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Definition of Terms

Terms can be confusing, especially when different people use different terms to describe the same thing. This document is intended to present a set of terms and definitions to be used in business process modeling. The same terms under differing circumstances may have different meanings to some people. These definitions are intended to apply only to Business Process Modeling.

BPM Term	Term Definition	Explanation/Example of Term Use
Process	A process is a series of discrete tasks or events that: Are the responsibility of the *department* in which they originate Have definable inputs and outputs. Cross over the organization's departmental boundaries. Measurably contribute to the success of the organization's mission.	Budgeting is an organizational *process* of the *Finance Department* in that: It is under the control and responsibility of Finance Each step has definable inputs and outputs It crosses over all departmental boundaries A effective budget is essential to any organization's mission
Function	A *Function* is a set of related activities that exist within a department	Accounting, and its related tasks, is a *Function* that exists within the Finance department
Department	A *Department* is a logical subset of the organization that houses a group of related functions	The Finance *Department* houses a number of functions such as, Treasury Management, Auditing, and Accounting..
Process Task	A *Process Task* is a single process event that has specific measurable inputs and outputs. Outputs may link to a task step within a the same department or, it may link (act as input) to a task step within another department.	The *Process Task*: "review budget" may originate within the HR Department then passes across to the Finance department.
Decision Task	A *Decision Task* is a process task presenting one or more options to the process. Usually a yes or no, pass or fail answer.	A *Decision Task* for the budget review process is: Accept/Reject Budget? The result of this decision will become the "input" to the next process task.

| Create a Team | Organize a Cross-Departmental Management Team | A |

| Build a Model | Create a Horizontal Cross-Department Process Model | B |

| Measure the Process | Feedback Improves the Process | C |

| Manage the Process | Assure that Continuous Improvement Goes Forward | D |

Create a Team	Select Members
❶ Meet with the senior officer in your institution (e.g., CEO, President, Managing Director, etc) to gain approval.	Checklist: • Why Process Management? • Process Optimization • Cross Functional Teams • Improved Communications
❷ Following meeting, draft memo to signature documenting approval.	
❸ List all department heads, assistant department heads, and exemplars for distribution of the memo (prioritize by level of influence).	
❹ Provide on-going communications to stakeholders to maintain support for process modeling activity.	Create a prioritized list
❺ Meet with each individual privately to answer questions and gain support.	

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Build a Process Model

Process Name
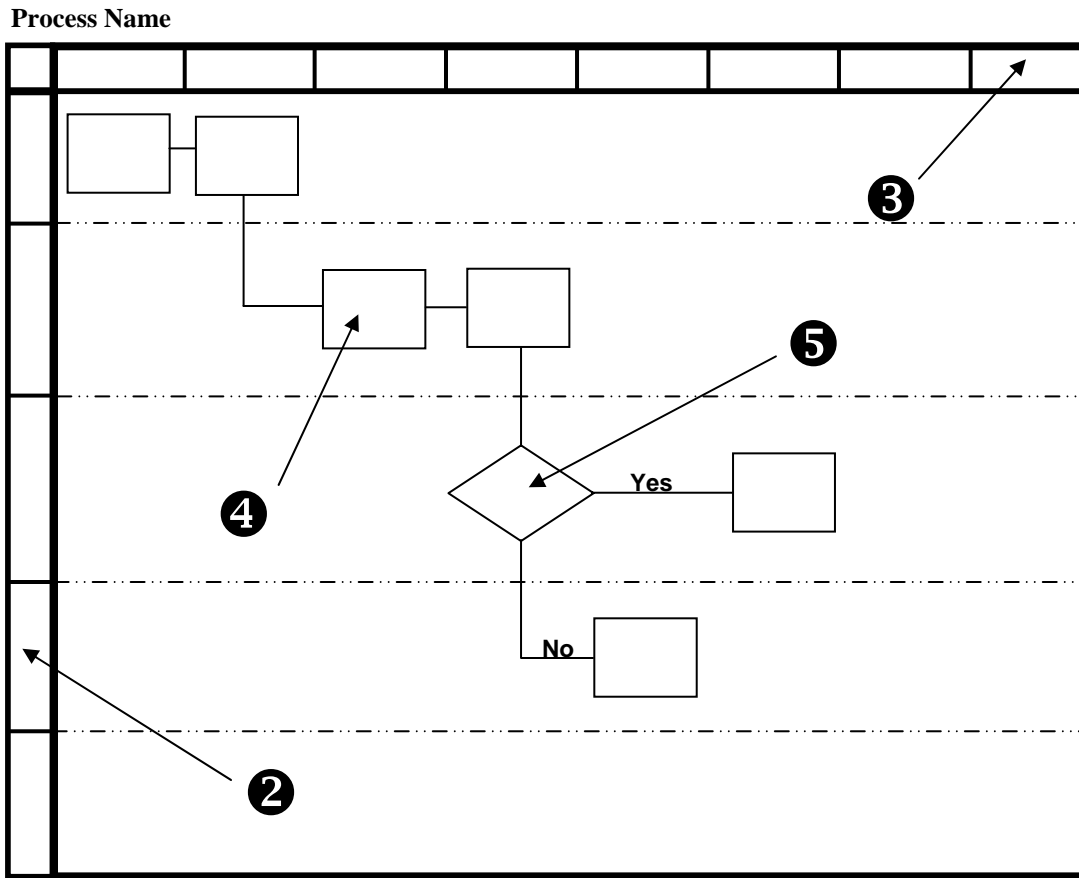
❶ The "swim lane" chart is the standard graphical format used to display the various components of a business process model. The chart is called a swim lane because it is divided into a number of horizontal lanes, similar to a competition swimming pool. In Business Process Modeling each lane is labeled, and represents a department within the organization.

❷ Text entered into the blocks on the vertical axis are for identifying the department that is responsible for the task step(s) of the process.

❸ Text entered into the horizontal axis is used to identify the time-frame of the model (e.g., days, weeks, months, or quarters)
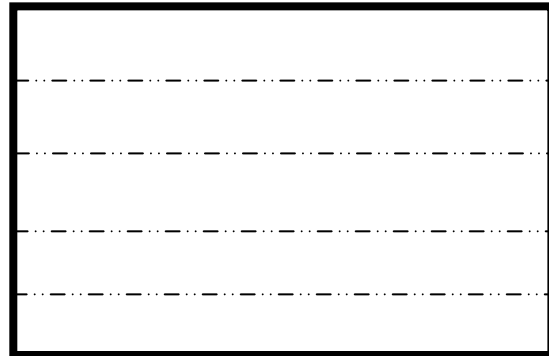
❹ Square boxes are used to represent a process step. The text inside the box lists the task being performed during that step.

❺ Diamond shapes are used to represent a decision step. The text inside states the question.

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Build a Process Model

❶ Create a "swim-lane" chart.

❷ List departments on 'Y' (vertical) axis.

❸ On 'X' (horizontal) axis, set units of time for the model (e.g., days, weeks, months, or quarters).

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Start

Select a process

Review with team
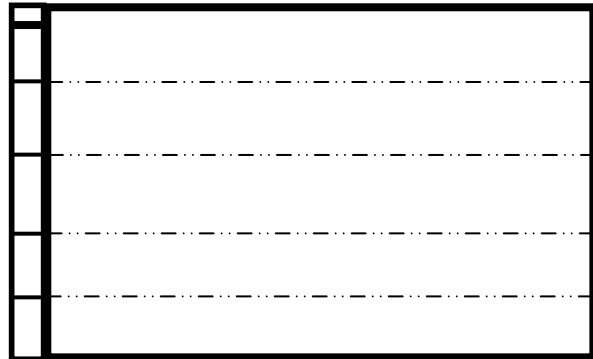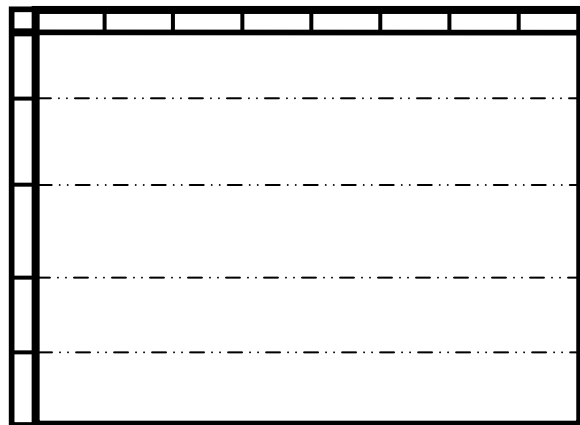
Is process valid?

No

Yes

NB: A process is a series of discrete tasks or events that, taken together, defines a complete sequence of events that leads to a specific outcome.

Caution: Be certain that you have selected a process and not a departmental function or individual procedure (see page 4 in this guide).

Select task step

No

Inputs and Outputs definable?

Yes

Does task output cross department lines?

No

Yes

Yes

Keep task in current department swim lane.

Place next task in correct department lane, and in correct time sequence.

Is task a decision?

No

Yes

Use box symbol

Use Diamond symbol

Do more tasks exist?

No

Stop

Insert time units here

Task step that crosses department boundary

Department name

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Measure the Process

1 Enter the name of the process, the responsible department and the person who is the process manager. The department manager must approve all changes to the master process map. Enter the most recent date the process was formally reviewed by the cross-departmental PM team.

2 Enter the four mission critical elements of the Process Performance Measure Report; Output, Dimension, Measure, and Objective

3 This is a brief explanation of each of the four elements of the Process Performance Measures. Use these to create an accurate report.

4 EXAMPLE: This section provides a simple example of each of the four elements

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Process Performance Measures Report

①

Process Performance Measures

Process Name   Responsible department

②

Process Manager   Department Manager

Phone: Period Measured

Email: Last Reviewed: Date:
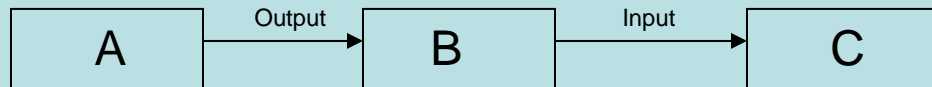
Output	Dimensions	Measures	Objective	Actual	Variance
④					**③**

Definitions:

Output	**Dimension**	**Measure**	**Objective**	**Actual**	**Variance**
• The tangible accomplishment of the process task or decision.	•The characteristic of the Output that permits objective measures.	•The measure to be applied to the specific Dimension	•The desired accomplishment of a process task or decision.	•The actual metrics for each measure	• The difference between the actual and objective

Examples:

Output	**Dimensions**	**Measure**	**Objective**	**Actual**	**Variance**
•Complete Loan Application	• Accuracy	• Percent correct	• 100%	• 87%	• Under 13%
	•Completeness	• All blanks filled in	• 100%	• 100%	• On target
	• Legibility	• Readable by staff	• Yes	• Yes	•On target
	• Timeliness	• Time to register	• 24 hr	• 12 hr	• Over target

A	→ Output →	B	→ Input →	C

NB: The output of task "A" is the input to task "B". The output of task "B" is the input of task "C"

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Process Performance Measures

Process Name

Responsible department

Process Manager

Department Manager

Phone:

Period Measured

Email:

Last Reviewed: Date:

Output	Dimensions	Measures	Objective	Actual	Variance

Definitions:

Output
• The tangible accomplishment of the process task or decision.

Dimension
•The characteristic of the Output that permits objective measures.

Measure
•The measure to be applied to the specific Dimension

Objective
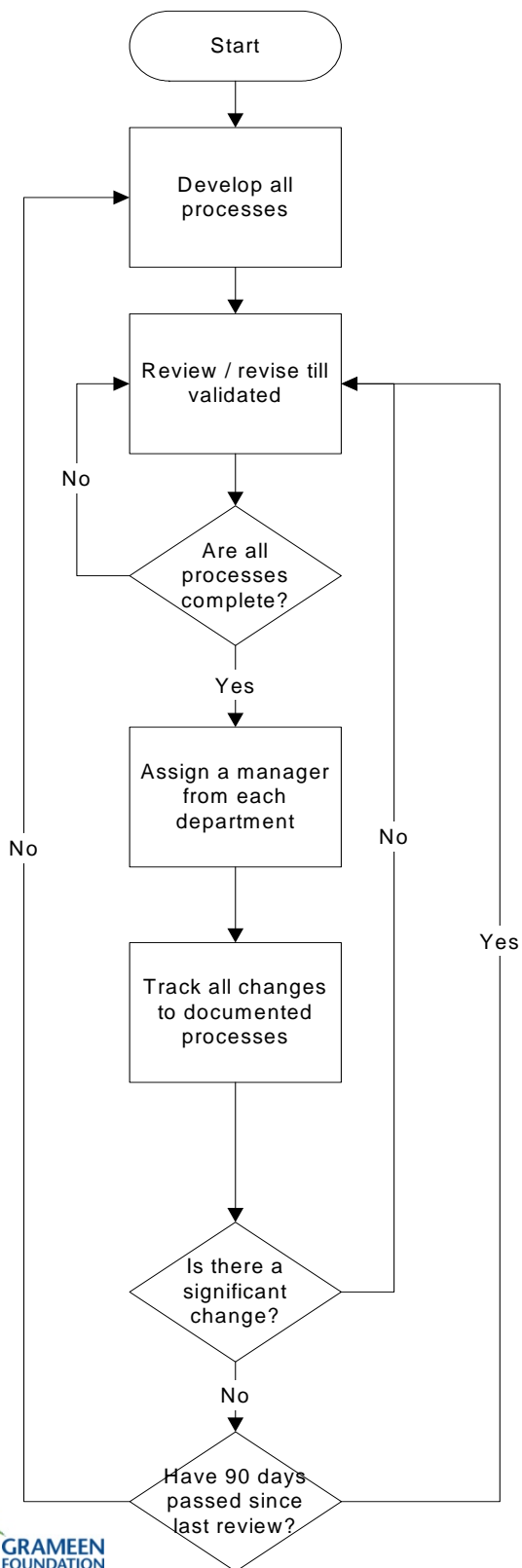•The desired accomplishment of a process task or decision.

Actual
•The actual metrics for each measure

Variance
• The difference between the actual and objective

Manage the Process

```
            Start

      Develop all
      processes

      Review / revise till
      validated

No
           Are all
           processes
           complete?

           Yes

      Assign a manager
      from each
      department                    No

No

      Track all changes
      to documented            Yes
      processes

           Is there a
           significant
           change?

           No

      Have 90 days
      passed since
      last review?
```

NB: In accordance with the Visual Management strategies of W. Edwards Demming, a leading founder of the continuous improvement / total quality improvement movement, these processes should be posted in an area where all employees can view them.

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