APPLYING APQC'S PROCESS CLASSIFICATION FRAMEWORK® FOR BUSINESS VALUE

How Organizations Use the PCF for Benchmarking, Content Management, and Process Management

APQC's Process Classification Framework (PCF)® creates a common language to define and communicate work processes. In this article, you will learn about three ways organizations use the PCF to create business value: benchmarking, content management, and process management.
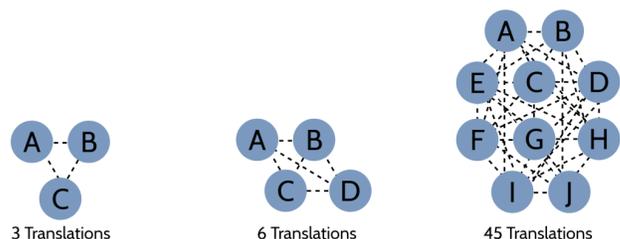
BENCHMARKING

Organizations use the PCF to objectively benchmark against other companies. The PCF acts as a "Rosetta Stone" that allows thousands of organizations to compare metrics for a process, even when that process is implemented using different systems, organizational structures, and business rules. To understand why the PCF is so useful for benchmarking, consider what happens if you don't use it.

Benchmarking Without the PCF: Complicated and Hard to Scale

Organizations can benchmark without a common framework such as the PCF, but it becomes increasingly complicated as more companies participate. For example, three organizations—Company A, Company B, and Company C—want to benchmark accounts payable. Each company implements their accounts payable process differently; some use shared services centers, some centralize, some decentralize, some automate, some do it manually. Each company then compares with the other two companies. The implementation of the accounts payable process has to be translated to be translated three times.

If another company—Company D—wants to join, it has to compare processes with the three other companies. Process definitions have to be translated six times. If ten companies want to benchmark together, they will need to translate processes 45 times (Figure 1).

Benchmarking without a Common Framework

(Figure 1)

As the number of participants (n) increases, the number of required translations increases according to the following formula, which is called Metcalfe's Law: $n(n-1)/2$. If you wanted to individually benchmark against 10,000 other companies, you would have to translate processes nearly 50 million times. But with the PCF acting as a gold standard for what it means to do a particular process, you can benchmark against 10,000 companies with just one step.
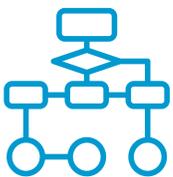
CONTENT MANAGEMENT

Organizations use the PCF to structure and organize their content. Organizations produce thousands—often hundreds of thousands—of pieces of content such as:

// standard procedures,

// checklists,

// templates,

// instructional guidebooks and videos,

// project content,

// meeting minutes, and

// best practices.

Without an organizing structure, employees will struggle to dig through folders and links to find the content they need. Enterprise search helps, but even the best enterprise search engines don't work like Google. If you want content to be found, you need to organize it with a "taxonomy"—a hierarchy of categories to classify content.

> If you assign content to the PCF, when people want to understand what happens in a particular area it's very intuitive for them to drill down through the hierarchy to find what they're looking for.
>
> –John G. Tesmer
> Director of Open Standards
> Benchmarking, APQC

Using the PCF as a taxonomy helps employees find the resources they need in a way that's organized by the work they do. If a new hire needs to get up to speed on a certain task, they can navigate to that process and find the templates and checklists they need to perform that task. A taxonomy such as the PCF also supports business analytics by allowing organizations to easily monitor content usage statistics and trends by topic area. The PCF can also help with content governance: organizations can use the PCF to define who owns each process, and then ascribe ownership of related content to those process owners. Content without an owner can go out of date quickly.

PROCESS MANAGEMENT AND IMPROVEMENT

Organizations use the PCF to perform the foundational process management work necessary for process improvement. To improve processes, you first need to understand how processes relate to each other and how work flows through the organization. The PCF provides a pre-established baseline for:

// discovering processes,

// developing process definitions,

// creating process maps,

// mapping enterprise systems to business processes

// mapping organizational structures to business processes

By understanding the current state of processes, organizations can start to benchmark process performance and identify improvement opportunities. Leveraging a framework such as the PCF for current state assessments saves time and improves communications. The framework mitigates disagreements over how to approach process management and define processes, because it offers a neutral language that everyone can agree on.

> " Why reinvent the wheel when the PCF creates a baseline for us.
>
> –Alain Robitaille
> **Director, Corporate Knowledge Measurement, SNC-Lavalin**

RESOURCES FOR APPLYING THE PCF

APQC's How To Apply The Process Classification Framework Collection provides how-to guidance and best practices for top applications of the PCF including:

// building process maps,

// conducting a current state assessment,

// creating process definitions, and

// using a process framework as a taxonomy.

For more information about how organizations leverage the PCF, see APQC's 2017 Putting the PCF into Action Collection. This collection includes the Best Practices in Process Frameworks report, which is based on a survey of over 100 companies and case studies of best practice organizations such as U.S. Army ARDEC, the University of North Texas, ProUnitas, Sword Group, and South East Water. The collection also includes a webinar, tools, best practices, infographics, qualitative analysis, and other resources for understanding PCF adoption and implementation.

If you have any questions, or would like to learn more about implementing the PCF at your organization, contact us.

www.apqc.org/contact-us

ABOUT APQC

APQC helps organizations work smarter, faster, and with greater confidence. It is the world's foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management. APQC's unique structure as a member-based nonprofit makes it a differentiator in the marketplace. APQC partners with more than 500 member organizations worldwide in all industries. With more than 40 years of experience, APQC remains the world's leader in transforming organizations. Visit us at www.apqc.org, and learn how you can make best practices your practices.

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