

PSC White Paper



Integrated Performance Solution (IPS)

Starting with people instead of technology

Most corporate initiatives fail to live up to their full potential. This fact is supported by many case studies, published research articles, and infamous stories told throughout organizations. Executives identify strategic initiatives with the goal of transforming the business; yet to achieve these objectives most often the focus is only on a functional area or implementing technology. As the process unfolds, management attention becomes even more involved with the technical details. The risks are minimized, but so are the overall benefits of the effort. The opportunity for change is missed.

Changing Behaviors

Most strategic initiatives require some degree of human and business integration. Success relies on improving *how* work gets done, yet projects tend to minimize or ignore this concept. Project teams can't make this happen. Faced with accomplishing specific tasks, they tend to focus on technical details at the expense of understanding how people will truly perform their jobs.

The software can't do it either. Software applications, which are typically designed to incorporate business best practices and solutions, imply that their use will lead to greater efficiencies. However, even the best technical functionality cannot succeed until behaviors are changed across a broad segment of the organization.

Changing behaviors is the responsibility of senior management. Implementing technically driven best practices relies on altering business processes through integration, collaboration, automation, distribution, and compliance. The executive suite has to look at the "whole elephant," not just the parts. If they approve a project without diagnosing the impact of a project on current business processes and associated work activities, the overall value is quickly diminished. Sure, once implemented, employees may alter their work activities to accommodate the technological change, but without measuring the impact from a process and human capital perspective there will be little, if any, noticeable long term results.

Barriers and Opportunities

Why is "making" real change so hard? Because of its complexity and cost, the technology gets most of the attention. The IT activities have to be completed on time and within budget, overshadowing the other factors such as human capital, business processes, and knowledge management. These (business) elements are harder to define, so they take a back seat. In the end, we win the battle, but lose the war. The new technology is installed, the IT department cheers, but the business does not change.

Many types of initiatives such as mergers and acquisitions, enterprise software integration, restructuring, regulatory compliance, business process optimization, and information collaboration can become instruments of change. While these initiatives usually involve new applications and computer systems, they also touch just about everyone in the organization. The opportunity is there to achieve the strategic objective – it just wasn't seized.

The Human Factor

All businesses require humans. You can take away the technology, but take away the people who run it, and you don't have a business. It is as simple as that. Although the business drivers are more subjective, they are no less important. They require equal if not greater discovery and planning time. If you give them the same attention as you do the technology, you will have a much better chance for overall success.



It's all in the way we listen.®

PSC Group, LLC is a professional services consulting firm that specializes in business process architecture, information technology and back-office integration. We have extensive experience with a wide variety of collaboration products, applications, processes and systems including ERP, CRM, Portal, and Workflow.

When it comes to workflow, business intelligence, information management, and the control of business processes, PSC can provide you with a competitive advantage through the smart and effective application of technology.

CONTACT

John Quirk
office: 800.592.8003
direct: 847.969.8466
jquirk@psclistens.com

PSC Group, LLC
Chicago, Kansas City,
Minneapolis

www.psclistens.com

Project sponsors are often reluctant to address the business process and human capital aspects due to false preconceptions: (1) Employees will adjust. There is a belief among senior leadership that employees will adapt to the changes in technology with the support of training, and (2) Business processes will only be enhanced through technical integration.

People are quite resilient and find ways to adapt to their new environment while avoiding real change. This type of “false” adaptation does not equate to increased efficiencies. Often, the opposite is achieved. The collaboration, automation, and compliance controls of a new process may be counter to the prevailing corporate culture and result in increased stress and dissatisfaction. Because changes in the human aspect are less definitive and often obtrusive to the managers, the long term affect on decreased performance, diminished quality, and employee turnover may never be noticed or associated with this critical aspect.

All business begins and ends with humans. The technology in the middle just makes it more efficient.

Avoiding the Pitfalls

Technology changes can often alter the business process. Automation may enhance the processing speed but in doing so, may eliminate activities that compromise the tasks at hand. Thus, the overall value provided by the application may be reduced by the reduction in workforce utilization.

To avoid these issues a new and more efficient approach is needed to identify and manage these influences. Here are five rules of thumb to guide your way to a better outcome.

- Business processes are comprised of a series of work activities and decision points that begin and end with humans. The technology that makes this possible, does just that, nothing more. IT is a facilitator, not the focal point.
- Technology is not the total solution. When creating a value proposition the software and hardware architecture can provide between 18 - 40% of the total value. Changes in business process, human capital, and information can provide well over 60% of the expected value realized. The technology is a tool that enables the people and process to work more efficiently.
- Current capabilities may be exceeded. The initiative's goal may not be achievable in one project and may require several steps to achieve the desired result. The one giant leap to the future state may be limited by many factors such as resource availability, business priorities, and economics. Creating project phases will allow the organization to embrace the changes one at a time and achieve a greater end result.
- Many roads will bring you to your destination. There are a variety of solutions that can be implemented to achieve the desired goal. Some solutions may be costly, while others may create new issues by limiting your organizations ability to be agile. Do not sacrifice planning time to achieve a solution that will create barriers in the future. Take time to thoroughly plan your course of action and anticipate various outcomes.
- Do not underestimate the culture of the organization. Culture has a powerful influence on the way an organization operates and relates to their customers, suppliers, and employees. The way people behave is influenced by many factors such as: leadership, organizational structure, job design, policies, procedures, decision-making, and more.

Providing an Integrated Solution

Whether it is the tasks performed in a particular job, the work flow in a business process, or the automation from the software application, there is a chain of value in an organization where in each link is directly related to the sharing of information. The information, in turn, is only as good as the collaborative inputs of humans required to meet changing customer demands. It is this integrated “performance” between humans and systems which we evaluate using a disciplined process that we call the Integrated Performance Solution, or IPS.

The IPS approach used by PSC states that value creation requires the interaction of people, process, technology, and information aligned to a common strategy. Each one of the four components is a key performance driver and needs to be considered equally when planning a major initiative. We have developed techniques that incorporate these components into our projects to assure the chosen solutions meet current and long term goals.

The four key performance drivers are interrelated and have a cause and effect relationship with each other. Without careful planning, a problem may arise in one area as a direct result of an action in another area. Sometimes we find that what appears to be an obvious solution to a problem turns out to be a wrong assumption. Other times we are often looking at a symptom and not the root cause. In either case, a structured approach is needed to preserve the balance and keep a project on track. This is what IPS is all about.

Strategic Planning with Tactical Action

The Integrated Performance Solution provides a structured approach to planning and delivery of business solutions while mitigating the risks. The IPS planning phase builds a strategic future state design that incorporates the integration of human capital, business process, technology, and knowledge management to provide agility over the long term. The IPS delivery phase identifies and develops the individual activities needed to ensure that tactical results can be achieved efficiently and effectively. IPS keeps the focus on what is important and, if followed, will insure the project's success.