

# MANAGEMENT BUREAU BUSINESS PROCESS IMPROVEMENT

## I. Introduction

USAID's global mission remains as complex as ever while its staff resources continue to decline. Limited funding means that the Agency will not be able to replace everyone who retires or leaves — the Agency cannot afford to grow or even remain the same size. The workload will increase for everyone who remains *unless the work is reduced and simplified*.

The Management Bureau (M) provides essential services to all USAID employees and organizations. Each M Bureau office relies on support and cooperation from other M Bureau offices in the performance of their responsibilities. Its efficiency, effectiveness and teamwork impacts directly on the Agency's overall performance.

Management Bureau's Executive Improvement Team (M/EIT) was established May 20, 1998, by AA/M, Terrence J. Brown. The seven members of the M/EIT received an orientation to, and 18 M Bureau staff participated in a workshop on, Business Process Improvement (BPI). BPI is a systematic methodology developed to help an organization make significant advances in the way its business processes operate. It provides a system that will aid in simplifying and streamlining operations, while ensuring that both internal and external customers receive quality output.

The M/EIT adopted the following objectives:

- Increase the effectiveness and efficiency of M Bureau's processes that provide output to internal and external customers
- Remove barriers that interrupt the flow of work
- Streamline processes to reduce wasted time and effort

The M/EIT seeks to ensure that M Bureau has business processes that:

- Eliminate errors
- Minimize delays
- Maximize the use of assets
- Promote understanding
- Are easy to use
- Are customer friendly
- Are adaptable to customers' changing needs

## II. Approach

With AA/M, Terrence J. Brown, as its BPI Champion, the M/EIT is responsible for applying BPI. Critical to its success is the active participation of all staff. Initially, the M/EIT will agree on common criteria for choosing the best processes for improvement. Each M Bureau office will identify high priority processes they perform, drawing on experience and past studies. By applying the common criteria, each office will identify their initial candidate business process(es) for improvement and propose them to the M/EIT. The M/EIT will review and approve the formation of Process Improvement Teams (PITs) for each approved process. PITs will be made up of M Bureau office staff who are responsible for the process, as well as by customers and supporting office staff. It is the PIT which identifies the opportunities for process improvement and makes recommendations for streamlining and eliminating activities to the M/EIT.

Generally, there are five phases of BPI:

### Phase I. Organizing for improvement

Objective: To ensure success by building leadership, understanding and commitment

### Phase II. Understanding the process

Objective: To understand all dimensions of the current business process

### Phase III. Streamlining

Objective: To improve the efficiency, effectiveness and adaptability of the business process

### Phase IV. Measurements and controls

Objective: To implement a system to control the process for ongoing improvement

### Phase V. Continuous improvement

Objective: To implement a continuous improvement process

We are now working our way through Phase I which will end for the initial set of business processes with the selection of PIT members.

*What is a process?*

There is no product and/or service without a process. Likewise, there is no process without a product or service. Definitions:

*Process* Any activity or group of activities that takes an input, adds value to it, and provides an output to an internal or external customer. Processes use an organization's resources to provide definitive results.

*Production process* Any process that comes into physical contact with the hardware or software that will be delivered to an external customer, up to the point the product is packaged.

*Business process* All service processes and processes that support production processes. A business process consists of a group of logically related tasks that use the resources of the organization to provide defined results in support of the organization's objectives.

*What is "Value-Added"?*

Real-value-added (RVA) activities are those activities that, when viewed by the end customer, are required to provide the output that the customer is expecting. There are many activities performed that are required but that add no value from the customer's vantage point (business-value-added, or BVA, activities). In addition, there are many activities that add no value, for example, storage.

Value-added assessment (VAA) is an analysis of every activity in the business process to determine its contribution to meeting end-customer expectations. The object of VAA is to optimize BVA activities and minimize or eliminate no-value-added activities. The organization should ensure that every activity within the business process contributes real value to the entire process.

M Bureau is primarily a service provider. Typically, as much as 85% of the activities performed in service organizations are business-value-added activities. This suggests M Bureau has significant potential to simplify and improve its processes. Now that the Agency is united in one building, it is likely that a number of process activities once necessary for control will be found to add no value. On the other hand, a number of activities are required to comply with various laws or regulations and cannot be addressed, except perhaps to streamline them through standardization across the Bureau and to eliminate any duplications of effort.

### III. Responsibilities

PIT membership is *in addition* to ongoing responsibilities. This means careful, realistic planning is needed as each business process is identified for PIT action. Team composition and the number of members must be carefully considered if the time frame proposed to the M/EIT for each PIT is to be realistic. The M/EIT must be told the level of effort necessary to complete a PIT assignment so the M/EIT can provide its full endorsement and commitment to a PIT's undertaking. While there are dozens of potential business processes available for consideration, the M/EIT will only be able to approve a handful of PITs at a time. But each PIT will result in an improvement in the overall effectiveness and efficiency of the M Bureau. The BPI methodology does not have an end point in sight except for the establishment of a process for continuous improvement. Therefore, while each PIT will have a firm schedule, no one should expect firm start and end dates for the ongoing M Bureau BPI program.

No one is expected to perform effectively as a PIT member without training in BPI methodology. All M Bureau office directors were given the opportunity to participate in a BPI orientation session and 18 staff participated in a 3-day BPI workshop led by Rita Owen and Elizabeth Baltimore. As PITs are identified, BPI workshops will be scheduled for PIT members, with classes made up of representatives from across the Bureau to maximize cross-fertilization of ideas and to increase awareness of Bureau processes. M/HR has successful experience with the PIT process, having revamped the Foreign Service Board process and having launched a Foreign Service Assignment PIT using this approach. M/HR's 14 experienced PIT members can provide valuable insights into the dynamics of the BPI process and will be resource personnel for PIT workshops.

BPI trained personnel in M Bureau include:

HR/PPIM, K. Barberi  
 HR/POD, S. Tolliver  
 MPI, B. Prevot  
 AMS, R. Ward  
 AMS, S. Burnett  
 AS, R. Poehls  
 IRM, M. Harris  
 IRM, M. Miller  
 OP, S. Dean  
 B, T. Wood-Stervinou  
 FM, R. Silc

HR/PPIM, M. Zankowski  
 MPI, S. Brunner  
 AMS, M. Moore  
 AS, J. Allem  
 IRM, J. Sajewski  
 B, M. Rarick  
 FM, M. Zilius

M Bureau Business Process Improvement	
Office	Candidate Processes [Status]
<b>HR</b>	
1	Foreign Service Assignment [PIT formed and working. Completion: end-September]
2	Merit Promotion [PIT formed and working. Completion: end-January 1999.]
3	Classification [PIT formed and working. COHO approved. Completion: end-June 1999.]
<b>AMS</b>	
1	Entry of Budget Obligation Documents [PIT identified. Training needed. Completion: end-November 1998.]
<b>B</b>	
1	Coding [PIT identified. Training needed. Completion: mid-December 1998.]
2	Issuance of OYB [PIT identified. Training needed. Completion: end-October 1998.]
<b>AS</b>	[No processes identified at this time.]
<b>IRM</b>	[On-going independent process improvements.]
1	Software acquisition
2	Review and approval of changes to Legacy systems
<b>OP</b>	
1	Unfunded Administrative Approval [PIT formed and working. Training needed. Completion: end-November 1998.]
2	Assistance Application [PIT formed and working. Training needed. Completion: end-November 1998.]
<b>FM</b>	
1	Letter-of-Credit Cross Servicing [PIT formed and working. Completion: March 1999.]
2	Loan Processing Outsourcing [PIT formed and working. Completion: March 1999.]

3	Rationalization of Non-M/OP Obligations [PIT identified. Training needed. Completion: April 1999.]
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