



## **GUIDANCE NOTES**

on the

**“Design Model**

**for an Organisation’s**

**BUSINESS MANAGEMENT SYSTEM”**

(qv)

*“How the Organisation operates and is managed”*

Version: 1.1

21 March 2012

**CONTENTS**

INTRODUCTION..... 3  
    OBJECTIVE (of this document) ..... 3  
    BACKGROUND..... 3  
GLOSSARY ..... 5  
APPENDIX A – WHAT NEEDS TO BE MANAGED ..... 7

## **INTRODUCTION**

### **OBJECTIVE (of this document)**

To explain the underlying principles of business process management, and how they apply from the top level development of a business strategy down to individual processes and specific tasks.

### **BACKGROUND**

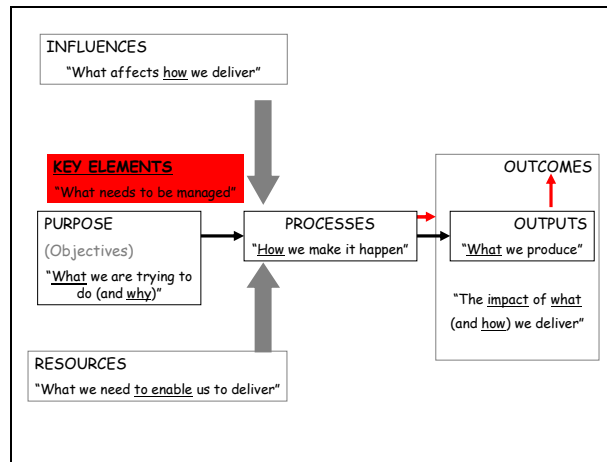
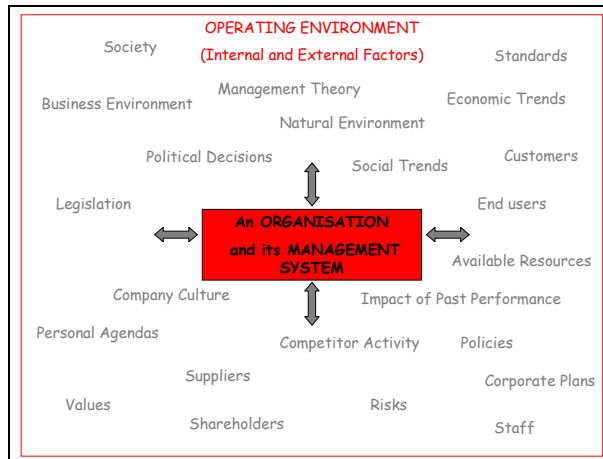
Our “**Requirements for an Organisation's Business Management System**” document (qv) provides the basis for defining and communicating how an Organisation operates and is managed (its “Management System”). It has been developed in response to the widespread misunderstanding of business processes and management systems design, due in part to the wording and interpretation of the ISO9000 series of standards. (See **Glossary** below)

The “**Requirements**” document and this Guidance have been designed to assist any organisation which seeks to describe how it is managed and how it operates. Importantly, the principles apply just as much to i) an **individual task** as to ii) a **specific process** and iii) “**running the Organisation**”. A single task exhibits the same characteristics which need to be recognised and managed. What you do (or don't do) to achieve an objective, how you do it and the outcomes will all depend on a range of factors which, at the very least, you need to be aware of.

You need to balance the immediate objective for the task with other (possibly competing or contradictory) goals. Any action is likely to trigger other actions and to have an impact on resources. “Making a statement” shares very similar characteristics to “recruiting staff”, “running a business” and even “running a country”.

The provision of adequate resources, and the recognition and management of the (many) factors which can influence success, are two other essential elements in planning and managing activities at every level within the Organisation.

Figure 1: KEY ELEMENTS IN MANAGING HOW WORK IS DONE



Note: see Appendix A for more details.

## **GLOSSARY**

Many of these terms are defined, interpreted and used in a variety of (sometimes illogical and contradictory) ways. The following definitions are designed to be relevant for and applicable to all types of organisation, which is not always achieved by international standards such as ISO9001.

### **Customer**

An organisation or person that receives a product from the Organisation.

(Business) **Management System** (strictly speaking, a “Management and Operational System”)

The structure, processes and resources needed to establish the Organisation's policies and objectives and to achieve those objectives.

**Note** a “System” is more than the sum of its parts. The interactions amongst the parts are part of the system, and a system has attributes which do not belong to individual parts.

### **Management System Description**

A (printed or electronic) description of the Organisation's (Business) Management System.

**Note** a “Management System Description” is not a “Management System”.

### **Outcome**

Any result of (an instance of) a process or task, including, but not limited to, the intended Output, and in some cases required by higher level objective(s).

**Note** could include (eg) environmental impact, learning, enhanced or damaged reputation.

### **Output** (from a process)

The (intended) “deliverable” generated by the activities that constitute the process, and in many cases defined by its objective(s).

### **People** (in the Organisation)

Management, other Staff and Contractors as appropriate.

### **Policy**

The intentions and principles which provide a framework and guidance for what the Organisation wants to achieve and how it will operate (often specific to a particular aspect of its existence and operations).

### **Process**

A set of related tasks triggered by an event and intended to achieve an objective.

**Note 1** The “trigger” event can be an action / a thought / a decision / a diary date - so a process can be reactive (responsive) or proactive.

**Note 2** It normally uses resources and is subject to influences.

**Note 3** There are perhaps five general types of business process:

- **Mechanistic** (as in a production line) – where you want to minimise variation in a physical sequence of tasks
- **Transactional** (in response to a generic event such as receiving a customer enquiry) – where there is a known set of tasks to be completed but you need to be responsive to the particular circumstances of each instance of the process
- **Developmental** (where you choose to initiate action to create an outcome which is different / better than the last

time you did it, such as business planning) – where you must do certain tasks, but the sequence may not be relevant

- **Reactive** (as in treating a casualty in A&E) – where you know your objective, but may not know the tasks or their sequence in advance
- **Ongoing** (as in implementing a policy or monitoring progress) – where the process affects other processes as they are implemented on an ongoing basis.

They range from the most rigorously defined and controlled on the one hand to those subject to the greatest individual interpretation and choice.

Their objectives can be to minimise variation (and increase profit, minimise cost) at one extreme through satisfying variable customer demand, “adding value” and making a positive contribution to society, to dealing with a unique situation where change is essential.

## **Process Management**

The planning, direction, resourcing and control of process performance.

**Note:** this requires management (and therefore an understanding) of the key elements of a process (see above).

## **Process Owner**

An individual or role accountable for the successful performance of a process.

## **Product**

Goods or services produced or provided by the Organisation for the benefit of another organisation or person, often for payment.

**Note:** a product is the “output” of the Organisation, and its processes are “the means by which the output is created”.

## **Stakeholder**

An organisation, group or person which has a beneficial interest in the successful performance of the Organisation.

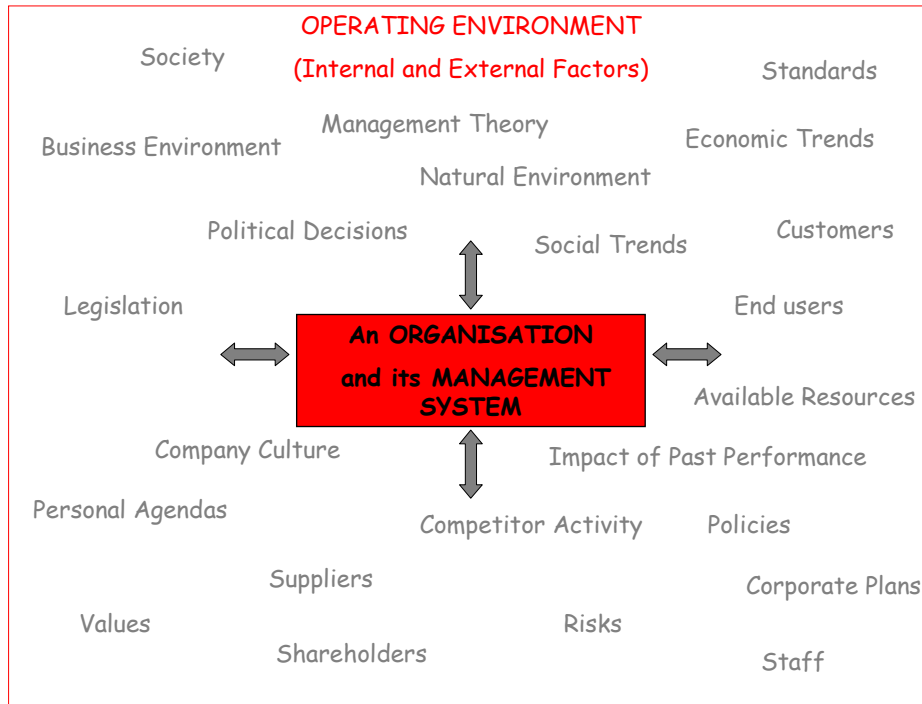
## **Task**

A discrete activity or piece of work. The smallest essential part of a job.

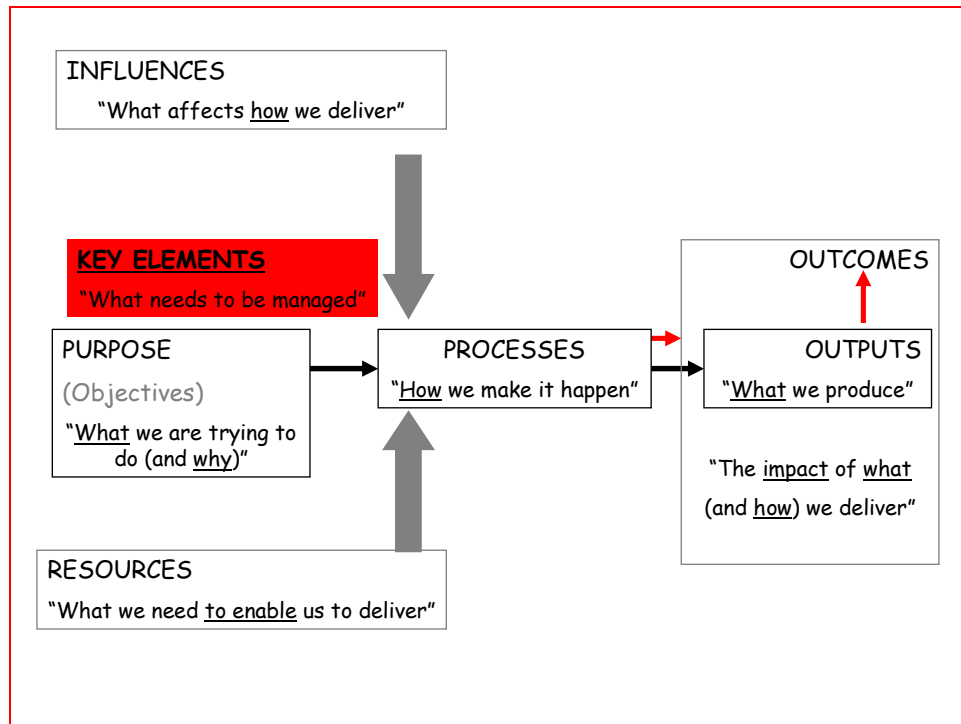
## APPENDIX A – WHAT NEEDS TO BE MANAGED

These principles apply at all levels: at the strategic and operational levels in “running the organisation”, at the level of an individual process and of a single task within a process.

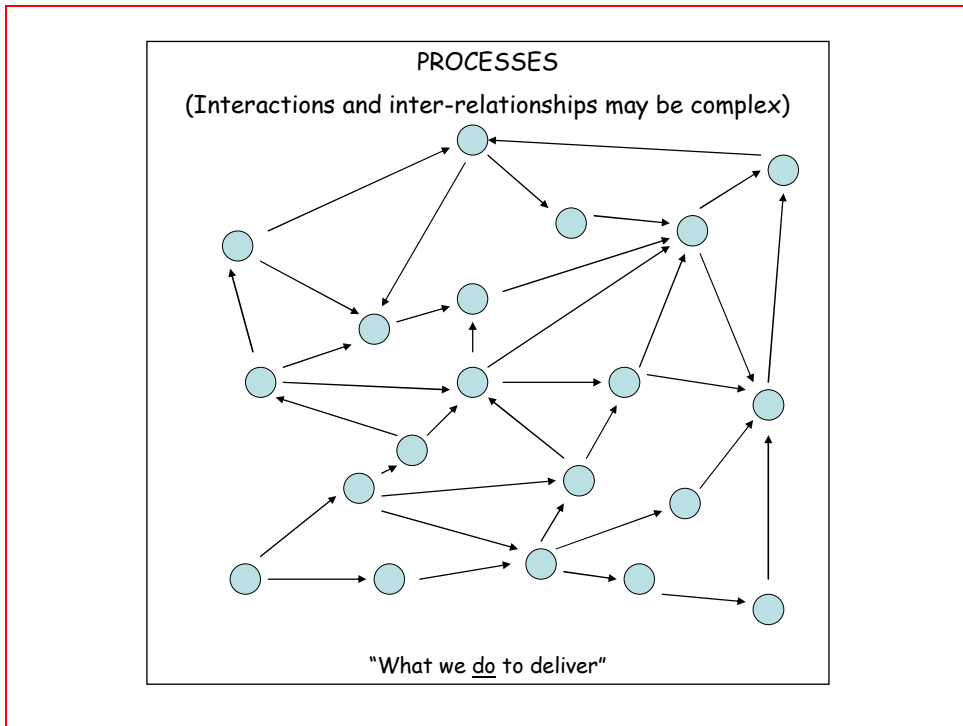
(i)



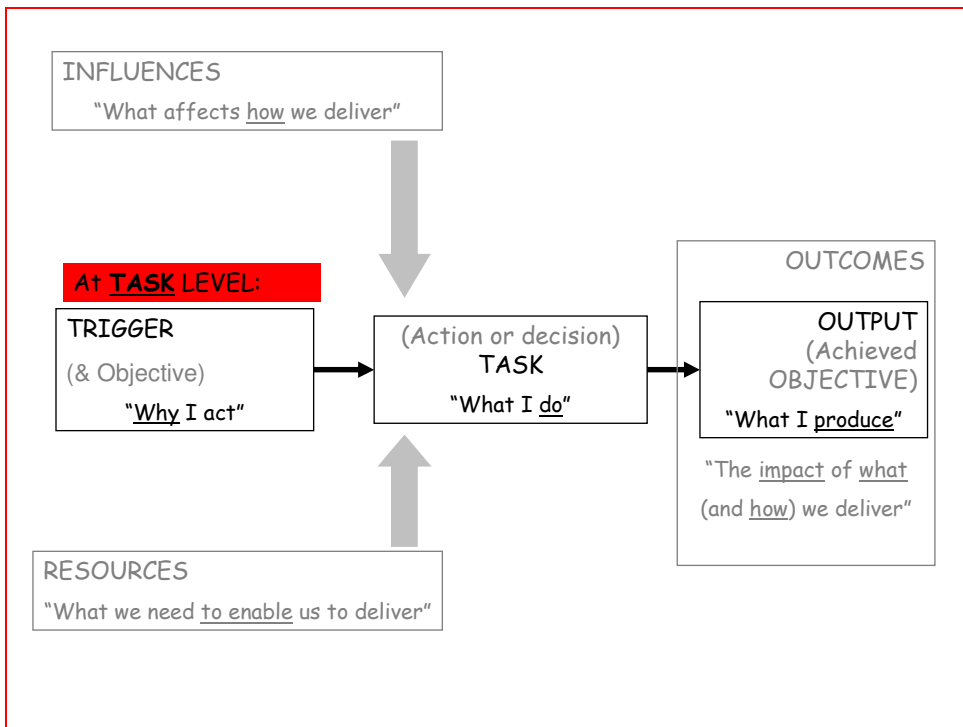
(ii)



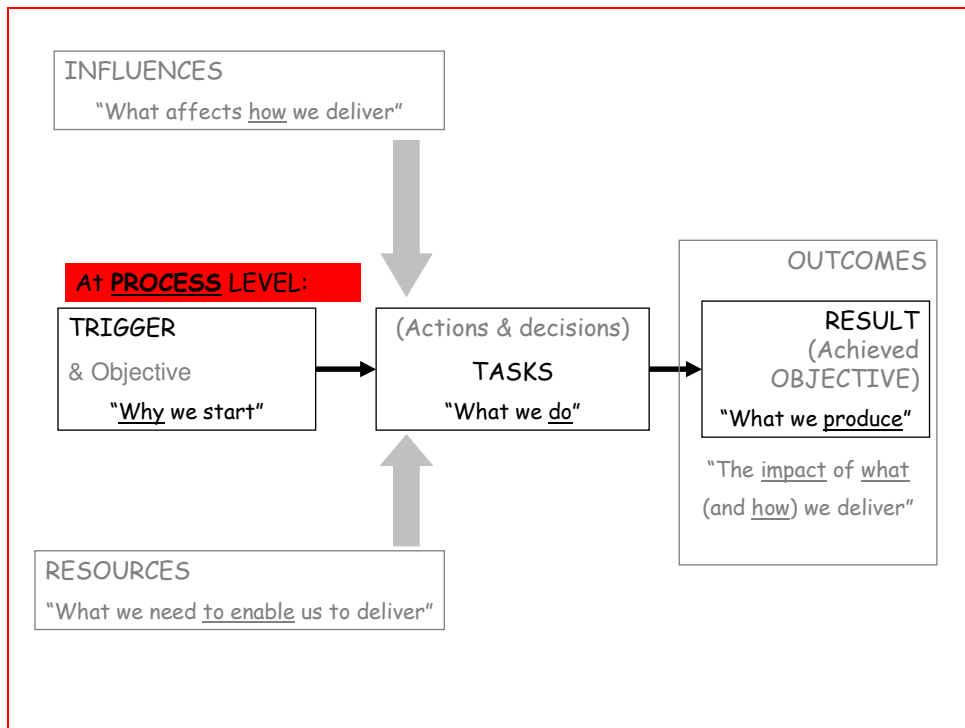
(iii)



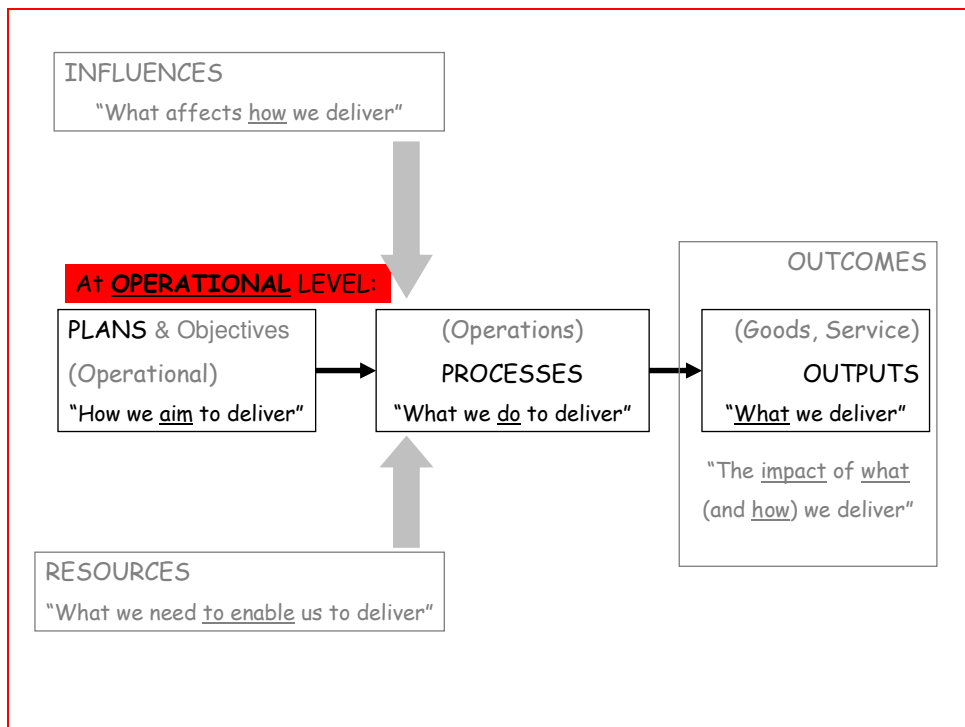
(iv)



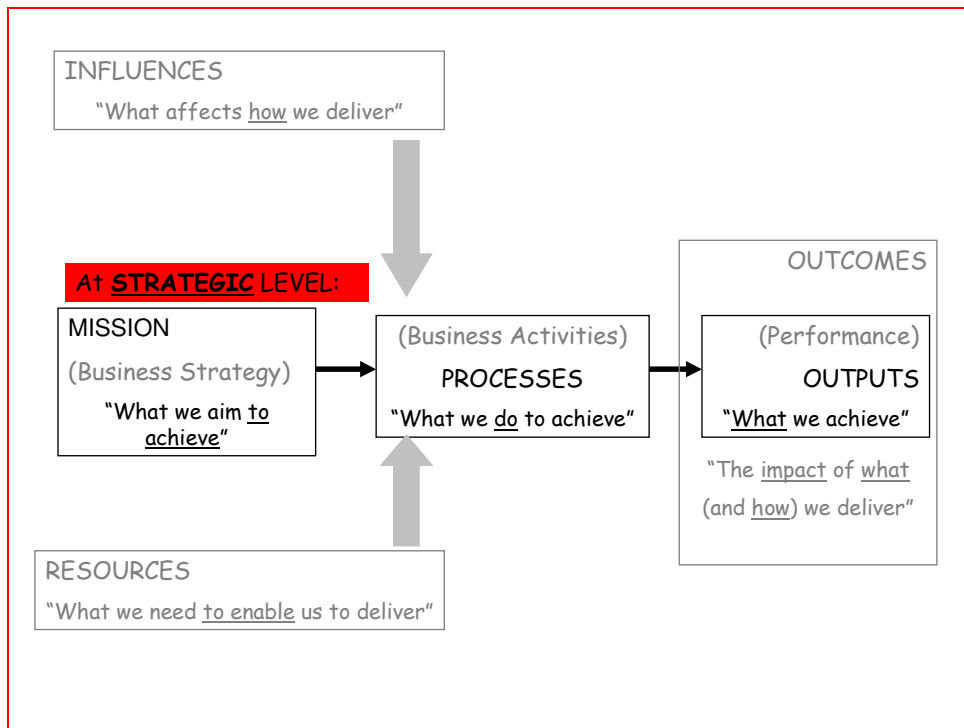
(v)



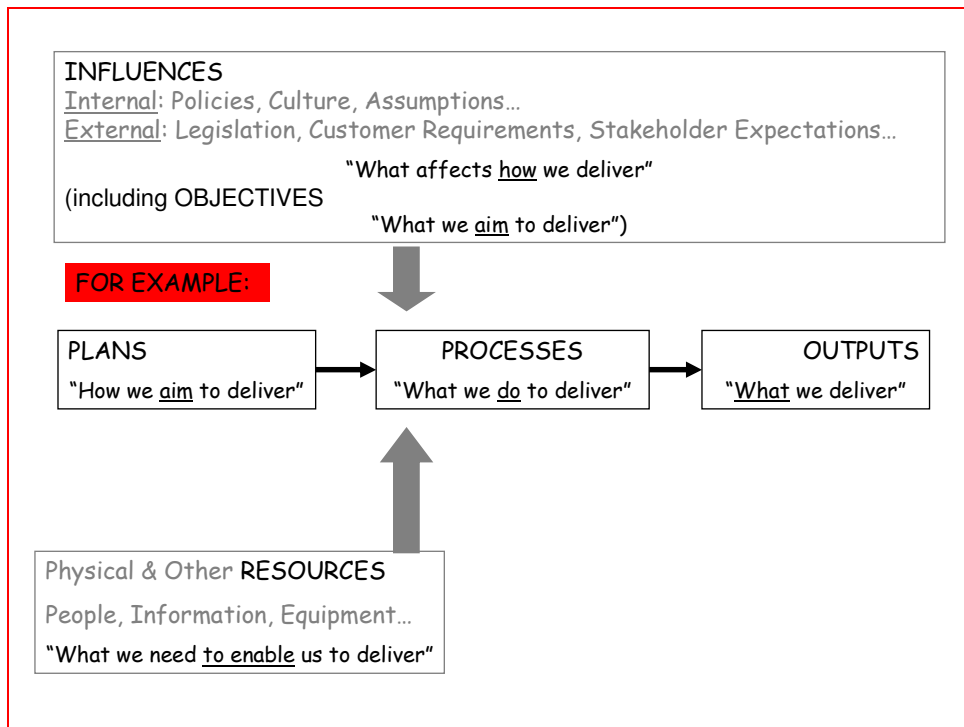
(vi)



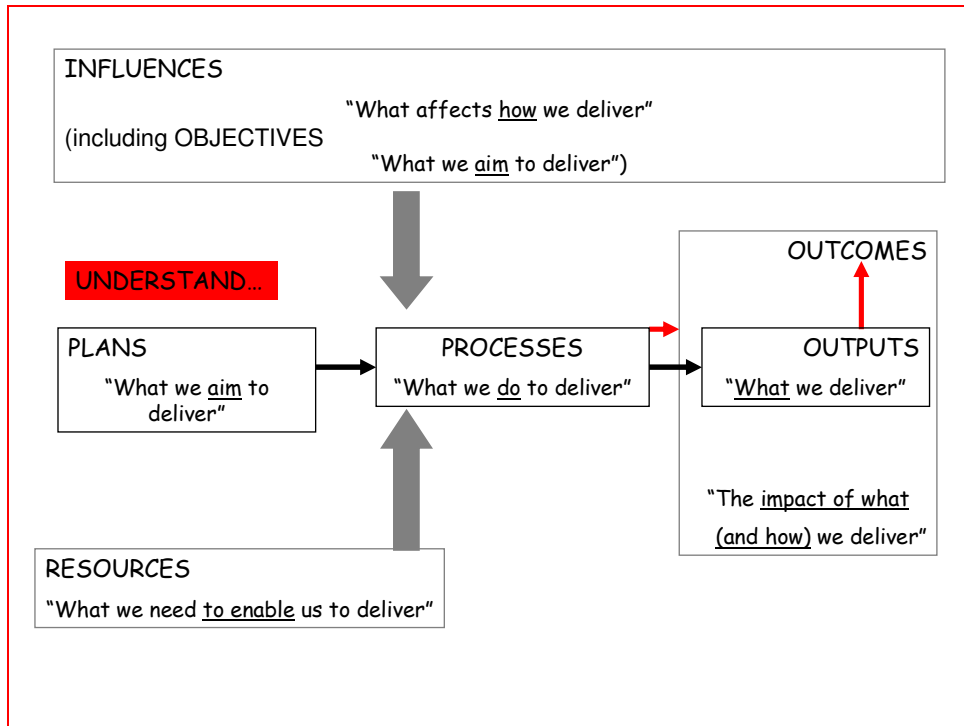
(vii)



(viii)



(ix)



(x)

