INTRODUCTION TO APQC'S PROCESS CLASSIFICATION FRAMEWORK®

APQC's Process Classification Framework (PCF)® creates a common language to discuss, benchmark, and organize the work that businesses perform. In this article, you will learn:

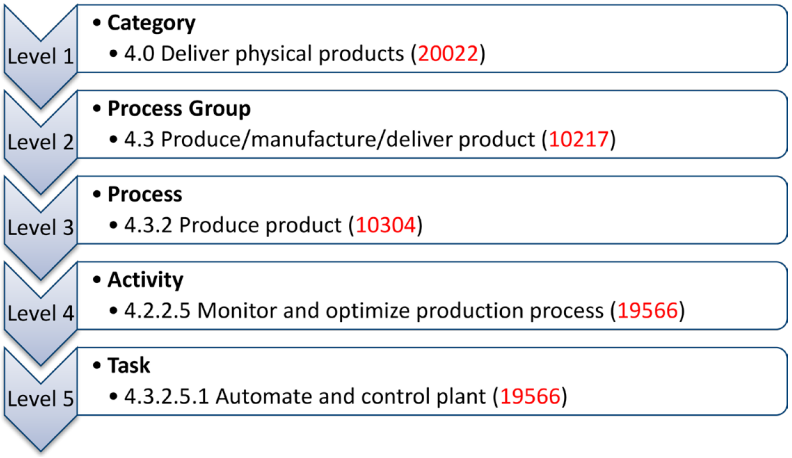
- // what the PCF is,
- // why organizations use it,
- // the difference between cross-industry and industry-specific PCFs, and
- // how to access process definitions and metrics for processes in the PCF.

WHAT THE PCF IS

The PCF is a hierarchical list of business processes. It includes 13 high-level Categories of work, each of which breaks down that work into increasingly granular units or levels called Process Group, Process, Activity, and Task. Figure 1 displays the five levels of the PCF with examples from Category 4.0 of the PCF.

The numbers in red are called process element identification numbers. Each process element in the PCF has a unique identification number. This allows for benchmarking even when process element names and definitions change across industries and organizations.

PCF Levels with Examples



(Figure 1)

The numbers in front of the process element name (e.g., "4.3.1") are called "hierarchy numbers." With these numbers, you can easily locate a single process element by following the hierarchy.

Whereas if you wanted to find a process element via a process element identification number, you would have to scan all of the possible process elements in order to find one you're looking for.

Category is the highest level of the process framework. The PCF's 13 Categories include operating processes such as 2.0., "Develop and Manage Products and Services," as well as management and support services such as 7.0, "Develop and Manage Human Capital." **Process Group** indicates a group of processes that are part of executing a Category. **Process** is a single process; it is the name for a series of steps required to achieve a particular result. **Activity** is a key step performed to execute a process. **Task** is an element of work that goes into executing an activity. Tasks are the most fine-grained elements of the PCF, and they often vary among industries and organizations.

The PCF is not consistently leveled. This means that process elements at the task level in one activity may require a different amount of effort to perform than tasks in another activity at a different point in the framework. Some tasks may further be subdivided into sub-tasks.

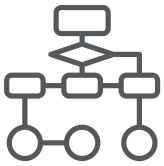
WHAT THE PCF IS NOT

The PCF is not a visual representation of the flow of work throughout an organization. It is not a process map, a flow chart, or a swim lane diagram. The PCF can be used to create those models, but a PCF by itself lacks the additional information traditionally contained within diagrams like these.

> **We use the PCF when we are doing process improvement – to help identify interview questions, to organize work, to identify best practices, and for benchmarking.**
>
> –Peter Keukelaar
> Quality Management Expert,
> Royal Philips Electronics

WHY ORGANIZATIONS USE THE PCF

Process Definition and Management



Defining processes helps organizations standardize processes and identify improvement opportunities. The PCF provides a baseline for organizations to develop their own process definitions.

Furthermore, the PCF provides a firm basis for enterprise-wide modeling efforts. The PCF provides a consistent language to bring all models together, and that language maps directly to the way that work is performed within the organization. This reduces the effort needed to develop and manage a variety of enterprise models. The most common use of the PCF for enterprise-wide modeling efforts is in enterprise architecture, when an individual integrates a process model and a systems model to answer the question "which system does this process depend on?" or the converse, "which processes are supported by this system?" Having a centralized model such as the PCF helps to rationalize the impact of development or change across models.

Benchmarking

If you want to compare performance across your organization or against other companies, you need to have a clear definition of what you want to compare. The PCF provides a way to objectively benchmark within an organization and against other companies. The process elements' unique reference numbers allow organizations to benchmark even when their process definitions and details differ due to industry or the unique needs of the business.

Content Management

Especially in global and complex organizations, content needs to be organized so people can find what they need and work together. Organizations use the PCF as a framework for organizing content by process. For example, a checklist for controlling plant operations would be categorized under Task 4.3.2.5.1, "Automate and control plant," or even simply under Process Group 4.3.2, "Produce Product."

CROSS-INDUSTRY VS. INDUSTRY-SPECIFIC PCF

APQC offers two kinds of PCF: cross-industry and industry-specific. The cross-industry PCF is the most generic PCF: it can be applied to any organization. APQC's industry-specific frameworks are tailored to the unique needs of different industries. For example, manufacturing is highly complex in the aerospace and defense industry. Therefore, Process Group "4.3 Produce/ Manufacture/Deliver Product" is more in-depth in this industry's PCF. The Aerospace & Defense PCF has 16 processes in Process Group 4.3, whereas there are only four processes under 4.3 in the cross-industry framework.

The industry-specific PCFs enable organizations to structure and define processes in a way that suits the work they perform. Industry-specific PCFs also allow for more specific and detailed benchmarking against industry peers. Importantly, though, the core PCF structure and reference numbers remain the same as the cross-industry PCF. This enables organizations to benchmark against other industries even while using an industry-specific PCF.

HOW TO ACCESS THE PCF

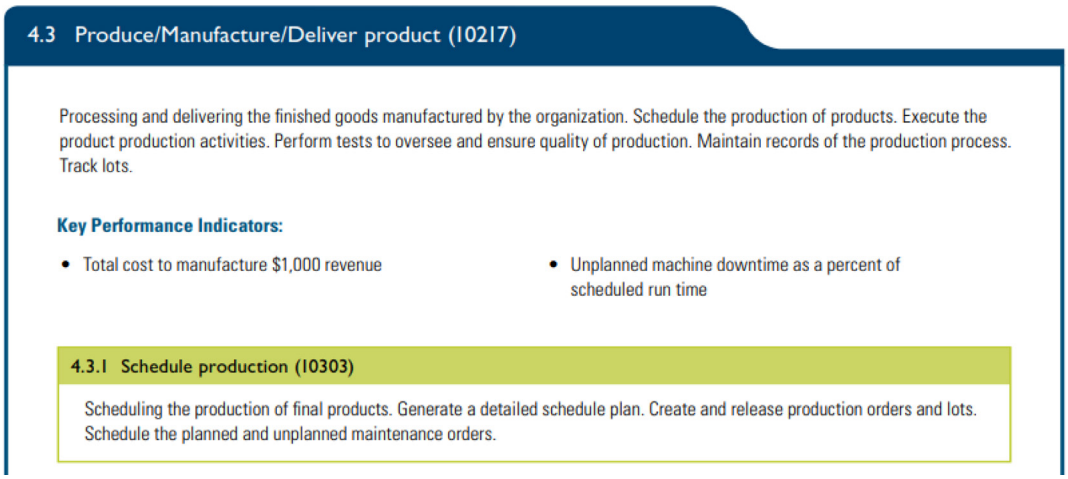
APQC publishes the PCF in two formats: the Excel version and the PDF version. The Excel version is the most comprehensive format, as it includes in-line definitions of the process elements as well as the specific measures associated with each process element. This consistent model simplifies indexing and retrieval capabilities.

APQC also provides the PCF in a visually appealing PDF file. The PDF file lacks the level of detail present in the Excel version, but still includes the hierarchical structure. Individuals typically choose the PDF version when building consensus to adopt the framework and the Excel version when actually integrating and building models.

HOW TO ACCESS PROCESS DEFINITIONS AND METRICS

APQC provides Process Definitions and Key Measures for each of the thirteen categories of the cross-industry PCF. For example, Figure 2 is a screenshot from the Definitions and Key Measures document for 4.0, "Deliver Physical Products." It shows a definition for Process Group 4.3, related key performance indicators (KPIs), and a definition for Process 4.3.1.

Process Definitions and Key Measures for 4.3



4.3 Produce/Manufacture/Deliver product (10217)

Processing and delivering the finished goods manufactured by the organization. Schedule the production of products. Execute the product production activities. Perform tests to oversee and ensure quality of production. Maintain records of the production process. Track lots.

Key Performance Indicators:

- Total cost to manufacture $1,000 revenue
- Unplanned machine downtime as a percent of scheduled run time

4.3.1 Schedule production (10303)

Scheduling the production of final products. Generate a detailed schedule plan. Create and release production orders and lots. Schedule the planned and unplanned maintenance orders.

(Figure 2)

Benchmarking data for the KPIs can be accessed through APQC's Open Standards Benchmarking (OSB)®. The OSB initiative captures performance data from organizations across the world. Through the OSB portal, organizations can look up cross-industry and industry-specific metrics through Benchmarks on Demand or participate in benchmarking to see exactly how their processes compare to other organizations.

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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