Process Governance That's 'Just Right'

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Consider these tips to ensure your governance processes are neither too soft nor too hard.

The story of Goldilocks and the three bears has been told from generation to generation. Goldilocks stumbles upon a house in the forest where she finds three bowls of porridge to taste, three chairs to sit in, and three beds to sleep in. As she helps herself in the bears' house, she is dissatisfied with the first two choices she makes because they are extremes—too hot and too cold, too hard and too soft.

In each case, her third attempt finds the happy medium. It's just right.

This simple message can easily apply to process governance. Too often, we find a process laboring under more governance than required, resulting in a tedious review process, slow decision-making, and redundant efforts. On the other hand, a process without enough governance is flawed by lack of standards, poor quality, and inefficient coordination. Identifying the "just right" amount of process governance will optimize your operations to drive efficient and consistent results.

Process governance means setting standards and rules while identifying the process owners and workers who must meet a goal. By using process governance correctly, your organization can strengthen capabilities, optimize performance, and increase customer engagement. Keeping a process in control is critical to ensuring customer satisfaction and reducing risk.

The key to determining the level of governance that is "just right" is examining the process itself. How does the process affect your customers? Is the process high risk? What is the cost of failure? Can the process and outcomes be measured easily? By assessing internal and external factors, you can identify how much governance is necessary to maintain control of the process and avoid the strain of extremes—too much or not enough.

Just as Mama Bear has options to achieve the correct temperature for her porridge, organizations have options for implementing effective governance.

Consider these four factors to determine how much governance structure is needed:

Cost:
Processes that incur a high cost need to be more efficient in order to drive a positive bottom line. Expensive materials or human resources can drive costs up. For example, one of the highest costs in the telecommunications industry is equipment. Simply ensuring all equipment is accounted for can reduce costs associated with overbuying. A less obvious cost is the cost of failure. For example, the process to make an airplane is highly controlled because a single part made outside of spec can cause a crash—causing loss of life as well as significant expense. Stronger governance can keep processes in control, which will improve consistency of results and reduce costly mistakes.

Cross-functional impacts:
Processes that involve multiple functions, brands, or business units (e.g., order to cash) require significant coordination and communication. Having a structure with well-defined roles and expectations facilitates handoffs and streamlines coordination. For example, sales and marketing are highly dependent on each other. Sales depends on marketing to provide a complete, up-to-date product catalog so they can sell the right products to the right customers. Likewise, marketing depends on sales for data that informs the success of their marketing campaigns. Governing these two handoffs can minimize delays and reduce duplicate work that often plagues cross-functional efforts.

Customer value:
A consistent outcome is critical to creating a positive customer experience. Too little governance may enable variation in a process and yield varying quality outputs. Customers want to know they can expect the same results every time. Therefore, processes that have a direct link to your end customers require governance to monitor and enforce standards. Business and technology often work alongside one another to produce products customers love. Translating customer needs into technical requirements is a constant struggle between the two groups. Providing standards around how to communicate needs can improve efficiency and consistency in creating customer products.

Regulation:
Legislation and (or) regulations may force a company to do something in a specific way or require certain metrics be achieved. In these scenarios, strong governance can help maintain compliance. Competing objectives create an additional reason why governance becomes important to ensuring your process yields the desired results. The health care industry is highly regulated. Patient records must be complete and up to date; otherwise, the company may face serious fines or even a complete shutdown. Unfortunately, there are times when complying with regulations may conflict with priorities such as reducing cost, but because they are mandatory, compliance to legislation will supersede other goals.

Once you know how much governance is necessary, you next need to understand how to achieve the correct amount. Luckily for Goldilocks, she walked into a house that had the options already laid out for her. But Mama Bear was the one who had to make porridge at three different temperatures. For the porridge that was too hot, Mama Bear could have set it outside in the heat, boiled it, or even used a flamethrower to heat it up. All three options could have heated the porridge, but realistically, only one was feasible.

Just as Mama Bear has options to achieve the correct temperature for her porridge, organizations have options for implementing effective governance. Consider a variety of diverse ways you can implement effective governance structure.

Leadership:
Provide adequate process ownership or sponsorship to oversee the process and hold people accountable for its execution. Too many process owners creates bureaucracy, which slows down decision-making. Business is constantly evolving, and organizations need agility to meet the ever-changing customer demands. On the other hand, a process with too little ownership or weak sponsorship is plagued with low adherence to standards and fails to provide the desired result. Ineffective processes can have both legal and financial consequences when they fail to meet expectations.

People:
Ensure the people executing the process have the knowledge, skills, and economies of scale to perform. Having a highly skilled, highly effective team that rapidly provides services or produces products may sound like a dream. The risk in this scenario is overusing the team and creating burnout. Conversely, a team with poorly matched skills or low economies of scale can result in slow turnaround and poor quality. Implement standards, templates, and quality reviews in your process for an excellent product or service every time. Processes that have too many standards can be rigid and lack the kind of personalization or localization needed to meet customer needs. Likewise, too many quality reviews can reduce time to market; you may miss opportunities. Standards and quality reviews can keep processes in control.

Tools/technology:
Provide the appropriate tools and technology to enable consistent and timely execution. Often, leaders jump to technology to fix business problems without really addressing the root cause of the problem at hand. This results in a waste of money, time, and effort. Conversely, a lack of adequate tools and technology hinders process implementers from working to their full potential. Opportunities to improve speed to market and reduce errors may be missed.

Metrics:
Allow your organizational strategy to define the metrics you choose to measure. Metrics will measure adherence to the process and/or the success of the process. Having too many metrics can be overwhelming, preventing the team from understanding the effect of their efforts. Conversely, having too few metrics prevents the team from understanding their performance.

Continuous improvement:
Establish a cadence to continuously improve the process. Even if your process is already great, business moves at such a fast pace that your process can quickly become outdated. Leaders should encourage employees to talk about the process and empower employees to lead the change they want to see. When employees are empowered and engaged in a process, the process can truly flourish and weather the many changes that come in business.

Overall, remember that governance helps to enable success for your processes. The many different approaches to governance can have a unique look or feel, depending on your organization's culture. The key is that you use process governance—and that you use it to improve your organizational processes. While implementing process governance, always remember the lesson Goldilocks taught us: not too little, not too much, but just the right amount.

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