Driving Business Success with Process Maps

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Driving business success with process maps

For organizations that prefer to take an enterprise view of their processes, a cross-functional map (also known as a swim-lane map) is preferred.

Among the many advantages of cross-functional mapping is the ability to communicate processes more effectively within your organization and to highlight points between functional areas involved in a process. Process maps generally fall into one of two categories.

This first are labeled "as-is" process maps. These maps document current processes. Documenting "as-is" processes involves much more than mapping the "expected" process. Often the expected process differs significantly from the actual process.

Successfully capturing the actual "as-is" process involves detailed data collection, generally in the form of process interviews. These interviews should be conducted by experienced professionals who are skilled in collecting accurate data.

Although an organization can be successful performing these interviews internally, they should exercise caution. It's not uncommon for interviewees to fabricate their roles to avoid repercussion or to misrepresent key touch-points in a process, where a process redesign can be experienced quickly.

If properly designed, the benefits reaped from increased efficiencies and competitive advantages generally outweigh process redesign costs, and return on investment can be experienced quickly.

A 'broker opinion of value' may help with pricing

Determining commercial property value — in short, compared to three or four years ago, it’s probably worth less.

Brilliant analysis I know, but gaining an accurate picture of today’s value is challenging. A sluggish market has resulted in few comparable sales while national data shows values dropped 30-40 percent from 2007 peaks.

Some commercial lenders lend to keep up with process maps, and there are several commonly used mapping techniques used to document the various business processes within an organization.

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It’s worth what?! A scenario happening around the U.S. and Savannah: A national lender farms out bulk appraisal work to the lowest bidder who, with no local knowledge, tries to provide an accurate appraisal.

I have clients whose lender hired an out-of-town appraiser. He spent the night, had a nice meal at Paula’s, found some comps (which they often get from local commercial agents anyway) and tried to determine a value. Having an unbiased opinion is important, but it doesn’t trump a local perspective that might prove to be more accurate.

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Quarterly sales price trends

Per CoStar’s Commercial Repeat-Sales Indices for the second quarter, the 10 largest U.S. markets (this includes Atlanta) saw an uptick in sale prices for office (6.2 percent) and industrial (2 percent) with a drop in retail sales prices (37 percent).

The rest of the country had sale prices soften across all product types. In the southern U.S., the only sector seeing a positive sales price increase was apartments, which increased 1 percent. Industrial dropped .5 percent, office dropped 5.8 percent and retail dropped 7 percent.

Distressed sales as a percentage of sales volume was the highest for hospitality at 35 percent, then multifamily at 28 percent, office at 22 percent, retail at almost 20 percent and industrial at about 17 percent.

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