

ESTABLISHING END-TO-END PROCESSES AT CORPORACIÓN MULTI INVERSIONES (CMI)

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Corporación Multi Inversiones (CMI) is a family corporation with over 90 years of history, over 45,000 employees, and a presence in more than 14 countries from 3 different continents.

CMI groups two broad business areas:

1. **Foods**—such as wheat flour mills, pasta, cracker and cookie manufacturing, poultry and swine production, processed meats, nutritional animal production, pet foods and restaurants.
2. **Capital**—such as renewable energy projects, real estate projects, and financial services.

In December of 2018, APQC spoke with Diego Alvarado, process optimization manager at CMI, about the organization’s end-to-end process improvement initiatives. As part of a broader organizational transformation, CMI’s shift toward an end-to-end process culture is still developing but has already brought benefits, including cost reduction and effective risk mitigation. Alvarado described the organization’s governance mechanisms for process work as well as its communication and engagement efforts, change management techniques, and knowledge management strategies. Strong change management, executive buy-in, and tailored communications have all played a key role in the success of end-to-end process initiatives so far.

IMPETUS FOR END-TO-END PROCESSES

As a large organization that spans multiple industries, CMI has been on a journey of transformation over the last decade. As a way of structuring its capabilities for future expansion and growth, the organization acquired a new ERP system. “One of the very first things that came to mind was the question of how we can optimize our processes and leverage this big investment. You can’t assume that just because you’ve deployed technology, people are going to adopt it and the processes are going to run smoothly.” The organization realized that leveraging the benefits of the new ERP solution needed to include intentional work toward end-to-end process improvements.

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The shift to a culture of end-to-end processes was spearheaded by the corporate general director. Sustainable knowledge management was part of the organization’s efforts from the beginning. “Early conversations focused on creating an ecosystem in which we weren’t just promoting technology but instead promoting better collaboration to take advantage of the expertise that was within the business.”

END-TO-END PROCESS TEAMS

CMI's end-to-end process development initiatives are facilitated by the process optimization team and governed, managed, and supported by four groups of stakeholders (Figure 1):

1. an executive steering committee,
2. a steering committee,
3. single process owner and several business process leaders, and
4. a group of superusers.

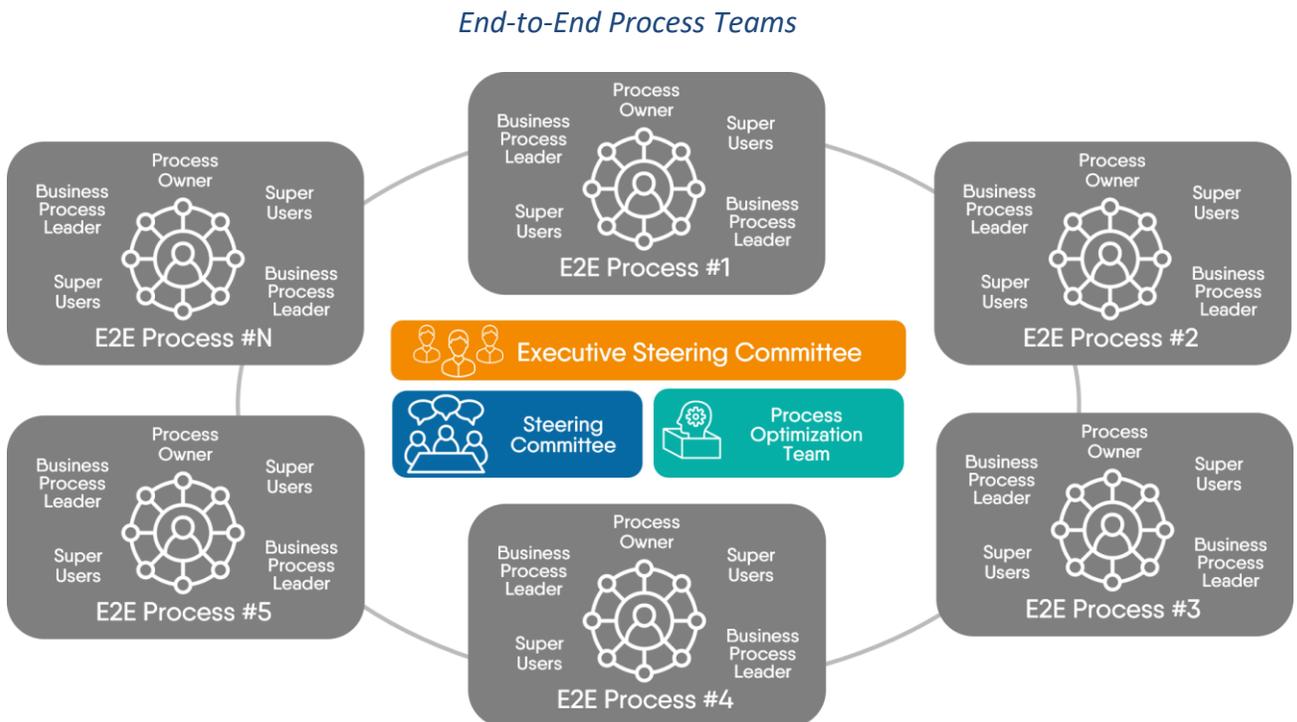


Figure 1

These leadership bodies set the strategic direction for process work, drive engagement and change management, provide peer-based training, and contribute to sustainable knowledge management.

Executive Steering Committee

Executive sponsorship and leadership for process work was originally overseen as a result of the organization's ERP implementation. As part of a broader restructuring effort, the organization adopted an executive steering committee comprised of department heads from HR, finance, and technology and transformation. Going forward, the executive steering committee will meet quarterly to provide executive sponsorship, focus, alignment with strategic objectives, support change management, and to give final approval for high-level decisions.

Steering Committee

CMI spans several different industries as an organization, grouped into two main business groups: food and capital. For that reason, Alvarado said, having leadership representation from each business unit is critical: “It can be difficult to align processes when you have all sorts of different industries within the same scope. It was important that we have representation from each business unit to provide a strategic perspective.” The steering committee for process work at CMI thus includes senior level directors from each business unit. The steering committee meets monthly to provide guidance and sustainability within the model. This group also, annually, develops and calibrates an end-to-end process roadmap to prioritize new projects and re-evaluate those already underway.

Process Owner and Business Process Leaders

Once an end-to-end process is prioritized for development, the steering committee designates a process owner, who is responsible for oversight and management of process work. Each process owner is aided by a team of business process leaders from each business unit associated with the end-to-end process. Business process leaders meet with the process owner monthly to collaborate on process work and provide guidance on processes that span multiple business units. The process optimization team provides guidance and direction, but each group is largely self-governing. As facilitators, the process optimization team makes sure they have capabilities, tools, and techniques but then take a step back and let them self-sustain their process.

Superusers

Superusers play a crucial role within each business unit by providing peer-based training, contributing to the organization’s knowledge base, and supporting process work within each business unit. Superusers are trained to understand their end-to-end process, the applications and technology within the end-to-end process, and receive training in soft skills, including “leadership skills and some foundational skills so they can bring that knowledge to a larger end-user base.” While there are currently 100 superusers, the organization plans to develop 400 superusers to serve an end user population of 4,000: a ratio of one superuser for every ten end users. Superusers work hand-in-hand with business process leaders to assess process issues, identify areas for improvement, and develop best practices for their process to share in the organizational knowledge base.

CREATING END-TO-END PROCESSES

CMI’s end-to-end process development initiatives are executed through a rigorous framework that includes formalized governance, training and onboarding for all process team members, ongoing monitoring, and sustainable knowledge management practices (Figure 2).

End-to-End Development Process

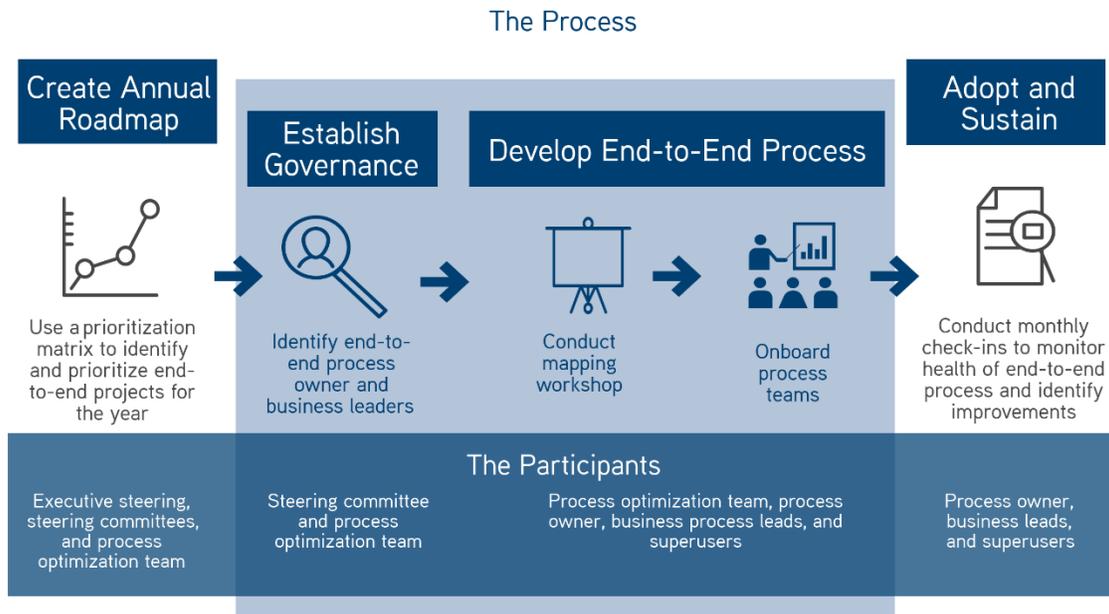


Figure 2

Regular check-ins with steering committees ensure accountability and allow teams to monitor their progress, while superusers support adoption by developing and sharing resources with their peers. Communities of practice and peer-based training from superusers also ensure consistent adoption and application of end-to-end processes across the enterprise.

STEP ONE: CREATE ANNUAL PROCESS ROADMAP

The steering committee meets annually to create a roadmap of processes that have been prioritized for end-to-end development and improvement initiatives. Initially, the roadmap identified ten end-to-end processes from four key areas of the business:

1. **HR**—including processes like hire-to-retain, benefits-to-payroll, and performance-to-salary.
2. **Supply chain**—including sales and operation planning, inventory-to-fulfillment, and procure-to-pay.
3. **Finance**—including record-to-report and forecast-to-budget.
4. **Commercial**—including order-to-cash and contract-to-extension.

These areas of the business and their related processes were chosen specifically to boost and enhance adoption of the organization's new ERP. More recently, however, the organization began to wonder whether the roadmap model was something it could easily replicate and migrate to further end-to-end processes. And the answer is yes. While the focus remains on this

shortlist of processes, there's room for continuing to add more processes as the organization continues its deployment and creation of the end-to-end process mapping mindset.

As the steering committee designs the annual roadmap, they calibrate the list with specific stakeholders to ensure the list is aligned with strategic business needs. Projects are prioritized annually and might be added, removed, or readjusted as necessary.

The Process Prioritization Matrix

To identify end-to-end processes for development, the steering committee utilizes a process matrix that assigns a score for each potential process. As figure 3 illustrates, the matrix identifies the relevant process category (e.g., HR or commercial) and includes prioritization criteria to evaluate complexity, impact, and alignment to goals.

Process Prioritization Matrix Tool

Process	Process Category	Alignment					Complexity	Impact	Total
		Scope	Technology	Governance					
Hire-to-Retire	HR	5.0	0.0	5.0	2.5	2.5	15.0		
Procure-to-Pay	Supply Chain	2.5	5.0	2.5	0.0	5.0	15.0		
Order-to-Cash	Commercial	5.0	5.0	5.0	2.5	5.0	22.5		
Record-to-Report	Finance	2.5	5.0	0.0	2.5	2.5	12.5		
Forecast-to-Budget	Finance	5.0	2.5	2.5	0.0	0.0	10.0		

Figure 3

- ♦ **Alignment**—the extent to which the potential process crosses multiple business units or supports effective system and ERP implementation.
 - **Scope**—the extent to which the process transverses different business units or is localized.
 - **Technological**—the extent that the project involves or aligns with IT and ERP projects.
- ♦ **Governance**—the extent to which a process already has governance structures, whether formal or informal.
- ♦ **Complexity**—the degree of complexity involved in the process and potential process improvements. Highly complex processes may still be prioritized if doing so would have a high enough impact on the organization.
- ♦ **Impact**—the potential value that the process has on business operations.

Each criterion in the matrix is scored (scale of 0 to 5). Hence The matrix allows the steering committee to score each potential process, and the highest-ranked processes are marked for inclusion in the annual roadmap.

STEP TWO: ESTABLISH GOVERNANCE

Once the executive steering committee signs off on the annual roadmap, the next step is to identify process owners, who will be accountable for and provide oversight and management for their end-to-end process.

The steering committee drafts a list of prospective process owners from all business units and assesses them against a job description that includes the desired attributes or competencies for the role. To ensure objective comparison of potential process owners, the steering committee uses the following questionnaire to capture key information on organizational knowledge, process management experience, and end-to-end or cross-functional experience for potential process owners:

1. **Organizational knowledge:**
 - a. How long have you been with the organization?
 - b. How long have you been in your current role?
 - c. Are you acquainted with the policies and guidelines for documenting changes in the process or system?
2. **Process management and improvement experience:**
 - a. Have you applied value engineering in previous projects?
 - b. Do you keep KPIs specific to your function to identify opportunities for process improvements?
 - c. Have you led initiatives to improve business processes on a regional level?
 - d. Have you led initiatives to improve business processes in your local business unit?
 - e. Have you led initiatives to improve business processes in other business units?
 - f. Do you consider yourself a change agent? Please provide evidence.
 - g. Why should you be appointed as a process owner?
3. **Cross-functional experience:**
 - a. Does your current functional role have a local or regional scope?
 - b. Have you collaborated in committees with multiple business units represented? Please provide evidence.
 - c. Do you know the end-to-end business processes in which you participate?
 - d. Which of the following end-to-end processes do you most often interact with?

Based on the responses to the questionnaire, the candidates are ranked, and the steering committee gives additional input and makes the final decision. After selecting a process owner, the steering committee also selects a group of business process leaders from each business unit associated with the end-to-end process. Often, the individuals who are chosen for business process leader positions are initially nominated for process owner positions: the business process leaders are always easier to appoint because a lot of those names have already come up as part of the process owner discussions.

After process owners and business process leaders are identified, they receive onboarding and orientation for their process work. “We get them all together, present what we’re doing, and explain what the plan looks like,” Alvarado said. At this stage, process owners and leaders also play a role in selecting a group of superusers for each unit prior to process development.

Superusers play a vital role alongside process owners and leaders in end-to-end process deployment and improvement efforts. As part of onboarding, superusers receive training to document and share best practices for their process and assist process teams by helping identify and implement process improvements. “Our superusers play an analyst or specialist role, while process owners and leaders provide the direction. We leverage the strengths of both groups to obtain the best results from our collaborative work at both ends,” Alvarado noted.

STEP THREE: DEVELOP THE END-TO-END PROCESS

Conduct Mapping Workshop

Process owners, business process leaders, and superusers begin process development with a day-long mapping workshop. The team maps the as-is version of the end-to-end process and compares it to APQC’s [Process Classification Framework®](#) “to see how it matches the actual taxonomy from the PCF.” After mapping the process, the team draws on APQC’s best practices and benchmarking resources to determine the best fit KPIs for the entire process. For example, one KPI adopted for procure-to-pay is the measurement for on time in full (OTIF).

Onboard Process Team

An onboarding process with the entire process team follows the process mapping workshop. This stage of onboarding unfolds across multiple sessions and provides process teams with training and information about networking, culture change, and any other tools that they need to start changing and adjusting the process.

STEP FOUR: ADOPT AND SUSTAIN

End-to-end process development initiatives benefit from monthly check-ins with the steering committee, during which process leaders:

- ♦ review their progress,
- ♦ present high-level dashboards to show how the process is deploying,
- ♦ evaluate the process maturity level and define action plans based on the results, and
- ♦ receive feedback from the steering committee, which is in turn communicated back to process teams.

These monthly check-ins foster greater accountability for process work and ensure that improvements are continuing to align with broader strategic goals.

Superusers play an important role in adoption and sustainability by:

1. **Creating manuals, video tutorials, and detailed FAQs** related to their process areas. These resources, which are added to the organization’s knowledge base, help ensure that process

knowledge does not leave the organization with turnover and aids in the transition of knowledge from experts to the second generation. These resources were not in place two years ago, and the efforts of superusers have been vital in sustainably leveraging application knowledge.

2. **Participating in communities of practice**, which ensure strong adoption efforts across the enterprise and outside of the organization’s headquarters in Guatemala. The organization also has employees in countries like Costa Rica, the Dominican Republic, and El Salvador. “Whenever they have a question, they might not have anyone within their office that can help answer them,” Alvarado pointed out. “We put them all together under one community, and now they have access to an internal social network. When a question pops up, you get five or six different replies within an hour from people in your same community who are knowledgeable and just as passionate as you are.”

CMI’s communities of practice also allow users to share resources and material across different business units inside and outside of Guatemala. Process teams currently utilize SharePoint repositories, which include process maps, support information, and resources from communities of practice. Going forward, the organization plans to implement a dynamic and user-friendly SharePoint website that makes process knowledge and resources accessible to anyone in any business unit.

ENGAGEMENT AND CHANGE MANAGEMENT

COMMUNICATION FOR CHANGE MANAGEMENT

Communication is a core part of CMI’s approach to change management for process work. As soon as process team members are selected, their direct report will get a letter saying, ‘You have someone on your team that we’ve appointed for this role and here are some of the things you need to consider and some of the expectations of the role.’ Change management is a key component at this point because it’s where they start communication.

Communication for change management also takes place through targeted messaging for end users, who are introduced to superusers and subject matter experts. “We’ll let them know that there’s a subject matter expert that might be sitting right next to them and let them know that they can leverage their knowledge and expertise.” This messaging is part of a larger messaging campaign that explains the broader rationale for improvements and outlines the plan for implementation so that even “people that are completely apart from what we’re doing can get a better feel for what the changes imply.”

At times, engagement through communications has been a challenge. When the organization found that emails were not sufficient, they began to leverage other engagement strategies. “We were sending out emails and bulletins, and people were not reading them, so we put up a webinar and gave people the opportunity to learn and have a Q&A at the end to answer any questions.”

DEMONSTRATE RESULTS

Demonstrating the results of implementation is another key engagement strategy for increasing awareness of process improvement initiatives and working toward sustainable change. “Our sustainability plan is oriented toward providing evidence of how the work translates into value for the business,” Alvarado noted. Showing the results and progress of process work also enables process teams to have holistic conversations with the steering committee. Process teams create accountability reports every month, which are used to assess the progress of current initiatives, ask questions about upcoming projects, and give broader oversight and direction.

BUSINESS RESULTS AND MEASURES OF SUCCESS

CMI’s efforts to develop an end-to-end process-driven business culture are still developing, but the organization has already seen positive results. For example, Alvarado said, the organization was able to make improvements for its process to pay suppliers that resulted in more than 200,000 dollars in potential returns. “Just by making this switch there was cash flow that was being leveraged more effectively.”

The measures of success for CMI’s transformation include the amount of money saved by leveraging sustainable knowledge management practices. For example, one significant area of value is the ability to offer training through subject matter experts rather than outsourcing to external organizations. “Every time a subject matter expert gives training, and we do not have to outsource that training, we track the hours and bring back a ballpark figure of what we would have spent had we outsourced the training. We have seen cost savings based on the training materials that we’ve developed.”

Some initiatives do not necessarily generate revenue but mitigate risks and enhance controls. “It’s very hard to put a monetary value on that but think about how many possible instances of fraud or security breaches we’ve helped prevent. That also has a big impact regarding the benefits that we’re creating.”

LESSONS LEARNED

1. **Superusers drive change and adoption throughout the organization.** A key part of CMI’s success thus far has come from the formation of the superuser network. “I’m a firm believer in how superusers and communities of practice help leverage knowledge and improve processes.” In the past, superusers played more of an IT testing role, but their active participation in process work has been beneficial for the organization. They’re the ones that bring ideas and initiatives to the table.
2. **Create awareness, visibility, and enthusiasm.** To create visibility for process initiatives and the organization’s broader shift toward end-to-end processes, developing awareness is vital. Everything done regarding this program supports the establishment of an identity within the organization. Being part of this movement makes process teams more identifiable across

the organization and helps build awareness of ongoing process initiatives. “It was important for us to have our own identity so that people can understand that everything we’re doing is within this umbrella.”

3. **Leverage external resources to save time and gain credibility.** Alvarado also spoke to the benefits of APQC membership for support and resources to aid their process work. The organization makes regular use of APQC’s resource library and the Process Classification Framework, utilizing these resources to map processes, identify KPIs, and research best practices. “It really has helped us in terms of gaining credibility internally and adopting best practices across the organization.”

As part of a broader organizational transformation, CMI’s shift toward end-to-end processes has found early success thanks to robust governance structures, sponsorship from key stakeholders, peer-based knowledge management practices, and resources from APQC’s process and performance research.

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.