Process Expertise—A Critical Managing Fundamental

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Business, just like medicine, requires specialists as well as general practitioners.

Suppose you were faced with a life-threatening condition that required you to undergo major heart surgery. Whom would you choose to perform this procedure? You've known your family physician for a couple of decades and hold him in the highest regard. After all, he was first in his class at medical school, he interned at a prestigious, leading-edge hospital, and seldom does a year go by without his receiving some type of national accolade. But then, he's never performed the type of operation you need.

Another alternative would be a specialist you've never heard of. By the way, he was in the same medical school class as your family physician, and graduated in the bottom quartile. In the last ten years, he's performed the operation you need at least once a week with excellent results.

Which physician would you select to put you under the knife? Aside from the fact that the family physician would probably refuse to perform the procedure (except in a no-one-else-available, emergency situation), most people would choose the specialist they've never heard of.

The Process Factor

Why would you choose the specialist? Because this person has extensive knowledge of, and experience in, the process that is required to successfully perform the operation. Not only is this person skilled in the required process, most likely he is also skilled in a spectrum of ancillary processes that could be called for should an unexpected problem develop during the course of the main surgical procedure.

An airline pilot who's been on the job for ten years has probably made thousands of takeoffs. He's gone through the same takeoff process more times than he can remember. And yet, despite his tremendous inventory of experience, he is still required, before every takeoff, to go step by step through a written checklist process to ensure that not a single vital element has been overlooked. Why? Because the experts in aviation know the importance of not overlooking a single step in the process.

Many executives are avid golfers, but few if any of them are as good as Arnold Palmer or Jack Nicklaus. Why? In most cases, it's simply because they don't have as much experience in the fundamental processes of golf—driving, chipping, putting, and so forth. In short, they haven't devoted the time required to hone these skills to the point at which their performance of the process is world class.

So what does all this have to do with managing? Well, let's find out.

Managing and Processes

My Webster's dictionary defines manage as "to control and direct; to conduct, carry on, guide, administer . . . " This sounds reasonable, but it doesn't say anything about decision making. Isn't that supposed to be one of the significant elements of managing? No doubt most who consider themselves managers would say, "Of course it is!"

The bottom line is that controlling and directing are accomplished by deciding things, by making choices. Most executives make more decisions in a day than they realize. Many of these—"Where should I take our visiting customer for lunch?"—are routine and don't harbor serious risks. (Of course, if your customer belongs to an obscure religious sect that has unique dietary beliefs, there could be significant risks lying in wait in this decision.) Other decisions—"Which
of these new product ideas should we go with?"—have the potential to be "bet-the-company" choices.

Clearly, the bet-the-company decisions are analogous to the choice of the surgeon for the heart operation, a "bet-the-body" decision. If you accept this analogy as valid, then it would seem reasonable that such decisions should bring to bear the best skills and experience in decision making that are available. To follow the metaphor, it would seem reasonable that this means those who have mastered the process of decision making. And how does one master a process? By doing it on a continuing basis, just as do the heart specialist, the airline pilot, and the professional golfer.

**Process Proficiency**

The seasoned pilot still uses a checklist for every "bet-the-airplane" takeoff to confirm the process in which he is already well experienced and skilled. The crash on takeoff of Northwest Airlines Flight 255 at the Detroit airport on August 16, 1987 is a harsh reminder of what can happen when experienced pros fail to follow every step of a process. The National Transportation Safety Board attributed the cause of the crash to the pilot's failure to extend the plane's flaps and slats, which in turn was attributed to a failure to follow every step of the pre-flight checklist. This was validated by the cockpit voice recorder, which revealed that the pilot, because of a distraction, had skipped that one step out of the 19 on the MD-80's takeoff checklist.

Most executives don't use a checklist for their bet-the-company decisions because they don't have one. In fact, few executives have extensive training and ongoing practice in the process of decision making. No doubt many were exposed to linear programming or decision trees or force field analysis or a variety of other processes during an MBA program. Perhaps some went through a Kepner-Tregoe program or similar training during their trip up the ladder. However, few, if any, have continually applied this learning on an ongoing basis to the critical decisions they resolve as a part of their job. Therefore, they have not developed proficiency in the process.

When most people are trained in a problem-solving or decision-making process, they often come away from the program thinking, "That's a
great technique; I'll have to remember to use it the next time I come up against such a situation."
And that is usually the end of it. Occasionally some well-meaning learners will come up against a relevant situation and start to apply the process. However, they often become frustrated because it's taking too much time—because they haven't yet developed proficiency in it—and they put the process aside "until the next time," which never comes.

If you want to verify how easy it is to forget all the steps in a process you don't continually use, get ten people who say they've changed a flat tire to write down every step involved in the process. If you find one person who describes every step in the proper sequence, you'll be lucky. (Now you know why airplane pilots never stop using their checklists.)

The Objectivity Factor

Process expertise in and of itself is not a panacea. Decision makers can be confronted with situations in which their emotions override their objectivity, thus rendering impotent any process expertise they may possess.

To use a medical analogy once again, if you were a surgeon with ten years' experience, would you operate on a member of your own family? If you answered "no," you're in league with most of the professionals. What if you had ten years' experience? If you still say "no," you're still in tune with the pros. Why wouldn't experts with ten years' experience be willing to subject their loved ones to the benefit of their skills?

The obvious answer is inherent in the phrase "loved ones." It defines the classic circumstance of facing a situation in which one "cannot see the forest for the trees"—where one is too close to the situation to be able to exercise maximum objectivity. The length of time you have to hone and perfect your process skills is irrelevant; it's the ability to objectively apply them that becomes the issue.

In spite of one's process excellence, when emotions and personal perspectives enter into a decision, objectivity fades—and when that happens, disaster can loom. As the old legal adage goes, "A man who is his own lawyer has a fool for a client." Russell Ackoff (1986) has observed, "Objectivity is an ideal that can never be attained, but can be continuously approached." However, when one lacks distance from the concern—what psychologists refer to as "stranger value"—objectivity becomes elusive and very difficult to approach.

Management by Intuition

Much day-in and day-out decision making is intuitive—based on gut feeling, experience, and so forth. Many top-level decision makers defend a lack of process proficiency by extrapolating from the routine to the critical and saying that they make all their decisions intuitively. Two responses to this seem in order.

First, no one will ever bat 1.000 in decision making. Thus, the most important element in a decision gone wrong is, "What can we learn from it to prevent a recurrence?" A decision reached through the application of a specific process is a decision that follows a road map. When one arrives at the wrong destination, it's easy to go back and examine the path that was followed to see where the wrong turn was made. A decision reached intuitively has no visible record available for such future examination.

Second, would you rather submit to a heart surgeon who follows a proven process step by step each time he does a particular operation, or one who intuitively decides how he's going to attack each operation at the time he dons his surgical gloves? Likewise, would you rather fly in a plane with a pilot who goes by the book on every takeoff, or one who "wings it" each time he pushes back from the gate? These contrasts may be forced to make the point; some readers might say they'd like to have both characteristics in their choice of surgeon or pilot. If that is your perspective, no problem—it does recognize the value and role of process.

The Price of Process Weakness

W. Stewart Howe pointed out in his 1986 book, Corporate Strategy, that "for every successful turnaround there are two ailing companies that fail to recover." Arie P. de Geus, head of planning for Royal Dutch Shell, noted (1988) that fully one-third of the Fortune 500 industrials listed in 1970 had vanished by 1983. Shell's research further showed that the average lifetime of large industrial organizations is less than 40 years.

Why do so many organizations have such short lives? After all, a corporate body, unlike its human counterpart, has the ability to replace failing organs at will in perpetuity. Corporate bodies don't wane or die because they physically lose a battle with cancer, or because of kidney failure, or whatever. Corporate bodies fade because they lose thinking battles—because they make poor decisions.
Peter Senge's book, *The Fifth Discipline* (1990), tells how organizations can become learning organizations. It is his thesis that most organizations suffer from learning disabilities that ultimately prove fatal. In painting his perspective of tomorrow's world of business, he quotes Arie de Geus: "The ability to learn faster than your competitors may be the only sustainable competitive advantage."

What differentiated the Japanese automotive manufacturers from their American counterparts back in the 1980s? One thing was their ability to learn; a second was their ability to implement what they learned. The American manufacturers could spend the same money to buy the same quality of raw materials as the Japanese. But the difference was in what the Japanese manufacturers did with the raw materials—the quality of the processes to which they subjected them. In spite of the fact that the American companies had many more years of experience in manufacturing cars, it took them more than a decade to learn how to bring their processes up to world-class level.

Paul Hawken (1983) noted, "The underlying difference between a Chevette and a Honda is information, not mass. Each has roughly the same amount of plastic, rubber, chrome, and steel, but one is superior in design, craftsmanship, and performance." Design and craftsmanship constitute processes that involve effective thinking. Performance is the result of their effective application.

Whether mechanical or mental, processes usually take years to perfect. And unless they are continuously applied and improved, their effectiveness can rapidly wane. But a process that isn't understood to start with, or whose shortcomings aren't recognized, can never be improved; it suffers from the weakness of oblivion. As Ackoff has again observed, "The only ones who are incapable of learning are those who never make a mistake or are unaware of the mistakes they make."

**Specialists vs. Jacks-of-all-Trades**

In effect, the skilled executive's analog is the family physician. He has become very good at being all things to all people; that is what's expected. However, it is at this point that the metaphor we've been developing falls apart. Whereas most family physicians wouldn't think of engaging in bet-the-body heart surgery, most executives will jump into bet-the-company decisions without batting an eyelash.

Family physicians are trained to recognize the point beyond which their process expertise fades; they are trained to recognize the role and value of those with specialized process expertise. The family physician who refers a patient to a specialist considers that action to be in the best interests of the patient; he sees it as doing what he's being paid to do.

Unfortunately, too many executives feel an analogous action is contrary to what they're paid to do. They feel they are paid big bucks to make the big decisions all by themselves. Too many of them see the use of specialists as an abdication of their responsibilities. And there's also the fact that executives don't have to worry about being sued for malpractice. The corollary vehicles available to stockholders and stakeholders are so notoriously ineffective that only those with fervent conviction, deep pockets, and a lot of time will even think of pursuing them. As Peter Drucker expressed it, "The executive in an organization . . . is like the physician who treats his own family—he diagnoses with the heart and always takes his own pulse rather than that of the patient" (Zimet and Greenwood 1979).

In his book *The Professional Decision Thinker* (1986), Ben Heirs said, "We should expect those who direct our corporations and public institutions to be—in addition to possessing their other important skills and qualities—professional thinkers. For the battles we have been losing since 1960 have been, above all, thinking battles." Although I agree with Heirs on the latter point, there might be room to question the practicality of expecting all executives to be professional thinkers. After all, how often does an Alfred Sloan or a Thomas Watson come along? Nevertheless, although it might be unrealistic to expect all executives to be professional thinkers, it shouldn't be unrealistic to expect them to be professional enough to know when to utilize the experience and skills of such specialists, and to see it as in their organizations' best interests to do so. They should recognize that that's what they're being paid to do.

**The Role of Meetings**

In an attempt to come up with better decisions through better thinking, many firms invoke the use of a team or task force or group. However, in the absence of an effective process, more bodies do not necessarily equal better thinking.
In a research study conducted by the University of Michigan, Tropman and Kozaitis (1991) reinforce this point:

The meeting remains the most fundamental decision-making system in . . . our society. . . . However, the process by which such decisions are made is often ambiguous and unproductive, the result of which is less than quality decisions. . . . Successes or failures of enterprises can, fundamentally, be traced to one or several decisions made by those who work for or influence the enterprise in question.

Benchmarking = Satisficing

In recent years, the concept of “benchmarking” has been highly and widely touted both in the management literature and in the popular business press. In practice, an organization identifies processes it wants to improve. Next, they identify other organizations that are known to perform analogous processes with outstanding results. The excellent performers are then studied in depth in an attempt to learn—and copy—their secrets of success.

By definition, an organization that undertakes a benchmarking effort is, de facto, saying it lacks the ability to think effectively. By copying a leader, an organization is destined to be a follower. Besides that, it is highly unlikely that an outsider attempting to peek through the leader’s corporate veil will uncover all the details and nuances behind that leader’s success.

The pursuit of benchmarking is but yet another proof of the validity of Nobel laureate Herbert Simon’s (1976) concept of “satisficing”—that most executives are content with satisfactory answers to problems, and couldn’t care less about trying to come up with optimum answers, or trying to excel. In the absence of being skilled in processes for effective thinking, organizations have descended to using the well-known process of copying. That which we got our fingers slapped for in grade school is now de rigueur in business life.

Managers who know how to think effectively, who know how best to process the basic raw material of their jobs—information—should not be the least bit uncomfortable with deciding that they’re going to excel in a particular area and then proceed to make it happen. How? Through the application of effective thinking, not through orchestrated copying. While Detroit was lobbying in Washington against the next wave of automotive exhaust emissions standards, saying they couldn’t be achieved until there was a breakthrough in engine technology, Honda had already done it. By applying effective thinking to technology it already possessed, it exceeded the forthcoming standards by a wide margin.

Process in Action

One example of the role of process expertise involved an internal task force that had spent two years trying to find a way out of a situation involving $100 million in unusable foreign tax credits. The task force reported to the CEO that there was no way out of the dilemma. However, a vice president who operated with the mindset that “there’s always a better way” of doing things would not accept this answer. He asked a specialist in creativity and decision-making processes to work with a group of his people to see if they couldn’t find a better way out of the problem. In four days, the team developed three totally new concepts for overcoming the problem, two of which were head and shoulders above anything previously known.

Some additional perspectives on this effort might be enlightening:

- The team the consultant worked with included several of the people involved in the original, two-year effort.
- Several of these people had been trained in one of the decision-analysis methods mentioned earlier, but they were not day-in and day-out practitioners of it; they had not become proficient in its use.
- The consultant did not know a thing about international taxes or finance (or domestic, for that matter).
- The consultant did have many years of continuing experience in helping people use the thinking process that produced the winning results.

Another example, using different processes, involved a consultant helping two companies debug new manufacturing processes before they were started up. The startups went more quickly and smoothly than the clients ever dreamed possible. Each achieved 100 percent of expectations faster than had ever been accomplished in their history. Some interesting perspectives on this effort are:

- The consultant was not an expert in the technologies involved in these projects. In fact, if the clients had asked the consultant to debug these processes by himself, they would have gotten a blank sheet of paper.
- Most of the thinking processes that were used have been published (some were proprietary), so the clients could have studied these processes and attempted to apply them on their own. However, to do so would be analogous to buying a book entitled How To Be A Great Golfer on your way home from work Friday night, read-
ing it that evening, and then expecting to break par on Saturday morning.

- The results were team efforts. Without the "content" knowledge of the technologies possessed by the clients, the projects would have been duds. Without the "process" knowledge of the thinking approaches possessed by the consultant, history suggests that the dramatic results would not have have been achieved.

In medicine, in flying, in golf, it is the knowledge of the processes involved, and the skill and experience built up by continually using them, that separates the leaders from the also-rans. The same is true in business, in government, in teaching—in every profession.

No thinking executive would ever dream of submitting to a surgical team that did not have at least one physician on it with extensive, current experience in the process involved. What would happen if the same criteria were used for an organization's critical, non-routine problem solving and decision making? What if executives acted in the mode of family physicians, as opposed to the mode of family physician plus surgeon plus ophthalmologist plus gynecologist plus oncologist plus dermatologist plus . . . ad infinitum? What if they brought in specialists to assist in situations in which their process expertise or objectivity might be thin? Such actions just might have a positive effect on the organization's health.

Although few executives are computer experts, most recognize that a computer cannot effectively process information without the proper software. The thinking processes employed in effective decision making are nothing other than software for the brain. Just as it takes a lot of diligent, continuing, hands-on practice to become proficient with WordPerfect, Lotus 1-2-3, and so on, the same is true with the cranial decision-making software.

Fortunately for computer users, electronic processors usually beep or fail to comply if an attempt is made to use their software incorrectly. Unfortunately for decision makers, cranial processors have no such built-in safety device. It takes significant openness and objectivity to be able to recognize when the software for the brain isn't up to the task at hand. It takes significant humility to accept it. Sometimes these characteristics aren't present in great abundance.

Process expertise is a critical managing fundamental; it is software for the brain. However, unlike the software on a floppy disk, it fades if it isn't continually used. Fortunately, in the game of managing, if star players ever feel their skills or objectivity aren't up to the needs of the moment, there aren't any prohibitions against calling in other players.

References


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