

# PROCESS CLASSIFICATION FRAMEWORK

Version 3.0

June 2005

## THE FRAMEWORK FOR PROCESS IMPROVEMENT

Experience shows that benchmarking's potential to drive dramatic improvement lies squarely in making out-of-the-box comparisons and searching for insights not typically found within intra-industry paradigms. To enable this beneficial benchmarking, the APQC Process Classification Framework<sup>SM</sup> (PCF) serves as a high-level, industry-neutral enterprise model that allows organizations to see their activities from a cross-industry process viewpoint.

Originally created in 1992 by APQC and a group of members, the framework has experienced more than a decade of creative use by hundreds of organizations worldwide. The PCF is supported by the Open Standards Benchmarking Collaborative<sup>SM</sup> (OSBC) database and the Collaborative's advisory council of global, industry leaders as an open standard. The PCF will continuously be enhanced as the OSBC database further develops definitions, processes, and measures related to process improvement. Please visit APQC's site periodically for updates. The PCF is available for organizations of all industries and sizes at no charge by visiting [www.apqc.org](http://www.apqc.org).

The PCF represents a series of interrelated processes that are sociotechnical in nature, are business critical, and represent six major dimensions of the organization: knowledge communities/functions, processes, content, marketplaces, culture, and organizational structure.

The PCF enables organizations to understand their inner workings from a horizontal process viewpoint, rather than a vertical functional viewpoint. While the PCF does not list all processes within a specific organization, every process listed in the framework is not present in every organization.

## History

The Process Classification Framework was originally envisioned as a taxonomy of business processes during its initial design in 1991. That design involved more than 80 organizations with a strong interest in advancing the use of benchmarking in the United States and worldwide. This initial effort was undertaken with the collaboration of former firm Arthur Andersen.

In 2003 APQC initiated an effort to revise and update the PCF to reflect new business models and emerging dynamics. With a set of key members' guidance, the updated PCF was released in May 2004. This version (June 2005) contains significant updates to sections 7.0 and 12.0. APQC intends to release updated versions annually.

APQC would like to acknowledge the following organizations for their participation and help: the Boeing Co., Boehringer Ingelheim GmbH, BT Group plc, Ensco International Inc., Ford Motor Co., IBM Corp., Schlumberger Ltd., Solvay S.A, and the U.S. Navy. APQC would also like to acknowledge the other APQC members that have and continue to contribute to the ongoing development of the PCF.

## Table of Contents

Interpreting the PCF.....	2
Overview .....	3
1.0 Develop Vision and Strategy .....	4
2.0 Design and Develop Products and Services .....	4
3.0 Market and Sell Products and Services .....	6
4.0 Deliver Products and Services.....	7
5.0 Manage Customer Service.....	8
6.0 Develop and Manage Human Capital .....	9
7.0 Manage Information Technology .....	10
8.0 Manage Financial Resources .....	12
9.0 Acquire, Construct, and Manage Property.....	13
10.0 Manage Environmental Health and Safety .....	14
11.0 Manage External Relationships.....	14
12.0 Manage Knowledge, Improvement, and Change .....	14

## Interpreting the PCF

**Category:** The highest level within the PCF indicated by whole numbers (e.g., 8.0 and 9.0).

**Process Groups:** All PCF items with one decimal numbering (e.g., 8.1 and 9.1) are considered a process area.

**Process:** All PCF items with two decimal numbering (e.g., 8.1.1 and 9.1.2) are considered processes.

**Activity:** Items with three decimals (e.g., 8.3.1.1 and 9.1.1.1) are considered activities within a process.

### Example:

Deliver Products and Services (Category) (4.0)

Plan for and acquire necessary resources—supply chain planning (Process Group) (4.1)

Manage demand for products and services (Process) (4.1.1)

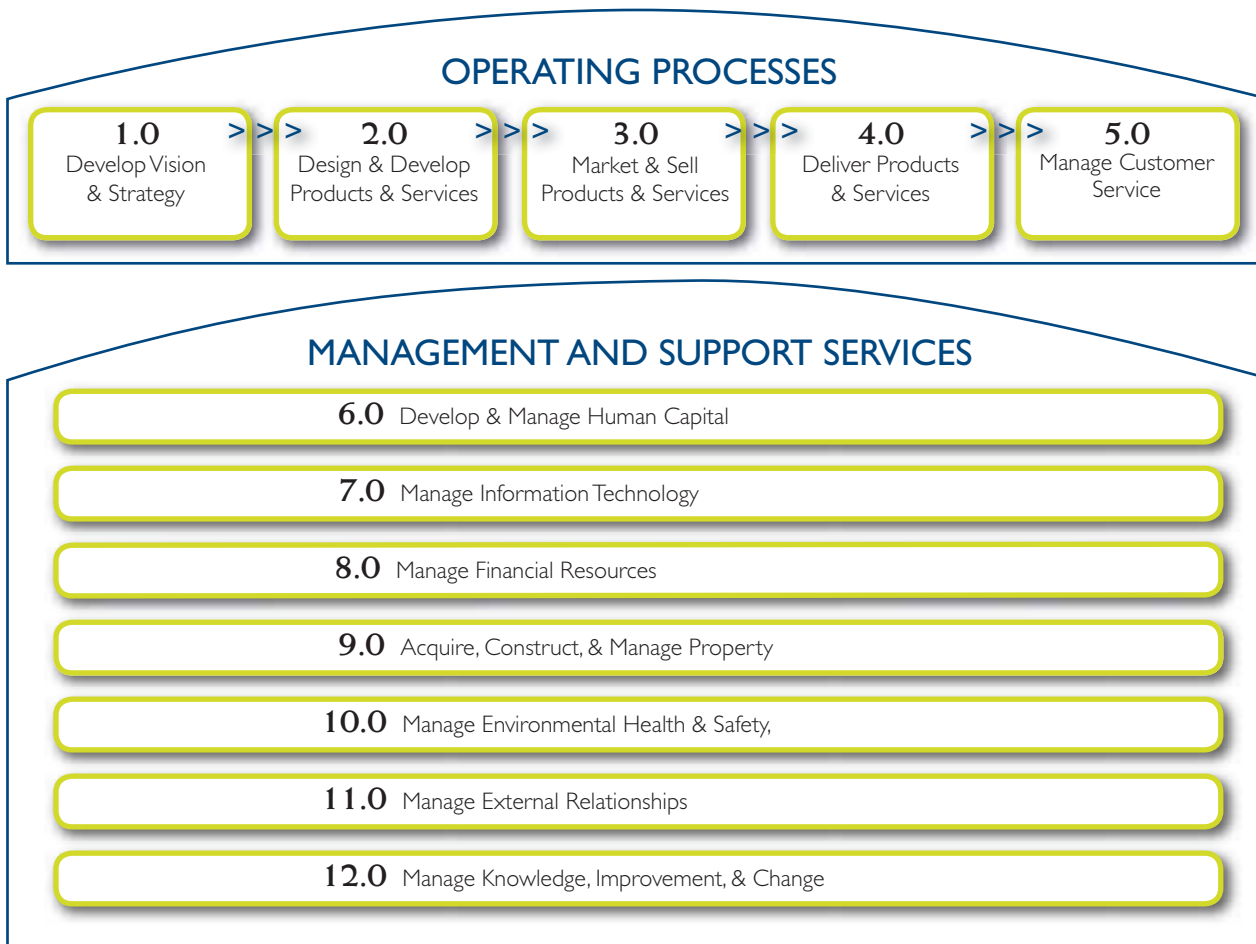
Develop baseline forecasts (Activity) (4.1.1.1)

Collaborate with customers (Activity) (4.1.1.2)

Develop performance management structures and procedures (Task) (6.3.2.1.1)

# PROCESS CLASSIFICATION FRAMEWORK

## PCF Overview



# PROCESS CLASSIFICATION FRAMEWORK

## 1.0 Develop Vision and Strategy

- 1.1 Define the business concept and long-term vision
  - 1.1.1 Assess the external environment
    - 1.1.1.1 Analyze and evaluate competition
    - 1.1.1.2 Identify economic trends
    - 1.1.1.3 Identify political and regulatory issues
    - 1.1.1.4 Assess new technology innovations
    - 1.1.1.5 Analyze demographics
    - 1.1.1.6 Identify social and cultural changes
    - 1.1.1.7 Identify ecological concerns
  - 1.1.2 Survey market and determine customer needs and wants
    - 1.1.2.1 Conduct qualitative/quantitative assessments
    - 1.1.2.2 Capture and assess customer needs
  - 1.1.3 Select relevant markets
  - 1.1.4 Perform internal analysis
    - 1.1.4.1 Analyze organizational characteristics
    - 1.1.4.2 Create baselines for current processes
    - 1.1.4.3 Analyze systems and technology
    - 1.1.4.4 Analyze financial positions
    - 1.1.4.5 Identify enterprise core competencies
  - 1.1.5 Establish strategic vision
    - 1.1.5.1 Align stakeholders around strategic vision
    - 1.1.5.2 Communicate strategic vision to stakeholders
- 1.2 Develop business strategy
  - 1.2.1 Develop overall mission statement
  - 1.2.2 Evaluate strategic options
  - 1.2.3 Select long-term business strategy
  - 1.2.4 Coordinate and align functional and process strategies
  - 1.2.5 Design the organizational structure and relationships between organizational units
  - 1.2.6 Develop and set organizational goals
  - 1.2.7 Formulate business unit strategies
- 1.3 Manage strategic initiatives
  - 1.3.1 Develop strategic initiatives
  - 1.3.2 Evaluate strategic initiatives
  - 1.3.3 Select strategic initiatives
  - 1.3.4 Establish high-level measures

## 2.0 Design and Develop Products and Services

- 2.1 Design products and services
  - 2.1.1 Develop strategy and concepts for new products and services
    - 2.1.1.1 Research customer and market needs
    - 2.1.1.2 Plan and develop cost and quality targets
    - 2.1.1.3 Develop product life cycle and development timing targets
    - 2.1.1.4 Research leading technology components and development requirements
    - 2.1.1.5 Integrate leading technology into product/service concept and components
  - 2.1.2 Produce new products and services, and evaluate and refine existing products and services
    - 2.1.2.1 Translate customer wants and needs into product/service ideas
    - 2.1.2.2 Generate new product/service ideas
    - 2.1.2.3 Evaluate existing products based on NPD strategy
    - 2.1.2.4 Identify enhancements/extensions to existing product and services
    - 2.1.2.5 Define product and service functionality
    - 2.1.2.6 Retire outdated products/services
    - 2.1.2.7 Identify and refine performance indicators
  - 2.1.3 Design, build, and evaluate products and services
    - 2.1.3.1 Assign resources to product/service project
    - 2.1.3.2 Prepare high-level business case and technical assessment
    - 2.1.3.3 Develop product/service design specifications
    - 2.1.3.4 Document design specifications
    - 2.1.3.5 Build prototypes
    - 2.1.3.6 Eliminate quality and reliability problems
    - 2.1.3.7 Conduct in-house product/service testing and evaluate feasibility
    - 2.1.3.8 Identify design/development performance indicators
    - 2.1.3.9 Collaborate design with suppliers and contract manufacturers
  - 2.1.4 Test market for new or revised products and services
    - 2.1.4.1 Prepare detailed market study
    - 2.1.4.2 Conduct customer tests and interviews
    - 2.1.4.3 Finalize product/service characteristics and business cases
    - 2.1.4.4 Finalize technical requirements
    - 2.1.4.5 Identify requirements for changes to manufacturing/delivery processes
  - 2.1.5 Prepare for production and marketplace introduction
    - 2.1.5.1 Develop and test prototype production and/or service delivery process
    - 2.1.5.2 Design and obtain necessary materials and equipment
    - 2.1.5.3 Install and validate production process or methodology
    - 2.1.5.4 Introduce new product and/or service commercially
  - 2.1.6 Support and implement changes to product manufacturing and service delivery process
    - 2.1.6.1 Monitor production runs
    - 2.1.6.2 Identify product/service design and configuration changes
    - 2.1.6.3 Capture feedback to "refine existing products and services" process

# PROCESS CLASSIFICATION FRAMEWORK

2.1.6.4 Identify manufacturing/service delivery process performance indicators

3.3.5.7 Plan and test trade to consumer activities

3.3.5.8 Execute trade to consumer promotional activities

3.3.5.9 Prepare/analyze/evaluate trade to consumer promotional performance metrics

3.3.5.10 Refine trade to consumer promotional performance metrics

## 3.0 Market and Sell Products and Services

3.1 Develop marketing, distribution, and channel strategy

3.1.1 Understand consumer needs and predict customer purchasing behavior

3.1.1.1 Develop and manage customer profiles

3.1.2 Identify market segments and target customers

3.1.2.1 Determine market share gain/loss

3.1.3 Define offering and positioning

3.1.4 Define and manage channel strategy

3.3.6 Develop and manage packaging strategy

3.3.6.1 Plan packaging strategy

3.3.6.2 Test packaging options

3.3.6.3 Execute packaging strategy

3.3.6.4 Refine packaging

3.2 Develop and manage customer strategy

3.4 Manage sales partners and alliances

3.5 Manage sales opportunity and sales pipeline

3.2.1 Develop customer management strategies

3.2.2 Establish customer management goals

3.2.3 Develop sales forecast

3.2.4 Establish overall sales budgets

3.2.5 Establish customer management metrics

3.2.5.1 Determine customer loyalty/lifetime value

3.2.5.2 Analyze customer attrition and retention rates

3.2.6 Prepare/analyze/evaluate customer management results

3.5.1 Identify and manage key customers and accounts

3.5.1.1 Develop key customer plans

3.5.1.2 Identify priority customers

3.5.1.3 Establish budgets

3.5.1.4 Develop sales/key account plan

3.5.1.5 Schedule calls to customers

3.5.1.6 Execute agreed-to sales plan

3.5.1.7 Prepare/analyze/evaluate sales results

3.3 Manage advertising, pricing, and promotional activities

3.6 Sales order management

3.6.1 Manage inbound sales orders

3.3.1 Develop and manage advertising

3.3.1.1 Define advertising objectives and strategy

3.3.1.2 Define target audience

3.3.1.3 Engage third-party advertising agency

3.3.1.4 Develop advertising

3.6.1.1 Accept and validate sales orders

3.6.1.2 Collect and maintain customer account information

3.6.1.3 Determine stock availability

3.6.1.4 Determine logistics and transportation

3.6.1.5 Enter orders into system and identify/perform cross-sell/up-sell activity

3.6.1.6 Process back orders and updates

3.6.1.7 Handle order inquiries including post-order fulfillment transactions

3.3.2 Develop and manage external communication

3.3.2.1 Develop media budget

3.3.2.2 Develop media plan

3.3.2.3 Execute media plan

3.3.3 Develop and manage placement and campaign management

3.6.2 Manage outbound sales and campaign calls

3.3.4 Develop and manage pricing

3.3.4.1 Develop volume/unit forecast and set price

3.3.4.2 Execute pricing plan

3.3.4.3 Evaluate pricing performance

3.3.4.4 Refine pricing as needed

## 4.0 Deliver Products and Services

4.1 Plan for and acquire necessary resources (Supply Chain Planning)

4.1.1 Manage demand for products and services

4.1.1.1 Develop baseline forecasts

4.1.1.2 Collaborate with customers

4.1.1.3 Develop consensus forecast

4.1.1.4 Allocate available to promise

3.3.5 Develop and manage promotional activities

3.3.5.1 Define direct to consumer promotional concepts

3.3.5.2 Plan and test direct to consumer activities

3.3.5.3 Execute direct to consumer promotional activities

3.3.5.4 Prepare/analyze/evaluate direct to consumer promotional performance metrics

3.3.5.5 Refine direct to consumer promotional performance metrics

3.3.5.6 Define trade to consumer promotional concepts

4.1.2 Create materials plan

4.1.2.1 Create unconstrained plan

4.1.2.2 Collaborate with supplier and contract manufacturers

4.1.2.3 Identify critical materials and supplier capacity

4.1.2.4 Generate constrained plan

4.1.3 Schedule production

# PROCESS CLASSIFICATION FRAMEWORK

- 4.1.3.1 Generate site level plan
  - 4.1.3.2 Manage work-in-progress inventory
  - 4.1.3.3 Collaborate with suppliers
  - 4.1.3.4 Generate and execute detail schedule
  - 4.2 Procure materials and services
    - 4.2.1 Develop sourcing strategies
      - 4.2.1.1 Develop procurement plan
      - 4.2.1.2 Clarify purchasing requirements
      - 4.2.1.3 Match needs to supply capabilities
      - 4.2.1.4 Analyze company's spend profile
      - 4.2.1.5 Seek opportunities to improve efficiency and value
    - 4.2.2 Select suppliers and develop/maintain contracts
      - 4.2.2.1 Identify suppliers
      - 4.2.2.2 Certify and validate suppliers
      - 4.2.2.3 Negotiate contracts
      - 4.2.2.4 Manage contracts
    - 4.2.3 Order materials and services
      - 4.2.3.1 Process/review requisitions
      - 4.2.3.2 Approve requisitions
      - 4.2.3.3 Solicit/track vendor quotes
      - 4.2.3.4 Create/distribute purchase orders
      - 4.2.3.5 Expedite orders and satisfy inquiries
      - 4.2.3.6 Record receipt of goods
      - 4.2.3.7 Research/resolve exceptions
    - 4.2.4 Appraise and develop suppliers
      - 4.2.4.1 Monitor/manage supplier information
      - 4.2.4.2 Prepare/analyze spending and vendor performance
      - 4.2.4.3 Support inventory and production processes
  - 4.3 Produce/manufacture/deliver product
    - 4.3.1 Schedule production
    - 4.3.2 Produce product
    - 4.3.3 Schedule and perform maintenance
  - 4.4 Deliver product service to customer
    - 4.4.1 Confirm specific service requirements for individual customer
    - 4.4.2 Identify and schedule resources to meet service requirements
    - 4.4.3 Provide the service to specific customers
    - 4.4.4 Ensure quality of service
  - 4.5 Manage logistics and warehousing
    - 4.5.1 Define logistics strategy
      - 4.5.1.1 Translate customer service requirements into logistics requirements
      - 4.5.1.2 Design logistics network
      - 4.5.1.3 Communicate outsourcing needs
      - 4.5.1.4 Develop and maintain delivery service policy
      - 4.5.1.5 Optimize transportation schedules and costs
      - 4.5.1.6 Define key performance measures
    - 4.5.2 Plan inbound material flow
      - 4.5.2.1 Plan inbound material receipts
      - 4.5.2.2 Manage inbound material flow
      - 4.5.2.3 Monitor inbound delivery performance
      - 4.5.2.4 Manage flow of returned products
    - 4.5.3 Operate warehousing
      - 4.5.3.1 Track inventory deployment
      - 4.5.3.2 Receive, inspect, and store inbound deliveries
      - 4.5.3.3 Track product availability
      - 4.5.3.4 Pick, pack, and ship product for delivery
      - 4.5.3.5 Track inventory accuracy
      - 4.5.3.6 Track third-party logistics storage and shipping performance
    - 4.5.4 Operate outbound transportation
      - 4.5.4.1 Plan, transport, and deliver outbound product
      - 4.5.4.2 Track carrier delivery performance
      - 4.5.4.3 Manage transportation fleet
      - 4.5.4.4 Process and audit carrier invoices and documents
    - 4.5.5 Manage returns; manage reverse logistics
      - 4.5.5.1 Authorize and process returns
      - 4.5.5.2 Perform reverse logistics
      - 4.5.5.3 Perform salvage activities
      - 4.5.5.4 Manage and process warranty claims
- 5.0 Manage Customer Service**
- 5.1 Develop customer care/customer service strategy
    - 5.1.1 Develop customer segmentation/prioritization (e.g, tiers)
    - 5.1.2 Define customer service policies and procedures
    - 5.1.3 Establish service levels for customers
  - 5.2 Manage customer service
    - 5.2.1 Manage customer requests/inquiries
      - 5.2.1.1 Receive customer requests/inquiries
      - 5.2.1.2 Route customer requests/inquiries
      - 5.2.1.3 Respond to customer requests/inquiries
    - 5.2.2 Manage customer complaints
      - 5.2.2.1 Enter customer complaints
      - 5.2.2.2 Route customer complaints
      - 5.2.2.3 Resolve customer complaints
  - 5.3 Perform after sales installations and repairs
  - 5.4 Measure and evaluate customer satisfaction
    - 5.4.1 Measure customer satisfaction level for customer requests/inquiries
      - 5.4.1.1 Solicit customer feedback on customer service experience
      - 5.4.1.2 Analyze customer service data and identify improvement opportunities
    - 5.4.2 Measure customer satisfaction of customer-complaint handling and resolution
      - 5.4.2.1 Solicit customer feedback on complaint handling and resolution

# PROCESS CLASSIFICATION FRAMEWORK

- 5.4.2.2 Analyze customer complaint data and identify improvement opportunities
- 5.4.3 Measure customer satisfaction with products and services
  - 5.4.3.1 Solicit post-sale customer feedback on products and services
  - 5.4.3.2 Collect warranty data and product return reasons
  - 5.4.3.3 Analyze product and service satisfaction data and identify improvement opportunities
- 5.5 Manage customer service work force
  - 5.5.1 Develop work force requirements and schedule work force
    - 5.5.1.1 Forecast volume of customer service contacts
    - 5.5.1.2 Forecast volume of inbound sales contacts
    - 5.5.1.3 Schedule customer service work force
    - 5.5.1.4 Track work force utilization
  - 5.5.2 Evaluate quality of customer interaction with customer service representatives
    - 5.5.2.1 Monitor and evaluate agent calls with customers
    - 5.5.2.2 Monitor and evaluate agent correspondence with customers
- 6.0 Develop and Manage Human Capital**
  - 6.1 Create and manage human resources (HR) planning, policies, and strategies
    - 6.1.1 Manage/align/deliver human resources strategy
      - 6.1.1.1 Identify organizational strategic HR needs
      - 6.1.1.2 Identify organizational tactical HR needs
      - 6.1.1.3 Define HR and business function roles and accountability
      - 6.1.1.4 Determine HR costs
    - 6.1.2 Develop and implement HR plans
      - 6.1.2.1 Develop work force plan
      - 6.1.2.2 Develop compensation plan
      - 6.1.2.3 Develop succession plan
      - 6.1.2.4 Develop employee diversity plan
      - 6.1.2.5 Develop other HR programs
      - 6.1.2.6 Develop HR policies
      - 6.1.2.7 Administer HR policies
      - 6.1.2.8 Plan employee benefits
    - 6.1.3 Monitor and update plans
      - 6.1.3.1 Measure realization of objectives
      - 6.1.3.2 Measure contribution to business strategy
      - 6.1.3.3 Communicate plans and provide updates to stakeholders
      - 6.1.3.4 Determine value added from HR function
      - 6.1.3.5 Review and revise HR plans
  - 6.2 Recruit, source, and select employees
    - 6.2.1 Create and develop employee requisitions
      - 6.2.1.1 Develop and open job requisition
      - 6.2.1.2 Develop a job description
      - 6.2.1.3 Post requisition
      - 6.2.1.4 Manage internal/external job posting Web sites
      - 6.2.1.5 Change/update requisition
      - 6.2.1.6 Notify hiring manager
      - 6.2.1.7 Manage requisition date
    - 6.2.2 Recruit candidates
      - 6.2.2.1 Determine recruitment methods
      - 6.2.2.2 Perform recruiting activities/events
      - 6.2.2.3 Manage recruitment vendors
    - 6.2.3 Screen and select candidates
      - 6.2.3.1 Identify and deploy candidate selection tools
      - 6.2.3.2 Interview candidates
      - 6.2.3.3 Test candidates
      - 6.2.3.4 Select and reject candidates
    - 6.2.4 Manage preplacement verification
      - 6.2.4.1 Complete candidate background information
      - 6.2.4.2 Conduct background checks
      - 6.2.4.3 Recommend/not recommend candidate
    - 6.2.5 Manage new hire/re-hire
      - 6.2.5.1 Draw up and make offer
      - 6.2.5.2 Negotiate offer
      - 6.2.5.3 Hire candidate
    - 6.2.6 Track candidates
      - 6.2.6.1 Create applicant record
      - 6.2.6.2 Manage/track applicant data
      - 6.2.6.3 Archive and retain records of non-hires
  - 6.3 Develop and counsel employees
    - 6.3.1 Manage employee orientation and deployment
      - 6.3.1.1 Create/maintain employee induction program
      - 6.3.1.2 Introduce new employees to managers
      - 6.3.1.3 Introduce workplace
    - 6.3.2 Manage employee performance
      - 6.3.2.1 Define performance objectives
      - 6.3.2.2 Review, appraise, and manage employee performance
      - 6.3.2.3 Evaluate and review performance program
    - 6.3.3 Manage employee relations
      - 6.3.3.1 Manage health and safety
      - 6.3.3.2 Manage labor relations
      - 6.3.3.3 Manage collective bargaining process
      - 6.3.3.4 Manage labor management partnerships
    - 6.3.4 Manage employee development
      - 6.3.4.1 Develop competency management plans
      - 6.3.4.2 Develop employee career plans
      - 6.3.4.3 Manage employee skills development
    - 6.3.5 Develop and train employees
      - 6.3.5.1 Align employee and organization development needs

# PROCESS CLASSIFICATION FRAMEWORK

- 6.3.5.2 Develop functional/process competencies
  - 6.3.5.3 Establish training needs by analysis of required and available skills
  - 6.3.5.4 Develop, conduct, and manage employee and/or management training programs
  - 6.3.6 Manage employee talent
    - 6.3.6.1 Match resources to requirements
  - 6.4 Reward and retain employees
    - 6.4.1 Develop and manage reward, recognition, and motivation programs
      - 6.4.1.1 Develop salary/compensation structure and plan
      - 6.4.1.2 Develop benefits and reward plan
      - 6.4.1.3 Perform competitive analysis of benefit and rewards
      - 6.4.1.4 Identify compensation requirements based on financial, benefits, and HR policies
      - 6.4.1.5 Administer compensation and rewards to employees
      - 6.4.1.6 Reward and motivate employees
    - 6.4.2 Manage and administer benefits
      - 6.4.2.1 Deliver employee benefits program
      - 6.4.2.2 Administer benefit enrollment
      - 6.4.2.3 Process claims
      - 6.4.2.4 Perform benefit reconciliation
    - 6.4.3 Manage employee assistance and retention
      - 6.4.3.1 Deliver programs to support work/life balance for employees
      - 6.4.3.2 Develop family support systems
      - 6.4.3.3 Review retention and motivation indicators
      - 6.4.3.4 Review compensation plan
    - 6.4.4 Payroll administration
  - 6.5 Re-deploy and retire employees
    - 6.5.1 Manage promotion and demotion process
    - 6.5.2 Manage separation
    - 6.5.3 Manage retirement
    - 6.5.4 Manage leave of absence
    - 6.5.5 Develop and implement employee outplacement
    - 6.5.6 Manage deployment of personnel
    - 6.5.7 Relocate employees and manage assignments
    - 6.5.8 Manage employment reduction and retirement
    - 6.5.9 Manage expatriates
    - 6.5.10 Manage employee relocation process
  - 6.6 Manage employee information
    - 6.6.1 Manage reporting processes
    - 6.6.2 Manage employee inquiry process
    - 6.6.3 Manage and maintain employee data
    - 6.6.4 Manage human resource information systems (HRIS)
    - 6.6.5 Develop and manage employee metrics
    - 6.6.6 Develop and manage time and attendance
    - 6.6.7 Manage employee communication
      - 6.6.7.1 Develop employee communication plan
      - 6.6.7.2 Manage/collect employee suggestions
      - 6.6.7.3 Manage employee grievances
      - 6.6.7.4 Publish employee communications
- 7.0 Manage Information Technology**
    - 7.1 Manage the business of information technology (IT)
      - 7.1.1 Develop the enterprise IT strategy
        - 7.1.1.1 Build strategic intelligence
        - 7.1.1.2 Identify long-term IT needs of the enterprise in collaboration with stakeholders
        - 7.1.1.3 Develop and maintain a long-term business-focused enterprise IT strategy and governance model
      - 7.1.2 Define the enterprise architecture
        - 7.1.2.1 Establish the enterprise architecture definition
        - 7.1.2.2 Maintain the relevance of the enterprise architecture
        - 7.1.2.3 Act as clearinghouse for IT research and innovation
        - 7.1.2.4 Govern the enterprise architecture
      - 7.1.3 Manage the IT portfolio
        - 7.1.3.1 Establish the IT portfolio
        - 7.1.3.2 Analyze and evaluate the value of the IT portfolio for the enterprise
        - 7.1.3.3 Provision resources in accordance with strategic priorities
      - 7.1.4 Perform IT research and innovation
        - 7.1.4.1 Research technologies to innovate IT services and solutions
        - 7.1.4.2 Transition viable technologies for IT services and solutions development
      - 7.1.5 Perform IT financial management
        - 7.1.5.1 Develop and maintain IT services and solutions cost transparency
        - 7.1.5.2 Establish and maintain accounting process
        - 7.1.5.3 Tie project funding to business case decision checkpoints
      - 7.1.6 Evaluate and communicate IT business value and performance
        - 7.1.6.1 Establish and monitor key performance indicators
        - 7.1.6.2 Evaluate IT plan performance
        - 7.1.6.3 Communicate IT value
      - 7.1.7 Perform IT staff management
        - 7.1.7.1 Develop IT leadership and staff
        - 7.1.7.2 Manage IT staff performance
      - 7.1.8 Manage IT suppliers and contracts
        - 7.1.8.1 Develop IT (development and delivery) sourcing strategies
        - 7.1.8.2 Negotiate with suppliers
        - 7.1.8.3 Establish and maintain supplier relationships

# PROCESS CLASSIFICATION FRAMEWORK

- 7.1.8.4 Evaluate supplier performance
- 7.1.8.5 Assess contract performance
- 7.2 Develop and manage IT customer relationships
  - 7.2.1 Develop IT services and solutions strategy
    - 7.2.1.1 Research IT services and solutions to address business and user requirements
    - 7.2.1.2 Translate business and user requirements into IT services and solutions requirements
    - 7.2.1.3 Formulate IT services and solutions strategic initiatives
    - 7.2.1.4 Coordinate strategies with internal stakeholders to ensure alignment
    - 7.2.1.5 Evaluate and select IT services and solutions strategic initiatives
  - 7.2.2 Develop and manage IT service levels
    - 7.2.2.1 Create and maintain the IT services and solutions catalog
    - 7.2.2.2 Establish and maintain business and IT service level agreements
    - 7.2.2.3 Evaluate and report service level attainment results
    - 7.2.2.4 Communicate business and IT service level improvement opportunities
  - 7.2.3 Perform demand side management (DSM) for IT services
    - 7.2.3.1 Analyze IT services and solutions consumption and usage
    - 7.2.3.2 Develop and implement incentive programs that improve consumption efficiency
    - 7.2.3.3 Develop volume/unit forecast for IT services and solutions
  - 7.2.4 Manage IT customer satisfaction
    - 7.2.4.1 Capture and analyze customer satisfaction
    - 7.2.4.2 Assess and communicate customer satisfaction patterns
    - 7.2.4.3 Initiate improvements based on customer satisfaction patterns
  - 7.2.5 Market IT services and solutions
    - 7.2.5.1 Develop IT services and solutions marketing strategy
    - 7.2.5.2 Develop and manage IT customer strategy
    - 7.2.5.3 Manage IT services and solutions advertising and promotional campaigns
    - 7.2.5.4 Process and track IT services and solutions orders
- 7.3 Manage business resiliency and risk
  - 7.3.1 Develop and manage business resilience
    - 7.3.1.1 Develop the business resilience strategy
    - 7.3.1.2 Perform continuous business operations planning
    - 7.3.1.3 Test continuous business operations
    - 7.3.1.4 Maintain continuous business operations
  - 7.3.2 Develop and manage regulatory compliance
    - 7.3.2.1 Develop the regulatory compliance strategy
    - 7.3.2.2 Establish regulatory compliance controls
    - 7.3.2.3 Manage regulatory compliance remediation
  - 7.3.3 Perform integrated risk management
    - 7.3.3.1 Develop an integrated risk strategy and approach
    - 7.3.3.2 Manage integrated risks
  - 7.3.4 Develop and implement security, privacy, and data protection controls
    - 7.3.4.1 Establish information security, privacy, and data protection strategies and levels
    - 7.3.4.2 Test, evaluate, and implement information security, and privacy and data protection controls
- 7.4 Manage enterprise information
  - 7.4.1 Develop information and content management strategies
    - 7.4.1.1 Understand information and content management needs and the role of IT services for executing the business strategy
    - 7.4.1.2 Assess the information and content management implications of new technologies
    - 7.4.1.3 Identify and prioritize information and content management actions
  - 7.4.2 Define the enterprise information architecture
    - 7.4.2.1 Define information elements, composite structure, logical relationships and constraints, taxonomy, and derivation rules
    - 7.4.2.2 Define information access requirements
    - 7.4.2.3 Establish data custodianship
    - 7.4.2.4 Manage changes to content data architecture requirements
  - 7.4.3 Manage information resources
    - 7.4.3.1 Define the enterprise information/data policies and standards
    - 7.4.3.2 Develop and implement data and content administration
  - 7.4.4 Perform enterprise data and content management
    - 7.4.4.1 Define sources and destinations of content data
    - 7.4.4.2 Manage technical interfaces to users of content
    - 7.4.4.3 Manage retention, revision, and retirement of enterprise information
- 7.5 Develop and maintain information technology solutions
  - 7.5.1 Develop the IT development strategy
    - 7.5.1.1 Establish sourcing strategy for IT development
    - 7.5.1.2 Define development processes, methodologies, and tools' standards

# PROCESS CLASSIFICATION FRAMEWORK

- 7.5.1.3 Select development methodologies and tools
- 7.5.2 Perform IT services and solutions life cycle planning
  - 7.5.2.1 Plan development of new requirements
  - 7.5.2.2 Plan development of feature and functionality enhancement
  - 7.5.2.3 Develop life cycle plan for IT services and solutions
- 7.5.3 Develop and maintain IT services and solutions architecture
  - 7.5.3.1 Create IT services and solutions architecture
  - 7.5.3.2 Revise IT services and solutions architecture
  - 7.5.3.3 Retire IT services and solutions architecture
- 7.5.4 Create IT services and solutions
  - 7.5.4.1 Understand confirmed requirements
  - 7.5.4.2 Design IT services and solutions
  - 7.5.4.3 Acquire/develop IT service/solution components
  - 7.5.4.4 Train services and solutions resources
  - 7.5.4.5 Test IT services/solutions
  - 7.5.4.6 Confirm customer acceptance
- 7.5.5 Maintain IT services and solutions
  - 7.5.5.1 Understand upkeep/enhance requirements and defect analysis
  - 7.5.5.2 Design change to existing IT service/solution
  - 7.5.5.3 Acquire/develop changed IT service/solution component
  - 7.5.5.4 Test IT service/solution change
  - 7.5.5.5 Retire solutions and services
- 7.6 Deploy information technology solutions
  - 7.6.1 Develop the IT deployment strategy
    - 7.6.1.1 Establish IT services and solutions change policies
    - 7.6.1.2 Define deployment process, procedures, and tools standards
    - 7.6.1.3 Select deployment methodologies and tools
  - 7.6.2 Plan and implement changes
    - 7.6.2.1 Plan change deployment
    - 7.6.2.2 Communicate changes to stakeholders
    - 7.6.2.3 Administer change schedule
    - 7.6.2.4 Train impacted users
    - 7.6.2.5 Distribute and install change
    - 7.6.2.6 Verify change
  - 7.6.3 Plan and manage releases
    - 7.6.3.1 Understand and coordinate release design and acceptance
    - 7.6.3.2 Plan release rollout
    - 7.6.3.3 Distribute and install release
    - 7.6.3.4 Verify release
- 7.7 Deliver and support information technology services
  - 7.7.1 Develop IT services and solution delivery strategy
    - 7.7.1.1 Establish sourcing strategy for IT delivery
    - 7.7.1.2 Define delivery processes, procedures, and tools standards
    - 7.7.1.3 Select delivery methodologies and tools
  - 7.7.2 Develop IT support strategy
    - 7.7.2.1 Establish sourcing strategy for IT support
    - 7.7.2.2 Define IT support services
  - 7.7.3 Manage IT infrastructure resources
    - 7.7.3.1 Manage IT inventory and assets
    - 7.7.3.2 Manage IT resource capacity
  - 7.7.4 Manage IT infrastructure operations
    - 7.7.4.1 Deliver IT services and solutions
    - 7.7.4.2 Perform IT operations support services
  - 7.7.5 Support IT services and solutions
    - 7.7.5.1 Manage availability
    - 7.7.5.2 Manage facilities
    - 7.7.5.3 Manage backup/recovery
    - 7.7.5.4 Manage performance and capacity
    - 7.7.5.5 Manage incidents
    - 7.7.5.6 Manage problems
    - 7.7.5.7 Manage inquires
- \* 7.8 Manage IT knowledge
  - 7.8.1 Develop the IT knowledge management strategy
    - 7.8.1.1 Understand IT knowledge needs
    - 7.8.1.2 Understand current IT knowledge flow
    - 7.8.1.3 Coordinate strategy and roles with the enterprise KM function
    - 7.8.1.4 Plan IT knowledge management actions and priorities
  - 7.8.2 Develop and maintain IT knowledge map
    - 7.8.2.1 Define knowledge elements, logical relationships and constraints, and currency rules
    - 7.8.2.2 Identify IT knowledge sources and repositories
    - 7.8.2.3 Identify IT knowledge-sharing opportunities
    - 7.8.2.4 Define IT knowledge processes and approaches
  - 7.8.3 Manage IT knowledge life cycle
    - 7.8.3.1 Gather knowledge elements from IT knowledge sources
    - 7.8.3.2 Evaluate, create, and codify knowledge elements
    - 7.8.3.3 Deploy codified IT knowledge
    - 7.8.3.4 Update and retire IT knowledge
    - 7.8.3.5 Evaluate and improve IT knowledge strategies and processes

\* APQC's PCF team is currently requesting member review and feedback on this section. If you wish to provide feedback, please send your comments to [pcf\\_feedback@apqc.org](mailto:pcf_feedback@apqc.org). Your comments will be reviewed and considered for the next revision. For guidelines on the criteria used by the PCF team to incorporate requested changes, please write to [pcf\\_feedback@apqc.org](mailto:pcf_feedback@apqc.org).

# PROCESS CLASSIFICATION FRAMEWORK

## 8.0 Manage Financial Resources

- 8.1 Perform planning and management accounting
  - 8.1.1 Perform planning/budgeting/forecasting
    - 8.1.1.1 Develop and maintain budget policies and procedures
    - 8.1.1.2 Prepare periodic budgets and plans
    - 8.1.1.3 Prepare periodic forecasts
  - 8.1.2 Perform cost accounting and control
    - 8.1.2.1 Perform inventory accounting
    - 8.1.2.2 Perform cost of sales analysis
    - 8.1.2.3 Perform product costing
    - 8.1.2.4 Perform variance analysis
    - 8.1.2.5 Report on profitability
  - 8.1.3 Perform cost management
    - 8.1.3.1 Determine key cost drivers
    - 8.1.3.2 Measure cost drivers
    - 8.1.3.3 Determine critical activities
    - 8.1.3.4 Manage asset resource deployment and utilization
  - 8.1.4 Evaluate and manage financial performance
    - 8.1.4.1 Assess customer and product profitability
    - 8.1.4.2 Evaluate new products
    - 8.1.4.3 Perform life cycle costing
    - 8.1.4.4 Optimize customer and product mix
    - 8.1.4.5 Track performance of new customer and product strategies
    - 8.1.4.6 Prepare activity-based performance measures
    - 8.1.4.7 Manage continuous cost improvement
- 8.2 Perform revenue accounting
  - 8.2.1 Process customer credit
    - 8.2.1.1 Establish credit policies
    - 8.2.1.2 Analyze/approve new account applications
    - 8.2.1.3 Review existing accounts
    - 8.2.1.4 Produce credit/collection reports
  - 8.2.2 Invoice customer
    - 8.2.2.1 Maintain customer/product master files
    - 8.2.2.2 Generate customer billing data
    - 8.2.2.3 Transmit billing data to customers
    - 8.2.2.4 Post receivable entries
    - 8.2.2.5 Resolve customer billing inquires
  - 8.2.3 Process accounts receivable (AR)
    - 8.2.3.1 Establish AR policies
    - 8.2.3.2 Receive/deposit customer payments
    - 8.2.3.3 Apply cash remittances
    - 8.2.3.4 Prepare AR reports
    - 8.2.3.5 Post AR activity to the general ledger
  - 8.2.4 Manage and process collections
    - 8.2.4.1 Establish policies for delinquent accounts
    - 8.2.4.2 Analyze delinquent account balances
    - 8.2.4.3 Correspond/negotiate with delinquent accounts
    - 8.2.4.4 Discuss account resolution with internal parties
    - 8.2.4.5 Process adjustments/write-off balances
- 8.2.5 Manage and process adjustments/deductions
  - 8.2.5.1 Establish policies/procedures for adjustments
  - 8.2.5.2 Analyze adjustments
  - 8.2.5.3 Correspond/negotiate with customer
  - 8.2.5.4 Discuss resolution with internal parties
  - 8.2.5.5 Prepare chargeback invoices
  - 8.2.5.6 Process-related entries
- 8.3 Perform general accounting and reporting
  - 8.3.1 Manage policies and procedures
    - 8.3.1.1 Negotiate service level agreements
    - 8.3.1.2 Establish accounting policies
    - 8.3.1.3 Set and enforce approval limits
    - 8.3.1.4 Establish common financial systems
  - 8.3.2 Perform general accounting
    - 8.3.2.1 Maintain chart of accounts
    - 8.3.2.2 Process journal entries
    - 8.3.2.3 Process allocations
    - 8.3.2.4 Process period end adjustments (e.g., accruals, currency conversions, etc.)
    - 8.3.2.5 Post and reconcile intercompany transactions
    - 8.3.2.6 Reconcile GL accounts
    - 8.3.2.7 Perform consolidations and process eliminations
    - 8.3.2.8 Prepare trial balance
    - 8.3.2.9 Prepare and post management adjustments
  - 8.3.3 Perform fixed asset accounting
    - 8.3.3.1 Establish fixed asset policies and procedures
    - 8.3.3.2 Maintain fixed asset master data files
    - 8.3.3.3 Process and record fixed asset additions and retires
    - 8.3.3.4 Process and record fixed asset adjustments, enhancements, revaluations, and transfers
    - 8.3.3.5 Process and record fixed asset maintenance and repair expenses
    - 8.3.3.6 Calculate and record depreciation expense
    - 8.3.3.7 Reconcile fixed asset ledger
    - 8.3.3.8 Track fixed assets including physical inventory
    - 8.3.3.9 Provide fixed asset data to support tax, statutory, and regulatory reporting
  - 8.3.4 Perform financial reporting
    - 8.3.4.1 Prepare business unit financial statements
    - 8.3.4.2 Prepare consolidated financial statements
    - 8.3.4.3 Perform business unit reporting/review management reports
    - 8.3.4.4 Perform consolidated reporting/review of cost management reports
    - 8.3.4.5 Prepare statements for board review

# PROCESS CLASSIFICATION FRAMEWORK

- 8.3.4.6 Produce quarterly/annual filings and shareholder reports
- 8.3.4.7 Produce regulatory reports
- 8.4 Manage fixed assets
  - 8.4.1 Perform capital planning and project approval
    - 8.4.1.1 Develop capital investment policies and procedures
    - 8.4.1.2 Develop and approve capital expenditure plans and budgets
    - 8.4.1.3 Review and approve capital projects and fixed asset acquisitions
    - 8.4.1.4 Conduct financial justification for project approval
  - 8.4.2 Perform capital project accounting
    - 8.4.2.1 Create project account codes
    - 8.4.2.2 Record project-related transactions
    - 8.4.2.3 Monitor and track capital projects and budget spending
    - 8.4.2.4 Close/capitalize projects
    - 8.4.2.5 Measure financial returns on completed capital projects
- 8.5 Process payroll
  - 8.5.1 Report time
    - 8.5.1.1 Establish policies and procedures
    - 8.5.1.2 Collect and record employee time worked
    - 8.5.1.3 Analyze and report paid and unpaid leave
    - 8.5.1.4 Monitor regular, overtime, and other hours
    - 8.5.1.5 Analyze and report employee utilization
  - 8.5.2 Manage pay
    - 8.5.2.1 Enter employee time worked into payroll system
    - 8.5.2.2 Maintain and administer employee earnings information
    - 8.5.2.3 Maintain and administer applicable deductions
    - 8.5.2.4 Monitor changes in tax status of employees
    - 8.5.2.5 Process and distribute payments
    - 8.5.2.6 Process and distribute manual checks
    - 8.5.2.7 Process period end adjustments
    - 8.5.2.8 Respond to employee payroll inquiries
  - 8.5.3 Process taxes
    - 8.5.3.1 Calculate and pay applicable payroll taxes
    - 8.5.3.2 Produce and distribute employee annual tax statements
    - 8.5.3.3 File regulatory payroll tax forms
- 8.6 Process accounts payable and expense reimbursements
  - 8.6.1 Process accounts payable (AP)
    - 8.6.1.1 Verify AP pay file with PO vendor master file
    - 8.6.1.2 Maintain/manage electronic commerce
    - 8.6.1.3 Audit invoices and key data in AP system
    - 8.6.1.4 Approve payments
    - 8.6.1.5 Process financial accruals and reversals
  - 8.6.1.6 Process taxes
  - 8.6.1.7 Research/resolve exceptions
  - 8.6.1.8 Process payments
  - 8.6.1.9 Respond to AP inquiries
  - 8.6.1.10 Retain records
  - 8.6.1.11 Adjust accounting records
  - 8.6.2 Process expense reimbursements
    - 8.6.2.1 Establish and communicate expense reimbursement policies and approval limits
    - 8.6.2.2 Capture and report relevant tax data
    - 8.6.2.3 Approve reimbursements and advances
    - 8.6.2.4 Process reimbursements and advances
    - 8.6.2.5 Manage personal accounts
- 8.7 Manage treasury operations
  - 8.7.1 Manage treasury policies and procedures
    - 8.7.1.1 Establish scope and governance of treasury operations
    - 8.7.1.2 Establish and publish treasury policies
    - 8.7.1.3 Develop treasury procedures
    - 8.7.1.4 Monitor treasury procedures
    - 8.7.1.5 Audit treasury procedures
    - 8.7.1.6 Revise treasury procedures
    - 8.7.1.7 Develop and confirm internal controls for treasury
    - 8.7.1.6. Define system security requirements
  - 8.7.2 Manage cash
    - 8.7.2.1 Manage and reconcile cash positions
    - 8.7.2.2 Manage cash equivalents
    - 8.7.2.3 Process and oversee electronic fund transfers (EFTs)
    - 8.7.2.4 Develop cash flow forecasts
    - 8.7.2.5 Manage cash flows
    - 8.7.2.6 Produce cash management accounting transactions and reports
    - 8.7.2.7 Manage and oversee banking relationships
    - 8.7.2.8 Analyze, negotiate, resolve, and confirm bank fees
  - 8.7.3 Manage in-house bank accounts
    - 8.7.3.1 Manage in-house bank accounts for subsidiaries
    - 8.7.3.2 Manage and facilitate inter-company borrowing transactions
    - 8.7.3.3 Manage centralized outgoing payments on behalf of subsidiaries
    - 8.7.3.4 Manage central incoming payments on behalf of subsidiaries
    - 8.7.3.5 Manage internal payments and netting transactions
    - 8.7.3.6 Calculate interest and fees for in-house bank accounts
    - 8.7.3.7 Provide account statements for in-house bank accounts

# PROCESS CLASSIFICATION FRAMEWORK

- 8.7.4 Manage debt and investment
  - 8.7.4.1 Manage financial intermediary relationships
  - 8.7.4.2 Manage liquidity
  - 8.7.4.3 Manage issuer exposure
  - 8.7.4.4 Process and oversee debt and investment transactions
  - 8.7.4.5 Process and oversee foreign currency transactions
  - 8.7.4.6 Produce debt and investment accounting transaction reports
- 8.7.5 Manage financial risks
  - 8.7.5.1 Manage interest rate risk
  - 8.7.5.2 Manage foreign exchange risk
  - 8.7.5.3 Manage exposure risk
  - 8.7.5.4 Develop and execute hedging transactions
  - 8.7.5.5 Evaluate and refine hedging positions
  - 8.7.5.6 Produce hedge accounting transactions and reports
  - 8.7.5.7 Monitor credit
- 8.8 Manage internal controls
  - 8.8.1 Establish internal controls governance and policies
    - 8.8.1.1 Establish board of directors and audit committee
    - 8.8.1.2 Define and communicate code of ethics
    - 8.8.1.3 Assign roles and responsibility for internal controls
    - 8.8.1.4 Define business process objectives and risks
    - 8.8.1.5 Define entity/unit risk tolerances
  - 8.8.2 Design and implement internal controls
    - 8.8.2.1 Design and implement control procedures
    - 8.8.2.2 Define roles, responsibilities, and activities of compliance function
    - 8.8.2.3 Define organizational model and reporting relationships for compliance function
    - 8.8.2.4 Define and implement key capabilities of compliance function
    - 8.8.2.5 Implement controls-related technologies and tools
  - 8.8.3 Manage and monitor compliance function
    - 8.8.3.1 Manage activities of compliance function
    - 8.8.3.2 Manage organizational model and reporting relationships for compliance function
    - 8.8.3.3 Manage key capabilities of compliance function
    - 8.8.3.4 Maintain controls-related technologies and tools
    - 8.8.3.5 Monitor control effectiveness
    - 8.8.3.6 Remediate control deficiencies
  - 8.8.4 Report on internal controls compliance
    - 8.8.4.1 Report to external auditors
    - 8.8.4.2 Report to regulators, share/debt-holders, securities exchanges, etc.
- 8.8.4.3 Report to third parties (e.g., business partners)
- 8.8.4.4 Report to internal management
- 8.9 Manage taxes
  - 8.9.1 Develop tax strategy and plan
  - 8.9.2 Process taxes
    - 8.9.2.1 Perform tax planning/strategy
    - 8.9.2.2 Prepare returns
    - 8.9.2.3 Prepare foreign taxes
    - 8.9.2.4 Calculate deferred taxes
    - 8.9.2.5 Account for taxes
    - 8.9.2.6 Monitor tax compliance
    - 8.9.2.7 Address tax inquiries
  - 8.9.3 Manage international funds/consolidation
    - 8.9.3.1 Monitor international rates
    - 8.9.3.2 Manage transactions
    - 8.9.3.3 Monitor currency exposure/hedge currency
    - 8.9.3.4 Report results
- 9.0 Acquire, Construct, and Manage Property**
  - 9.1 Property design and construction
    - 9.1.1 Develop facility strategy
    - 9.1.2 Develop and construct sites
    - 9.1.3 Plan facility
      - 9.1.3.1 Design facility
      - 9.1.3.2 Analyze budget
      - 9.1.3.3 Select property
      - 9.1.3.4 Negotiate terms
      - 9.1.3.5 Manage construction/building
      - 9.1.3.6 Dispose of old facility
    - 9.1.4 Provide workspace and assets
      - 9.1.4.1 Acquire workspace and assets
      - 9.1.4.2 Change fit/form/function of workspace and assets
  - 9.2 Maintain workplace and assets
    - 9.2.1 Move people and assets
      - 9.2.1.1 Relocate people
      - 9.2.1.2 Relocate material and tools
    - 9.2.2 Repair workplace and assets
    - 9.2.3 Provide preventative maintenance for workplace and assets
    - 9.2.4 Manage security
  - 9.3 Dispose of workspace and assets
    - 9.3.1 Dispose of equipment
    - 9.3.2 Dispose of workspace
  - 9.4 Manage physical risk
  - 9.5 Manage capital asset
- 10.0 Manage Environmental Health and Safety (EHS)**
  - 10.1 Determine health, safety, and environment impacts
    - 10.1.1 Evaluate environmental impact of products, services, and operations

# PROCESS CLASSIFICATION FRAMEWORK

- 10.1.2 Conduct health and safety and environmental audits
- 10.2 Develop and execute health, safety, and environmental program
  - 10.2.1 Identify regulatory and stakeholder requirements
  - 10.2.2 Assess future risks and opportunities
  - 10.2.3 Create EHS policy
  - 10.2.4 Record and manage EHS events
- 10.3 Train and educate employees
  - 10.3.1 Communicate EHS issues to stakeholders and provide support
- 10.4 Monitor and manage health, safety, and environmental management program
  - 10.4.1 Manage EHS costs and benefits
  - 10.4.2 Measure and report EHS performance
    - 10.4.2.1 Implement emergency response program
    - 10.4.2.2 Implement pollution prevention program
  - 10.4.3 Provide employees with EHS support
- 10.5 Ensure compliance with regulations
  - 10.5.1 Monitor compliance
  - 10.5.2 Perform compliance audit
  - 10.5.3 Comply with regulatory stakeholders requirements
- 10.6 Manage remediation efforts
  - 10.6.1 Create remediation plans
  - 10.6.2 Contact and confer with experts
  - 10.6.3 Identify/dedicate resources
  - 10.6.4 Investigate legal aspects
  - 10.6.5 Investigate damage cause
  - 10.6.6 Amend or create policy

## 11.0 Manage External Relationships

- 11.1 Build investor relationships
  - 11.1.1 Plan, build, and manage lender relations
  - 11.1.2 Plan, build, and manage analyst relations
  - 11.1.3 Communicate with shareholders
- 11.2 Manage government and industry relationships
  - 11.2.1 Manage industry relations with government
  - 11.2.2 Manage relations with quasi- government bodies
  - 11.2.3 Manage relations with trade or industry groups
  - 11.2.4 Manage lobby activities
- 11.3 Manage relations with board of directors
  - 11.3.1 Report results
  - 11.3.2 Report audit findings
- 11.4 Manage legal and ethical issues
  - 11.4.1 Create ethics policies
  - 11.4.2 Manage corporate governance policies
  - 11.4.3 Develop and perform preventative law programs
  - 11.4.4 Ensure compliance
  - 11.4.5 Manage outside counsel
    - 11.4.5.1 Assess problem and determine work requirements
    - 11.4.5.2 Engage/retain outside counsel if necessary
    - 11.4.5.3 Receive strategy/budget

- 11.4.5.4 Receive work product and manage/ monitor case and work performed
- 11.4.5.5 Process pay for legal services
- 11.4.5.6 Track legal activity/performance
- 11.4.6 Protect intellectual property
  - 11.4.6.1 Manage copyrights and patents
  - 11.4.6.2 Maintain intellectual property rights and restrictions
  - 11.4.6.3 Administer licensing terms
  - 11.4.6.4 Administer options
- 11.4.7 Resolve disputes and litigations
- 11.4.8 Provide legal advice/counseling
- 11.4.9 Negotiate and document agreements/contracts
- 11.5 Manage public relations program
  - 11.5.1 Manage relations with global customers
  - 11.5.2 Manage relations with trade and industry groups
  - 11.5.3 Manage relations with global strategic suppliers
  - 11.5.4 Manage community relations
  - 11.5.5 Manage media relations
  - 11.5.6 Promote political stability
  - 11.5.7 Create press releases

## 12.0 Manage Knowledge, Improvement, and Change

- 12.1 Create and manage organizational performance strategy
  - 12.1.1 Create enterprise measurement systems model
  - 12.1.2 Measure process productivity
  - 12.1.3 Measure cost effectiveness
  - 12.1.4 Measure staff efficiency
  - 12.1.5 Measure cycle time
- 12.2 Benchmark performance
  - 12.2.1 Conduct performance assessments
  - 12.2.2 Develop benchmarking capabilities
  - 12.2.3 Conduct process benchmarking
  - 12.2.4 Conduct competitive benchmarking
  - 12.2.5 Conduct gap analysis to understand the need for and the degree of change needed
  - 12.2.6 Establish need for change
- \* 12.3 Develop enterprise-wide knowledge management (KM) capability
  - 12.3.1 Develop KM strategy
    - 12.3.1.1 Develop governance model
    - 12.3.1.2 Establish a central KM core group
    - 12.3.1.3 Define roles and accountability of the core group versus operating units
    - 12.3.1.4 Develop funding models
    - 12.3.1.5 Identify links to key initiatives
    - 12.3.1.6 Develop core KM methodologies
    - 12.3.1.7 Assess IT needs and engage IT function
    - 12.3.1.8 Develop training and communication plans
    - 12.3.1.9 Develop change management approaches
    - 12.3.1.10 Develop strategic measures and indicators

# PROCESS CLASSIFICATION FRAMEWORK

- 12.3.1.1.1 Assess maturity of existing KM initiatives
- 12.3.2 Identify and plan KM projects
  - 12.3.2.1 Identify strategic opportunities to apply KM approach(es)
  - 12.3.2.2 Identify KM requirements and objectives
  - 12.3.2.3 Assess culture and readiness for KM approach
  - 12.3.2.4 Identify appropriate KM methodologies (e.g., self-service, communities, transfer, etc.)
  - 12.3.2.5 Create business case and obtain funding
  - 12.3.2.6 Develop project measures and indicators
- 12.3.3 Design and launch KM projects
  - 12.3.3.1 Design process for knowledge sharing, capture, and use
  - 12.3.3.2 Define roles and resources
  - 12.3.3.3 Identify specific IT requirements
  - 12.3.3.4 Create training and communication plans
  - 12.3.3.5 Develop change management plans
  - 12.3.3.6 Design recognition and reward approaches
  - 12.3.3.7 Design and plan launch of KM project
  - 12.3.3.8 Deploy the KM project
- 12.3.4 Manage the KM project life cycle
  - 12.3.4.1 Assess alignment with business goals
  - 12.3.4.2 Evaluate impact of KM (strategy and projects) on measures and outcomes
  - 12.3.4.3 Promote and sustain activity and involvement
  - 12.3.4.4 Realign and refresh KM strategy and approaches
- 12.4 Manage change
  - 12.4.1 Plan for change
    - 12.4.1.1 Select a robust process improvement methodology
    - 12.4.1.2 Assess readiness for change
    - 12.4.1.3 Determine stakeholders
    - 12.4.1.4 Engage/identify champion
    - 12.4.1.5 Form design team
    - 12.4.1.6 Define scope
    - 12.4.1.7 Understand current state
    - 12.4.1.8 Define future state
    - 12.4.1.9 Conduct risk analysis
    - 12.4.1.10 Assess cultural issues
    - 12.4.1.11 Establish accountability for change management
    - 12.4.1.12 Identify barriers to change
    - 12.4.1.13 Determine change enablers
    - 12.4.1.14 Identify resources and develop measures
  - 12.4.2 Design the change
    - 12.4.2.1 Assess connection to other initiatives
    - 12.4.2.2 Develop change management plans
    - 12.4.2.3 Develop training plan
    - 12.4.2.4 Develop communication plan
    - 12.4.2.5 Develop rewards/incentives plan
    - 12.4.2.6 Establish metrics
    - 12.4.2.7 Establish/clarify new roles
    - 12.4.2.8 Identify budget/roles
  - 12.4.3 Implement change
    - 12.4.3.1 Create commitment for improvement/change
    - 12.4.3.2 Reengineer business processes and systems
    - 12.4.3.3 Support transition to new roles or exit strategies for incumbents
    - 12.4.3.4 Monitor change
  - 12.4.4 Sustain improvement
    - 12.4.4.1 Monitor improved process performance
    - 12.4.4.2 Capture and reuse lessons learned from change process
    - 12.4.4.3 Take corrective action as necessary

\* APQC's PCF team is currently requesting member review and feedback on this section. If you wish to provide feedback, please send your comments to [pcf\\_feedback@apqc.org](mailto:pcf_feedback@apqc.org). Your comments will be reviewed and considered for the next revision. For guidelines on the criteria used by the PCF team to incorporate requested changes, please write to [pcf\\_feedback@apqc.org](mailto:pcf_feedback@apqc.org).

# PROCESS CLASSIFICATION FRAMEWORK

## THE APQC PROCESS CLASSIFICATION FRAMEWORK<sup>SM</sup>

### LOOKING FORWARD

The APQC Process Classification Framework is an evolving model, which APQC will continue to enhance and improve regularly. Thus, APQC encourages comments, suggestions, and more importantly, the sharing of insights from having applied the APQC PCF within your organization. Share your suggestions and experiences with the PCF by e-mailing [pcf\\_feedback@apqc.org](mailto:pcf_feedback@apqc.org).

### ABOUT APQC

An internationally recognized resource for process and performance improvement, APQC helps organizations adapt to rapidly changing environments, build new and better ways to work, and succeed in a competitive marketplace. With a focus on productivity, knowledge management, benchmarking, and quality improvement initiatives, APQC works with its member organizations to identify best practices, discover effective methods of improvement, broadly disseminate findings, and connect individuals with one another and the knowledge, training, and tools they need to succeed. Founded in 1977, APQC is a member-based nonprofit serving organizations around the world in all sectors of business, education, and government. APQC is also a proud winner of the 2003 and 2004 North American Most Admired Knowledge Enterprises (MAKE) awards. This award is based on a study by Teleos, a European-based research firm, and the KNOW network.

## THE APQC PROCESS CLASSIFICATION FRAMEWORK<sup>SM</sup>

### RIGHTS AND PERMISSIONS

©2005 APQC.

ALL RIGHTS RESERVED.

APQC encourages the wide distribution, discussion, and use of the PCF for classifying and defining processes. APQC grants permission for use and adaptation of the PCF for internal use. For external use, APQC grants permission for publication, distribution, and use, provided that proper copyright acknowledgment is made to APQC. No modifications to the look or content should be made in external venues.

**Please use the following text when reusing the PCF in external print or electronic content.**

### APQC PROCESS CLASSIFICATION FRAMEWORK<sup>SM</sup>

The PCF was developed by APQC and member companies as an open standard to facilitate improvement through process management and benchmarking regardless of industry, size, or geography. The PCF organizes operating and management processes into 12 enterprise-level categories, including process groups and over 1,500 processes and associated activities. The PCF and associated measures and benchmarking surveys are available for download and completion at no charge at [www.apqc.org/OSBCdatabase](http://www.apqc.org/OSBCdatabase).



APQC • 123 North Post Oak Lane, Third Floor • Houston, Texas 77024-7797  
800-776-9676 (phone) • +1-713-681-4020 (international) • +1-713-681-8578 (fax)  
E-mail: [pcf\\_feedback@apqc.org](mailto:pcf_feedback@apqc.org) • Web site: [www.apqc.org](http://www.apqc.org)