

Short Communication

What is integrated process management?

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New trans-national management principles, arising from the teachings of Deming, Juran, Tribus, Ishikawa and others, are now synthesized into management system approach identified as Integrated Process Management (IPM). Its major characteristic is customer integration in the production process.

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'To increase productivity aim to increase quality of the process'.

(M. Tribus)

'The product in the hands of the customer is still a part of the production cycle'.

(M. Tribus)

'Our customer - our master'.

(T. Bat'a)

The emphasis is clear: the customer is the purpose and driving force of the enterprise; he must therefore be integrated into the process of production or service delivery. Improving the quality of such customer-integrated process then becomes a tool by which customer's satisfaction is achieved and thus his role as a driving force both amplified and maintained.

Traditionally, we have perceived production process as simply a transformation of inputs into outputs (products or services). Such linear and one-directional scheme is characterized by a well-defined motive (plan), beginning (inputs), process (transformation), end (outputs) and object (customer) - all separate and disconnected entities.

One can concentrate either on the management of inputs (human, financial and material resources); or on the management of outputs (product or service characteristics, advertisement, selling); or even on the management of the production transformation itself (process). All these separate components of the 'scheme' have received their due attention in the history of management theory and practice.

Most practitioners and theorists of management are familiar with the original summary of the new approach by W. Edwards Deming; we reproduce one of its versions in fig. 1.

The difficulty lies not with any of the above components, but with their interconnecting sys-

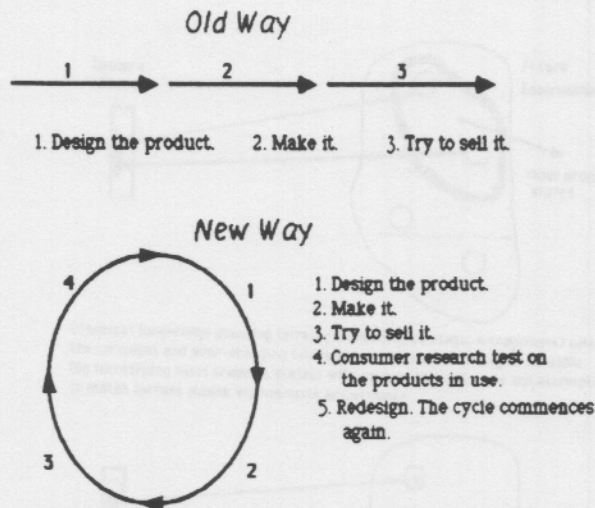


Fig. 1.

tem: customer remains an object, separated 'out there', in the environment. The product is allowed to leave the production system and 'in the hands' of the customer it is more or less 'gone'. No matter how loudly we proclaim our concerns about the customer or how elaborate are the institutions we establish (return policies, warranties, questionnaires, recalls), customer does remain an external object of the environment.

This is a great pity. Very important 'real' linkage has been lost and a 'symbolic' *information loop* of data gathering, market and consumer research, forecasting and information processing (in order to learn about the customer and his environment) had to be created. This is graphically represented in fig. 2. This loop is an information feedback loop: it further separates the 'real' from the 'symbolic'; it does not involve the customer in the real process but in the symbolic loop only.

Similar decoupling exists on the input side: the separation from suppliers, subcontractors and prospective employees becomes almost absolute in the real terms and the information loops must again be established.

'Plan' is thus necessarily based on 'computing' (the estimate, prediction or forecasting) the consumer and supplier respective environments 'out there'.

Integrated Process Management goes beyond connecting the customer with plan through the information loop. It incorporates customer into the system in real terms: it makes him an integral

part of the process: the product (any output) in customer's hands remains part of the 'production cycle'. In this sense, the product is never finished, it is continually being worked upon and improved.

The scheme is transformed into that of a circular loop connecting outputs with inputs via customer, with no beginning and no end. The entire loop now becomes the process of concern: *the integrated process*. Traditional 'process' (in the narrower sense of production transformation) is now only one of the identifiable components. The purpose is not to manage inputs, or outputs or process, nor any of these components in their interaction: *the purpose is to manage the entire loop of the integrated process as a system*. Hence, Integrated Process Management.

The IPM loop is real: it integrates all the requisite material, human and knowledge flows into an integrated interflow of the enterprise.

Observe that the concept of 'customer' has been expanded to include all categories of enterprise 'customers': consumers, suppliers, employees – all become integrated into the process.

Functions of planning and management can now be viewed as purposeful perturbations to the enterprise interflow. Such perturbations create loop 'indentations' (in-formations) to be prop-

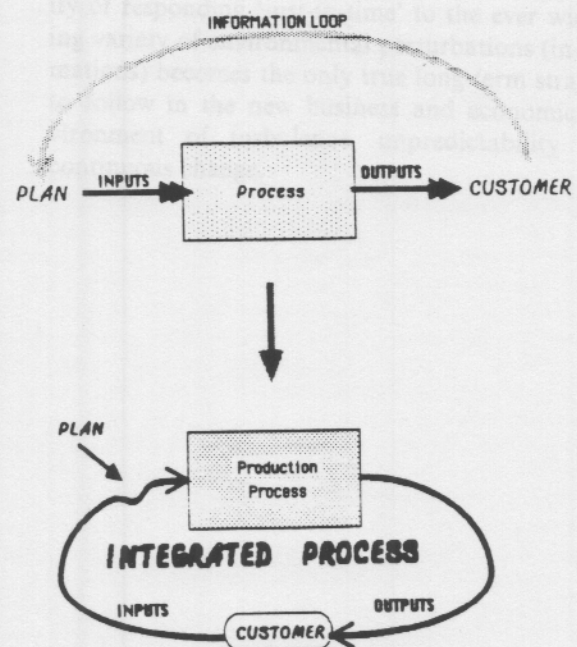


Fig. 2.