningful work-based outcomes.

**WORKFLOW**

By involving those who do the work directly in defining and improving the work, workflow is specifically standardized through employee defined business systems and business processes.
6. Perigon and the Traditional Organization

**MEASUREMENT**  Measuring what matters provides regular leading, proactive, and actionable indicators of trends in the business.

**IMPROVEMENT**  Projects are designed to improve a business system or process to deliver a better customer experience. Over time, the organization converts more opportunities into performance improvement.

**CUSTOMER EXPERIENCE**  By identifying, engaging and understanding the customer needs of every process, the ultimate customer value proposition is built seamlessly through the organization.

**COMPLIANCE**  Perigon not only achieve compliance standards but also delivers sustainable performance improvement. Process maps are far easier to build, use and maintain than standard operating procedures.

**STRATEGY**  is far easier to implement as leadership fully understands the capability and cause-and-effect relationships between business systems and business processes, and the workflow improvements necessary to make strategic intention a reality.

"By involving those who do the work directly in defining and improving the work, the organization empowers employees who are capable of contributing far more value."
The Perigon Method uses a **standardized five-tier structure** for defining work in the organization. We find this structure can be used to describe any environment and provides a good model for rethinking the organization’s work.

**LEVEL ONE – ENTERPRISE**

The **Enterprise** contains the 12 Business Systems necessary to deliver the enterprise value proposition. It is generally represented by a profit center in a larger organization, such as in a public company, or is a single, self-contained smaller business unit profit center.
7. RETHINK THE STRUCTURE OF WORK

LEVEL TWO – BUSINESS SYSTEM

A Business System is comprised of a collection of contiguous business processes delivering its value proposition. The breadth and depth of each business system may vary by situation, but the fundamental construction remains the same.

The Perigon Method defines 12 standard Business Systems:

**CORE**
- Sales and Marketing.
- Product Development.
- Operations.
- Procurement.
- Customer Service.

**RESOURCE**
- Finance.
- Equipment.
- Facilities.
- Human Resources.
- Information Technology.

**LEADERSHIP**
- Enterprise.
- Improvement.

LEVEL THREE – BUSINESS PROCESSES

Business Processes take inputs from suppliers, transform them through a series of tasks and deliver those transformed outputs to customers. Contiguous business processes are grouped according to each of the 12 Business Systems.

LEVEL FOUR – TASKS, EVENTS & DECISIONS

Business processes are built through a series of tasks (jobs, actions), events (meetings, training, etc.), and decisions (yes/no, go/no-go) that combine to transform a supplied input into a delivered output the customer values. Tasks are the actions employees take to either add value to a customer’s product or not.
LEVEL FIVE – KNOWLEDGE

Knowledge is the intellectual property of the enterprise. Knowledge includes a wide variety of information and content such as records, data, policies, standards, training, metrics, regulatory, bills of materials, specifications, trademarks and patents. Business processes access knowledge through tasks, events and decisions. By locating the sources and uses of knowledge at the process level, an enterprise can more easily manage its knowledge and have it readily available to add value.

"An organization can only achieve large improvement by first redefining workflow and knowledge requirements, and then addressing the improvement opportunities presented by this different view."

By structuring responsibilities based on the work that must be accomplished - instead of the hierarchical reporting relationships typically found on organization charts - the enterprise can streamline work to improve performance and better meet customer expectations.

While improving any task is good for the enterprise, improving a business process will yield more benefit, and improving a business system will provide even greater value and benefit to the enterprise.
8. ENGAGE THOSE WHO DO THE WORK

Business mapping is best executed by involving those who do the work to define and improve their work. The Perigon Method actively involves employees at all levels of the organization in problem solving workshops, capturing employee input, solutions and feedback.

BUSINESS MAPPING BUILDS A WORTHWHILE PURPOSE

Employees want to know their job matters. A major weakness in many employee involvement efforts is not addressing and solving the important problems they face every day. This leaves employees feeling like their efforts don’t make a difference and management doesn’t value their input.

By including employees in business mapping, leaders are purposefully addressing the work of those employees and involving them directly in selecting and implementing the solution, which increases commitment. It is not enough to tell employees you want them to be involved, but you must give them a business problem that, when solved, improves their lives and offers a valuable benefit.

BUSINESS MAPPING ENCOURAGES STORY SHARING

Our Program Directors actively seek out the stories of team members, which form the basis for understanding how the work gets done.

Employees often tell us that Perigon workshops represent their first opportunity to actually explain how they do their jobs. Encouraging employees to tell their story is a powerful motivator that leads to natural conversations about improving performance.

BUSINESS MAPPING BREAKS DOWN BARRIERS AND FACILITATES TEAMWORK

Too often we see organizations where department members with dependent work responsibilities have never spoken to one another. Such departmental silos directly cause barriers to serving the customer. Business Mapping Teams attack boundaries looking for ways to overcome barriers to alignment.

It’s encouraging to see people with different backgrounds, who may have otherwise never met, come together for a common purpose. Mapping Teams can quickly become a force for positive change in an organization.
8. ENGAGE THOSE WHO DO THE WORK

BUSINESS MAPPING BUILDS SKILLS

Perigon provides targeted training for Mapping Teams in valuable improvement skills that employees retain for the rest of their careers. In every project, we come across that “aha” moment when employees understand the very powerful world of business process thinking and its capability to deliver better performance. Employees are able to use their new knowledge, training, and skills to change the face of the organization.

When employees have a voice in how their work is done, they are more motivated and committed. Not only does business mapping provide a very powerful analytical tool, it also provides very powerful employee engagement that forms the foundation for sustainable employee satisfaction.
9. DIAGRAM THE BUSINESS SYSTEM

Mapping business processes can be an overwhelming job. Using The Perigon Method, BEM defines 12 standard business systems that form the foundation for organizing business process structure.

Business process mapping efforts should begin by first identifying the business processes that connect to form each of the 12 business systems. Identifying these connected business processes comes through the development of a Business System Diagram (BSD).
9. DIAGRAM THE BUSINESS SYSTEM

WHY YOU SHOULD DEVELOP A BUSINESS SYSTEM DIAGRAM

The Business System Diagram provides a succinct view of all business processes within a business system and includes several important additional elements for each process. Specifically, the BSD identifies the following information.

1. BUSINESS PROCESSES.
The identification of the business processes contained within the business system to be defined.

2. PROCESS OWNERS.
A list of logical process owners, who will be key members of the implementation team to ensure the effective deployment of defined business processes.

3. PROCESS PURPOSE.
The purpose and role of each process within the context of the overall business system.

4. PRIMARY SUPPLIERS AND INPUTS.
The few key suppliers and main inputs to the process.

5. PRIMARY CUSTOMER AND OUTPUTS.
The few main customers and key products or services produced by the process.

6. PROCESS CONNECTIVITY.
The process relationships within the business system.

“The Business System Diagram development always sparks lively discussion that leads to new learnings and insights to the business.”

The Business System Diagram provides leadership a high level understanding of his or her span of responsibilities and the relative contribution of each process to the business system’s value proposition.

Because the BSD connects interrelated processes, it provides a useful visual model for process connectivity that helps identify cause-and-effect relationships impacting business system performance.
10. DEVELOP PROCESS PLAYBOOKS

BEM designed The Perigon Playbook with the goal of overcoming the specific limitations of outdated process documentation methods. Summarized below are just a few of the challenges encountered with legacy documentation methods.

- **STANDARD OPERATING PROCEDURES (SOPS)** are perhaps the most common way of documenting work but they are time consuming to produce and challenging to keep updated. More importantly, they often are not written by the people who actually do the work, which means that the people who use them do not own them. This leaves them open to interpretation or even being ignored altogether.

- **PROCESS FLOWCHARTS** are effective tools for establishing the main backbone of a process but they don’t contain enough detail to stand-alone, so their usefulness is dependent upon additional narrative and written procedures.

- **SWIM LANE DIAGRAMS** are an incremental improvement over process flowcharts but they share similar limitations. Their main improvement is that they capture organization structure. Their biggest drawback is that they are structured along organizational boundaries rather than process boundaries. Swim Lanes have a limited ability to accommodate process details, analytics and connections between groups.

**THE PERIGON PLAYBOOK PROVIDES A MORE FLEXIBLE, COMPLETE, AND EASILY UPDATABLE SOLUTION TO DEFINE WORK FLOWS THROUGHOUT AN ORGANIZATION**

Using Microsoft Visio® and a library of specialized templates, symbols, stencils, matrices, instructions and best practices, we engage teams to create the Perigon Playbook for workflow definition, simplification and deployment that works today and in the future. There are four components of the Perigon Playbook:

1. **PROCESS SCORECARD (COVER)**

Summarizes the purpose of the process and its control elements including customers and suppliers, process and system owners, where the process fits into the enterprise model, the main products or services and a summary of process status.
10. DEVELOP PROCESS PLAYBOOKS

2. ARCHITECTURE PROFILE (TABLE OF CONTENTS)

Is a high level flow chart that establishes the backbone of the process by providing a summary view for leadership. The Architecture identifies main suppliers, inputs, customers and outputs and the main transaction flow of the process.

3. PROCESS MAP (CONTENT)

Adds detail to the Architecture Profile in an infinite template style that allows all of the information available to that process to be attached to the process map itself. The Perigon Process Map contains the who, what, when, where, and why of the process, and points to the how. The map includes workflow, tasks,

4. MATRICES (APPENDICES)

Add knowledge, standards and information detail utilized by process owners, process improvement professionals, compliance professionals and subject matter experts. Matrices provide the how-to for the execution of process tasks and allow process maps to stand alone, without the need for supporting material.

THE Perigon® METHOD
TEN STEPS TO BUSINESS PROCESS MAPPING

The Perigon Method uses a structured workshop approach that engages employees who do the work to improve their work. Here are the ten steps for business process mapping using Perigon.

1. SELECT THE BUSINESS SYSTEM TO MAP.
All processes within a Business System should be mapped as a single project to assess connectivity and cause and effect relationships.

2. IDENTIFY, EDUCATE AND ENGAGE PROCESS OWNERS.
Process and System Owners are the most essential element to a successful study of the business process and its improvement. The Perigon Method creates viral engagement among employees, as improvements spread rapidly throughout the organization.
3. DEVELOP CURRENT PROCESS MAPS.
Process maps are built through a grooming process occurring through a series of 1-2 hour workshops. An 80-90% complete current state Perigon Map can be built within about 4-5 hours.

4. IDENTIFY PROCESS IMPROVEMENT OPPORTUNITIES.
While building the Perigon Map, BEM identifies Red Clouds where we capture the known problems and improvement opportunities identified by process users. We commonly find somewhere between 25 and 50 opportunities per process.

5. ASSESS CONNECTIVITY AND ALIGNMENT.
Business System process alignment is an essential element of the Perigon Playbook. BEM conducts a War Room session on every Business System where we bring all Process Owners together to evaluate the customer-supplier relationships within the system. This leads Process Owners to find the gaps in connectivity between processes.

6. ESTIMATE BEGINNING PROCESS PERFORMANCE.
Most organizations desire to improve process performance on a few key measures, including cost, time, quality and customer service. However, very few organizations actually consistently measure these characteristics. Establishing an early performance baseline is a critical part of the Perigon mapping process.

7. PERFORM THE CUSTOMER VALUE ASSESSMENT (CVA).
The CVA assesses the relationship and understanding between the Process Owner and the customer.

8. DEVELOP THE KNOWLEDGE MATRICES.
Includes Information, Responsibilities, Value Analysis, Metrics, and Opportunity. Knowledge matrices development guides process analysis to provide the depth to the Playbook.

9. COMPLETE THE DEPLOYMENT READINESS CHECKLIST (DRC).
The to-be process incorporates all acquired knowledge into the desired vision.

10. DEVELOP A PROCESS IMPROVEMENT PLAN (PIP).
The PIP includes process deployment preparation, goals, improvement actions, responsibilities, and implementation schedule.
The Perigon Playbook has been continually refined in collaboration with BEM clients. Its basic design provides many benefits including:

- **Specifically designed for process development, management and improvement; the structure for continuous improvement is embedded.**

- **Designed to be used in process, system, enterprise and community structures, integrating different areas and levels of the company seamlessly.**

- **Quick and easy to create; users can develop Perigon Maps that are 80-90% complete and usable within 4-5 hours.**

- **Easily ported to a company intranet and hyperlinked to stored knowledge.**

- **Contains a fully integrated scorecard for all levels of the enterprise.**

- **Includes fully established and controlled mapping standards with training programs for support in multiple environments and applications.**

The Perigon Playbook provides greater diagnostic capability than any process mapping method available today. The Microsoft Visio-based Perigon toolkit, coupled with structured employee engagement, delivers a depth of insight that easily captures the important opportunities available to leadership.

"The Perigon Process Playbook contains the who, what, when, where, and why of the process, and points to the how."
11. BUILD A SYSTEM OF LOYAL CUSTOMERS

EVERY ENTERPRISE, BUSINESS SYSTEM AND BUSINESS PROCESS MUST DELIVER A VALUE PROPOSITION THAT BENEFITS A CUSTOMER.

The value proposition is a short statement that clearly communicates the primary customer, the customer’s problem and the pain it causes, your unique solution addressing this problem, and the net benefit from the customer’s perspective.

VALUE IS PERCEIVED SOLELY IN THE EYES OF THE CUSTOMER.

The organization value proposition is delivered through a series of business process and business system value propositions, connecting seamlessly to delight the ultimate customer.

Working with employees in focused workshops, we develop the Customer Value Assessment (CVA) that captures customers’ wants, needs and requirements, represented across four dimensions. For each Process Owner we ask a series of questions covering the following topics.

1. SOLUTIONS - Do you solve your customer’s painful problem?

Solutions represent the core products and services provided by the process to fulfill its purpose. Ideally, process solutions would successfully solve the customer’s problem, or fully satisfy the customer’s want or need.

2. RESPONSIVENESS - Are you there when your customer wants?

Responsiveness defines the customer-desired time for all interactions. This can be expressed in several ways, such as time to respond, availability, scheduled when convenient, and regularly scheduled.
3. ECONOMICS – Does your net value delight the customer?

Economics defines the customer’s perception of value offered through the products and services delivered by the process.

4. RELATIONSHIP – Are you a partner or a vendor to your customer?

Relationship defines the customer’s perception of the relationship needs of the organization owning the process that provides solutions.

Customer loyalty comes from an insightful understanding of what the customer wants and then giving it to them. The CVA captures what the customer requires from the process and documents the customer’s perception of value provided by the process. Every business process and business system should have a compelling value proposition.

Customer loyalty in a market comes when customers are delighted with the value proposition provided by the organization, which is delivered through a series of aligned business processes and systems.
12. SYSTEMATICALLY MANAGE IMPROVEMENT

Improvement opportunities can be found in many areas in the organization. The Perigon Method surfaces the many opportunities, which we call Red Clouds, as we map a business process and engage process teams.

CAPTURE OPPORTUNITIES FROM THE PEOPLE WHO DO THE WORK

As we talk to employees about their work, we typically find between 25 and 50 - sometimes as many as 100 - opportunities for process improvement. We look for four different sources of organization opportunities.

- PROCESS DEFINITION.
  Sometimes a process is in place just because it’s the way it’s always been done. No one has reviewed or questioned the work. These typically include legacy problems that are considered “just the way we do business,” generally unsolvable and mostly overlooked.

- PROCESS ANALYSIS.
  Highlights opportunities to simplify, streamline, and remove non-value added tasks from the process.

- DISCOVERY.
  Uncovers opportunities while measuring or assessing the process or product. When we begin working with most new clients, few process characteristics are being measured or monitored.

- FEEDBACK.
  Generates opportunities through customer feedback, failure, or complaint. While the majority of companies have a customer feedback system, few do much in the way of analyzing, categorizing and prioritizing the many opportunities created by that feedback.

“We find that about 50% of all process opportunities are Quick Wins that can be solved within 90 days by the Process Owner.”
12. SYSTEMATICALLY MANAGE IMPROVEMENT

By taking the time to create a detailed problem statement for each opportunity, we are helping the organization better understand the opportunity and what needs to be done to address it. We take clients through a consolidation and prioritization exercise to get at the real root cause of the many opportunities that typically exist. It is common to consolidate opportunities down by 50 to 75% into a few core systemic issues.

Opportunities should be sorted, categorized and prioritized to make sure they are being addressed in the most effective way. Successful organizations systematically work off opportunities while additionally adding more sophisticated and important opportunities. An organization should never be without an active database of opportunities that are in process of being addressed.
13. MEASURE WHAT MATTERS

When we assess an organization’s performance measurement system as it relates to overall strategy, execution and performance management, what we typically find is a disconnected set of goals, measures, initiatives, monitoring methods, and management review. This explains the frustration within organizations and their inability to execute strategy and improve performance.

This problem originates from a fundamental misapplication of performance measures as they relate to the organization’s purpose.

When assessing organization performance, there are five broad measurement areas that contribute to driving improved organization results. These measures must first be implemented in business processes, then rolled up to business systems and finally summarized for the enterprise.

1. CUSTOMER EFFECTIVENESS. First and foremost, the organization should measure its ability to create and serve a loyal customer. Measuring and evaluating customer effectiveness is essential and often missing.

2. SUPPLIER EFFECTIVENESS. Suppliers must also contribute to effectively serving your customer. It is very difficult for an organization to successfully achieve its purpose if suppliers do not adequately perform.

3. CYCLE TIME. Time has increasingly become an important dimension to organization performance. Customers want what they want when they want it and to remain competitive the organization must serve them in their desired manner.

4. COSTS. Along with building and serving a loyal customer, the organization must deliver a successful economic outcome for stakeholders. This includes the efficiency of process transformation and productivity of process resources. No margin, no mission.

5. ORGANIZATION GOVERNANCE. While the organization may effectively serve its customer, it must do so in a responsible and sustainable way. Organization governance includes areas such as compliance to regulatory requirements, protection of the entity’s intellectual property, and risk mitigation.

Organizations often measure what is easy and not what is strategically important. Every performance measure should have a specific role in aligning to the organization purpose. By broadly determining the most essential elements and then aligning the performance measures with strategic purpose and intent, leaders can drive Best-In-Class performance providing sustainable competitive advantage.
14. IMPLEMENT BEST PRACTICE

Although we have implemented process-based management and improvement for over 20 years, we still find that many new clients do not have mature process management capabilities. Internal improvement efforts are often focused on solving immediate problems and fighting fires, while missing the opportunity to build a core process foundation that delivers the capability to better run the business. Here are ten characteristics we believe are necessary to successfully transform an organization into a strong improvement driven enterprise.

1. PURPOSE
Every process should have a value proposition that serves a loyal customer and solves their painful problem. A process that does not have a worthy purpose should not exist.

2. ENGAGEMENT
A process that is defined and improved by those who do the work will deliver the most benefit to the organization. Employee engagement is essential for successful organization improvement.

3. OWNERSHIP
A process will not be well understood, improved and sustained without high quality commitment and employee ownership. Someone must be specifically accountable for the performance of every business process and business system.

4. DEFINITION
Good process definition may be the most difficult element of a successful process. Most businesses don’t actually have definable current state processes because different people do things differently.

5. CONNECTIVITY
Defining process connectivity and creating boundary relationships is a necessary characteristic and one we find is typically missing. Process alignment is the first step to breaking down organization silos.
6. ANALYSIS
Process analysis can take many forms, but should always include analyzing value, handoffs, cycle time, process yield and customer value.

7. MEASUREMENT
Nothing can be improved without measuring first. Process measurement can take a variety of forms, including customer effectiveness, efficiency, productivity, quality, and response time. Measure what you want to improve.

8. IMPROVEMENT
Every successful process must have an actively maintained process improvement plan. Continuous improvement requires a never-ending flow of new opportunities that need to be addressed to replace improvement actions already implemented.

9. MONITORING
Every successful process must have an actively maintained process improvement plan. Continuous improvement requires a never-ending flow of new opportunities that need to be addressed to replace improvement actions already implemented.

10. SUSTAINABILITY
Many process improvement projects begin with great momentum, do a good job getting process definitions in place, identify problems that need to be solved, implement measures and analytics to solve those problems, and then fall down during implementation.
The Perigon Method delivers results because organizations that deploy strong business processes execute better against their strategic intentions. By carefully integrating performance management through goals, metrics, opportunities, strategies and tactics, the organization can be confident it is systematically delivering its desired outcomes.

**The Perigon Method produces tangible benefits for clients in 8 ways**

1. **Improve the Customer Experience.**
   Internal business processes must align to deliver better customer outcomes. The more business processes are in sync with one another, the more likely an organization will consistently deliver superior customer value, creating a loyal customer.

2. **Reduce Response Time.**
   Using The Perigon Method, an organization systematically analyzes the time and activities behind value creation. By removing non-value added tasks and time, and by balancing supply and demand, the organization can dramatically reduce cycle times.

3. **Improve Employee Engagement.**
   Perigon engages employees in a meaningful and valuable way by distributing responsibility and accountability closer to the front lines. The best way to access employees’ knowledge, wisdom and experience is by engaging them to define the business problem, solicit their participation in solving it, and then supporting them as they implement that solution.

4. **Increase Asset Performance.**
   By understanding the demand/supply profile through a well-defined business process, an organization can match asset needs with customer demand to execute a process that effectively meets customer requirements. Assets utilized in process execution can include people, equipment, facilities, and information technology.

5. **Reduce Working Capital.**
   Working capital requirements can be substantial in many business models. By studying supplier-customer relationships an organization is capable of minimizing the working capital required to satisfy customer needs, including less inventory, lower accounts receivable, and reduced work-in-process time.
15. DELIVER TANGIBLE ROI

Few companies operate today without some level of regulatory compliance governing their industry. By documenting business processes with Perigon, the organization mitigates the risk of compliance and catastrophic failure.

7. Reduce Products & Services Costs.
When organizations operate through strong standard business processes, the costs of goods and services become transparent, which facilitates visible and sustainable cost improvement.

8. Improve Shareholder Satisfaction.
Strong business processes also improve the shareholder experience. An organization that executes standard business processes is transparent and can demonstrate how work gets accomplished, customers are served, and employees contribute to the mission.

The Perigon Method provides superior results, by delivering a delighted customer, a better employee experience, a more transparent operating environment, and ultimately a more knowledgeable, confident, and satisfied shareholder. Perigon systematically drives improvement towards organization goals and priorities.

ARE YOU READY TO CHALLENGE THE WAY YOU THINK ABOUT WORK?

Contact Business Enterprise Mapping today to learn how the Perigon Method can help you understand your business and workflow, meet goals, and engage employees.
ABOUT THE AUTHORS

Don James founded Business Enterprise Mapping (BEM) in 1993 to find a better way to build business maps that deliver valuable insight. His aim has always been to challenge and simplify work to deliver sustainable performance improvement. He holds a BSEE from Bath University, UK.

Joe Bockerstette has spent more than 30 years driving organization performance improvement, as a CEO, large public accounting consulting partner, private equity partner and angel investor. He has an MBA from Xavier University and a BSIE from the University of Cincinnati.

ABOUT BEM

Since 1993, Business Enterprise Mapping has successfully implemented process-based management and improvement solutions in over 300 enterprises covering 60 industries across 6 continents. BEM has partnered with clients to obtain over 50 international registrations, mapped 3,000 process-based systems, deployed 25,000 business processes and successfully implemented over 750,000 process improvements.

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