

Supporting plans and methodologies:
(h) Business process redesign methodology

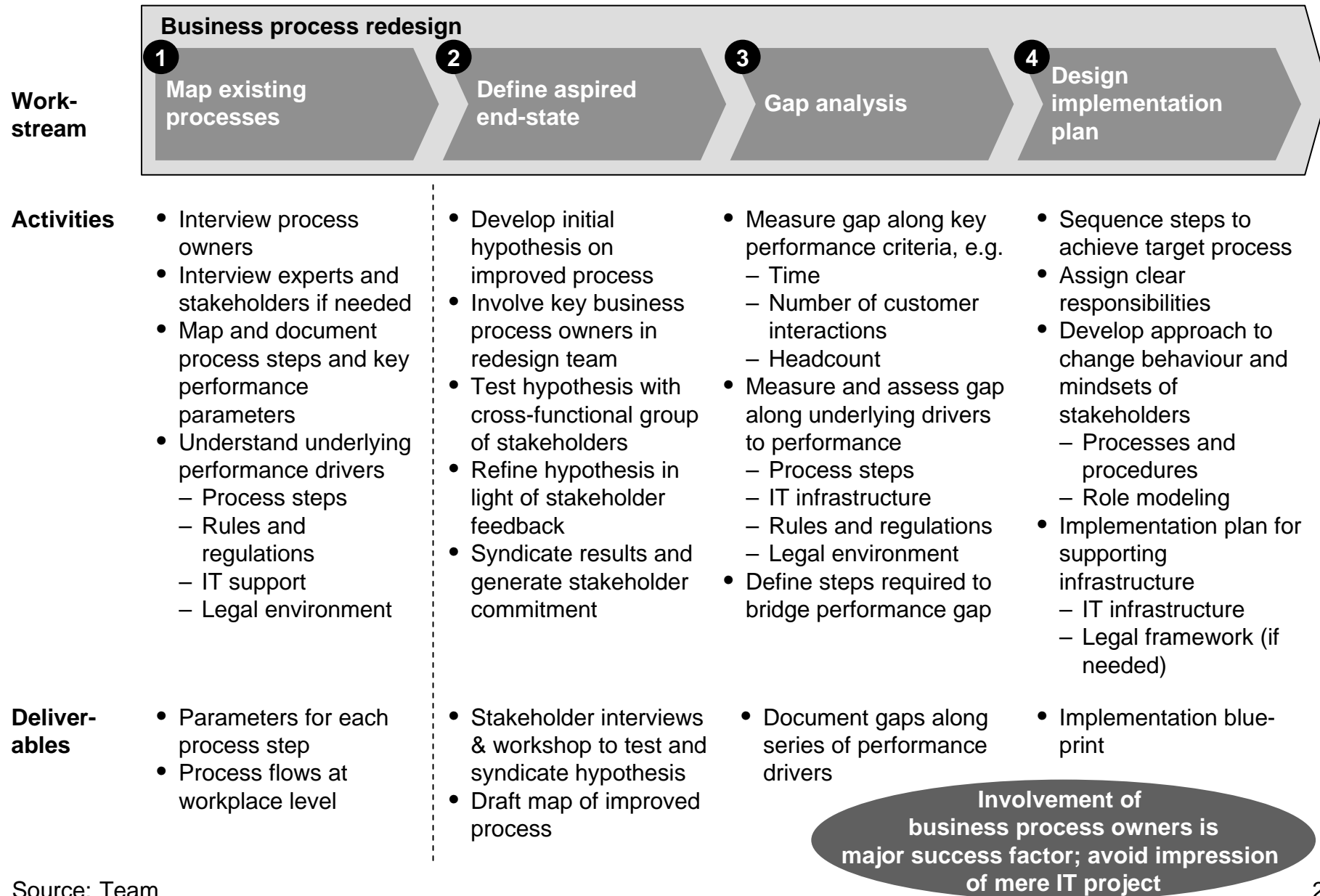


Riyadh, November 16, 2005

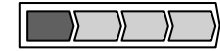
AGENDA

- **Business process redesign methodology**
- Workplan for redesigning government services

BUSINESS PROCESS REDESIGN METHODOLOGY IN FOUR STAGES



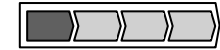
1 DOCUMENTING PARAMETERS FOR EACH PROCESS STEP



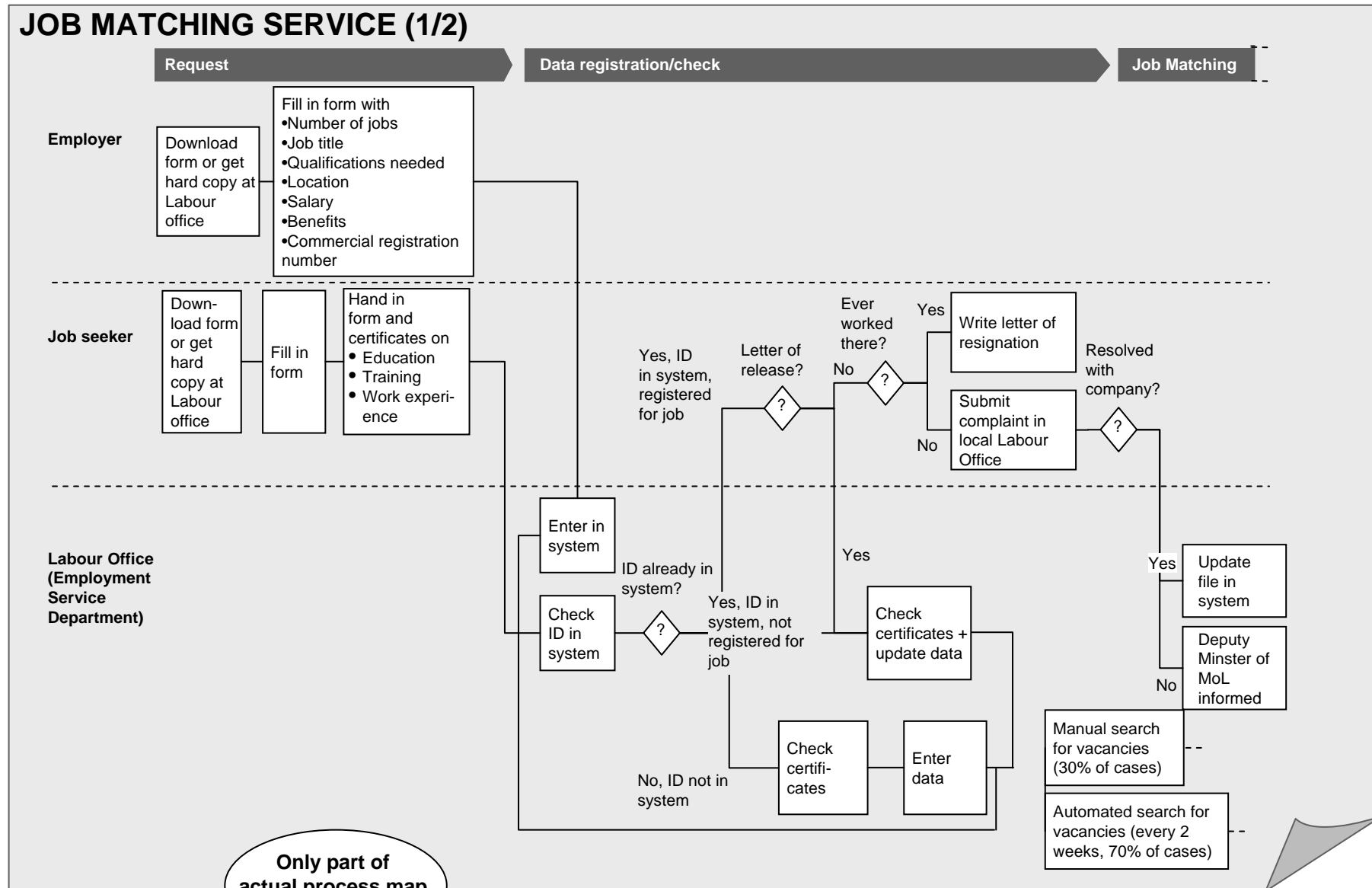
ILLUSTRATIVE

	Request	Data registration/check	Job matching	Job interviewing/decision	Feedback/further support
Explanation	<ul style="list-style-type: none"> Job seeker hands in his request form plus supporting documents 	<ul style="list-style-type: none"> Job seeker's status checked in system and information is entered or updated 	<ul style="list-style-type: none"> Automated or manual job vacancy search for skill set of job seeker 	<ul style="list-style-type: none"> Job seekers arranges interviews with company and other gets the job or returns to labour office with form 	<ul style="list-style-type: none"> Employer can apply for HR development fund support for 24 months if he hired, or else, if he did not, ESD can ask for feedback why
Process owner	<ul style="list-style-type: none"> Job seeker 	<ul style="list-style-type: none"> ESD 	<ul style="list-style-type: none"> ESD 	<ul style="list-style-type: none"> Job seeker 	<ul style="list-style-type: none"> Employer/ESD
Other involved parties	<ul style="list-style-type: none"> Labour office – Employment Service Department* 	<ul style="list-style-type: none"> Job seeker 	<ul style="list-style-type: none"> Job seeker Employer 	<ul style="list-style-type: none"> Employer 	<ul style="list-style-type: none">
Communication interfaces	<ul style="list-style-type: none"> Form obtainable in <ul style="list-style-type: none"> Hardcopy labour office Softcopy of website 	<ul style="list-style-type: none"> Counter at ESD Computer linked to database 	<ul style="list-style-type: none"> Counter at ESD Search function in computer system 	<ul style="list-style-type: none"> Telephone for contacting Personal interview 	<ul style="list-style-type: none"> Printed form for HR development fund application Telephone for contacting
End products	<ul style="list-style-type: none"> Filled out job matching request form 	<ul style="list-style-type: none"> Job seeker entered into system 	<ul style="list-style-type: none"> Job recommendation printed 	<ul style="list-style-type: none"> Signed contract or job recommendation letter filled out with reasons for rejection 	<ul style="list-style-type: none"> Signed and filled HR development fund application Understanding of reasons for rejection
Performance	<ul style="list-style-type: none"> X requests per day Y employees to process 	<ul style="list-style-type: none"> X requests per day Y employees to process 	<ul style="list-style-type: none"> X job recommendation letters, per Y job seekers every 2 weeks 	<ul style="list-style-type: none"> 95% of job recommendations lead to new job 	<ul style="list-style-type: none"> X% of new employees supported X% of failed job matching salvaged
Legal constraints	← Rules set by Ministry with some exceptions →				
IT requirements	<ul style="list-style-type: none"> Website offering forms download 	<ul style="list-style-type: none"> Computer with connection to database 	<ul style="list-style-type: none"> Computer linked to database with search and match functionality 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

1 BREAKING DOWN PROCESS FLOWS AT WORKPLACE LEVEL



ILLUSTRATIVE



Only part of actual process map shown here

② GUIDING PRINCIPLES FOR DEFINING ASPIRED END-STATE ARE EFFECTIVENESS, CUSTOMER FRIENDLINESS AND TRANSPARENCY



Principles

Effective service delivery

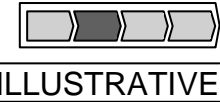
Ease of use for customers

Transparency

Design implications

- Output-focused process design
- Elimination of redundancies
- Use of modern IT architecture and effective data sharing across government agencies
- One-stop-shop solutions
- Option of online transaction
- Clear and simple process steps
- Predefined processes which eliminate individual discretion
- Clear decision rules and distribution of authority

② INPUT FROM VARIOUS SOURCES IS NEEDED TO INCREASE PROCESS PERFORMANCE IN END-STATE

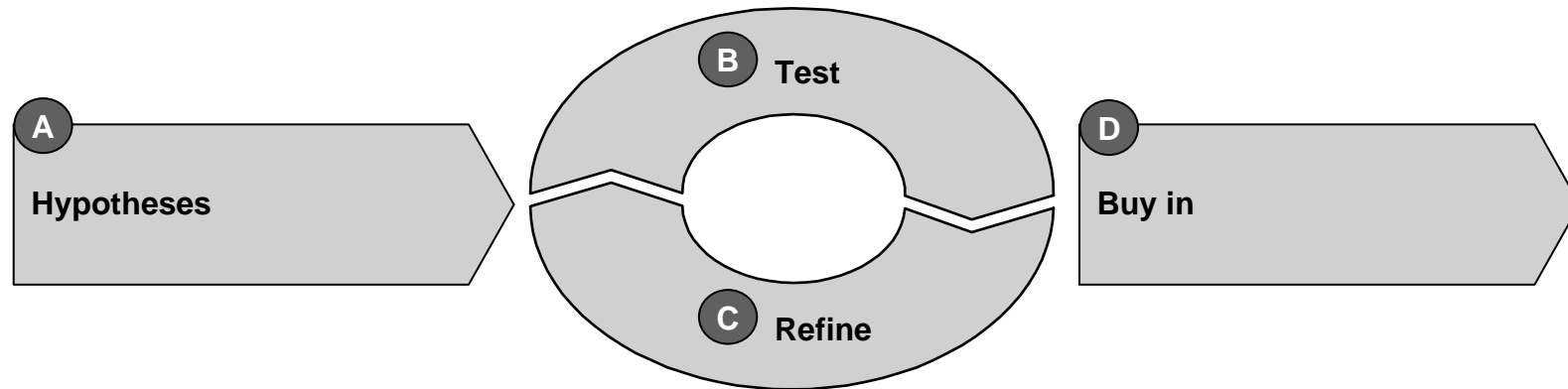


Potential input

- Feedback from individual process owners
- Feedback from stakeholders (e.g., customers, vendors)
- Interviews of practitioners
- Benchmark of best practice
- Insight from academic research
- SWOT analysis

Change levers	Checklist with key questions
<ul style="list-style-type: none"> • Procedures/process steps 	<ul style="list-style-type: none"> • What is the benefit of the specific procedure? • Can we eliminate the process step altogether?
<ul style="list-style-type: none"> • IT support 	<ul style="list-style-type: none"> • How can the use of IT speed up the process? • Which parts of the process can be e-enabled?
<ul style="list-style-type: none"> • Incentive systems 	<ul style="list-style-type: none"> • How can aligning the incentives for individuals with objectives improve productivity?
<ul style="list-style-type: none"> • Internal rules/guidelines 	<ul style="list-style-type: none"> • Are internal rules/guidelines slowing down the process? How can rules be made more flexible while at the same time maintaining control of process integrity?
<ul style="list-style-type: none"> • Training/qualifications 	<ul style="list-style-type: none"> • Are gaps in the skills of staff slowing down the process delivery
<ul style="list-style-type: none"> • Authority levels 	<ul style="list-style-type: none"> • Are the authority levels still appropriate? Can we empower front line to eliminate unnecessary escalations?
<ul style="list-style-type: none"> • Customer channels 	<ul style="list-style-type: none"> • How can the use of alternative customer channels avoid delays and queries?

2 DEFINING ASPIRED END-STATE IS AN ITERATIVE PROCESS INVOLVING MULTIPLE STAKEHOLDERS



Description

- | | | | |
|--|--|--|---|
| <p>A Develop initial set of hypotheses based on input from</p> <ul style="list-style-type: none"> • Process owners • Stakeholders • Best practice • Experts | <p>B Test initial hypotheses with stakeholders in iterative process</p> <ul style="list-style-type: none"> • Process owners in one institution • Process owners across multiple institutions (if needed) • All stakeholders involved, if needed (e.g., customers, vendors) | <p>C Incorporate feedback in envisaged target process</p> | <p>D</p> <ul style="list-style-type: none"> • Generate support and buy-in of all stakeholders involved • Ensure firm commitment of decision makers |
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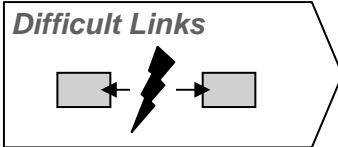
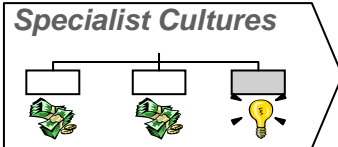
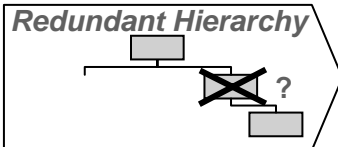

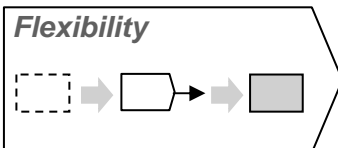
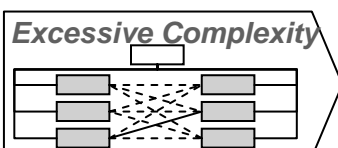
Methodology

- | | | | |
|---|--|---|---|
| <ul style="list-style-type: none"> • In-depth interviews • Benchmarking • Desk research • Hypothesis driven solution approach | <ul style="list-style-type: none"> • Workshops with specific tools/methodologies to generate feedback, e.g. <ul style="list-style-type: none"> – ‘Killer idea workshop’ – ‘Role play process’ – Process floor plan – Videos of customer experience | <ul style="list-style-type: none"> • Define flow charts and description of performance drivers | <ul style="list-style-type: none"> • One-on-one meeting with key decision makers • Formal and visible commitment (e.g., sign agenda for change) |
|---|--|---|---|

② FINALLY, TARGET PROCESS NEEDS TO PASS SIX FILTERS



Robustness of Design Principles

- Difficult Links**

 - Group within a process step those tasks and responsibilities where the value from coordination is the highest and the coordination task is difficult
 - Ensure that important and difficult links that are not solved by a common managerial boundary are solved with another coordination mechanism
- Specialist Cultures**

 - Group within a process step those tasks and responsibilities where the need for specialisation is high, i.e., in the case of specialist cultures with high autonomy needs
 - Ensure that important autonomy needs that are not solved within one unit or a managerial boundary are solved with other mechanisms
- Redundant Hierarchy**

 - Grant tasks and responsibilities to the unit (or person or team) best placed to assemble the relevant information, knowledge and competence
 - Only retain tasks and responsibilities at upper levels if they have a clear information, knowledge and competence advantage
- Accountability**

 - Design process to provide adequate controls and performance measures at a reasonable cost ensuring both commitment and control
- Flexibility**

 - Ensure that the organisation has sufficient flexibility in the face of uncertainty both to sustain its immediate-term performance and to develop the skills and resources needed to exploit longer-term opportunities
- Excessive Complexity**

 - Consider a simple design as the default option and only create added complexity through interdependent processes when the benefits are clear and significant

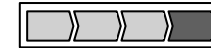
③ GAP ANALYSIS INDICATES THE MAGNITUDE OF THE CHANGE REQUIRED



EXAMPLE: EXPAT ENTRY IN OTHER COUNTRIES

Change levers	Gap to bridged
Procedures/ process steps	<ul style="list-style-type: none"> • Eliminate 5 process steps (e.g., visa, residency permit, citizen quota)
IT systems	<ul style="list-style-type: none"> • Link 9 ministries with individual IT systems to process all expat related data in one central database • Automate individual process steps (e.g., security clearances)
Incentive system	<ul style="list-style-type: none"> • Define and measure performance metrics • Make compensation of front line staff (e.g., call centre) dependent on performance
Internal rules/ guidelines	<ul style="list-style-type: none"> • Redraft immigration laws to allow for single 'work visa' • Adjust internal guidelines
Authority levels	<ul style="list-style-type: none"> • Empower front line staff to make more decisions independently (e.g., complaints)
Customer channels	<ul style="list-style-type: none"> • Open new internet based customer channel and offer customer incentive (e.g., reduced fee) to use it
Training qualifications	<ul style="list-style-type: none"> • Develop training scheme and hire new qualified staff

4 TRANSLATE REQUIRED CHANGES INTO WORKPLAN

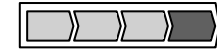


EXAMPLE: INTRODUCE EFFECTIVE IT INFRASTRUCTURE TO SUPPORT EMPLOYMENT SERVICE

Description

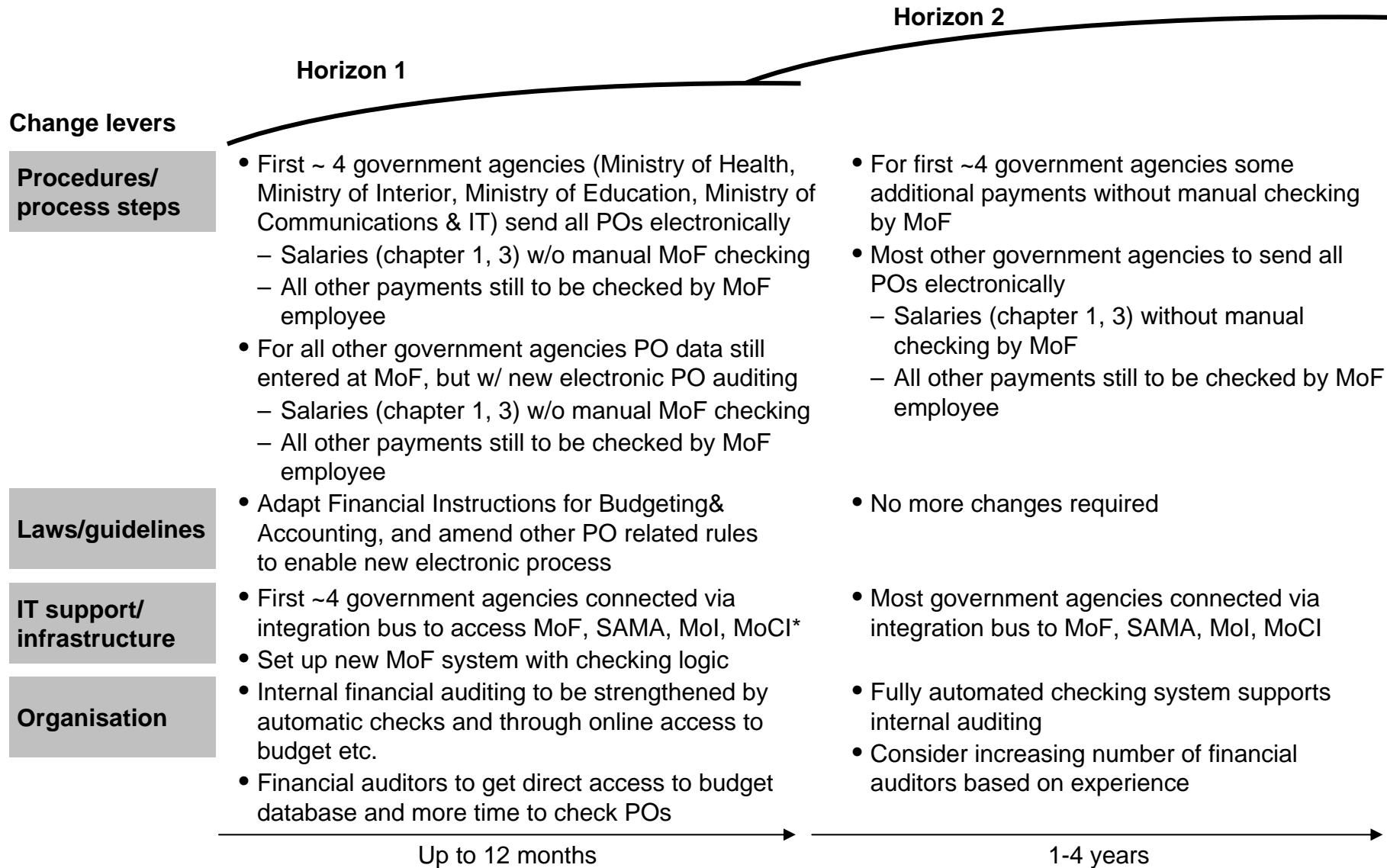
Old IT system is outdated and not been updated since 1996. It is leading to many manual processes and major inconsistencies in information flow. Databases are not integrated with other ministries leading to major inefficiencies. New IT system will support new matchmaking process as defined in improvement measure "Base matching on wide range of matching criteria".

Activity	Aug	Sep	Oct	Nov	Dec	Jan	Responsible
• Introduce effective IT infrastructure	[Bar spanning Aug to Jan]						Moh'd
• Assess requirements for IT system to support new matchmaking process	[Bar spanning Aug to Sep]						Moh'd
• Assess requirements for interfaces with other ministries		[Bar spanning Sep to Oct]					Moh'd
• Calculate budget		[Bar spanning Sep]					Moh'd
• Develop new IT system			[Bar spanning Oct to Dec]				IT Provider
• Implement new IT system					[Bar spanning Dec to Jan]		Moh'd
• Train counsellors on new IT system					[Bar spanning Dec to Jan]		Moh'd
• New IT infrastructure implemented						[Bar ending at Jan with arrowhead]	Moh'd



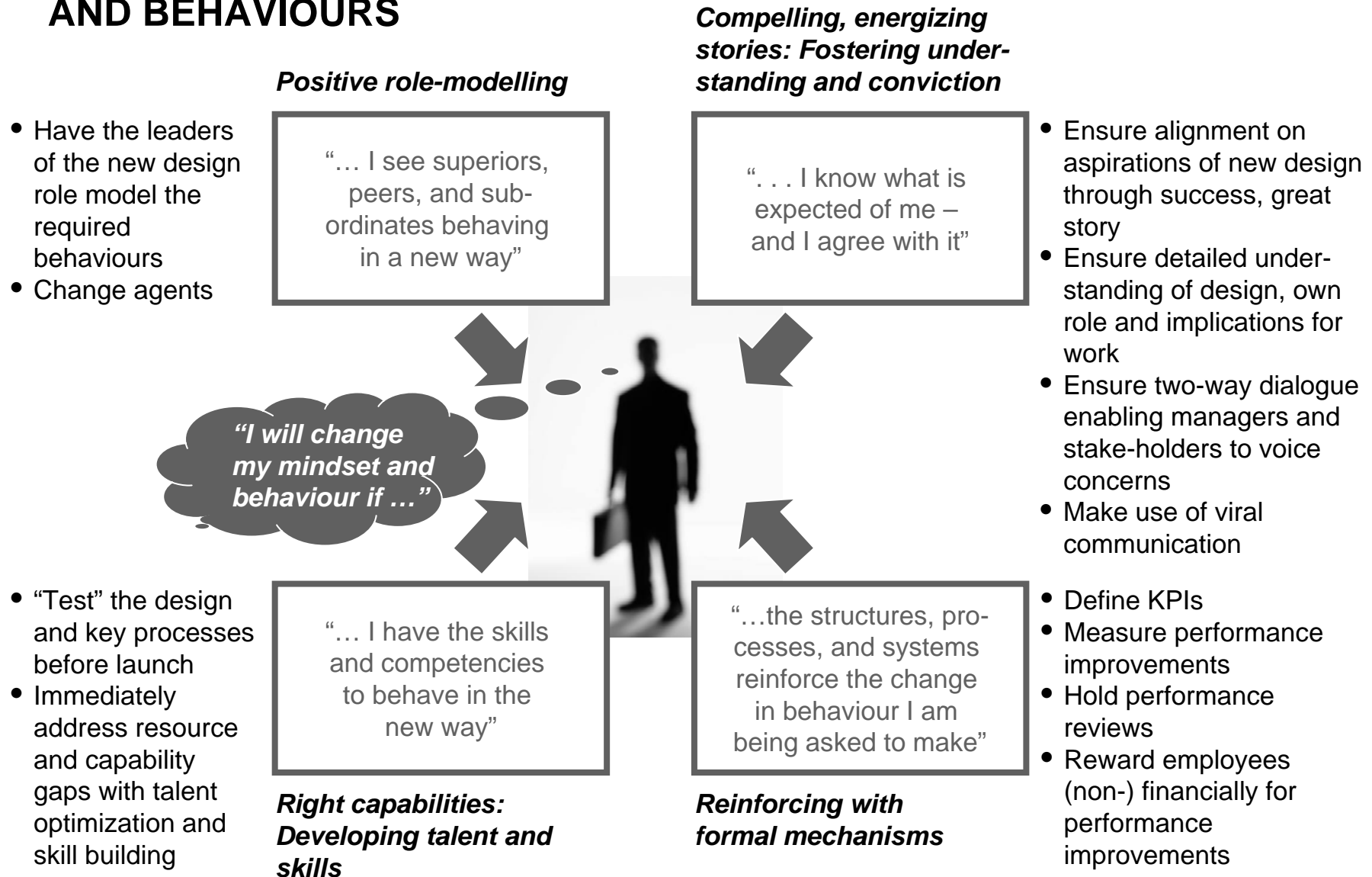
4 IN THE IMPLEMENTATION PLAN, THE ASPIRED END-STATE SOLUTION HAS TO BE PUT ON THE TIMELINE

EXAMPLE: PAYMENT ORDER



* Ministry of Commerce & Industry

4 TO REALLY MAKE CHANGES STICK, THE IMPLEMENTING GOVERNMENT AGENCIES WILL NEED TO CHANGE MINDSETS AND BEHAVIOURS



AGENDA

- Business process redesign methodology

- **Workplan for redesigning government services**

EXEMPLARY WORKPLAN FOR REDESIGNING SERVICES

ILLUSTRATIVE

