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Workflow – Before or After or All of the Time

By Steve Epner

Anytime we discuss automating a business process, the most critical subject is the "workflow." It can make the difference between a successful implementation and a failure. You need to know what it is, why it is used and how to apply it to your business practices.

Workflow is the term used to describe the rules that control all of the steps and their automated interfaces in any business process. How they are organized, what controls are involved and who does what are all part of the definition. A well designed workflow performs smoothly with accuracy and integrity. Poorly designed processes are often nightmares of entangled efforts which create bottlenecks, errors and cost the company time and money.

The Question: is it better to redo a workflow before or after selecting a new computer system?

There are really two very good answers. Before and/or After and Ongoing. That may sound confusing, but it really does make sense.

Before describing how to fix your workflow, we need to understand when are the best times to review and revise it. In some cases, the savings to be realized are so great, it does not make sense waiting for 6 to 12 months while a new computer system is being selected and implemented. In others, a new system may be only 3 months away and the cost of redoing the workflow twice will exceed any short term savings. Finally, workflow is something that evolves over time. It is best to review processing on a regular basis to keep it efficient and focused on getting the right work done the right way.

In addition, in today's world of Sarbanes Oxley (the Congressional mandate meant to end corporate scandals like Enron), Well controlled procedures are an imperative. We must ensure that the work we do is properly accounted for, that the actions we take are based on accurate information and that the process includes sufficient controls so that the results can pass “reviews” and “audits.”

The new requirements can force us to review and revise our procedures any time there is a new wrinkle in the accounting code or laws. But, we should be reviewing them on a regular basis anyway. All of our companies have employees that really care. They do things to help the company run smoother (for them). Over time, extra steps can add unnecessary effort that does not add value to what we do.

How do we revise our workflow? There are really two different methods, both of which work well in various environments. The first, and the one that creates the most savings, is the “white sheet” process.” This is where you start from scratch, with a white sheet of paper. Then you think through what has to be done and how. Ask yourself, if I could design it from scratch, what would be the most effective and efficient method of getting the work done?

The second is what most companies use as they cannot afford (or do not believe they can afford) to start all over. Here incremental changes are designed and instituted. Given the current workflow, what can be done to eliminate bottlenecks, increase controls and add efficiencies?

In both situations, there may be political battles to be fought. We often find that some groups are included in processes just because they want to know what is going on. They have been part of the process for years and are afraid to let go. Here is where strong top management support is needed. You need to be able to stop dong the wrong things even if someone’s feelings are going to be hurt.

In one client, we actually eliminated the printing of all but government required reports at one month end. When users called, we told them the computer was down (which is an easy excuse) and would get the reports out ASAP. Unless the user called back a second time, their report was eliminated from the system. Everyone else had to justify their reports. A task force was used to accumulate similar reports together. Over 60% of all reporting was eliminated.

At another location, we found a report that no one seemed to use. Working late one night, the janitor was observed putting the report in a closet. We asked what he was doing. The answer” these reports used to stack up so high, I couldn’t carry them out. So everyday, I put them in a box in the closet and once a week I take them to the trash.”

It turned out that the report was requested by the owner years ago. He found it did not satisfy his needs, but forgot to tell the lady who was responsible for the report. She just kept doing it and taught her replacement. Over the years, no one questioned the report, just spent about an hour every afternoon putting it together.

Sometimes, it is just changing a format. One client sent out commission reports to all sales people every month. It included copies of their customer's orders. The time to assemble, the cost to mail and the amount of paper that was used was "over the top." By providing a report from the data already in the computer and converting the report to email, we eliminated a full time clerk who spent her day collecting, sorting and stuffing slips into envelopes.

Do not feel bad if you find waste in an operation. That is a sign you have been growing faster than you can redesign the workflow. Your employees are keeping up, you just need to help them every once in a while.

Some tips for modernizing your workflow.

1. Start by defining the overriding concern of the project. Is it to increase accuracy? Are you more interested in efficiency? Do new controls need to be enacted? Or is it just the right time to fix old processes? (Some people believe that "if it ain't broke, don't fix it. This is a formula for disaster. No one has ever had a machine break while it was off. Since most things break when they are under pressure, you are suggesting that the time to fix a system is when it fails, when it is under pressure and when you are too busy to fix it right? Take the time to fix it while you have the luxury of time and can do it right the first time.)

2. Trace the workflow from every "trigger event" (something that starts the process like receiving an order, needing to purchase materials, time to generate payroll, etc.) to completion of the process. Most people use simple flowcharts. Do not spend much time making them pretty. As you find out what is happening, you will want to make changes. The initial flows will no longer be needed.

3. Make sure you work with the people doing the actual work. Supervisors who remember how they did it are not good sources for accurate information. Ask the person doing the processing how they really do it today. You may be surprised at how well they keep up with new requirements or plug holes that occur every day.

4. Anywhere there is paper, especially multipart forms, you have a step that can most likely be revised. This is one area that is best saved for the new, revised or updated computer system. Many times there will be new functions that allow the company to process

information differently, based on industry best practices. Take advantage of as many of these as possible.

5. Get people from different groups together to discuss processing that flows between them. When we ask one group, “what is the most difficult thing you have to do each day?” They may describe a form or report they have to compile for a second group. We frequently find that the second group has wondered for years why group one wastes so much time putting together a report they do not use. After a shocked silence, we both agree to do away with the report immediately.

Working together your groups will find and eliminate headaches, stop wasteful processes and revise others to reduce the effort to just collect the data that is really needed. They will also discover new ways of handling data that will make everyone’s job easier and often less costly for the company.

Workflow is a critical building block for all of our companies. By examining what is being done and comparing that to what must be done, it is usually relatively easy to revise what and how you do it. The result will be a better controlled and more accurate process to benefit the daily operation of any organization.

Steve Epner has been directing traffic on the information super highway since 1966. A highly regarded industry expert, Epner is widely published and has provided comment for national business publications including the *Wall Street Journal*. His experience in business, technology and strategic planning makes him a nationally renowned technical speaker. Epner can be reached at sepner@bswllc.com.

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