Business Process Change Plan

GB560 Designing, Improving, and Implementing Processes

Kaplan University

**Victoria’s Secret: Introduction**

The retail company used for this business process change analysis is Victoria’s Secret. The popular company has store and online operations in places like the Unite States, Canada and the United Kingdom. Victoria’s Secret is a large multinational brand and extension of L Brands, which is a billion-dollar enterprise. It was founded in 1977, and headquartered in Reynoldsburg, Ohio. They have almost 18,000 domestic employees in their network, many of whom are women. In just the first month of the year, they have netted over $2 billion in sales. They are a very well-known name in women’s personal apparel, fragrances and jewelry. It is also a very popular place for gifts and special occasions. It is a household name for lovers and young women who want to feel beautiful, sexy and luxurious. The company’s mission is to provide inspiring collections of intimate apparel, sleepwear, fragrances and beauty products. Their goal is to deliver a product that makes women feel “sexy and sophisticated, powerful and dominant, known and desired around the world” (Victoria’s Secret, 2017).

**Business Process Change**

 The company’s central focuses today are frugality, efficiency and customer focus (L Brands, 2015). Given these standards, they can benefit from a business process change that will address their need for efficiency and a higher customer focus. The business process change that would help Victoria's Secret keep a competitive advantage and potentially raise satisfaction and profits is one with a strong customer orientation. Their customer engagement and service process can be revamped in a number of ways.

 The change will involve associates expanding their duties beyond just sales clerks and occasional advice givers. They will be expected to give customers a full experience: including asking questions about their wants, needs, style, and occasion confidence levels. It will start with sales representatives and store associates being trained in fashion and personal assistance. This training will help representatives serve customers on a completely personal level. Instead of customers just coming into stores and rummaging through racks, they can expect for a VS employee to act as their stylist. The goal is to make Victoria’s Secret a place where customers can get personal attention and styling that compliments their body types, confidence levels and main purpose for shopping. This adds a tremendous amount of value for the customer. They will not only leave with a product or products, but they will leave with an experience and a higher degree of confidence than when they came in.

 This process will also be applied to online shopping. Technology can be used to help customers simulate how they will look in certain items by using a model. Trying out their options is a great way for the customer to be more satisfied with their purchase and the outcomes associated with them. As a result this change implementation will benefit both internal and external stakeholders.

**Capability Maturity Model**

 The capability maturing model consists of five stages, which are initial, repeatable, defined, managed, and then optimizing (Harmon, 2014). At the initial phase, employees understand that each customer’s needs are unique, and each person should be directed to styles and products that complement their style, and fully meet their potential. The repeatable stage can be considered training, where employees start exercising their new engagement and personal styling skills. The defined stage occurs after training, when employees are able to follow a process of engaging the customer, and finding out all of their needs. After assessing the customer, the representative is able to help meet their needs in a personalized way. The managed stage is when representatives can consistently and successfully understand and meet customer expectations, resulting in high sales, customer loyalty and exceptional reviews. By the optimizing phase, VS employees will be able to adapt to changing customer wants and needs as well as market trends.

**Three-Phase Process**

 A business strategy can be planned with the help of Porter’s three-phase process for defining a company strategy. Kumar helps identify three key business process themes, which are supply-side processes, inside business processes and customer-side business processes (2005, p. 9). The customer-side business processes in general can be improved, but it will start with supply. Supplies but be available for all types of consumers, whether they are young, mature, plus size or model-type. On the inside, the way that retail clerks help their customers find the right styles, fit and combination of items is supported with training. On the customer end, they will be informed through advertising and in-store what they can expect from the expanded offerings by the employees. They will be encouraged to take advantage of their additional services. These three phases ensure that there is a product that fits the needs of all types of customers, with the help of a well-trained and informative employee.

**General Process Diagram**

 The general process diagrams for the business process change illustrate the current process steps the organization will take to expand the customer service offerings, and the adaptations to the process once it is approved. In the following diagram, the current steps for the process are shown, which start with collecting resources. The second step is to implement training for employees to be able to expand their offerings. The final step will center on assessing how well the process is performing. The way that customers and employees respond will provide valuable feedback on the quality and effectiveness of the change.

*5a. Diagram the current process steps taken by the organization for the process.***Adaptations**

 The following diagram shows the expanded process after the process was approved. Once resources are gathered, marketing and training will occur. Traditional and online advertisements will prepare the customer for a new experience to try. Employees will be trained in customer service and other fashion-oriented skills. They will be evaluated right after training and at work using supervisor reviews and customer feedback. The responsiveness of the customer is most important here. The process will look at financial performance for any increasing trends. The hope is that the change would help customers have a more enjoyable and tailored experience. This would mean they spend more money, and this means more profit for Victoria Secret, even online.

*5b. Diagram any adaptations to the process steps after the change process is approved.*

**Importance of Existing and Future Diagrams**

 The existing and future diagrams are excellent ways of showing how a process can logically lead to favorable actions or responses. In this case, the new, personalized service by VS would ideally result in happier customers and higher sales. Associate product knowledge training is key for the overall customer experience. Whether you are going to a store or simply logging online to make a purchase; the experience the customer should walk away with is one of a personal stylist who dressed you and provided knowledge to reinforce the purchase.

 As a trained subject matter expert employee at Victoria secret; these key players will establish good communication to connect and also suggest the right products. Asking key questions to rapport, reveal, and connect will create the entire personal stylist experience and raises the comfort level for customer which helps brand loyalty. This training can be done for all markets in the US and international as well. Online consumers can obtain the same level of experience with an interactive online platform. Customers could shop online and take a quick survey prior to their shopping to reveal suggestions that are provided by a software algorithm that will link customers to trends they are likely to purchase.

 The suggested change has positive governing principles. Customer service is encouraged, higher engagement with the customer, and better sales potential with every encounter. It is flexible, but still encourages compliance and a higher standard (Goedertier, Vanthienen & Caron, 2015). The expanded process for the VS employees shown in diagram *5B* allows for the process to be evaluated for effectiveness not once, but twice. Stakeholders views on service and productions will occur from the employee, customer and management perspective. Communication and performance should be improved as a result.

**Activity: Training**

 One activity that will be performed within the process change is planning the content for the new employee training program. The training is critical to the successful process change. It is comprised of a technical and qualitative component. The training design must be one that is interactive, fun, informative and gives employees confidence. The trained representatives will be expected to be at the very least, novice-level personal stylists. This training activity can be a local or regional-level process. It is expected to last several weeks, and include software training as well. In project management, we use the Work Breakdown Structure (WBS). The point here is to identify all the activities necessary to complete the project work. By doing this work, we can determine the right resource to do the work in the most effective and efficient manner.

**Employee-Driven Business Change**

 It is the employee who will be directly responsible for delivering a superior quality of customer care, and encouraging higher profits. How well they are trained will be determined by how well the training is outlined and delivered. In Jehanzeb & Bashir’s study, (2013), they cite that training helps employees shape a more solid career path. Ideally, they work safer, have better loyalty, high long-term commitment, and chances for advancement in their career. These types of employees are very valuable to the company and to consumers.

 Young, energetic employees like the ones who work with Victoria’s Secret will benefit in multiple ways from the new training. The training objectives include basic customer service standards, personalization, fashion, cultural awareness and dealing with customers with various backgrounds. Understanding the customer’s backgrounds, culture, and level of conservatism is important to being able to give advice that is appropriate.

**Management, Measures and Evaluations**

 The business process measurements are structured techniques that are shaped by a “how, where, and when” (Van Der Aalst, 2013, p. 6). Human resources officials are going to have to be very involved in the process. They will be in charge of training, measuring, managing and evaluating the programs and employee progress. Cycle time can be a factor to measure the usefulness of the training and development program (Jehanzeb & Bashir, 2013, p. 249). Cycle time should reveal how quickly an individual employee develops their skill, and makes it to the retail floor and starts serving customers satisfactorily. A model-based analysis can also support the implementation and planning phase. Those who would manage these cycles and models will be IT specialists, human resources managers, trainers and any company consulted from the outside to bring in expertise on fashion, etc.

The return on investment (ROI) is an important consideration when implementing a business process change. We want to be sure that our effort will yield a positive return in the future. As part of this analysis, we will use forecasting methods.

**Performance versus Task Completion**

 Performance and task completion are related, but they are measured in different ways and at different points in a process. According to Harmon (2014), tasks are linked, and when one task completes, it results in another phase of tasks. These tasks are all dependent upon human performance. Without performance, there would not be task completion, and how tasks are completed are dependent on how well employees perform.

 There are some key differences between human performance and task completion. Human performance is measurable in a number of ways. It is an individual or team measure of effort, rate of production or level of improvement. These are scale measures. Task completion on the other hand is a more definite measure. It does not directly reveal the processes, quality and times associated with the task. It centers on whether the task was completed or not. Performance measures are likely more comprehensive and subjective. It will consist of qualitative and quantitative measures, which require criteria that are clearly defined. Task completion on the other hand would be a much simpler measure. It would consist of a checklist most likely, and its success is based on whether or not the task was completed in full, with accuracy and on time.

Human performance is a key concept today. In some companies, Management by Objectives is used. The idea here is for the manager and employee to work collaboratively on determining the goals for the year. The employee has clear metrics, and the manager helps the employee meet the objectives.

**Six Sigma Method**

 The Six Sigma method is suggested as a method of evaluation, measure and encouragement for improvement on a regular basis. In the text by Paul Harmon, they say that a six sigma is an important part of strategic planning and business process change.

 It aims to increase performance and efficiency, and reduces variability and errors. The six sigma approach for the employee training and customer service business process change should result in employees who carefully follow a customer care procedure. In the process, there can be errors which lead to potential errors or conflicts. Failing to get the customer’s satisfaction or approval would indicate that the process is flawed.

Customers regularly get bad suggestions by rep

Customer convinced to make a bad purchase

Wrong advice suggested

Inexperience with certain styles/body types

Training program

Dissatisfied Customers

Figure c - Fishbone Diagram

**Value**

 The fishbone diagram also known as the Ishikawa Diagram (Luca, 2016) is used to model the business process and keep track of potential gaps and opportunities to insert changes. This diagram shows how certain inputs and processes can contribute to a problem. In this case, the problem of dissatisfied customers is caused by employees who are poorly trained, inexperienced, and/or negligent. They may give the wrong advice, which leads to a bad purchase. In another case, the employee may be focused on making a sale, rather than a proper suggestion, and the customer is convinced to make a “bad” purchase. When there is an employee that consistently performs the customer service process like this, it can lead to multiple dissatisfied customers, and an overall ripple effect of negative reviews. This tool helps management visualize how certain inputs lead to a particular negative (or positive) outcome. In addition this tool aides with project management to deliver results within the desired parameters as well as delivered within the time frame provided.

**Key Performance Indicators**

 Key performance indicators are “a high-level measurement that organization executives intend to monitor to ensure that related goals, strategies or initiatives are achieved” (Harmon, 2014, p. 27). Common KPI’s include financial performance or completed tasks. They are contrasted with measures which dictate the ideal outcome and timeframe for goals. It allows us to see where the current performance is at oppose to the desired goal. The three key performance indicators that can apply to the business process change are the employee’s ability to assess the customer’s needs, the customer’s level of satisfaction at check-out, and the desire of customers to be helped by employees in this way.

 The first key performance indicator is the measure of how confident the employee was in handling the customer. Managers can observe how well employees are able to engage a customer, and help them work through their purchase. A confident employee will be able to listen to the customer’s needs, make suggestions, and demonstrate to the customer all of their best options. The outcome should be an employee who has effectively and quickly assessed the customer’s situation.

 The second performance indicator is the customer’s level of satisfaction. The way that they were handled by the employee is one component of satisfaction. They will also indicate their level of satisfaction during checkout, given that they did find what they were looking for with the employee’s help. A high-degree of customer satisfaction at checkout and in subsequent reviews indicates that the process implemented is doing what it is supposed to do. Customers will be happy with their purchases because they are the best fit or style for them or the occasion.

 The third KPI is the expectation of customers to be served in this way. If the process is successful, it will become something that customers want and demand. This service is spread through experience and word of mouth. If customers expect to be guided through the process, this indicates that the process is useful, and helps customers have a smoother shopping experience. Customers that are able to come in and complete a purchase with an enjoyable experience shows that the employee did what they were supposed to do.

**Compare and Contrast: Six Sigma, ISO9000 & Balanced Scorecard**

 Businesses can benefit from using one or more performance measurements to monitor their progress. A company can have several types of operations or processes. A company may choose to use six sigma methods for the creation of a new process. In their customer service department they may choose to use a balanced scorecard. For manufacturing or supply chain processes, the ISO 9000 series may work best. Depending on the process, measures needed and stakeholders, one or all of these quality control strategies may apply.

 The Six Sigma approach consists of two subcategories or methodologies which are the DMAIC and the DMADV. The DMAIC aims to support existing processes, while the DMADV helps support new product and process designs. The DMAIC stands for define, measure, analyze, improve and control for the existing process. DMADV stands for define, measure, analyze, design and verify the new process (Bisk, 2017). Data collection is required for this method. Data will reveal information about possible cause-and-effect relationships, frequency of error, and quality characteristics. The source of waste and error is measured and management works to eliminate or reduce variation. At Sigma level six, the company should have reduced "defects", or in this case negative customer experiences, to just 3.4 defects per million.

 The Six Sigma approach focuses on both existing and new processes using two distinct methodologies, but the balanced scorecard uses a hierarchy and stem process. The balanced scorecard approach consists of four dimensions. It asks that managers approach performance through the lenses of finance, customer measures, internal business process and innovation and learning (Harmon, 2014). The financial perspective is most closely related to long-term shareholder value. The next level in the hierarchy is the customer level, and this consists of focuses like quality, selection, new product sales and customer partnership. The internal perspective will score customer management and social processes. Selecting, acquiring and retaining the customer is supported by product and service attributes like availability (items and attention from employees), quality and wide selection. The customer’s perception of the brand’s value should ideally go up. Finally, progress in the area of innovation and learning are scored and assessed for improvement or changes. This method seems most adaptable and has a structure that can be adapted to specific points or gaps in quality.

 The most widespread and simplistic approaches to quality management standards could be considered the ISO 9000/9001 (Lo, Wiengarten, Humphreys, Yeung, & Cheng, 2013). The ISO 9000/9001 series is an international standard in process improvement and quality control. The limitation of this method is that is only documents and manages procedures (Harmon, 2014), because it is a standard, not a feedback mechanism. Statistics and quality control make this method ideal for manufacturing and supply firms. Catering to a third party with the high production and quality expectations is supported by this simplistic process. A standard did developed, and the work done in this process is monitored for consistency. This makes it ideal for repeatable functions like those found in a factory setting. Six Sigma and the balanced scorecard are more dynamic, whereas the ISO supports efficient, cyclical quality management.

**Best Approach**

 The best approach for Victoria’s Secret business process change is the balanced scorecard. The outcomes of the new customer care process can be measured by all four dimensions of the balanced scorecard. A hierarchy for each category is appropriate as well. Innovation and learning is the leading part of the balanced scorecard for this business change.

Depending on well training and procedures are designed, employees will have a high degree of competence in their work. The outcomes are happy customers who feel like they have accomplished their version of the company mission. The aim is to measure the quality of relationships, services and customer attitudes formed, which merges the next level: the internal aspect. Centered on customer management and social processes, the design of customer service procedures is measured against employee efficacy and customer satisfaction. The internal prospective is also a long term view of what good performance can do for individuals and teams in the company. The financial measure is the bottom line, and reveals whether or not the change contributes to a significant increase in profits. The scorecard should address all stakeholder groups in the process change.

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