APQC’s Process Classification Framework (PCF) helps organizations benchmark, manage content, and perform process management activities. In this article, you will learn about the PCF’s structure and key elements as well as the different formats and versions of the PCF.

**PCF STRUCTURE AND KEY ELEMENTS**

**PCF Levels and Structure**
The PCF is a hierarchical framework of business processes. It includes 13 Level 1 Categories. These are the most high-level, general groupings in the PCF.

- // 1.0 Develop Vision and Strategy
- // 2.0 Develop and Manage Product and Services
- // 3.0 Market and Sell Products and Services
- // 4.0 Deliver Physical Products
- // 5.0 Deliver Services
- // 6.0 Manager Customer Service
- // 7.0 Develop and Manage Human Capital
- // 8.0 Manage Information Technology
- // 9.0 Manage Financial Resources
- // 10.0 Acquire, Construct, and Manage Assets
- // 11.0 Manage Enterprise Risk, Compliance, Remediation, and Resiliency
- // 12.0 Manage External Relationships
- // 13.0 Develop and Manage Business Capabilities

These 13 Categories break down into increasingly granular levels:

- **Level 2—Process group**: a group of processes that are part of executing a category,
- **Level 3—Process**: a single process,
- **Level 4—Activity**: a key step performed to execute a process, and
- **Level 5—Task**: an element of work that goes into executing an activity.
In the PCF, there are identifying numbers to the left of each process element (each Category, Process Group, Process, Activity, or Task). These numbers are called ‘hierarchy ID numbers’ and are used by people to help quickly locate a specific process element. For example, in Figure 1:

// Process Group 1.1. “Define the business concept and long-term vision” has a two-digit hierarchy ID number,

// Process 1.1.1. “Assess the external environment” has a three-digit number, and

// Activity 1.1.1.1 “Identify competitors” has a four-digit number.

Defining and Understand Process Elements
Each process element is comprised of its “children,” that is, the elements below it. Therefore, a process group is defined by the processes underneath it; a process is defined by the activities underneath it, and so on. For example, process 1.1.1 “Assess the external environment” is defined by all of the activities underneath it: 1.1.1.1 through 1.1.1.10.

Key Concept: The PCF Does Not Imply Order
Although process elements are numbered ascendingly, it is important to understand this does not imply that process elements occur in a certain order. For example, to accomplish the Process 1.1.1, “Assess the external environment,” you don’t have to start with Activity 1.1.1.1, “Identify Competitors.” The activities that perform this task could be completed in any order.

Process Element Identification Numbers
The numbers to the right of the process elements in Figure 1 are called process element identification numbers. Each process element in the PCF has a unique five-digit reference number. This allows for benchmarking even when process element names and definitions change across industries and organizations. It is especially helpful for organizations that want to use the PCF as a baseline for creating their own custom process framework. They can rename processes according to organizational norms, but keep the reference numbers to easily “translate” processes back to the PCF for benchmarking.
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. Industry-specific frameworks are tailored to the unique needs of different industries. APQC offers the following industry-specific PCFs:

// Aerospace & Defense // Consumer Products // Insurance  
// Airline // Corrosion // Life Sciences  
// Automotive // Downstream Petroleum // Retail  
// Banking // Education // Telecommunications  
// Broadcasting // Health Insurance Payor // Upstream Petroleum  
// City Government // Healthcare Provider // Utilities

When considering the adoption of the PCF for your organization, examine relevant industry-specific frameworks as well as the cross-industry framework. An industry-specific PDF is often a better fit, but this is not the case for every organization.

PCF VERSIONS

APQC labels each PCF with a version number. The version number represents a specific configuration of a set of process elements in a specific industry. Each position in the version number has a specific meaning. The first number is the “major” release, and implies the overall “generation” of the PCF. The second number is the “minor” number and implies the maturity of the release within a generation. The last number is the “bug fix” number and implies the number of “fixes” that have been applied to a specific release. You can use the version number to determine if you are using the most current version of a PCF.

You can also use the version number to determine the extent of changes that have happened between two versions. For example, comparing version 5.0.0 to version 7.1.0 using only the version numbers shows that there have been two generational changes to the content—that is, two significant changes—and there has been a single update to the seventh generation version. Contrast this with a comparison of version 7.0.0 to version 7.1.0: the two files are of the same “generation” and differ only by a minor amount.
Organizations that are implementing the PCF for the first time should use the most current version. Organizations that have already adopted the PCF should carefully consider whether or not to upgrade their adopted version. Concerns about maintaining compliance with the most current release of the PCF are generally unfounded, as APQC continues to support organizations regardless of the version of the PCF they have adopted. Organizations should consider upgrading their version of the PCF only when a new or updated process element is introduced in a subsequent version and that process element is required to reduce complexity, confusion, or enable a capability not presently feasible with the currently adopted version.

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

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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.