

Process Mapping:

A Tool to Understanding Risk Management Processes and Sub- Processes and Identifying Opportunities for Improvement

by



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In the conduct of our [Risk Management Improvement](#) service we typically utilize a number of techniques and templates. Our tool box includes customer interviews, focus group discussions, best practices benchmarking, tornado diagrams and the use of other graphics-oriented tools. One of these is the Process Map.

Before getting started, one needs to identify and define the processes and sub-processes. Next, the observer needs to identify who the process owners are, who the customers of that process are and who else in the organization is affected by each process.

In the Sample Process Map on page 3 we illustrate the Claim Reporting process. The boxes contain the process activities. The diamonds are decision points. The shapes that look like torn pieces of paper are the reports.

The human resources manager and/or the local supervisor are the owners of the 1 (800) number or manual reporting process. Local plant management is also a stakeholder because their operating performance depends upon the quick return to work of the employee. The customer of the first report of injury is the insurance company but they own the process of Three Point Contact. The employer is the owner of some activities, a stakeholder in others and the customer of the insurance company.

The observer is looking for control points in the process. For example, control point C1  asks the question, "Are adequate claim service instructions in place at each claim reporting location." C2  asks the question, "Are our HR people properly trained on how to report claims."

The main deliverable of the process map is the identification of Control gaps. For example, control gap G1  asks, "How can we speed up the process?"

Once completed, it is essential that the process map be reviewed by process owners, stakeholders and customers. We have found that facilitated group discussions are the best way to accomplish this, especially when it comes to claim improvement studies. We try to avoid finger-pointing. We like to invite a panel of representative owners, stakeholders and customers to help identify improvement opportunities. In doing this, we get their buy-in to recommended changes.

Improvement opportunities come in three categories:

1. Process: Have we failed to implement control points? Is the process out of step with best risk management practices? Does another vendor have a better process?

2. People: Do we have the right people involved? Are they properly trained and supervised? Are there other brokers, TPAs and vendors better qualified to serve us?
3. Technology: Should we use a vendor that has a 1 (800) number claim reporting service? How can we better utilize existing technology? Or, should we license a third party RMIS software package?

The sample process map that follows is very simple. It does not list all of the sub-processes. For example, if this employer had operations in more than one state, there probably would be more than one activity box under the starting activity box at the top. Nor does this sample show the links between other processes, such as claim investigation, large case management, subrogation and other major claim management processes. A thorough process mapping exercise will identify all of these inter-connects and disconnects as well.

Can process mapping be used to document other processes? Yes. We have used process mapping to:

- o Review the financial controls of a newly formed captive insurance company that insures a global energy company.
- o Find a better way for a real estate company to manage their tenants' certificates of insurance.
- o Formulate a fee-for-services contract between a manufacturer and its insurance broker.
- o Integrate quality assurance and loss control programs in a hospital setting.

For more information about this Free Tool, [Contact Us](#) or call Doug Hartman at (973) 746-5993.

SAMPLE PROCESS MAP

