

Eliminating Organizational and Process Chaos



A CohnReznick LLP White Paper

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Introduction

As companies grow, they can frequently evolve into a culture of departments, functions, or individuals. Similar work is performed using dissimilar methods, in many cases resulting in differing results and inefficiency.

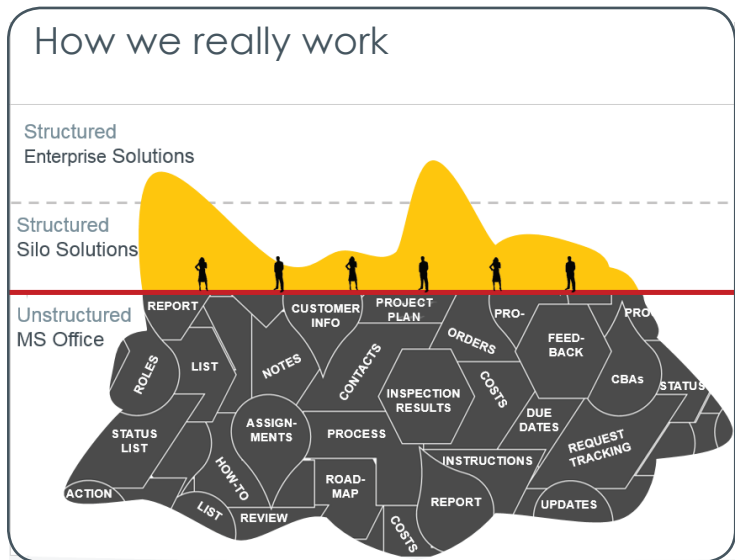
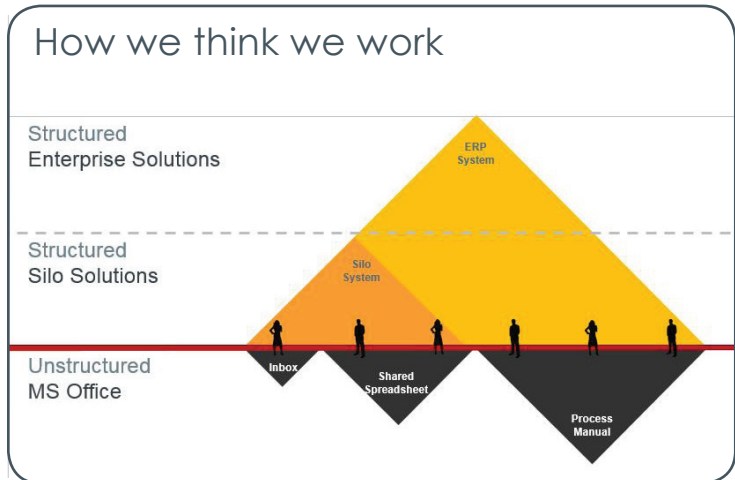
Individuals develop their own tools and reports as well. Attempts are made to carry out the work of the company with disparate technology systems and complicated manual and/or undocumented business processes. This causes strain in supporting the work flow, data analysis, decision making, and compliance requirements of the company. Because there are insufficient “standard work methods,” communication, collaboration, compliance, and control become more difficult, adding costs and risk—but no value.

Achieving optimized process performance is difficult and, even in the best performing organizations, a never ending quest. Shifting priorities and workloads, lack of access to critical instructions and policies, and an inability to focus often result in expedient measures that circumvent good practices and result in lost productivity and greater risk. Without the appropriate discipline to ensure consistency in a company’s work approach and control over information, a form of organizational frustration can result. We call that frustration “process chaos.”

Defining Process Chaos

Process chaos occurs when a company operates in a manner that is unstructured, siloed, or disorganized. The result of this is suboptimal performance. Unfortunately, most organizations think they operate in a structured and controlled fashion because they deploy an ERP system. Or perhaps they have defined financial controls or “point” or “silo” systems to perform key tasks. They may also believe their process is working because they minimize the use of unstructured systems such as emails, spreadsheets, and manual processes.

While most companies have established defined processes and controls for their most critical functions, few have successfully transformed their entire organization into a process driven culture. In fact, they continue to rely on a multitude of ad-hoc work flows to support the organization.



Here's an example. A real estate organization closes about 20 properties per month. As a reoccurring monthly event, this task should be tied to measurable results and should be part of a streamlined business process that effectively monitors success. However, within this organization, properties close on various days of the month. For some properties, the process takes three days, while other closings occur in one day. Why does this inconsistency exist?

The answer is process chaos. The organization is operating in a non-standard, immeasurable, and potentially inefficient manner. As a result, it is unable to measure or monitor a process and is precluded from achieving peak operational performance.

Key characteristics of an organization operating in chaos.

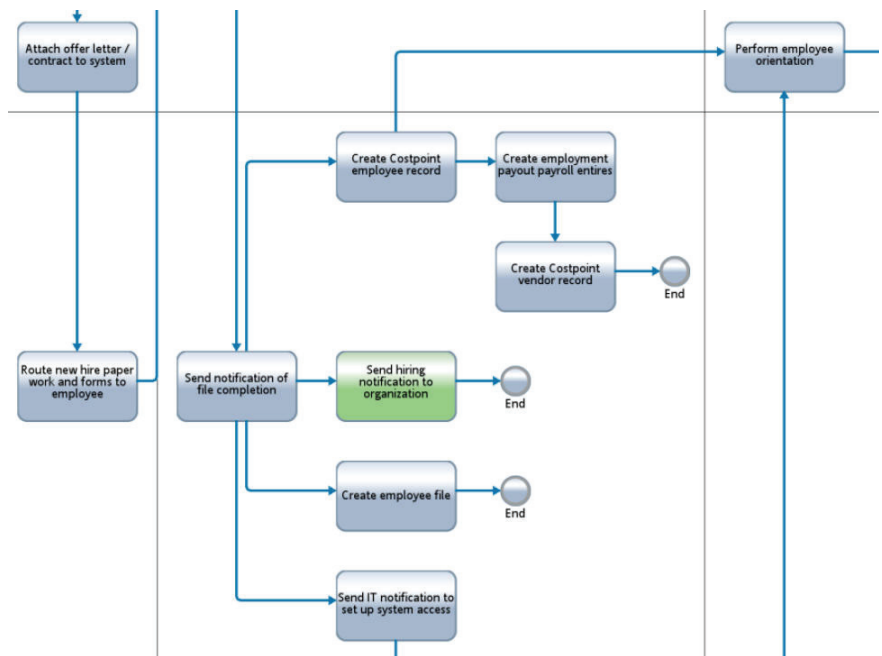
- The organization is more reactive than proactive.
- Policies and procedures are not enforced, agreed upon, or are unclear.
- There is a lack of communication across the organization.
- There is an absence of transparency.
- There is a lack of accountability.

The manner in which this organization manages and processes work should be reassessed.

Eliminating Process Chaos

Companies that commit to the implementation of continuous improvement programs that are built around a culture of operational excellence can eliminate process chaos. For these companies, operational—or process—excellence becomes a competitive advantage.

CohnReznick Advisory has developed a collaborative Process Discovery Boot Camp approach to facilitate process analysis and help organizations begin the journey toward eliminating process chaos. Our proprietary approach leverages lean and business process management concepts and tools to bring stakeholders together. In doing this, we help organizations define cross-functional business processes, identify opportunities to improve process effectiveness, efficiency, and control, and ultimately transform the way they do business. The result—better results and increased value.



The Discovery Boot Camp process can move an organization from chaos to optimal by:

- Defining and designing business processes
- Identifying opportunities to improve the effectiveness and efficiency of existing processes
- Redefining standards and implement best practices
- Defining risks and enhance internal controls
- Making more effective use of existing technology
- Deploying business process automation technology to accelerate the change management process
- Defining system requirements
- Developing key performance indicators and performance-management systems

Leveraging the Power of Process Enabling Business Applications

Many companies look inward at their businesses, choosing to develop applications that support their processes as part of continuous improvement efforts. Some opt to build and run process enabling business applications to enhance areas such as forms, workflow, data, and policies. These targeted process enabling business applications utilize state-of-the-art application development technology that can be deployed rapidly and affordably, across the enterprise or within specific departments. The ability to build and run these applications is quickly transforming companies by connecting people, data, systems, and information—anytime and anywhere. Here are some areas where process enabling business applications can make a real difference.

	Forms: Companies use forms such as checklists, inspections, and surveys to support their business processes and enable growth. In many cases, multiple versions of these forms are being used, thereby creating issues in reporting, training, and communication. Process enabling business applications provide a faster, easier way to create, standardize, and analyze these forms.
	Workflow: Well-defined workflow drives action, ensures consistency, increases visibility, and improves control by connecting people to vital information. People are empowered to work better, smarter, and faster—and deliver better business outcomes. Process enabling business applications provide the tools to reduce complexity, increase accountability, and enable growth.
	Data: Process enabling business applications bring data from multiple business applications and sources together into one place. This creates a common language gateway throughout an organization.
	Reporting: Visibility breeds accountability. Process enabling business applications allow a company to report on its process status and business performance, promoting continuous improvement. A variety of reporting tools can be used to help gather and visualize this vital information.
	Mobile: Process enabling business applications can be quickly adapted and deployed for use on mobile devices. Process owners and participants are empowered to access data remotely, receive timely updates and notifications, and take immediate action in executing a business process. Information is available wherever and whenever needed.
	Communication: Many process-related issues result from a lack of communication. If one part of an organization is not getting all of the information they need from another part, of the organization ineffective communication results and the issue will only grow larger. Process enabling business applications help by creating a standard for sharing information. And proper business discovery can lead to the development of the application where all vital information will be accounted for.

About CohnReznick Advisory

In both times of rapid growth and of crisis, organizations face a myriad of issues relative to their strategic objectives. Whether the organization is public, private, not-for-profit, or governmental, it may require specialized resources for a long-term project or highly focused expertise in addressing a complex issue.

CohnReznick Advisory offers a national team of professionals who are dedicated to helping organizations address many different challenges resulting from growth, economic issues, opportunities, or crises. We work side-by-side with your team to identify and implement effective

solutions to help your organization optimize profitability and growth, improve workflow and performance, manage risk and compliance, or respond to a natural or man-made disaster. We also provide specialized services in areas such as forensic accounting, litigation support, valuation, and transactional advisory.

Learn More

To learn more about our Business Transformation Services, visit cohnreznick.com/advisory, or contact:

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In Summary: Benefits of Business Process Enabling Technology

- **Huge reduction in manual work and errors**
- **Standardization**
- **Faster, more consistent processes, decisions, and issue resolution**
- **Increased capacity, reduced cost, and increased cash flow**
- **Process visibility and control (e.g., data, analytics, ad performance metrics)**
- **Leverage existing systems and data**



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