PROCESS MANAGEMENT GUIDELINES

Processes - an integral part of ETF performance and quality management

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INTRODUCTION

What is a process? There are many definitions of processes used in business and management, of which the following adapts well to the reality of the ETF:

Definition

Processes are the structure by which an organisation does what is necessary to produce value for its customers

Source: Thomas Davenport (1993). Process Innovation: Reengineering work through information technology. Harvard Business School Press, Boston

Well-defined processes and their management (analysis, measurement, improvement, automation etc.) form an integral part of ETF's performance/quality management system, i.e. ETF processes are defined and organised in such a manner, that the ETF goals are consistently met in an effective and efficient manner.

This document was drawn up in 2019, to provide the necessary guidance to the process owners and their hierarchy to manage and to determine the required level of definition and organisation of the processes under their responsibility.

The guidelines have been reviewed in 2022, and now include a section on process improvement and reengineering, providing main principles and stages of process reengineering exercise. The governance section further specifies the role of SDU, not only in terms of coordination and monitoring, but also as a consultancy role providing support and facilitation services to the process owners, and making available the inventory of all process documentation on ETF Intranet.

THE MAIN REASONS FOR DEFINING A PROCESS

The list below provides some of the main reasons (without any specific order) for defining, organising and ultimately documenting a process:

To ensure accountability (legality):
- Documentation of what we do, why we do, how we do.
- Establishing clear lines of responsibility
- Planning (respect of deadlines) and reporting
- Compliance with (external) regulatory requirements

To enhance knowledge management:
- Business continuity
- Training, new employees
- Outsourcing
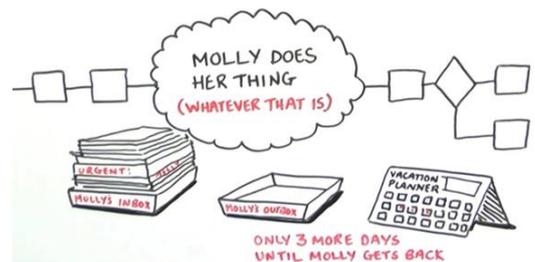
To ensure quality and efficiency:

■ Common language and understanding

■ Coherence and predictability

■ Insight, for management, employees, stakeholders

■ Monitoring, assessment (measurement)

■ Improvement or change of existing processes and procedures

■ Development of new processes and procedures

■ Determination of efficiency, added value, decision for dismissal

GOVERNANCE

Process owner
The Process owner is the person knowledgeable and directly responsible for the design, performance and documentation of a process.

Hierarchy
The hierarchy of the process owner (head of department or unit) is responsible for correct assignment of process ownership within the department/unit, and for providing the process owner with the necessary resources to deploy their process owner responsibilities.

He is accountable for the performance of the processes in the department/unit, in achieving its objectives, and for the relationship with other processes.

He is responsible for ensuring that department/unit processes documentation is up to date

Strategic development unit (SDU)
The Organisational development function of the SDU provides a corporate coordination, monitoring and support function to the ETF for process management:

- It keeps track of the existing process documentation across the ETF, and ensures that the inventory of documentation is easily accessible to staff in Intranet

- It regularly assesses the observations and recommendations of the various audits, assessments, evaluations and other exercises (e.g. management reviews in quarterly and annual reporting) to identify priority process areas requiring improvement, as part of the overall performance (quality) management system of the ETF.

- It plays a consultancy role, in particular in

    o providing support to the hierarchy and process owners in the maintenance of the process documentation, including a regular verification on the adequacy and validity of the documentation

    o providing support-on-demand to process owners and hierarchy in all aspects of process management.

PROCESS DOCUMENTATION AND TOOLS

A process is defined and organised based on specific reasons and needs (see section above). These are primarily determined by the process owner and his hierarchy. In certain cases, the needs may be determined at corporate level. For example:

- The head of Finance, in order to guarantee compliance with the financial regulations, designs a procedure that ensures that a financial transaction passes through a defined set of actors, each with a specific roles and responsibilities.
- ETF management decides to modify the rules for the use of taxis when on mission, following observations and recommendations resulting from a performance audit.

Documentation of the way a process is defined and organised can be of the following types:

Regulatory	Formal rules, policies, which must be respected. They provide the legal framework for the process. Regulatory documents are adopted by the Director, or by the Governing Board, or are directly imposed on us by the European Commission. In a few cases, a (step-by-step) procedure can be determined to be a regulatory procedure, for example an appeal procedure, where non-respect of steps and/or their timing can make the appeal invalid.
Guidance	Guidance documents explain who does what, how things work, what steps to follow. They help the actors involved. They allow for coherence and a coordinated workflow. The level of detail depends on the need. Typical examples are procedures/workflows (e.g. Personal data breach procedure, OPS FWC Workflow Chart), guidelines/manuals (e.g. ETF Network Guidelines, EFUT Manual) etc. In certain cases, there is only the need to describe the start and end point of a process, and the requirements of the end product, leaving it up to the individual to determine how to arrive at the end. In other cases, the document can be prescriptive, with full details on the sequence of steps to follow, and full details on those steps.
	In case of complex processes (e.g. covering multiple procedures) a **process fiche** (e.g. Event organisation) can be drawn, providing the overview of the process and its related procedures and their documentation, as a reference document for the process owner and hierarchy

In the context of process documentation, templates are to be seen as a helping tool for drafting documentation, and not as a tight framework. This is particularly important in the drawing of guidance documents, where the shape and content of the document can vary a lot based on the its function and target. Annex A lists the currently available templates.

Tools support the process and the actors deploying (part of) the process.

- Typical tools are forms, templates, checklists.
- Also ICT systems that support a process or a procedure are considered tools

Main requirements of the documentation

Process documents should be

Short, simple and fit for purpose

Long and complex documents, with too much information, often remain unread and therefore do not serve any practical need. It is better to create multiple simple and straightforward documents, each targeting a specific audience, which are easy to read and use.

Accessible and available

Documents should be available without the need for asking, in particular on the Intranet (for ETF staff) or on the website (for externals). In certain cases, specific users should receive on an individual basis the necessary documents (e.g. a contractor to whom a certain activity is outsourced).

Up-to-date

Documents must be up to date. No confusion may exist about the version; a minimum version control (e.g. indication of the document date) should be in place. For this reason, it is highly recommended to always provide on the title page of a document the document date.

Authorised

Formal, regulatory documents are by definition authorised as they are adopted by Director or Governing Board decisions. However, also guidance documents (from procedures to guidelines) must be authorised by the hierarchy. The authorisation information shall also be provided on the title page of a document.

Provide useful and necessary information

There is no exhaustive list of the type of information that must be provided in the different types of process documents, in particular bearing in mind that different target audiences require different information. See annex B for further indications of the information elements expected in the different documentation types, and annex C for indications on an overall assessment of adequate documentation for a process (independent of the documentation types)

PROCESSES ORGANISATION

In the table below, processes have been organised in main clusters and process groups that best match the reality of ETF. Key to organising process documentation is that the categorisation is functional, and not based on the organigramme of the ETF.

MANAGEMENT AND GOVERNANCE	OPERATIONS DELIVERY	HUMAN RESOURCES	FINANCE	OTHER
Director and MT	EU requests	Working time	Budget implementation	Corporate communication
Governing Board	Capacity building	Career	Procurement	Health and safety
Strategy	Monitoring and assessment[1]	Learning	Accounting	Site and security
Internal control	Project management	Leave		Environment
Staff committee	Statistics	Salary and allowances		ICT
Quality management	Stakeholders and partnerships	Pension and resignment		Legal
Programming and planning	Events	Recruitment		Ethics and integrity
Monitoring and reporting	Publications and web	More HR		More Other
Data protection	Knowledge management			
Business continuity	Missions			
Information management				
Internal communication				

PROCESS PERFORMANCE

Performance of a process is normally measured through process indicators. ETF holds a list of corporate process indicators, covering:

- **Key performance indicators**: a set of indicators that ETF reports on in its annual activity report
- **Quality indicators**: allowing a qualitative assessment
- **Productivity indicators**: allowing a quantitative assessment
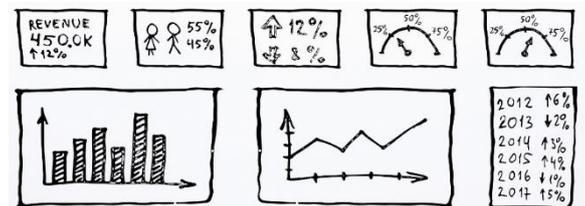
Other process indicators can be defined by process owners and hierarchy for their own assessment, complementing the corporate indicators.

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[1] Formerly Torino process

To ensure that performance measurement leads to systematic performance improvement and sustained organisational development, the ETF follows up to all performance measurement exercises of monitoring, audit and evaluation. This requires analysing the findings and recommendations, linking them to the relevant processes and procedures and defining action plans to be deployed by the respective process owners and hierarchy.

PROCESS IMPROVEMENT AND REENGINEERING

Processes often are subject to continuous and incremental improvement, this can be the result of process owners experience and initiative, on process actors feedback, and also resulting from improvement actions decided following observations and recommendations for example from audits, assessments, evaluations, and management reviews.

In the case of process reengineering (BPR[2]), the approach and objective is different. BPR is done to create significant improvements, allowing to break away from conventional wisdom and approaches. This often implies rebuilding a process from scratch, and it often requires organisational change. The need for process reengineering can be driven booth from reasons internally in the ETF, or from changes in the external environment.

See annex D for the main principles and stages of a process reengineering exercise.

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[2] Business process reengineering

ANNEX A - TEMPLATES

In the context of process documentation, templates are to be seen as a helping tool for drafting documentation, and not as a tight framework. This is particularly important in the drawing of guidance documents, where the shape and content of the document can vary a lot based on the functional needs and target audience of the documentation. Below is the list of the templates currently available for process documentation:

ETF policy (also to be used as a template for rules)

ETF procedure

ETF process fiche

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ANNEX B - PROCESS INFORMATION

Content	Documentation Type	Regulatory	Guidance	Process fiche
Legal basis		obligatory	optional	recommended
Conceptual basis		recommended		recommended
Objective(s)		obligatory	recommended	obligatory
Roles and responsibilities		recommended	recommended	
Key decisions			optional	recommended
Performance indicators		optional	optional	recommended
Relationship with other processes		obligatory	optional	recommended
Timeline			optional	
Flow chart and/or step by step		optional	recommended	
Risk management		recommended	optional	optional
Data protection, fraud, ethics		optional	optional	optional
(ICT) tools			recommended	recommended
Definitions and/or Glossary		recommended	optional	

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ANNEX C – ASSESSMENT OF ETF PROCESS DOCUMENTATION

Assessment of ETF process documentation:	YES	NO	Action required
1. Provide information regarding 1.1. WHAT (purpose, key content, inputs, outputs)			
1.2. WHO (roles and responsibilities, stakeholders, process owner, approval level)			
1.3. WHY (key decisions, quality assurance, risk mitigation)			
1.4. HOW (tools, working methods etc.)			
1.5. WHEN (time/ sequence of actions)			
1.6. Performance indicators (RACER)			
1.7. Applicable rules, regulations, relevant legal framework			
1.8. Relationship with other processes/procedures			
1.9. Indicate how the process ensures quality, productivity and performance improvement			
1.10. Data protection and fraud			
2. Be fit for purpose, i.e. tailored to the different types of work and users			
2.1. Focus on standardisable work			
2.2. Balance regarding the level of detail in the process description to serve the needs of "technical " and "operative" actors			
2.3. Adopt the most adequate and simple flow and responsibility methods/ charts and standardization tools			
2.4. Ensure that critical steps/success factors in the process are adequately indicated or described in detail within the process or in a separate procedure/guide/etc. document			

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ANNEX D – PROCESS REENGINEERING

The main phases of a process reengineering exercise are:

Scoping

- Objectives of the process reengineering exercise
- Decision on team
- Initial planning of exercise

Map and analyse the "As is" situation

- Interviews/workshops with actors
- Flowchart the process
- Assessment of process
- Triggers for improvement/optimisation
- Process performance indicators and target objectives

From "As is " to "To be"

- Ideas, experts, models, benchmarking => "To be" proposals
- Cost-benefit analysis
- Selection best "To be" option => Detailed design new process
- Action plan

"To be" process deployment

- Implementation action plan
- Change management

Process monitoring and evaluation

- Actors and stakeholders feedback
- Performance indicators

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