

**OUTSIDE-IN PROCESS
IMPROVEMENT AND INNOVATION
FOR 21ST CENTURY LEADING
COMPANIES**

Acando's offering Outside-In Process Improvement and Innovation in regulated and publicly controlled industries helps organisations achieve the best possible effect from its business processes without forgoing observance to legal requirements. Companies adopting an Outside-In perspective and becoming truly customer-driven process organisations succeed in simultaneously realizing; lower cost, increased revenue, and increased customer satisfaction.



The Outside-In methodology is Acando's packaged offering in the area of Business Process Management (BPM). As part of the methodology, we will apply process diagnostics like Breakpoints (i.e. internal hand-offs) and Business Rules including regulatory rules, and from that calculate the so called Points-of-Failure (PoF) rating. By reducing and improving these diagnostics the PoF rating will radically improve, resulting in a smarter way of doing things with less causes of work across the departments. Acando's offering of Outside-In Process Improvement in Regulated Industries focuses on the following areas:

- creating an environment of continuous improvement and sustainable benefits by following the BPM lifecycle through the different stages of analysis, design, implementation, run/monitor, and governing of new and existing processes
- analyzing and challenging a company's processes from a customer perspective
- mapping of legal and non-legal requirements and requirements analysis
- traceability matrix to clearly identify what requirements are implemented where in the organization
- compiling a Risk Assessment where risks are taken through the lense of the customer, the company, and the regulatory body.

Outside-In Process Improvement and Innovation for 21st century leading companies

The world around us is changing dramatically and this places increasingly higher demands on organizations to be efficient, agile, and process-driven. Unfortunately trying to become efficient has made "inside-out" thinking the norm in the business world. Decision makers put enormous amounts of energy on scrutinizing each aspect of their organizations but have a tendency to forget the most important party – *the customer*.

Industries with strict legal requirements experience additional difficulties with becoming efficient and agile due to large volumes of forcing demands and industry-specific regulations. Many companies struggle with complex tracking of whether a legal requirement is fulfilled or not. Acando's Effective Compliance offering, linked with the overall BPM offering, contains techniques which provides an overview of all the critical requirements, showing where these requirements link into your business processes.

Why Business Process Management?

One result of the automation of business processes using ERP systems has been a standardization of all processes into so called Best Practices. There is no argument that this is the most efficient way to handle support processes, however corporation will need to think of their strategic or edge processes in a different way and answer questions like; How will we build competitive advantage in a fast changing world with a moving customer target? How will we keep up with new regulations and safety requirements? The ability to change processes becomes the primary goal. The entire value chain needs to continuously improve and optimize using agile BPM (see illustration of the BPM lifecycle – source SAP).

Today we can with current technology break-out desired processes from its standardized blocks, pick independent services, and construct company-specific edge processes, so called *Composite Apps*. A service-oriented architecture (SOA) requires *documented* process models. A visual depiction of the process will also strengthen and bring clarity to the communication between IT and Business around business requirements and how these are supported.

The Outside-In Approach

However, how do we know what part of the process to automate and how are all the manual steps supported? Acando advocates looking at the entire process and taking an Outside-In approach, incorporating the customer experience as the main theme in Process Improvement activities. The truth is that the customer's focus is not on your internal operations. Their concerns are more personal: How can your product, service, or customer support staff help me address *my concerns* and meet *my needs*? We help companies become Outside-In, instead of "inside-out", while ensuring effective compliance to regulatory requirements.



CUSTOMER REFERENCES

Nuclear Power Plant

Challenges

An internal revision discovered that new laws and regulations were not addressed in the business processes. This led to that the client was in actuality out of compliance with current legislation.

Mission

Acando's mission was to analyze the new legal requirements, document those applicable in so called Executive Directives (i.e., requirement specification), and with that bring clarity to the entire map of regulatory demands. To ensure compliance with the new regulations, traceability was created between the legal requirements and the business processes.

Results

Executive directives updated with new requirements. Traceability created between requirements and business processes to ensure compliance with current legislation.

Pharmaceutical Companies

Challenges

The client had many local quality systems which resulted in costly management, inefficient operation and difficulties to conduct global projects. The focus was mostly on compliance and not on cost and efficiency.

Mission

Acando helped the client to significantly improve customer satisfaction through designing the processes from an Outside-In perspective. Acando assisted with process development, facilitated workshops, and coordinated the implementation. Acando also conducted training courses in Business Process Management (BPM).

Results

- Increased customer focus.
- reduced lead times through elimination of non value-adding activities.
- Better overall picture of how the business worked and control of requirements.
- Increased process maturity within the company.

Pharmaceutical Distributor

Challenges

Modification of existing regulatory laws forced the client to update the quality system to be able to validate their information systems.

Mission

Acando conducted a requirements analysis to get an idea of what requirements were not addressed in the business. Acando assisted the client in designing new processes and ensure that they follow current standards.

Results

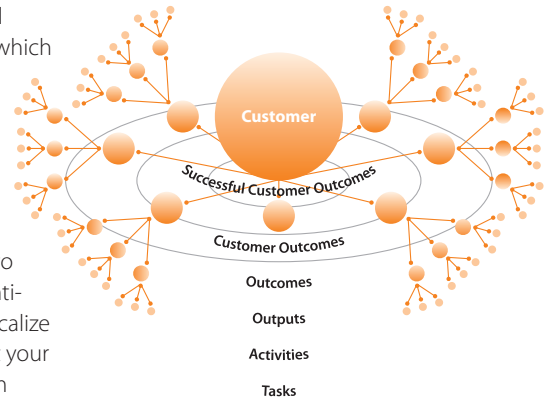
A better overall picture on what the new requirements were and which were not addressed in the organisation. New more efficient processes were developed to address the new requirements and company objectives.

In a workshop environment, Acando will guide your team through a set of steps which starts with identifying the ultimate customer of the process and what that customer's successful outcome is. With a new way to look at processes and your customer's interactions with the process, the workshop participant will see for themselves how and where to improve and reduce complexity. By identifying the SCOs of the process we will vocalize for all process participants what it is that your customer not only wants, but *needs* from each department the process touches.

Acando's offering addresses not only process improvement opportunities but also ensure adherence to legal requirements. The purpose is to shift the focus from control checks to securing necessary traceability and effective compliance.

Effective Compliance

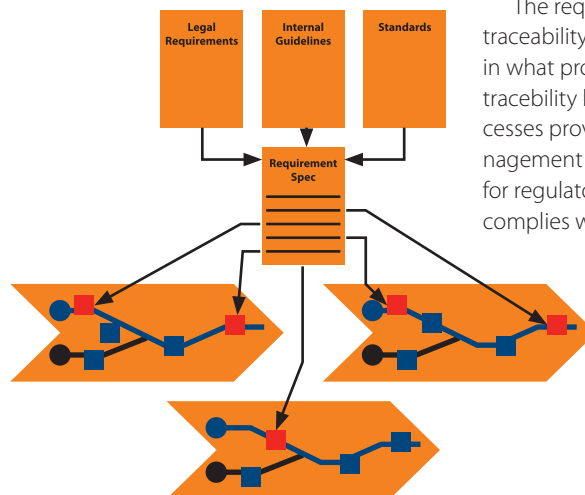
In the race for increased efficiency it is easy to loose control over the legal requirements the company needs to comply with. Traditional process improvement methods will not handle this task sufficiently. With Effective Compliance the client will receive control whether the requirements are addressed or not in the processes.



Approach

To obtain a better understanding of what requirements the company needs to comply with an analysis is made of all internal and external requirements. Typically these requirements are described in different procedures, guidelines and corporate directives. These documents can be a bit vague and give room for interpretation. To avoid different interpretations the requirements should be specific, measurable, accepted and unique. To provide a more holistic view of what requirements are specified by internal and external stakeholders they are compiled in a requirements specification. The specification provides an improved overview of exactly what requirement the business needs to comply with.

The requirements are transferred to a traceability matrix where it is pointed out in what processes they are addressed. The traceability between requirements and processes provides not only control for the management team but also works as evidence for regulatory authorities that the company complies with current requirements.



MORE INFORMATION – OUTSIDE-IN BPM

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Acando is a consultancy company that in partnership with its clients identifies and implements sustainable business improvements through information enabled by technology. Acando provides a balance of high business value, short project times and low total cost. Acando's annual turnover exceeds EUR 135 million and the Group employs approximately 1,100 professionals in six European countries. Acando is listed at NASDAQ OMX Nordic. Acando's corporate culture is based on three core values: **Team spirit, Passion and Results.**

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