

THE BOTTOM LINE

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Employee training called the best investment

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In December 2004, I wrote about business process improvement projects no longer being done as part of a business re-engineering exercise, which usually translated to big cuts.

In the last few years, BPI has come back into vogue but this time, it's not a euphemism for 'you're fired.'

The objective is now to optimize business processes before making additional investments in systems. The December article mostly focused on technology solutions. But the reality is that there are factors other than technology that can impact efficiency and effectiveness.

What about business process, motivation, skills, policies and the workplace?

Business processes evolve over time and the reasons for the way things were may no longer apply. Most companies are organized by department or function, such as accounts payable and purchasing.

Business processes are often optimized for a specific department at the expense of other departments.

There could be bottlenecks that delay the process or too many people doing something that could be better done by one person. Each step in the business process should add value.

A good way to document business process is by using what is called swimlane diagrams. These are drawn so the activities performed by each business function, department, or location are in different horizontal rectangles, or lanes.

(The chart on the left is an example of a swimlane diagram)

Motivation requires measurement. If you're not measuring performance, there is not a lot of incentive to improve. If you're measuring metrics that are just reflective of what takes place within a department, then there is no incentive to improve the business process. In fact, the incentives may promote the exact opposite.

You could have a great process, but the people responsible don't have the requisite skills. Recruitment is where it starts but it does not end there. People typically only use a small portion of the tools available or don't know the short cuts.

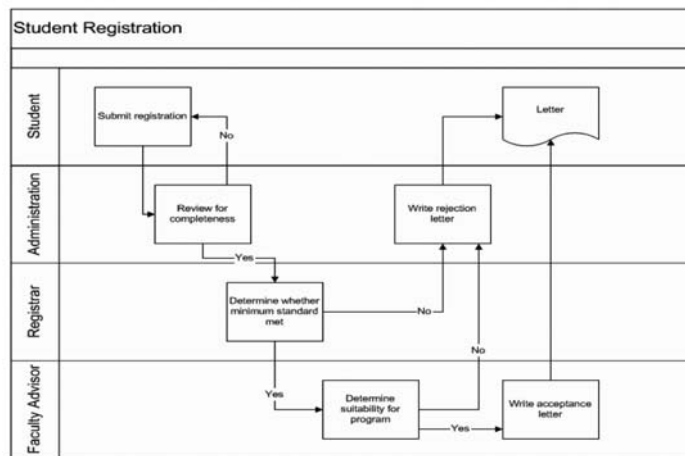
Training is a great investment in improving business process. It also sends the right signal to employees who see their organization investing in their future.

Policies also evolve over time and may no longer be appropriate. There may be an excessive amount of approvals required

without sufficient risk to justify them. Some of the rules will be based on compliance but should only be applied depending on the risk. Per the CICA handbook, "Management weighs the cost of implementing internal control against the relative likelihood of error and fraud occurring and its effect on the financial statements."

The workplace can also impact a business process. Are employees constantly interrupted by their neighbours?

Is there proper lighting and proper ventilation? Are there distances between people that need to interact? Are the computers and network stable?



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