

Universal Process Classification Framework

APQC's Universal Process Classification Framework – Private Sector



The eight Level 1 Process Categories of the APQC's Universal Process Classification Framework (PCF) for the private sector, along with the top five assessment criteria for each.

These categories represent the highest-level view of an end-to-end enterprise. The assessment criteria are key performance indicators (KPIs) that organizations typically use to measure the effectiveness, efficiency, and output quality of each process category.

Key Application: This framework allows organizations to map their processes, identify gaps, and benchmark performance against industry standards using these common criteria, driving focused improvements in process maturity and overall business performance.

1 Develop Vision and Strategy

Processes to define the organization's purpose, long-term direction, and enable strategic decision-making.

Top 5 Assessment Criteria:

1. Achievement of Strategic Goals: Percentage of defined strategic objectives (e.g., market entry, new product lines) met within the planning cycle.
2. Market Share Growth/Position: Change in market share or competitive ranking attributed to strategic choices.
3. Return on Strategic Investments (ROSI): Financial and non-financial return on key strategic initiatives (e.g., M&A, major CapEx).
4. Stakeholder Alignment: Internal (board, leadership) and external (investor) confidence in the strategy, often measured by surveys.
5. Strategic Planning Cycle Efficiency: Time and resource cost to produce an actionable, data-informed strategic plan.

2 Develop and Manage Products and Services

Processes to research, portfolio manage, design, develop, and launch new offerings.

Top 5 Assessment Criteria:

1. Time-to-Market: Average cycle time from concept/ideation to commercial availability.
2. Innovation Revenue Impact: Percentage of total revenue from products/services launched in the last 3-5 years.
3. Development Cost vs. Budget: R&D and design spending variance against planned investment.
4. Launch Success/Quality Rate: Measured by customer acceptance, defect rates at launch, or achievement of first-year sales targets.
5. Portfolio Vitality Ratio: Proportion of projects in the pipeline representing incremental vs. transformative innovation.

3 Market and Sell Products and Services

Processes to understand the market, create demand, and execute the sales transaction.

Top 5 Assessment Criteria:

1. Sales Growth & Win Rate: Year-over-year revenue increase and percentage of qualified leads/proposals that convert to sales.
2. Customer Acquisition Cost (CAC): Total sales and marketing cost per new customer acquired.
3. Sales Pipeline Velocity: The speed at which opportunities move from creation to closure.
4. Brand Strength & Market Reach: Measured by awareness surveys, digital engagement metrics, or channel penetration.

5. Marketing Return on Investment (MROI): Revenue attributable to marketing campaigns relative to their cost.

4 Deliver Products and Services

The core operational processes to plan, source, make, and fulfill customer orders (Supply Chain & Operations).

Top 5 Assessment Criteria:

1. Perfect Order Fulfillment (On-Time, In-Full, No Errors): The primary measure of operational reliability.
2. Total Delivered Cost / Cost of Goods Sold (COGS): Efficiency of the end-to-end production and delivery cost structure.
3. Order-to-Cash Cycle Time: The speed and efficiency of the entire workflow from customer order to payment receipt.
4. Asset Utilization & Inventory Turns: Efficiency in using physical assets (plant, equipment) and working capital (inventory).
5. Operational Quality Yield: Internal defect rates, scrap, and rework costs.

5 Manage Customer Service

Processes to provide post-sale support, manage customer relationships, and enhance retention.

Top 5 Assessment Criteria:

1. Customer Satisfaction (CSAT) & Net Promoter Score (NPS): Direct measures of customer loyalty and experience.
2. First-Contact Resolution (FCR) Rate: Percentage of customer inquiries resolved in the first interaction.
3. Average Service Resolution Time: Mean time to resolve a customer issue from open to close.
4. Customer Retention/Churn Rate: Percentage of customers retained over a specific period.
5. Cost per Service Interaction: Operational efficiency of the service delivery function.

6 Develop and Manage Human Capital

Processes to recruit, develop, engage, and retain the workforce.

Top 5 Assessment Criteria:

1. Employee Engagement Score & Voluntary Turnover Rate: Measures of workforce commitment and stability.
2. Talent Pipeline Health: Time-to-fill critical positions and strength of succession plans for key roles.
3. Training Effectiveness & Skills Progression: Impact of development programs on performance and promotion readiness.
4. Productivity per Full-Time Equivalent (FTE): Revenue or output relative to headcount.
5. Diversity, Equity, and Inclusion (DEI) Metrics: Representation across levels and inclusivity survey scores.

7 Manage Information Technology (IT) and Knowledge

Processes to plan, develop, maintain, and secure information assets, systems, and intellectual capital.

Top 5 Assessment Criteria:

1. IT System/Application Availability & Reliability: Uptime percentage and mean time between failures (MTBF).
2. IT Project Performance: Percentage of projects delivered on-time, on-budget, and meeting scope/requirements.
3. Total Cost of IT Ownership (Relative to Revenue or Peers): Efficiency of IT spending.
4. Data Quality & Security Posture: Accuracy and usability of data; number/severity of security incidents.
5. Business User Satisfaction with IT Services: Internal customer feedback on support and system effectiveness.

8 Manage Financial and Physical Resources

Processes to plan, allocate, and steward financial assets, facilities, and other capital resources.

Top 5 Assessment Criteria:

1. Financial Plan/Budget Variance: Accuracy of forecasting and adherence to financial plans.
2. Return on Invested Capital (ROIC) / Return on Assets (ROA): Effectiveness in generating returns from financial and physical assets.
3. Working Capital Efficiency (e.g., DSO, DIO, DPO): Metrics like Days Sales Outstanding that show cash flow management.
4. Cost of Finance Function: Efficiency of the financial operations (e.g., cost to process a payment, close the books).

5. Regulatory Compliance Rate (Tax, Reporting): Timeliness and accuracy of mandatory financial filings and obligations.