USING APQC’S PROCESS CLASSIFICATION FRAMEWORK

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Cindy Hubert, Executive Director
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WHAT WE WILL COVER TODAY

➤ Introduction to APQC
➤ Best practices and benchmarking resources
➤ Process Classification Framework™
➤ MosaiQ™
➤ Where to find us
APQC HIGHLIGHTS

Growing Global Membership Roster

1985
Co-founded the Malcolm Baldrige National Quality Award

1992
APQC develops business taxonomy with The Process Classification Framework℠ (PCF)

2004
APQC launched the Open Standards Benchmarking Collaborative

2008
Created the C. Jackson Grayson Distinguished Quality Pioneer Medal

2013
Named to KM World’s list of 100 Companies That Matter in Knowledge Management (4 time winner)

2016
Launch of APQC’s solution to simplify business process management, MosiaQ®

Recognized for outstanding performance with the MAKE (Most Admired Knowledge Enterprise) award (3 time global winner and 9 time North America winner)

550 ORGANIZATIONS
45+ INDUSTRIES
APQC MEMBERSHIP

Every employee is a member

Complete access to content, benchmarking and best practices data pertaining to all research disciplines

Network with a community of peers who share common challenges
WHY MEMBERS USE APQC

Set up a new function or role

Validate a recommendation or position

Assess performance

Fix a problem or improve current operations

Grow my Personal expertise
KNOWLEDGE BASE

WHAT CAN YOU FIND?
Access the world’s largest online source of best practices and business drivers, benchmarks and metrics, case studies, and other unique content based on primary research.

Our RESEARCH Covers 70 Process Areas

5000+ Pieces of Content
700+ Case Studies
1,000+ Best Practices and Business Drivers
200+ Reports and Books
APQC’S RESOURCES

APQC’s Process Classification Framework (PCF)
   Benchmarks and Best Practices
   Assessment Tools
   MosaiQ
   Advisory Services
HISTORY OF APQC’S PCF

1992
- 1st PCF introduced as framework for benchmarking
- Industry-specific frameworks added to support targeted needs

2004
- Open Standards Benchmarking launched
- Benchmarking portal for APQC members provides instant access

2016
- MosaiQ™ launched
APQC's Process Classification Framework® (PCF), at its simplest level, is a list that organizations use to define work processes comprehensively and without redundancies.

Organizations use the PCF to:

- Standardize definitions around processes
- Benchmark internally and with other organizations
- Align IT rollouts and updates for similar processes across the organization
- Discuss organizational performance using the same terminology across business units and departments
- Organize enterprise content and knowledge
APQC's Process Classification Framework® (PCF), at its simplest level, is a list that organizations use to define work processes comprehensively and without redundancies.

PCF elements are broken down from Category to Task in successive, hierarchically functional levels of detail.

Each element is defined by its child elements, ensuring clear, consistent, and accurate process definitions.

PCF element IDs indicate unique concepts, enabling comparisons across different frameworks.
HOW CAN I USE THE PCF?

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STANDARDIZING ‘PROCURE TO PAY’

The PCF Captures What Gets Done
APQC USES PCF TO ORGANIZE ITS CONTENT

Key Planning and Management Accounting Benchmarks at a Glance: Pharmaceutical Industry
Prepared using data from APQC’s Open Standards Benchmarking in planning and management accounting, this table highlights financial management planning and management accounting key performance indicator (KPI)...

**Type:** Benchmarks and Metrics  **Topics:** Forecasting, Finance and Accounting, Planning, budgeting, and forecasting, Budgeting, Cost Accounting, Accounting, Performance Management, Capital Planning/Allocation  **Processes:** 8.1 Perform planning and management accounting, 8.0 Manage Financial Resources, 8.1.1 Perform planning/budgeting/forecasting, 8.1.2 Perform cost accounting and control, 8.1.3 Perform cost management, 8.1.4 Evaluate and manage financial performance  **Industry:** Pharmaceutical

› Relevance: 67%
› Member Price: Download FREE

Top Four Reasons to Leave Annual Budgeting Behind
Today’s finance leaders are growing weary of performing the annual budgeting ritual when they know its applicability will grow stale fast. Specifically, they are getting tired of having to reconfigure the...

**Type:** Benchmarks and Metrics  **Topics:** Forecasting, Finance and Accounting, Planning, budgeting, and forecasting, Budgeting  **Processes:** 8.1 Perform planning and management accounting, 8.0 Manage Financial Resources, 8.1.1 Perform planning/budgeting/forecasting, 8.1.1.1 Develop and maintain budget policies and procedures, 8.1.1.2 Prepare periodic budgets and plans, 8.1.1.3 Prepare periodic financial forecasts

› Relevance: 67%
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APQC BENCHMARKING TIED TO PCF

1. BROWSE BY PCF CATEGORY
2. Select filters and run search
3. View measure data

All benchmarking data is available free to members at
http://www.apqc.org/benchmarking-portal
APQC’s Benchmarking Portal puts critical performance data at your fingertips. Three tools are available in the portal:

<table>
<thead>
<tr>
<th>BENCHMARKING TOOL</th>
<th>THIS TOOL WILL GIVE YOU</th>
<th>REQUIRES YOUR DATA?</th>
<th>REPORT DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BENCHMARKS ON DEMAND</strong></td>
<td>Top, median, and bottom performer metric values for selected metrics</td>
<td>No</td>
<td>Data for chosen performance measures cut by your chosen peer groups. Turnaround time: instant</td>
</tr>
<tr>
<td><strong>RAPID PERFORMANCE ASSESSMENT</strong></td>
<td>An executive summary report identifying possible performance problems at the function level in your organization</td>
<td>Yes</td>
<td>A high-level report of your organizations’ performance at the function level, with a simple gap analysis between your organization and top performers. Turnaround Time: 2 business days</td>
</tr>
<tr>
<td><strong>OPEN STANDARDS BENCHMARKING</strong></td>
<td>A detailed report of performance at the process level in your organization</td>
<td>Yes</td>
<td>Your own performance measures compared to those in your peer groups with red/yellow/green indicators and a summary. Turnaround Time: 2 weeks</td>
</tr>
</tbody>
</table>
WHY BENCHMARK KM?

KM programs that regularly benchmark are:

- 3.5 times more likely to align KM to the enterprise mission & strategy
- 5.5 times more likely to identify & address barriers to knowledge sharing & use
- 4.5 times more likely to enhance KM across business units or disciplines
- 4 times more likely to make a business case to expand KM based on predicted impact

APQC KM Capability Assessment Tool
N=218, p = 0.0001
BENCHMARKING THROUGH APQC

KM Program Benchmarks & Metrics Survey

APQC’s KM Capability Assessment

Self-service through research and content

Network to find benchmarking partners
Visit APQC’s Benchmarking Portal to compare your KM program to peers in your industry, region, and revenue range.

% of Target Audience Participating in KM

- 25th Percentile: 60%
- Median: 69%
- 75th Percentile: 77%
- Your Site: 20%
## Why Assess Your Maturity?

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
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<tbody>
<tr>
<td>1.</td>
<td>Set a meaningful baseline</td>
</tr>
<tr>
<td>2.</td>
<td>Gather perspectives and create consensus</td>
</tr>
<tr>
<td>3.</td>
<td>Validate, strategize, and prioritize</td>
</tr>
<tr>
<td>4.</td>
<td>Convey progress to senior leadership</td>
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<tr>
<td>5.</td>
<td>Make the case for enterprise approaches</td>
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</table>
Level 5 (Optimized)
- Continuously improving practices
- Proactively improve process capability to close gaps with business goals

Level 4 (Predictable)
- Measured and adaptive
- Manage process and results quantitatively and exploit standardization

Level 3 (Standardized)
- Common processes and approaches
- Establish standard business processes, measures, and training

Level 2 (Managed)
- Localized and repeatable practices
- Build disciplined unit management to control commitments and baselines

Level 1 (Initial)
- Growing awareness
- Motivate people to overcome problems and just “get the job done”

APQC’s Process Maturity Model

APQC’s Levels of Knowledge Management Maturity℠
Measure, manage, and learn. Your organization’s processes in context.

- Manage cross-functional processes
- Establish a common language for enterprise architecture
- Create an environment to solve process problems
WITH MOSAIQ® YOU CAN...

Create your own custom framework

Import elements from a list of APQC’s PCFs

Use the feed, manage, measure, and learn tabs to manage your process elements

Export your custom framework in to an Excel file
APQC’s tool for managing processes in your organization

Create a **common language** in your organization to move past defining *what* the business does—and into *how* the work is done—with higher order solutions such as content management, benchmarking, and sophisticated collaborative process management activities.
APQC’s Advisory Services has the right pieces to solve your business puzzle.
DRIVE IMPROVEMENT IN YOUR ORGANIZATION

Advisory Services provides knowledge augmentation needed to implement change and transform your business. With our expertise, we have helped countless organizations:

- Our advisors provide methodologies and expertise to leverage your assets to overcome your organization’s unique challenges.
- We work to help you assess where your organization is today, where you want to be, and the steps needed to reach your goals.
NEXT STEPS

Make sure you are registered and invite your colleagues to sign up

Access the Knowledge Base

Check out our assessment tools
QUESTIONS