

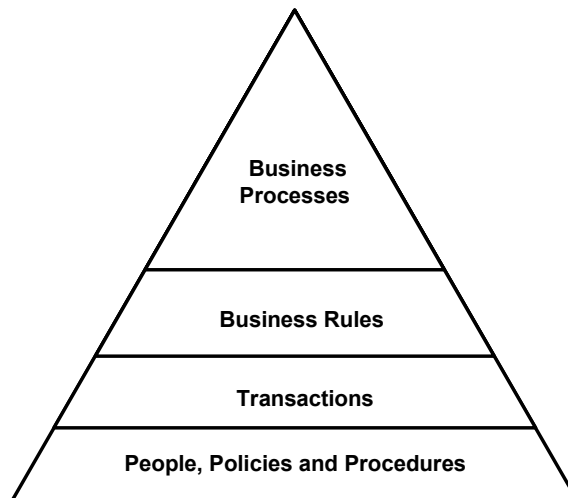
The Seven Steps to World-Class Performance

Courtesy of Intrax Technology Group, LTD

Businesses spend over 1 trillion dollars worldwide on technology and consulting solutions to increase their efficiency and profits. APICS Magazine has stated that only 18% of companies surveyed believe that they are getting the return on investment that they expected. Technology is only an enabler; it is how you deploy that technology that determines its value. OPTAS® was created to identify, define and quantify business processes, rules and transactions that technology tools attempt to automate. OPTAS® is the total solutions framework for delivering the required business changes.

Why Technology Tools Do Not Deliver

Technology tools are designed to streamline business processes. They do this by automating and integrating transaction processing. As shown below, transactions are governed by business rules, people, policies, procedures and business process requirements. Changing transaction software dramatically impacts all areas of an enterprise. Projects that focus solely on the transaction layer without understanding their interrelationships will fail to meet expectations.



The Solution

The seven steps to world-class performance are a set of guidelines that will improve the performance of any business. They are a series of steps that are intended to synchronize business processes with their business rules, transactions, people, policies and procedures. Business improvement is not rocket science, but it is a science.

The seven steps to world-class performance are:

1. Document organizational goals and objectives
2. Identify business processes with process owners and stake holders
3. Define core business processes, transactions with control mechanisms
4. Synchronize transactions and organizational structure for each processes
5. Create required policies and procedures
6. Deploy procedures and train employees
7. Audit and control

Fundamental Assumptions-

- Organizational effectiveness depends on the smooth and synchronized flow of information throughout each business process
- Business efficiency can be measured in transaction costs
- Local optimization does not guarantee global optimization
- Business goals and objectives must be supported by a definable and documented measurement system

Definitions

Policies-

The business rules that govern the behavior of processes and transactions within an enterprise. They set the boundaries. Everything within these boundaries requires formalized documentation so that the activities performed are consistent and ensure customer satisfaction.

Procedures-

The set of guidelines that support the policies for a particular business process. It establishes: Who, what, when, where, why and how often.

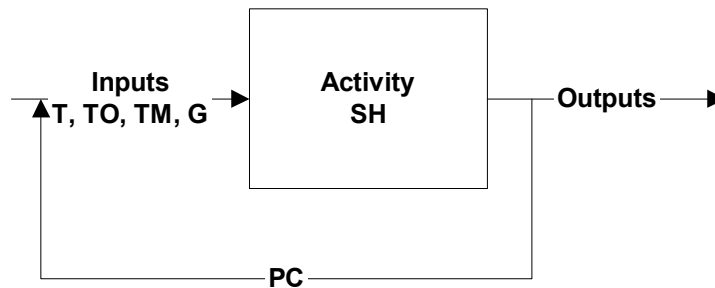
Measurements-

How a business process and supporting transactions are monitored and controlled. Measurements exist at every level of an operation and must be reflected in the policies, procedures and transaction documentation. There are two components to a measurement system- process controllers and metrics.

Transaction- An action within an enterprise that creates or changes information

- A customer order
- A modification to a customer order
- Creating an invoice
- An employee review

What a Business Transaction Looks Like

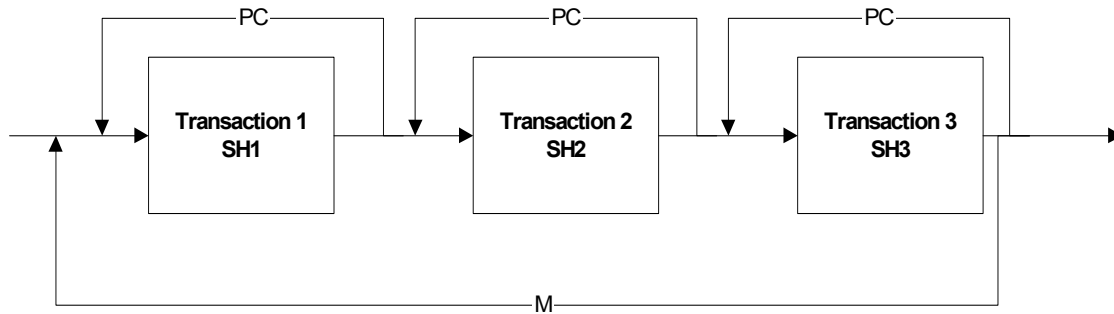


SH: Stakeholder	Person responsible for transaction
T: Trigger	Activity that initiates the transaction
TM: Trigger Mechanism	How the trigger is communicated
TO: Trigger Owner	Person responsible for the trigger mechanism(s)
G: Gate	Rules that dictate the criteria for a valid transaction
TC: Transaction Controller	The feedback mechanism that maintains transaction quality
Outputs:	Resulting activity of transaction

Business Process- Sequentially linked transactions that achieve an enterprise level action

- Customer order to cash- Order entry/picking/packing/shipping/invoicing/AR/cash
- Purchase Order to check- PO/receiving/vouchers/AP/check

What a Business Process Looks Like



Process Owner-
Metrics-

Person responsible for transaction chain
Measurement of total process performance

Rules for Business Process Synchronization

1. The output of one transaction must be the trigger for the attached transaction
2. The output of one transaction must meet the Gate criteria for the next transaction
3. If the process allows an activity, assume it is happening
4. A process without documented gate criteria and process controllers is out of control
5. Multiple accountability means no accountability
6. The organizational structure must reflect process owner/stakeholder accountability

Seven Step Process

Document organizational goals and objectives

All business projects must begin with the end in mind. All decisions, activities, policies, procedures and measurement systems are created to support the documented goals and objectives.

Identify business processes with process owners and stake holders

This process must ignore traditional departmentally focused organizational structures and focus upon the responsibility chain required for business process performance.

Define core business processes, transactions and control mechanisms

This activity documents the information flow through the enterprise. It is essential to clearly document all aspects of each transaction within a business process. Each transaction will create a packet of information that documents all aspects of how it functions.

Synchronize transactions and organizational structure for each processes

Aligning each transaction within a business process can be accomplished with changes of policy, procedures, organizational structure and technology. All proposed changes must be validated and verified. Each packet in the transaction chain will be compared to its neighbors. Any misalignments will be documented and resolved.

Create required policies and procedures

Procedures create community knowledge. Once a process is synchronized, it is the policies and procedures that standardize all activities. Unless the process is properly documented, it will degrade.

Deploy procedures and train employees

Training employees is the mechanism for implementing process change. Employee behavior must be aligned with the requirements of each business process and transaction.

Audit and control

The audit function measures and maintains organizational performance. It is a global feedback mechanism that keeps each business process synchronized.

Digital Dashboards

The process controllers and metrics are key business measurements. Aligning these measurements with the policies, procedures, organizational structure and goals drives companies to world-class performance.

A digital dashboard of these measurements should be created and used by management to control their areas of responsibility. Executives, managers and supervisors can monitor and continually improve each process based on the above stated framework.

Specific dashboards can be created for each manager to focus them on their areas of responsibility. Data warehouses can be created with specific views of the data tailored to each responsible associate.

Digital dashboards are only effective if the underlying foundation is aligned.

Intrax is a leading provider of Enterprise Content Management (ECM) technology headquartered in Greenville, SC. The firm recently announced a marketing partnership with Bizmanualz for its InfoFinity™ application. The firm's website is www.Intraxltd.com

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