Economic Process Modelling (EPM)

LINQ SEE. SOLVE. SHARE.

METHOD SELECT → DECOMPOSE → ATTRIBUTE → DIAGNOSE → REDESIGN

OUTPUT an economic value profile

A methodology for leaders of business change who need to know **where value is being created and where it is being destroyed**

01 The Anatomy of a Process

Every process step is built from four kinds of working part. EPM maps all of them before it puts a value on them.

COMPONENT 01

Information

Data that enables a decision, or is produced by one.

COMPONENT 02

Actions

Decisions and steps that move work forward, whether done by people or automated.

COMPONENT 03

Systems

Technology that does the work, or helps a person do more of it.

COMPONENT 04

People

Judgement applied at the point of work.

The economics live in how these parts interact: information feeding actions, systems helping people do more, actions producing useful information along the way, and people covering for systems that don't work well. Most value leaks at these interfaces, not inside any single component.

02 Five Lenses of Value

Each component is scored against the value dimensions that apply to it. Not every lens applies to every part, and forcing them is a common early error.

Revenue Contribution
Does it help earn money from a customer or market?

Cost & Friction
What does it consume? What does it slow without added benefit?

Risk
Could it cause losses, or does it protect against them?

Option Value
Does it keep future choices open, or close them off?

Information Value
What useful data does it produce that's worth keeping?

03 How EPM Gets There: Five Stages

SELECT
Choose processes where real value is at stake, and a decision is still open.

DECOMPOSE
Map the information, actions, systems and people at every step.

ATTRIBUTE
Score each part against the value lenses that apply.

DIAGNOSE
Chart where the process creates value and where it destroys it.

REDESIGN
Apply the redesign levers so the process is worth more.

Selecting well matters more than modelling well. A good candidate has a decision still open, cost that is known while value is not, and people who can speak to how the work is really done. Modelling a process nobody is about to change produces an interesting map and no return.

04 Scoring in Practice

Attribute is where most modelling goes wrong. Three habits keep it defensible.

HABIT 01

Score relative, not absolute

Scores rank components against each other within one process. They are comparative judgements, not accounting figures, and precision beyond that is false confidence.

HABIT 02

Let lenses not apply

Few components score on all five. Forcing a revenue score onto a compliance check, or a risk score onto routine data entry, flattens the profile and hides the real signal.

HABIT 03

Record the reasoning

The score is the shorthand; the sentence behind it is the asset. It is what survives challenge, and what lets someone else re-run the model later.

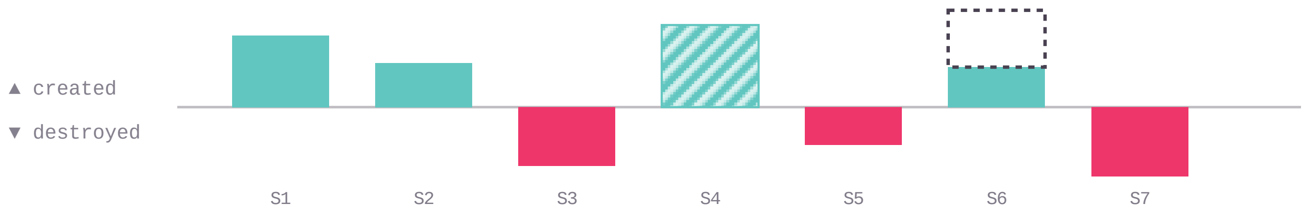
What EPM produces, *and what you do with it*

LINQ SEE. SOLVE. SHARE.

05 The Economic Value Profile

THE ECONOMIC VALUE PROFILE OF A PROCESS

Value created · Value destroyed · Misaligned step · Unrealised value



ILLUSTRATIVE: BARS SHOW RELATIVE VALUE, NOT DOLLAR FIGURES

Every process, once broken down and scored, shows a **landscape of value created and value lost: not a flowchart, but a ledger**. Each bar combines a step's scores across the value lenses, and the picture reveals three recurring patterns.

06 The Three Patterns to Look For

PATTERN 01 · VALUE DRAGS

Steps that cost more than they contribute

Like S3 and S7. Accumulated over time, still funded long after the reason for them disappeared.

PATTERN 02 · MISALIGNED STEPS

The wrong resource doing the work

Like S4. Expensive judgement spent on routine, or automation where judgement was creating the value.

PATTERN 03 · UNREALISED VALUE

Value the process creates but never collects

Like S6. Information or capability produced as a by-product that nothing downstream uses.

07 These Findings Drive Four Redesign Levers

SUBSTITUTE

WHEN the wrong kind of resource is doing work that's still needed

Swap in a better-suited part: a system for a person, a person for a system, or better information for guesswork.

AMPLIFY

WHEN something valuable is held back by limited capacity

Give the most valuable parts of the process more reach, better inputs, or more chances to work.

ELIMINATE

WHEN a step costs more than it contributes and isn't needed

Remove the step entirely, and re-check what downstream steps were quietly relying on it.

RESEQUENCE

WHEN value arrives too late in the process

Move the value-creating steps earlier, so their benefit is felt sooner and decisions are better informed.

In practice, levers are often expressed in the language of the domain, protecting option value, revaluing resilience. These remain the same four moves: change the resource, increase its reach, remove it, or move it earlier.

08 What an Engagement Produces

OUTPUT 01

The value profile

The scored picture of where the process creates and destroys value.

OUTPUT 02

The diagnosis

Named patterns, tied to specific components and their value scores.

OUTPUT 03

The redesign

Lever-based changes aimed at the components that carry value or risk.

OUTPUT 04

The economic case

The value of changing set against the value of leaving it alone.

WHAT EPM DOES NOT DO

EPM does not guarantee success, and it does not replace delivery discipline, assurance or domain expertise. **It changes the decisions made about a process before technology, people, data, contracts and deadlines are committed.** Scores are relative and comparative, not accounting figures: their job is to rank and reveal, not to be defended to two decimal places.

Cost accounting tells you what a process spends.
EPM tells you what it's worth, *and gives you a systematic way to make it worth more.*