

Chapter 15

Addressing the Complexities of Global Process Harmonization

Jude Fernandez

Infosys Technologies Limited, India

Jyoti Bhat

Infosys Technologies Limited, India

ABSTRACT

Process harmonization is a complex initiative carried out by large companies seeking to standardize the process variants being executed by different business units across several countries or regions. Motivations for this exercise include cost pressures, mergers and acquisitions, customer satisfaction, need for agile and flexible processes, risk reduction in outsourcing processes etc. The complexity of this exercise is inherent as it involves multiple regions with special needs and characteristics, existing process and IT systems evolved over time, organizational dynamics around different business groups, etc. While a literature survey reveals quite a few cases of process harmonization, there are not many descriptions or research on the best approaches or methodologies to be used. In this chapter, we first define and examine the drivers of process harmonization. Subsequently, the challenges and constraints associated with such initiatives are identified, followed by some example cases. Further, we analyze a case study in detail to understand the practices followed. Based on these analyses, we propose a methodology to execute process harmonization initiatives.

INTRODUCTION

Large global corporations composed of different business groups across multiple countries and regions have grown over a period of time, either organically or inorganically. It is common to find that different business units have evolved their own business processes, policies and practices with IT systems supporting them. Such heterogeneous, complex, non-standard business processes make it difficult for the organization to meet the flexibility and agility required to remain competitive in the global economy.

DOI: 10.4018/978-1-60566-669-3.ch015

Addressing the Complexities of Global Process Harmonization

Multiple business challenges and constraints compel enterprises to harmonize their process across different regions and business groups. The drivers for process harmonization are varied and include scenarios like mergers and acquisitions, providing uniform customer experience, developing agile and flexible processes, reducing risks in outsourcing of processes, organization restructuring, optimizing cost of IT operations etc.

While an increasing need for process harmonization is felt by enterprises, the focus on developing relevant approaches and methods is at a nascent stage. It is still in the domain of management consultants with the individual consultant approaching the problem based on previous experience and expertise. The term 'Process Harmonization' itself, is not clearly defined or understood by all. Terms like process improvement and process standardization are so closely related to process harmonization that there is a need to clarify these terminologies to ensure a uniform understanding.

Process Harmonization Defined

Harmonization as an initiative is being undertaken across the world across industries, products, standards, etc. For defining process harmonization we have considered some of the definitions and meanings associated with the word **harmonization** by different groups taken from varied contexts. Below are some of the definitions for harmonization which we found:

“The act or state of agreeing or conforming” (Roget’s II, 1995)

“The process and/or results of adjusting differences or inconsistencies to bring significant features into agreement” (US Department of Defense, 2005)

Almost all the definitions of harmonization define it as the **process** towards **achieving agreement on the standards**. Studying the charters and mission statements of the harmonization programs in different contexts we find certain commonalities:

- All of them consider harmonization as the process or effort to achieve uniformity
- Taking into account everyone’s concerns appears to be the core of the program
- It is accepted and acknowledged that harmonization can result in more than one standard being accepted for use
- It is assumed that the common aspects across the different groups will be greater than the differences
- The harmonization effort is towards identifying the differences and reaching consensus.

In our literature review, we found very few formal definitions of process harmonization. Interestingly, we found some ambiguity in the use of the terms process harmonization and process standardization. Richen & Steinhorst (2005) viewed Process Standardization as creating uniform (and strictly standard) business processes across various divisions or locations, while they considered Process Harmonization as ensuring that there are a finite and manageable set of process standards (for a particular process) in the organization across different regions. However, we found the terms process harmonization (Hibbert, 2004) and process standardization (Manrod & Vitasek, 2004) being used interchangeably to mean Process

16 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/addressing-complexities-global-process-harmonization/36577

Related Content

New Event Trends as a Tool of Digital Marketing Communication

Dilaysu Cinar (2021). *Impact of ICTs on Event Management and Marketing* (pp. 216-241).

www.irma-international.org/chapter/new-event-trends-as-a-tool-of-digital-marketing-communication/267511

Green Innovation in the Absence of Social Trust: A Case Study of MengNiu Dairy

Li-Chung Chang, Wei Li, Yu Wu, Sang-Bing Tsai, Chao-Feng Hsuand Cheng-Kuang Wang (2018). *Green Production Strategies for Sustainability* (pp. 168-182).

www.irma-international.org/chapter/green-innovation-in-the-absence-of-social-trust/192835

Software Estimation Framework for Digital Enhancements and Maintenance Projects

Shailesh Kumar Shivakumar (2020). *International Journal of Project Management and Productivity Assessment* (pp. 81-96).

www.irma-international.org/article/software-estimation-framework-for-digital-enhancements-and-maintenance-projects/256512

Multi-Objective Optimization Methods for Transportation Network Problems: Definition, Taxonomy, and Annotation

Mouna Gargouri Mnifand Sadok Bouamama (2020). *International Journal of Operations Research and Information Systems* (pp. 1-36).

www.irma-international.org/article/multi-objective-optimization-methods-for-transportation-network-problems/243419

Analyzing the Effect of Transformational Leadership on Innovation and Organizational Performance

Cheng Ping Shihand Olga del Carmen Peña Orochena (2016). *International Journal of Productivity Management and Assessment Technologies* (pp. 11-27).

www.irma-international.org/article/analyzing-the-effect-of-transformational-leadership-on-innovation-and-organizational-performance/152467