APQC®

The world's foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management.

FREEDOM to dream. COURAGE to act.
C. Jackson Grayson
Founder, APQC

USING APQC'S PROCESS CLASSIFICATION FRAMEWORK

Lori Perry, Senior Member Success Manager

Cindy Hubert, Executive Director

May 16, 2018

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

550 ORGANIZATIONS

45+ INDUSTRIES

1985
Co-founded the Malcolm Baldrige National Quality Award

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

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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

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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

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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

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APQC'S RESOURCES
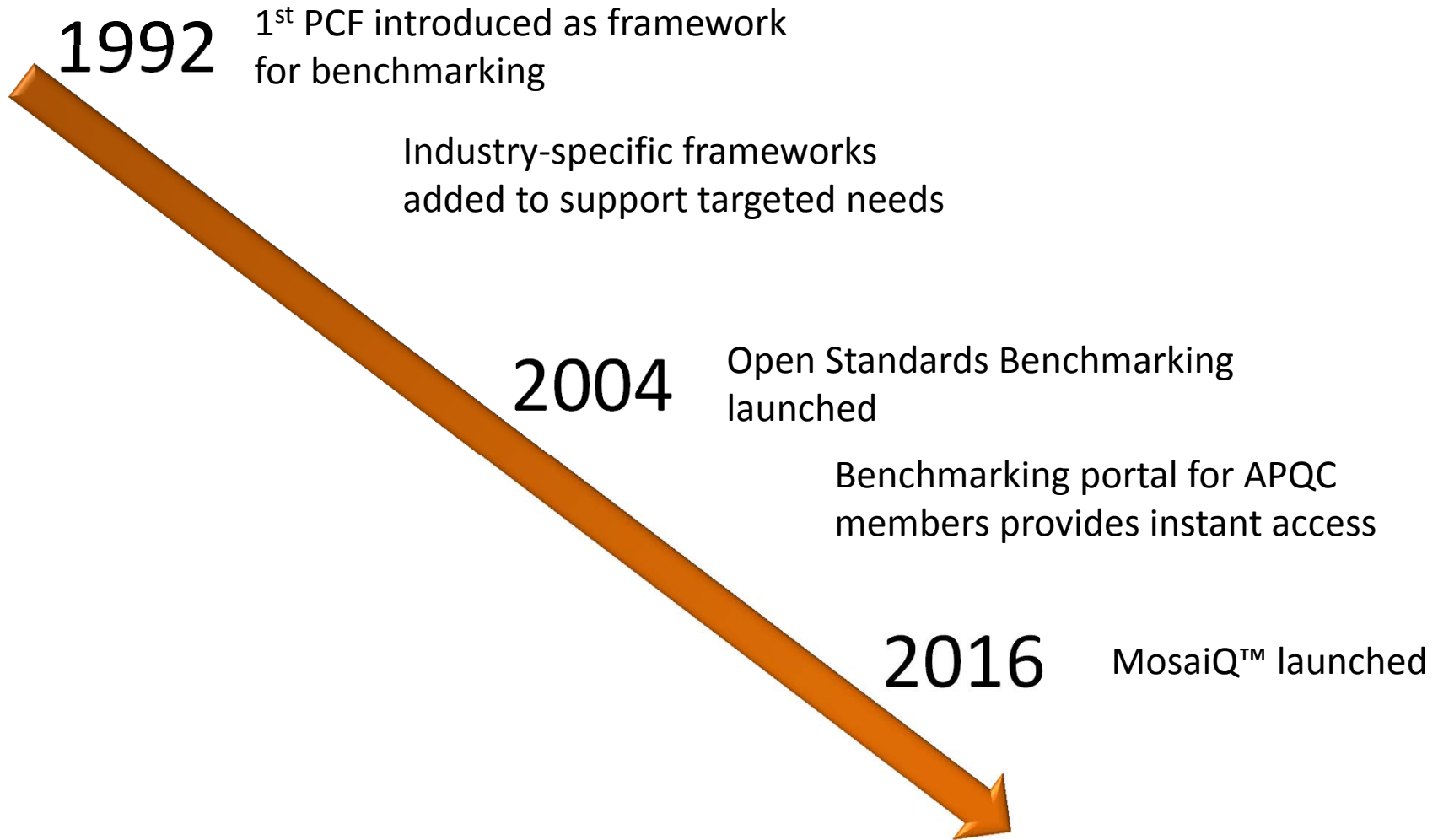
APQC's Process Classification Framework (PCF)

Benchmarks and Best Practices

Assessment Tools
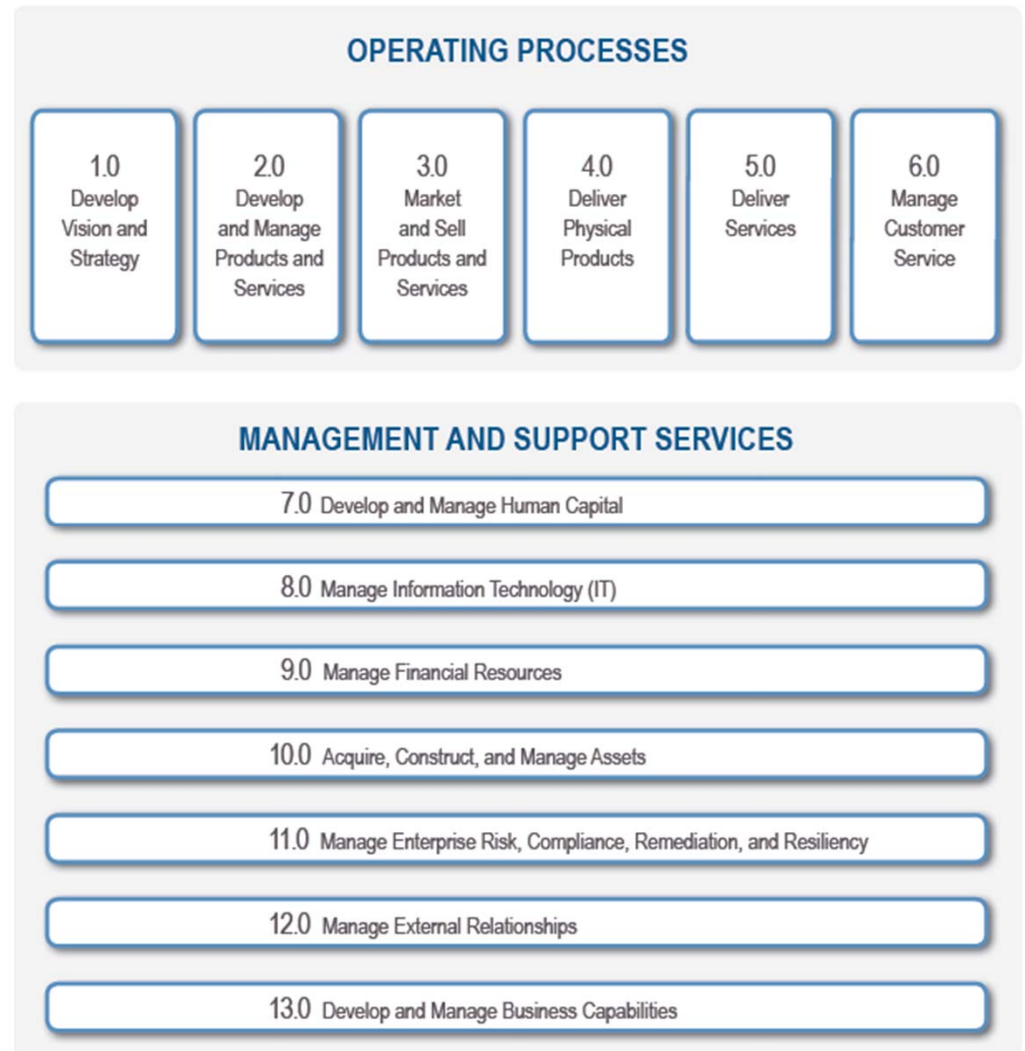
MosaiQ

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

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PROCESS CLASSIFICATION FRAMEWORK

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

OPERATING PROCESSES

| 1.0 Develop Vision and Strategy | 2.0 Develop and Manage Products and Services | 3.0 Market and Sell Products and Services | 4.0 Deliver Physical Products | 5.0 Deliver Services | 6.0 Manage Customer Service |

MANAGEMENT AND SUPPORT SERVICES

7.0 Develop and Manage Human Capital

8.0 Manage Information Technology (IT)

9.0 Manage Financial Resources

10.0 Acquire, Construct, and Manage Assets

11.0 Manage Enterprise Risk, Compliance, Remediation, and Resiliency

12.0 Manage External Relationships

13.0 Develop and Manage Business Capabilities

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PROCESS CLASSIFICATION FRAMEWORK

➤ 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.

7.0   Develop and Manage Human Capital (10007)

7.1   Develop and manage human resources planning, policies, and strategies (17043)

    7.1.1   Develop HR strategy (17044)
        7.1.1.1 Identify strategic HR needs (10418)
        7.1.1.2 Define HR and business function roles and accountability (10419)
        7.1.1.3 Determine HR costs (10420)
        7.1.1.4 Establish HR measures (10421)
        7.1.1.5 Communicate HR strategies (10422)
        7.1.1.6 Develop strategy for HR systems/technologies/tools (10432)
    7.1.2   Develop and implement workforce strategy and policies (17045)
        7.1.2.1 Gather skill requirements according to corporate strategy and market environment (10423)
        7.1.2.2 Plan employee resourcing requirements per business unit/organization (10424)
        7.1.2.3 Develop compensation plan (10425)
            7.1.2.3.1   Establish incentive plan (10210)
        7.1.2.4 Develop succession plan (10426)
        7.1.2.5 Develop high performers/leadership programs (16938)
        7.1.2.6 Develop employee diversity plan (10427)
        7.1.2.7 Develop training program (11622)
        7.1.2.8 Develop recruitment program (11623)
        7.1.2.9 Develop other HR programs (10428)
        7.1.2.10 Develop HR policies (10429)
        7.1.2.11 Administer HR policies (10430)
        7.1.2.12 Plan employee benefits (10431)
        7.1.2.13 Develop workforce strategy models (10433)
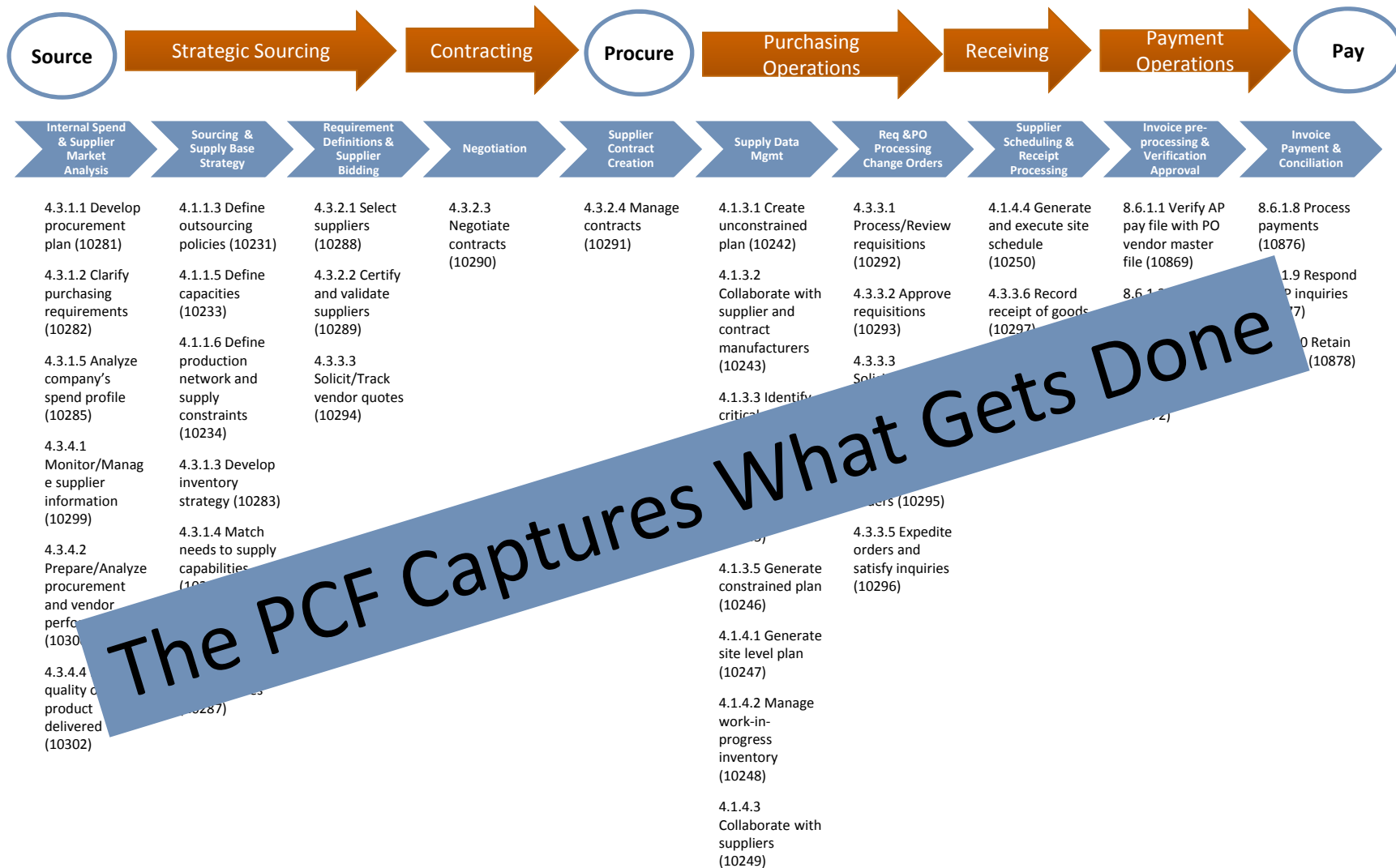   7.1.2.14 Implement workforce strategy models (20122)

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HOW CAN I USE THE PCF?

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

OPERATING PROCESSES

1.0 Develop Vision and Strategy	2.0 Develop and Manage Products and Services	3.0 Market and Sell Products and Services	4.0 Deliver Physical Products	5.0 Deliver Services	6.0 Manage Customer Service

MANAGEMENT AND SUPPORT SERVICES

7.0 Develop and Manage Human Capital

8.0 Manage Information Technology (IT)

9.0 Manage Financial Resources

10.0 Acquire, Construct, and Manage Assets

11.0 Manage Enterprise Risk, Compliance, Remediation, and Resiliency

12.0 Manage External Relationships

13.0 Develop and Manage Business Capabilities

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STANDARDIZING 'PROCURE TO PAY'

Source → Strategic Sourcing → Contracting → Procure → Purchasing Operations → Receiving → Payment Operations → Pay

Internal Spend & Supplier Market Analysis	Sourcing & Supply Base Strategy	Requirement Definitions & Supplier Bidding	Negotiation	Supplier Contract Creation	Supply Data Mgmt	Req &PO Processing Change Orders	Supplier Scheduling & Receipt Processing	Invoice pre-processing & Verification Approval	Invoice Payment & Conciliation
4.3.1.1 Develop procurement plan (10281)	4.1.1.3 Define outsourcing policies (10231)	4.3.2.1 Select suppliers (10288)	4.3.2.3 Negotiate contracts (10290)	4.3.2.4 Manage contracts (10291)	4.1.3.1 Create unconstrained plan (10242)	4.3.3.1 Process/Review requisitions (10292)	4.1.4.4 Generate and execute site schedule (10250)	8.6.1.1 Verify AP pay file with PO vendor master file (10869)	8.6.1.8 Process payments (10876)
4.3.1.2 Clarify purchasing requirements (10282)	4.1.1.5 Define capacities (10233)	4.3.2.2 Certify and validate suppliers (10289)			4.1.3.2 Collaborate with supplier and contract manufacturers (10243)	4.3.3.2 Approve requisitions (10293)	4.3.3.6 Record receipt of goods (10297)	8.6.1.	.9 Respond P inquiries 7)
4.3.1.5 Analyze company's spend profile (10285)	4.1.1.6 Define production network and supply constraints (10234)	4.3.3.3 Solicit/Track vendor quotes (10294)			4.1.3.3 Identify critical	4.3.3.3 Solic			0 Retain (10878)
4.3.4.1 Monitor/Manage supplier information (10299)	4.3.1.3 Develop inventory strategy (10283)					ers (10295)			
4.3.4.2 Prepare/Analyze procurement and vendor perfo (1030	4.3.1.4 Match needs to supply capabilities (103				4.1.3.5 Generate constrained plan (10246)	4.3.3.5 Expedite orders and satisfy inquiries (10296)			
4.3.4.4 quality product delivered (10302)	(0287)				4.1.4.1 Generate site level plan (10247)				
					4.1.4.2 Manage work-in-progress inventory (10248)				
					4.1.4.3 Collaborate with suppliers (10249)				

The PCF Captures What Gets Done

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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%
> **Member Price:** Download FREE

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APQC BENCHMARKING TIED TO PCF

All benchmarking data is available free to members at http://www.apqc.org/benchmarking-portal

BENCHMARKING

APQC's Benchmarking Portal puts critical performance data at your fingertips. Three tools are available in the portal:

BENCHMARKING TOOL	THIS TOOL WILL GIVE YOU	REQUIRES YOUR DATA?	REPORT DESCRIPTION
BENCHMARKS ON DEMAND	Top, median, and bottom performer metric values for selected metrics	No	Data for chosen performance measures cut by your chosen peer groups Turnaround time: instant
RAPID PERFORMANCE ASSESSMENT	An executive summary report identifying possible performance problems at the function level in your organization	Yes	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
OPEN STANDARDS BENCHMARKING	A detailed report of performance at the process level in your organization	Yes	Your own performance measures compared to those in your peer groups with red/yellow/green indicators and a summary Turnaround Time: 2 weeks

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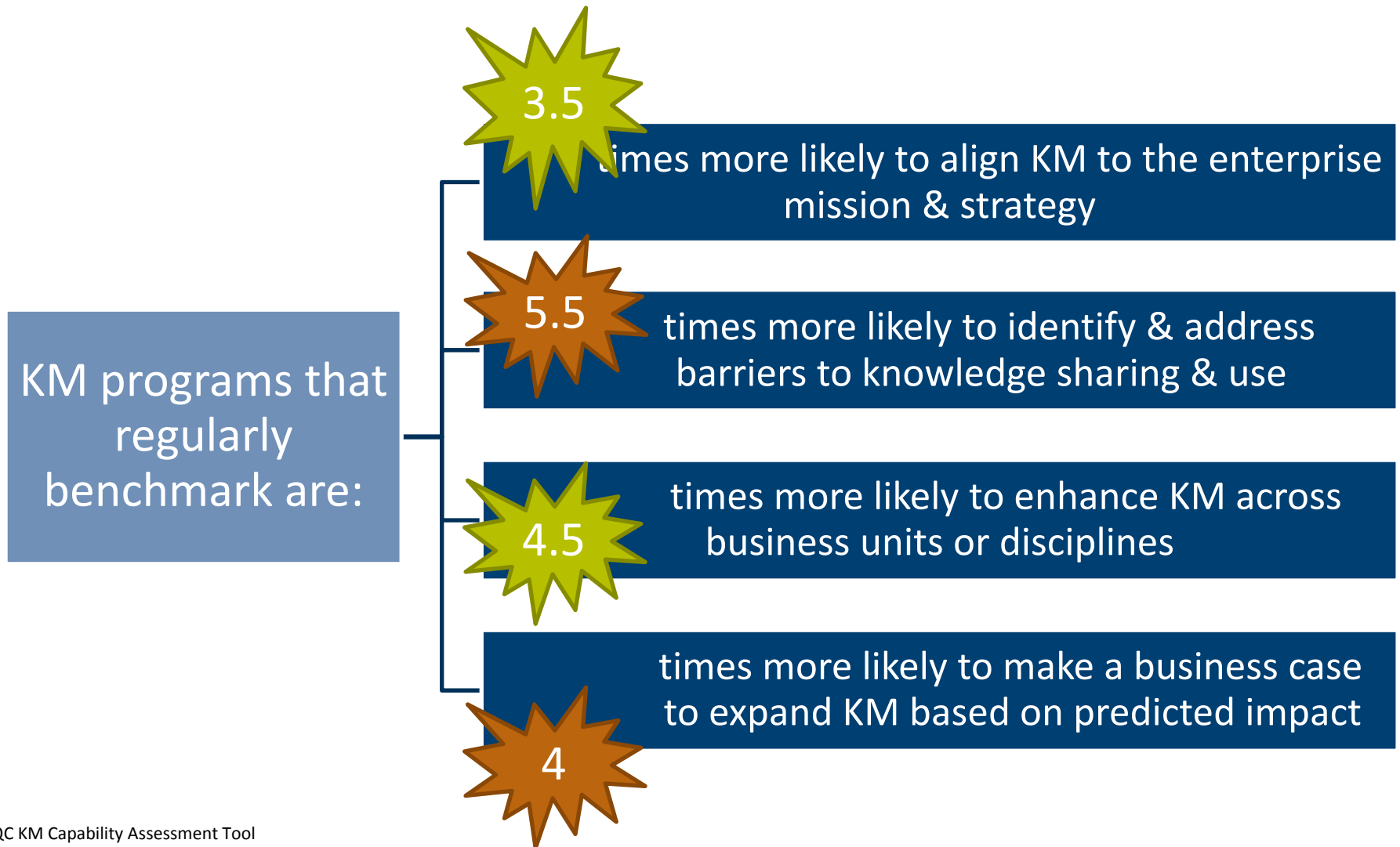
APQC KM Capability Assessment Tool
N=218, p = 0.0001

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BENCHMARKING THROUGH APQC

KM Program Benchmarks & Metrics Survey

APQC's KM Capability Assessment

Self-service through research and content

Network to find benchmarking partners

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APQC'S KM BENCHMARKS & METRICS SURVEY

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

Category	Value
25th Percentile	60%
Median	69%
75th Percentile	77%
Your Site	20%
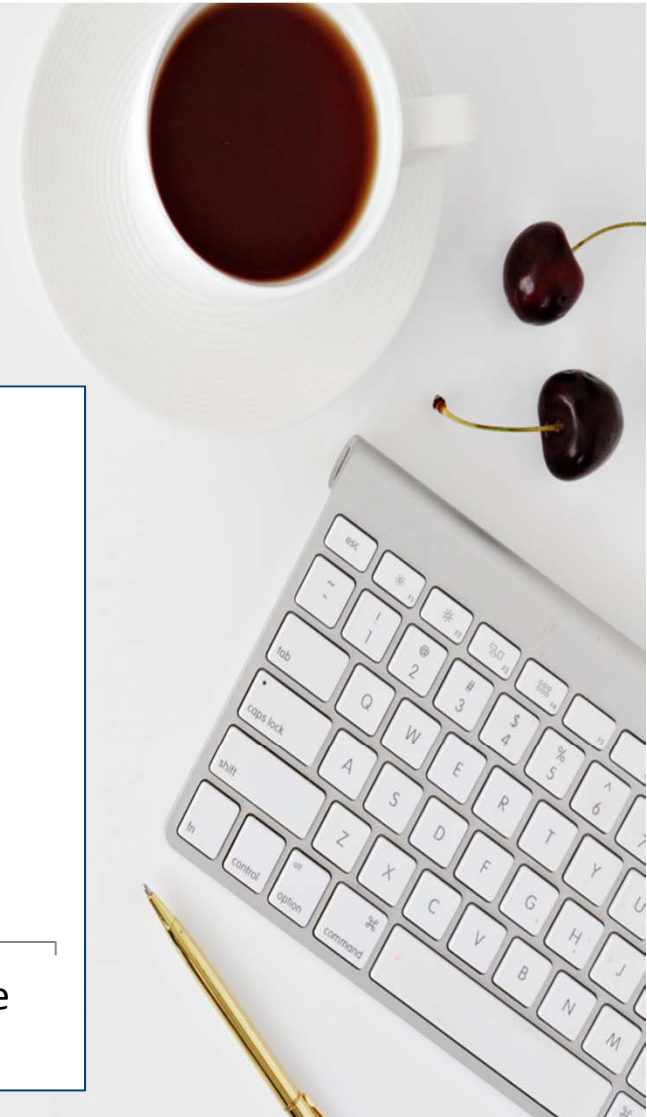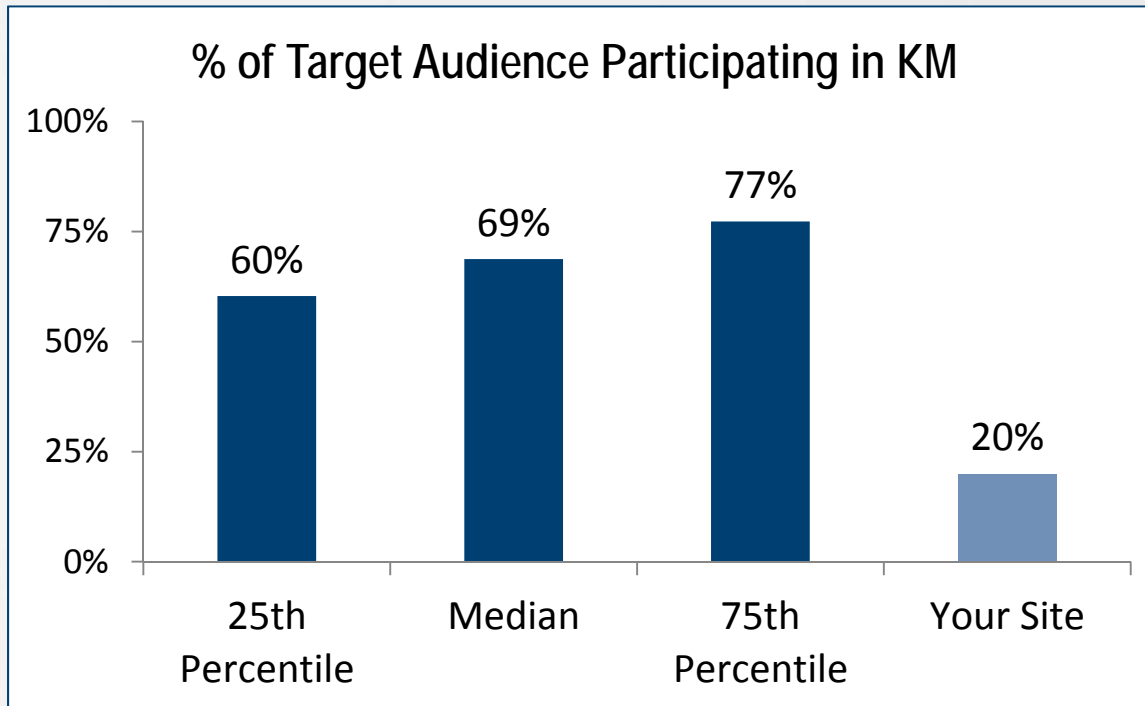
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WHY ASSESS YOUR MATURITY?

1. Set a meaningful baseline	2. Gather perspectives and create consensus	3. Validate, strategize, and prioritize	4. Convey progress to senior leadership	5. Make the case for enterprise approaches
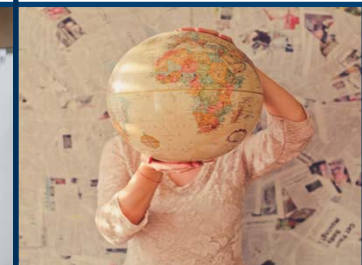
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ASSESSMENTS
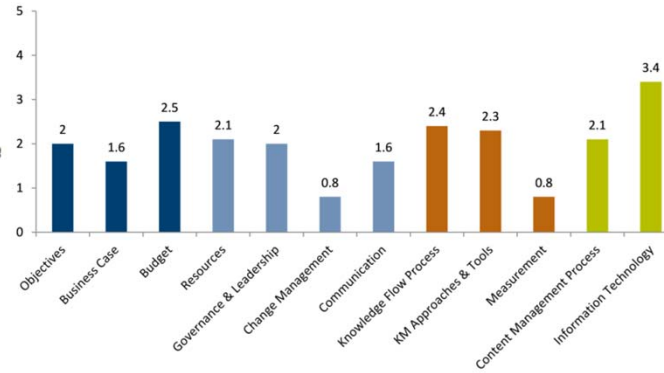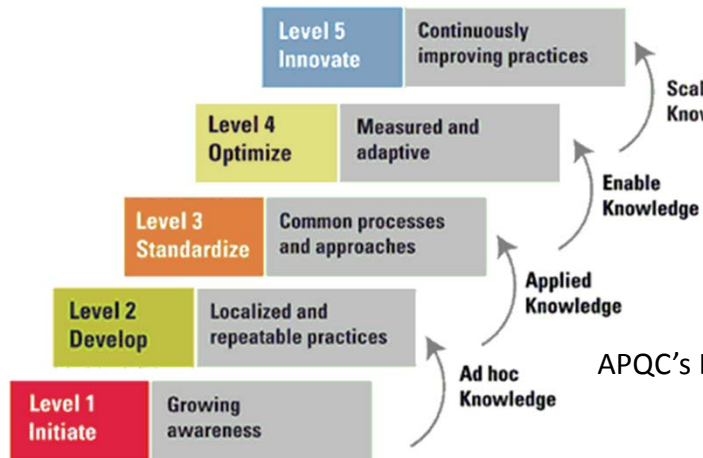
APQC's Levels of Knowledge Management Maturity℠

Level 5 Optimized	Proactively improve process capability to close gaps with business goals	Continuously Improved
Level 4 Predictable	Manage process and results quantitatively and exploit standardization	Monitored & Controlled
Level 3 Standardized	Establish standard business processes, measures, and training	Enterprise-wide approaches
Level 2 Managed	Build disciplined unit management to control commitments & baselines	Local application of process techniques
Level 1 Initial	Motivate people to overcome problems and just "get the job done"	Little to no focused effort

APQC's Process Maturity Model

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MOSAIQ™

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
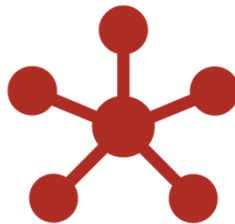
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WITH MOSAIQ® YOU CAN...

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.
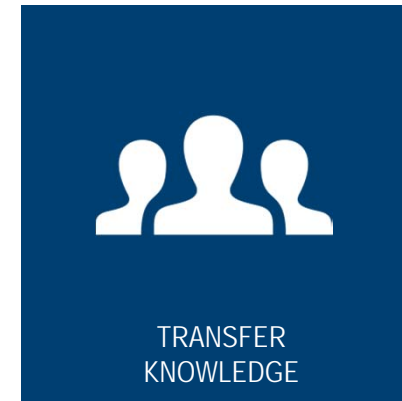
ADVISORY SERVICES OVERVIEW

APQC's Advisory Services has the right pieces to solve your business puzzle.
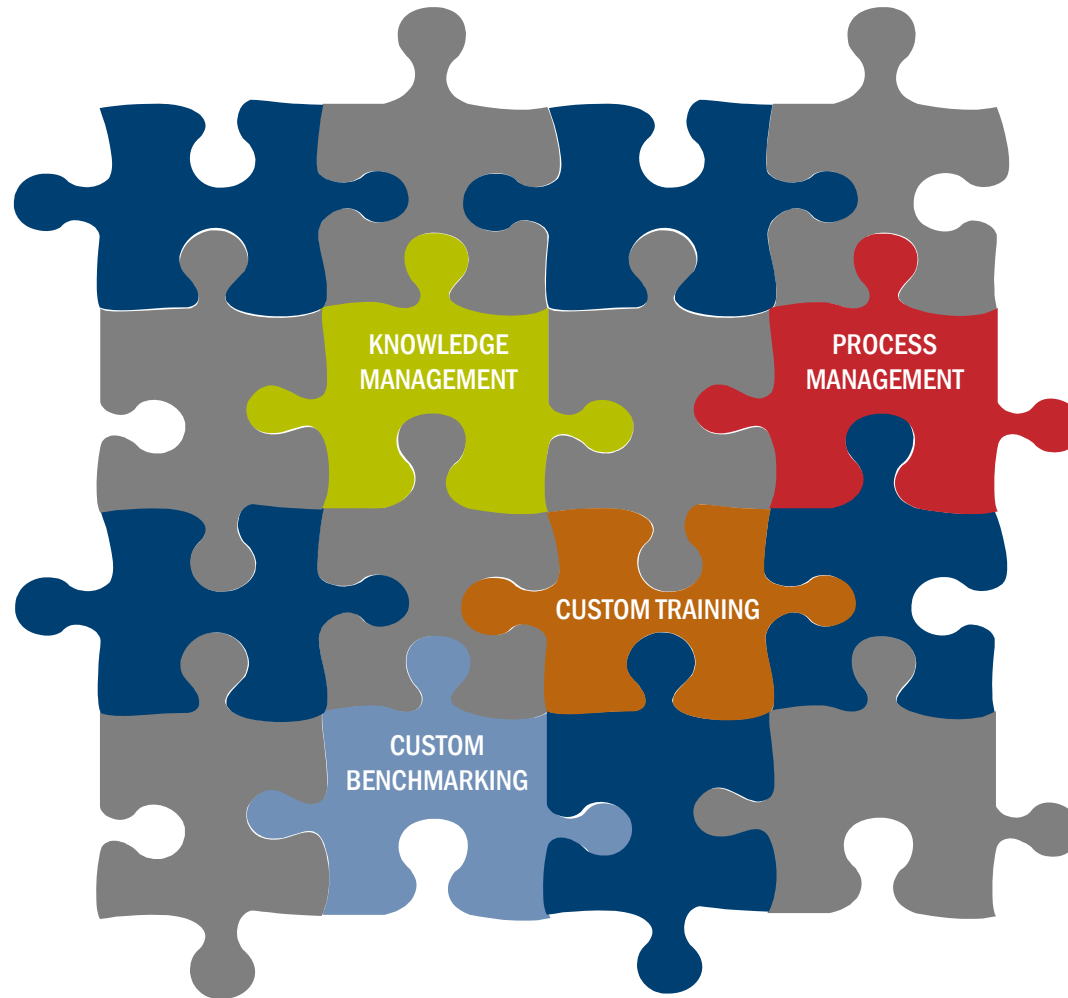
DRIVE IMPROVEMENT IN YOUR ORGANIZATION

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

ASSESS CAPABILITIES AND PERFORMANCE	DEVELOP STRATEGIES AND ACTION PLANS	DRIVE IMPROVEMENT PROJECTS	TRANSFER KNOWLEDGE

➤ 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.

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NEXT STEPS

Make sure you are [registered](#) and invite your colleagues to sign up

Access the [Knowledge Base](#)

Check out our [assessment tools](#)

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QUESTIONS