

## ■ Research Paper

# Business Process Management: The European Approach

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The purpose of the paper is to show how European companies are approaching the problem of changing traditional organizational structures and eliminating barriers between individuals, functional areas, business units, and hierarchical levels. Business process management is becoming an increasingly important element in any change programme in European companies. The paper outlines a six-step approach to implementing business process management and draws some preliminary lessons from the experience in progress of European companies.

## INTRODUCTION

*'The leader is one  
who follows his own light'*

Rumi

In the past few years, European firms have made intensive and comprehensive efforts to simplify organizational and decision processes, to increase productivity and to improve decisively the international competitiveness of their business units. They have recognized that they will not survive until the end of the millennium if they are not in future able to do the same things better and faster than in the past and to 'invent' new markets. If the entrepreneurial activity, no matter how successful it may be, is the same in seven years' time as it is now then the probability is actually very great that the enterprise will have disappeared from the market.

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The far-reaching changes in the business environment have made the structures of many firms obsolete. The demands and competence of customers have increased. Customers desire an ever increasing level of quality from their products. They ask for better service, shorter delivery times and individual product specifications. At the same time markets are becoming more and more international. Today, firms must rethink their structures worldwide and face up to the challenges of the market.

One of the most important developments of the 1990s is the move away from traditional structures. The closely organized and sequentially ordered structure is giving way to the process organization. The concentration on processes requires the creation of an integrated structure in which the functional areas tend to become porous and more responsive to the expectations of the customers and the other stakeholders (employees, providers of capital, suppliers, society as a whole and allied organizations). The new paradigm towards which companies are moving can be described using terms such as 'functions without barriers', 'internal and external customers' or 'boundary-less company'. In order that those involved in a value creating process no longer think and act in functionally separate compartments it becomes increasingly necessary to develop interfunctional structures. Firms are becoming networks: these networks consist of:



- individuals from various functional areas, levels in the hierarchy and regional units who work together to ensure the satisfaction of all stakeholders and who are especially concerned to raise the levels of customer satisfaction and to increase their competitiveness;
- strategic business units organized around the core competences of the firm;
- suppliers of components, semi-finished products and services the production of which lies outside the core competence of our firm (Hinterhuber and Levin, 1994).

The key success factor which is proving decisive especially in the struggle against US and Japanese competition is the mastery of the transition from functional to process oriented organizational structures. This transition can be compared to a shift in paradigms. Process management means that executives and employees think and act in a way that radically transcends functional and hierarchical boundaries. The aim is to reorganize key business processes in order to reduce costs significantly, improve service considerably and/or shorten cycle times appreciably.

The importance of process management in European companies is ensuring not only that the firm survives, but also that its value increases. It is therefore worthwhile analysing this new management tool carefully. We shall do this in four sections.

Firstly, we shall show that, in the present economic climate, European firms cannot afford to retain traditional organizational structures. They need to adopt a process orientation which transcends functional boundaries.

Secondly, we shall describe the critical success factors for process management.

Thirdly, we shall discuss the procedure for the implementation of process management. The three sections reflect three basic strategic questions: What is the situation now and what can happen in the future? How shall we prepare for the future? How shall we take the necessary steps?

Fourthly, we shall indicate what can be learnt from organizations which have already implemented process management.

## TOWARDS A NEW PARADIGM

*'It is better to do something and to repent it,  
than to do nothing and to repent it all the same'*

Machiavelli

The traditional structure of the European firm is like a pyramid with many hierarchical levels. It derives from the American engineer, F. W. Taylor's, (1856–1915) theories on the organization of work. The basic concept is that work in the firm should be allocated according to functions. At the highest levels in the hierarchy, work would be divided up among the different functions, e.g. research and development (R&D); production; administration; sales and marketing. At the lowest levels, there would be an allocation of work to specialized activities. This method of work organization can be most clearly observed on the production line of a car factory. For many years, this division of work into specialized tasks proved to be highly effective and economical. However, it led to:

- drastically reduced demands on the skills of the individual workers;
- divisions between those who think and decide, those who carry out decisions, those who work in production and sales, and those who control.

Decisions are made at the top of the pyramid and are executed at a lower level with the involvement of middle management. The most important task of middle management is to translate strategic decisions into directions, guidelines and regulations etc. which give freedom of action for those responsible to implement the strategies. Employees at the lowest level are the recipients of these directions. Their responsibilities are limited to carrying out instructions in such a way that their superiors are satisfied.

This form of organization has several serious disadvantages: It promotes vertical thinking (Who is responsible? Who reports to whom?) and can mean that the individual functional areas become compartmentalized and indulge in empire building. It emphasizes the importance of the hierarchy. It becomes difficult to change the hierarchy's inflexible structures (problems also arise with regard to the role of middle management). It does not reflect the natural sequence of business processes which cut across all the functional boundaries in the firm. It fails to focus on the product, the customer and the other stakeholders.

The present economic climate is characterized by increased competition, more dynamic markets, a faster pace of innovation and increased customer expectations. Against this background, a firm can no longer allow itself the disadvantages of the pyramid structure of organization.



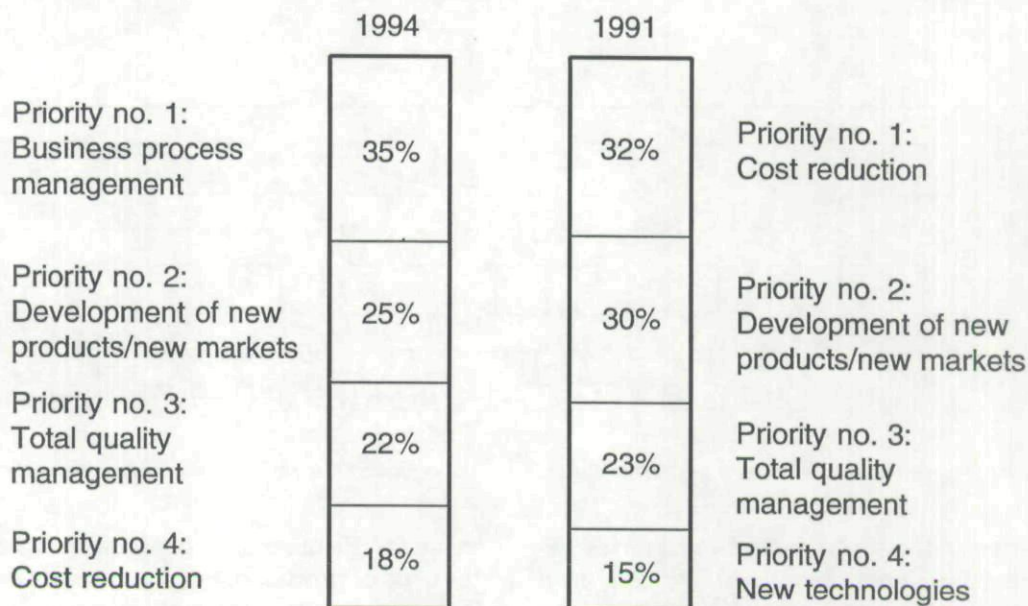


Figure 1 Changes in management priorities from the standpoint of European senior executives

These changes require a firm to become flexible and stakeholder oriented. They call for a flatter, leaner organization in which business processes assume a central role for satisfying customer expectations and adding value for the other stakeholders (Hinterhuber and Krauthammer, 1994).

Business processes work their way through the organization horizontally. They include customers and suppliers within their ambit. Their effect is not to make a hierarchical organization in the firm superfluous, but to de-emphasize it. Examples of business processes are: planning and developing a new product; managing a business unit; restructuring a department of the firm; analysing a new field of business; carrying out a large R&D project; planning a factory; instituting a quality control system; storing spare parts; processing an order; purchasing; calculating employee remuneration and so on.

The difference between the traditional and the customer or stakeholder oriented firm, however, does not only lie in its form of organization. It represents a different way of thinking—a change in values. To ensure that this change takes place, the traditional functionally oriented structures of management, decision-making and control must be completely re-thought. The aim of the customer oriented firm is not one which can be achieved overnight. We can approach this goal, however, through a constant process of effort and continuous improvement.

#### THE STRATEGIC PLANNING OF BUSINESS PROCESSES

*'Strategy is the evolvement of the originally guiding idea according to continuously changing circumstances'*

Moltke

Process management is the latest trend in the strategic management of European companies (Figure 1).

By process management we mean a customer oriented management endeavour to achieve exceptional performance in those business processes which transcend functional boundaries (Figure 2). A business process represents a set of integrated and coordinated activities required for producing products or offering services which:

- increase the satisfaction and competitiveness of external customers;
- make the work of internal customers easier and more efficient;
- have a measurable input and output;
- add value;
- may be replicated, and
- fall within the area of responsibility of an executive who manages and coordinates an interdisciplinary and empowered team.



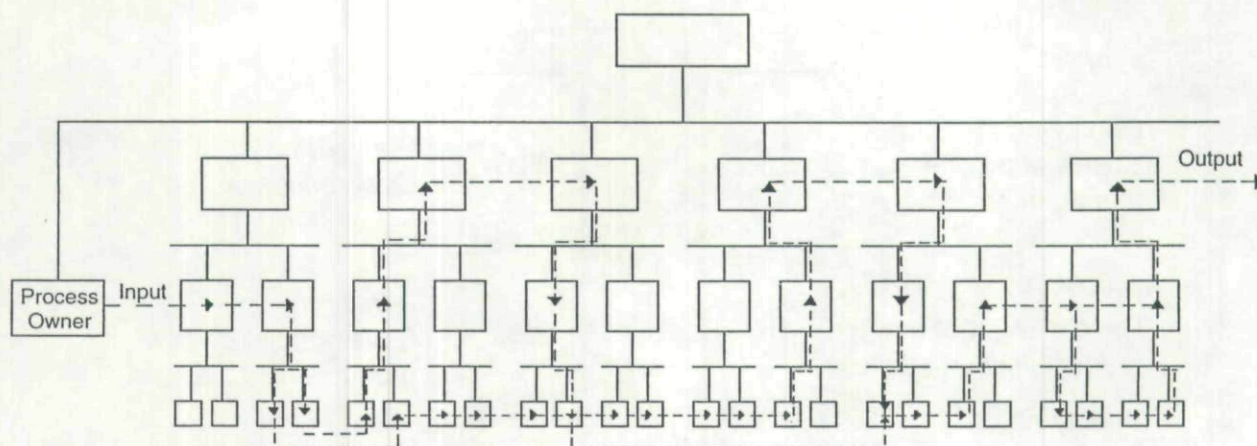


Figure 2 A business process cuts across departmental boundaries and optimizes the performance of the organization as a whole

The objective of the strategy developed for every strategic business unit, is to satisfy all key stakeholders better and quicker than the competitors or other leading reference firms. Figure 3 illustrates the link between best practice and stakeholder satisfaction (Nayak, Drazen and Kastner, 1992).

Every strategic business unit increases its ability to compete to the extent that it coordinates and manages its business processes in such a way as to make its customers more competitive and to add

value for the other stakeholders. In other words, the impetus of process management is towards making the customers the best in their market segment. The fundamental principle of process management has been stated by a German senior executive the following way: 'Not we are the best but we help the customers to become the best'. Figure 4 summarizes the key success factors for process management.

*Open communication* is considered by all senior executives to be the first key success factor for

Stakeholders	Satisfaction criteria	Importance for the Stakeholders 10: very important 1: not important	Worse than the competitors or 'best practices'					Weighted number of points	Action programmes for critical processes
			-2	-1	±0	+1	+2		
Customers	Products made exactly to customers' requirements	10					●	+20	
Employees	Working environment	8		●				-8	
Owners and financial community	Economic value added	10	●					-20	
Society	Environmental protection	10					●	+10	
Suppliers	Stable outlets	10				●		-	
Partners in joint ventures	Open communication	9					●	+18	
Total weighted number of points								+20	

Figure 3 Satisfying all key stakeholders (illustrative example)



1. Informing everybody of the necessity of introducing a strategic and organizational change in the business unit and/or firm
2. Senior executive's total support for process management
3. A clear appreciation of the effective needs of the internal and external customers
4. Installing an interdisciplinary empowered team
5. Exploiting and developing core competences
6. Introducing activity based cost accounting
7. Establishing an integrated system of communication and motivation

Figure 4 Key success factors for business process management

process management. Senior executives and/or those responsible for running the business unit must state clearly that a strategic and organizational change is necessary. In German and Austrian companies, for example, no major organizational change is possible without the involvement of the unions and labour representatives in process management (Hinterhuber, 1994).

Process management is doomed to failure if the senior executives in the firm do not assume the necessary leadership role and do not promote a way of thinking which transcends functional and hierarchical boundaries. Process management is a *top-down system* concerned with a radical reorientation of the firm activities related to the individual business units.

In addition to the *external customers*, who buy a product or make use of a service in order to derive benefit for themselves or to increase their ability to compete, there are also *internal customers*. For example, in the production of drive shafts of an Italian original equipment manufacturer firm, the final assembly station is the customer of the mechanical processing station. The mechanical processing station, which produces the axle hubs, is in turn the customer of the forge and so on. The customer specifies his requirements. The key thing is to determine what the customer would really like but perhaps does not dare to hope for. European companies use increasingly the Kano Diagram for identifying 'must be' and 'attractive' elements in customer satisfaction (Berger *et al.*, 1993).

In the example given above, final assembly determines such factors as quality, quantity, time of delivery and point of delivery. These are the conditions which the suppliers are expected to observe. In this case, the suppliers are the mechanical processing work station, those responsible for reshaping the ball hubs and the

workers who produce the cages. The customer specifications must be measurable. They must be documented and agreed upon with the customer who is requested to give a feedback to his internal supplier.

A precondition for successful process management is the introduction of an *interdisciplinary empowered team*. The members of this team will be drawn from managers and employees throughout the whole enterprise and from creative outsiders able to think in an unconventional way. The team will be led by the process owner. Nicolas G. Hayek, CEO of SMH, attributes the success of SWATCH to small flexibly organized teams. He describes these as follows: 'Once you have recognized a problem you must find the best people to solve it and exclude, at the outset, those people who only see the difficulties and who have second thoughts. Put young people at the helm. These are the ones who are able to think in an unconventional way and who are prepared to overcome obstacles. If you have people who have retained their childhood creativity, then don't retain the super-boring over-serious people who merely perpetuate methods which may have been valid fifty years ago under very different conditions. We need people who are ready to fight. People who are able to take measures which may be unpopular. People who are able to think in a fresh and innovative way. With a good team, a good product and a market, you can move mountains—even if your organizational structure is weak' (quoted from Bentivogli *et al.*, 1994).

Every member of the team assumes a responsibility for satisfying the internal and external customers and the other stakeholders which goes beyond his formal sphere of responsibility.

All European companies have understood the lesson to concentrate on *core competences* and to outsource all those activities for which other companies are more qualified. Swarovski, world wide leader in crystal luxury goods, concentrates on its abrasive technology where it dictates the world standard. Biochemie Kundl, a division of Sandoz, has fermentation as its core competences, from where it derives thousands of biotech and ethical products.

*Activity based cost accounting* is nothing else than the application of a process oriented approach to accounting problems. The system captures costs horizontally in line with business processes as opposed to the traditional vertical system of cost accounting. In particular, administrative costs and the costs for specific services are measured according to their contribution to the individual



business processes. This contrasts with the traditional method of allocating these costs as general overheads to other cost centres. Starting with the price the customers are prepared to pay, appropriate cost targets are agreed with the managers of the different departments, with the suppliers and with those responsible for regional units. Target costing is the tool which, used in conjunction with activity based cost accounting reveals which processes are uneconomic and identifies the most efficient processes. Activity based cost accounting promotes a new perception of costs. If they are allocated correctly, costs need no longer be viewed as a necessary evil, but as an opportunity to satisfy customers and other key stakeholders and increase the ability of the firm to compete.

Process management requires changes both in the *system of communication* in the firm and in its *system of motivation*. The organization must become more porous with respect to information, motivation and incentives. Process management requires flat organizations which minimize the loss of information inherent in hierarchical structures. The teams must receive appropriate recognition for their achievements. In the same way, exceptional contributions made by individual team members must be duly rewarded (Hinterhuber and Krauthammer, 1994).

## THE IMPLEMENTATION OF PROCESS MANAGEMENT

*'No advice is more loyal than that  
which is given from ships in danger'*

Leonardo da Vinci

The basic guidelines for the implementation of process management are presented in Figure 5.

1. Defining the business process
2. Installing a process owner
3. Measuring and mastering the business process
4. Coordinating the business process in question with other business processes
5. Concentrating on critical business processes
6. Continuous process improvement

Figure 5 Six steps for implementing business process management

There now follows a brief summary of the individual steps.

Process management does not only mean an increase in the quality of the products and services which the firm offers and, therefore, an increase in internal and external customer satisfaction. It also means an optimization of all steps and procedures in the value chain which leads to increased productivity and to added value by outsourcing non competitive activities and concentrating on core competences.

Process management is not a programme for continuous improvement. It is embedded in a SBU strategy, to achieve a number of breakthroughs in the area of internal and external customer satisfaction and of adding value to all other stakeholders. The important question is: 'If we were a new firm or business unit, how would we design the business processes so as to increase the external customers ability to compete or enhance their satisfaction to an extent which would put us all way ahead of our competitors?' The starting point for process management is, therefore, a precise *definition of the business processes*. These business processes must then be incorporated within the strategy of the firm or within the strategy of particular business units.

Only one manager can be responsible for a particular business process. The task of the *process owner* is to define the process in detail. He should also be responsible for the composition of the team which he should guide and coordinate in such a way as to lead to continuous improvement in the business processes, which should then run with zero defects. The process owner must have the authority to take all measures necessary to coordinate and improve the business process. The members of the team must be in a position to commit their particular areas of responsibility to the decisions made in the team.

A business process can only be mastered if it can be *measured*. Only those things which can be measured can be controlled and what can be controlled can also be improved. One of the process facilitator's tasks is to develop suitable methods of measurement. The flow chart is an important tool for initiating and controlling a business process.

Depending on the number of business units, more than one business process may be running in a single firm at any one time. SBU managers and process owners have to *coordinate* the business processes in such a way as to use human, physical, financial, and informational resources effectively, taking advantage of the effects of synergy and improving the qualitative structure of



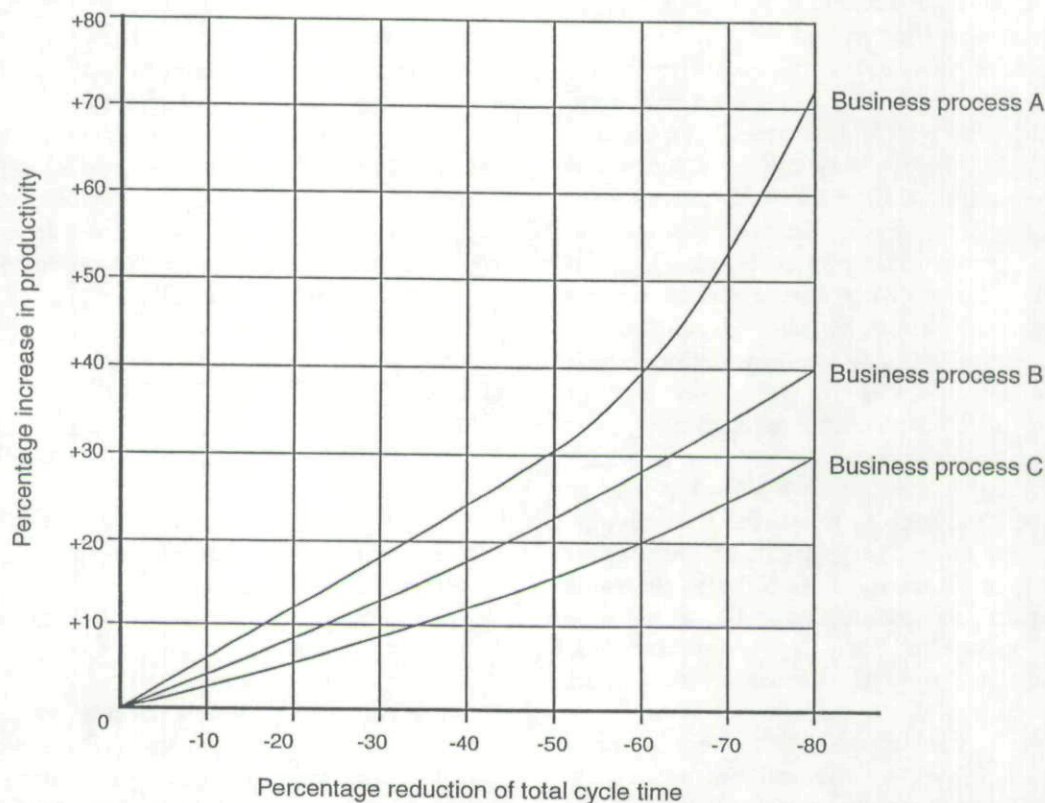


Figure 6 Increase in productivity and reduction of total cycle time in an Austrian electronic firm

the firm as a whole. In German firms, the task of coordination is often undertaken by a 'steering committee'.

According to Pareto analysis, 80% of the problems usually derive from only 20% of the people involved. To put it another way, 80% of the problems of a business process can be attributed to the 20% of the operations (for example, reworking) which are using resources ineffectively. It is from this 20% of operations that the greatest (80%) potential for improvement in the use of resources comes. By using Pareto analysis, managers, working closely with the process owners, can determine their priorities. They can discover which 20% of the causes account for 80% of the problems and concentrate on key business processes. It is these key processes which will make the biggest contribution to increasing the value of the firm in the middle and long term.

*Total Cycle Time* is a measure of the firm's ability to react in the market and is, therefore, one of the most important indicators of a firm's ability to compete. Total Cycle Time is the length of time from the moment when the customer requests something to the moment when he receives it and, fully satisfied, pays the bill. Empirical studies have shown that reducing Total Cycle Time is the key factor in increasing productivity (Figure 6).

Productivity, defined as the relationship between turnover and total resource input, is the most important key in ensuring the firm's ability to compete.

Within the Total Cycle Time, a number of activities take place, which, when all added together determine its length. It often appears that those activities which do not create value are exactly those which account for an undesirably high proportion of Total Cycle Time. Examples of such activities are unnecessary waiting time and repair and reworking occasioned by defects.

In analysing Total Cycle Time, all those problems become apparent which occur in a firm as a result of too rigid a structuring into functional areas. We should like to mention just two.

The first problem concerns the way in which we can most accurately and meaningfully measure Total Cycle Time. If time related yardsticks are used as performance indicators in the firm at all, they are generally applied first to the bottom of the organizational structure. They are then used to assess the performance of each department in turn until the top of the organizational structure is reached. The individual departments are unwilling to record in their statistics times which, 'they can't do anything about'. The result of this is that much time remains unrecorded although it may play a



considerable role in determining how long it takes for a particular operation to run.

A stakeholder oriented firm must, therefore, move away from a system which records time vertically to one which measures Cycle Time horizontally. Only in this way can we achieve real success in reducing the time taken for processes to run. Reducing Total Cycle Time often makes a considerable contribution towards clearing up misunderstandings between departments. It also improves communication, avoids a duplication of effort and reduces the loss of information which may occur when messages move from one level of responsibility or functional area to another.

The second problem concerns the way in which one activity may follow another although it may not, in fact, be at all necessary to order the activities in this way. As an example, think of the way in which R&D is traditionally thought to precede and be distinct from production. The result of this way of thinking is that in many large organizations, between these two functional areas are very rigid barriers.

The name 'concurrent' or 'simultaneous engineering' is given to the attempt to reduce Total Cycle Time by running processes in parallel. This requires considerable cooperation between marketing; development; production; service and Recycling Departments, and places new demands on the ability of the relevant functional areas to communicate with each other.

Process management is not a procedure which is applied once only and which guides business processes within present parameters. Process management seeks to *improve processes continuously* so that the products or services meet the everchanging expectations of the internal and external customers. In many cases, the firm will subcontract to third parties those business processes which do not form part of its core competence and which other firms are able to carry out more efficiently. In this way, the firm will be free to concentrate on those processes which are critical to the success of its products and services in the market. However, continuous process improvement alone is not enough: a firm must learn faster and better and innovate more quickly than the competition is able to do if it wants to rank among the winners of the 1990s. Employees are expected not only to do their work efficiently but also to be 'process improvers'. A Japanese entrepreneur is convinced that in his firm 90% of the employees are 'process improvers'; in European firms, he thinks, the situation is reversed: 10% are 'process improvers' and 90% are concerned only with improving the quality of their own wellbeing.

To sum up we should like to emphasize that process management should benefit all those involved in it. This means not only the internal and external customers but also the process owner, the members of the teams and the employees—that is anybody who in some way contributes to process management. Nasreddin, the Turkish Socrates, is supposed to have said, 'Always and in everything, try to combine what is useful for other people with what is pleasant for yourself'.

#### LESSONS TO BE LEARNED FROM ORGANIZATIONS WHICH ARE ALREADY USING BUSINESS PROCESS MANAGEMENT

*'The first camels of a caravan stop all, and the last get thrashing'*

Arabian Proverb

As far as the application of process management is concerned, it appears that those firms which have had to come to terms with great changes in the nature of competition are the ones which are in the lead. Firms such as IBM and NCR in computers, SMH and IWC in the watch industry, Daimler-Benz, VW and Fiat in automobiles as well as the suppliers of major enterprises are examples. These firms, which have had to adapt to the changed nature of competition, are the ones which have implemented business process management.

Factors which may influence a firm to introduce process management are: the fear of losing leading competitive positions; and the attempt to increase the value of the firm in the long term. Process management will often be the 'entry ticket for the game' under two sets of circumstances. Firstly, if competitors who are not weighed down with overheads or overburdened by the history of the firm gain market share; secondly, where concentrating on customer satisfaction opens the mind to new possibilities.

The following lessons are to be learned from firms which have implemented process management.

1. *Process management is part of tactics*; Process management can certainly lead to cost savings, reductions in Total Cycle Time of operations or improvements in quality even if it is not embedded in the strategy of a firm. However, unless process management becomes a real part of strategy, it cannot achieve a really radical increase in the value of the firm (Figure 7).



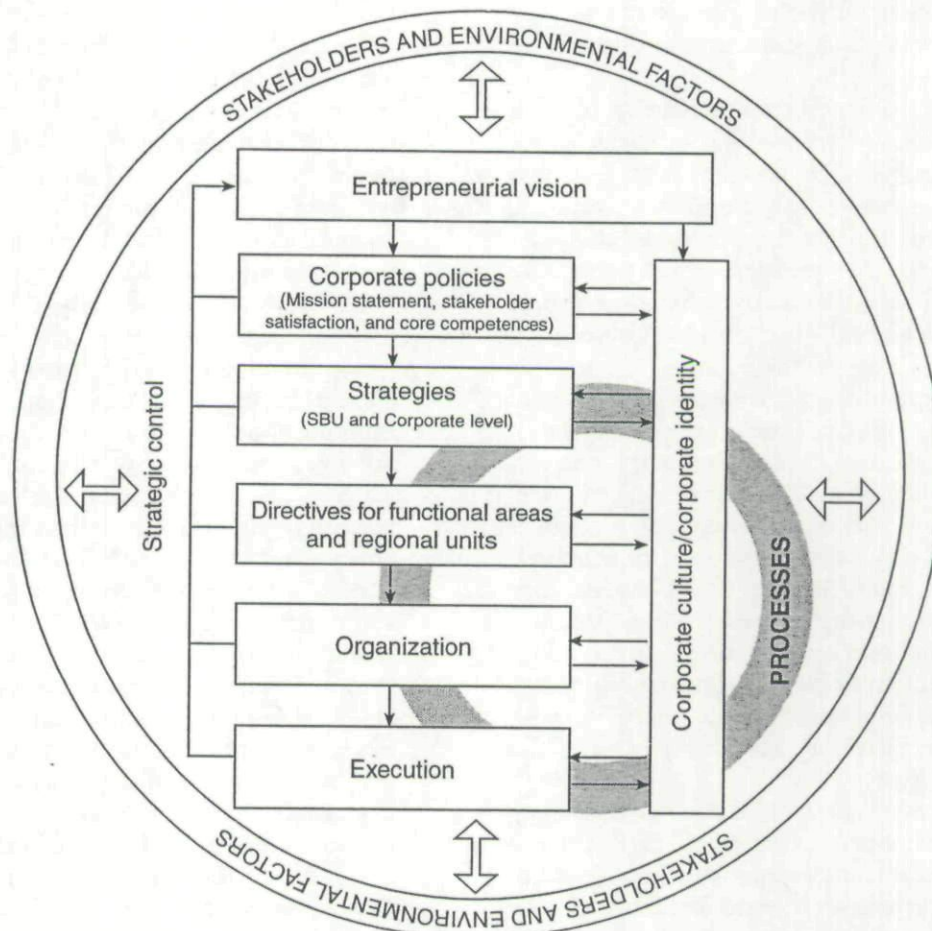


Figure 7 The European approach to strategic management

2. *Process management is the responsibility of the top management of the firm or the responsibility of the executives in charge of the relevant business units.* The managers of business processes must have sufficient authority to coordinate a business process across functional areas and regional units or down through the various levels of responsibility which make up the structure of the firm. Those in charge of staff functions are, generally speaking, not likely to become process owners.
3. *Emphasizing the team.* The main task of the process owner is the creation of a multidisciplinary team. The members of this team should not be the sort of people who are inclined to have second thoughts. They should be unconventional individuals capable of thinking creatively. They should be drawn from important functional areas and regional units. The team should also include innovative people from outside the firm. The process owner should not make compromises with regard to the quality of the employees or the way in which the process should run.
4. *A sense of urgency.* The key question in process management is: if we could start again from



scratch how would we approach the problem? Firms which have achieved radical breakthroughs attribute their success to a sense of urgency. This provided an 'intrinsic motivation' for all those involved. Some firms go so far as to implant in their managers and employees the deeply rooted conviction that their enterprise is on the verge of a crisis. They hope in this way to use time pressure to induce change.

5. *Concentrating the best resources on a definite number of business processes and strategic goals.* Successful firms start with a few business processes for the most important strategic business units. The starting point is customer satisfaction and the question which is closely related to it, 'What does the customer expect from us?' The second question is: 'How can we add value for all other stakeholders?'
6. *Agreeing on clear measurable aims the achievement of which will lead to managers and employees enjoying a feeling of success even in the short term.* Process management is essentially a top-down initiative, since it involves breaking down organizational barriers and introducing new ways of thinking. In successful firms, the conflict between top-down and bottom-up is resolved as follows. Executives and employees are all involved in decisions. In this way clear and measurable aims are agreed upon which means that all those involved enjoy a feeling of success even in the short term.
7. *Immediate reward for exceptional achievement and no punishment in cases where the effort towards innovation was well-conceived but failed.* Exceptional performance either by the teams or by particular individuals should be rewarded immediately. Rewards can be either financial or psychological. Efforts towards innovation which were well conceived but which, nevertheless failed, should not be punished since the firm wants to learn from its mistakes.
8. *Leaders should set a good example.* Process management is team management. One team member needs to be able to rely on the other if the aim of satisfying the internal and external customer is to be realized. In all those firms which successfully employ process management, those at the top live according to a mental model which is based upon a holistic way of thinking, transcends individual areas of responsibility and is more oriented towards serving than towards doing (Hinterhuber, 1994).
9. *The firm should be seen as a learning system which is continually extending its learning abilities.* In successful firms, process management is to be

seen as a means of altering the mentality and attitudes of management and employees towards the firm, the customers and other stakeholders and towards the competition. Everyone in the firm is required to demonstrate the ability and readiness to take on responsibilities which are greater than those which have been formally assigned to them.

10. *Never rest on your laurels.* In all areas of successful firms the prevalent attitude is that the present conditions are the result of far-reaching change and that those attitudes and methods which ensured success in the past do not represent the methods which guarantee success in the market in future. The attitude that, 'nothing fails like success' is, in fact, a precondition for the successful implementation of process management. That is to say that those involved with process management should believe that time honoured ways of thinking should be called into question and that the firm must be kept adaptable and able to learn. The value of strategic process management resides, as Moltke would say, almost entirely in the way in which it is applied. There are, in spite of everything, some firms which possess what is in this world one of the rarest of God's gifts—basic common sense. If these firms reject the overly abstract recommendations and models of the modern management gurus and bring their own spontaneity and creativity into play, then it is possible that process management will, also in the future, provide a method of increasing the value of the firm. Process management is like strategy and, to quote Moltke again, 'strategy is nothing more than the application of good common sense—and common sense cannot be learned'.

## CONCLUSIONS

*'Strategy is nothing else than the application of good common sense, and this cannot be learned'*

Moltke

The transition from function to process orientation resembles a change in paradigms. Crucial are the changes in attitudes which take place in the minds of executives and employees at all levels of responsibility, in all functional areas and in all regional units. They are all expected to demonstrate



a holistic way of thinking which transcends functional boundaries and is oriented towards the satisfaction of the internal and external customer and, in addition, to add value for all other stakeholders. There are firms which make their customers more competitive by offering them valuable and useful systems, products and services which provide them with a springboard for growth. These are the firms which will be successful in the face of the increasingly fierce competition of the nineties.

In conclusion, I would like to make a few remarks about the future development of process management. I am convinced that the following factor is crucial if firms are to survive and increase their value in the future. The crucial factor is that each and every employee should display the creativity and the will to put themselves in the position of the internal and external customers. They should be able to offer the latter a more useful product or service and offer it more quickly than the competition. Process management has tremendous potential but only if the firm approaches the ideal of an organization which facilitates open communication. This 'openly communicating community' provides everyone with open access to information and involves everyone with the decisions made in the firm. In the openly communicating community, each supplier receives immediate feedback from his internal or external customer and this feedback lets him know how satisfied the customer was with his performance.

The real problems which occur when one tries to implement and apply process management are not problems of a technical or business nature. They are cultural problems. The problem of giving the firm a process orientation would be easy to solve if all managers and all employees really understood that the success of the firm depended on satisfying the customers and the other stakeholders better than the competitors or other reference firms (best

practices). Therefore, everyone must concern him or herself with matters which extend beyond the formal sphere of responsibility assigned to them. Concrete plans should exist to bring the attitudes and behaviour of all managers and employees closer to the ideal of holistic thinking and shared responsibility. Only then will it be possible to talk about 'corporate culture'. The initiative for this should come from the employees and managers themselves if the corporate culture is to shift in the direction of process management. In the final analysis, process management means that managers and workers must work on their own attitudes. Moving managers and employees in the direction of process management means that the firm must shoulder a heavy burden. Similarly onerous is the task of motivating employees and teams to take strategic initiatives. However, the greater the preparedness of the firm to shoulder this burden the more successful and competitive it will be.

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